

# Being Church in Anxious Times

*Journal of the Diocese of Olympia*

99<sup>th</sup> Annual Convention

October 16-17, 2009

Vancouver, Washington



DIOCESE OF  
OLYMPIA

*Episcopal Church in Western Washington*

# Journal of Proceedings

## 2009 Annual Convention

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# Section 1

*Minutes of the 99<sup>th</sup> Annual Diocesan Convention of the Diocese of Olympia*  
Hilton, Vancouver, Washington

Friday, October 16, 2009

## **Call to Order & Welcome**

The 99<sup>th</sup> Convention of the Diocese of Olympia was called to order by the Rt. Rev. Greg H. Rickel, bishop diocesan, who welcomed those gathered. He shared greetings from bishops Bob Cochrane, Vincent Warner, and Sandy Hampton; and acknowledged other bishops resident in our diocese, Cabby Tennis, William Choi and Craig Anderson.

## **Welcome to Columbia Region**

Bishop Rickel recognized the Rev. Tom Warne, rector, Church of the Good Shepherd, Vancouver, who welcomed members of the 99<sup>th</sup> diocesan convention to the Columbia Region.

## **Certification of Quorums**

The Rev. John Schaeffer, Secretary of Convention, declared he had satisfactory evidence that a canonical quorum in both orders was present and **moved** that Convention dispense with the reading of all names.

**No objection; the secretary certified the quorum**

## **Convention Organized for Business**

Bishop Rickel declared the 99<sup>th</sup> Convention of the Diocese of Olympia organized for business.

## **Introduction of the Head Table**

Bishop Rickel introduced those providing leadership for this convention: *the Rev. John Schaeffer*, secretary of convention; *Mr. Miller Adams*, dispatch of business; *Mrs. K. Ann McCartney*, parliamentarian; *the Rt. Rev. Nedi Rivera*, bishop suffragan; and *Ms. Judy Andrews*, chancellor.

## **Committee on Dispatch of Business**

Bishop Rickel recognized Mr. Miller Adams, chair, who **moved** Dispatch of Business document 09/A/16 for acceptance.

**Agenda adopted**

Additional items were reviewed, including the rules for speaking from the convention floor and for submitting resolutions within the six-hour window.

## **Report of the Committee on Privilege**

Bishop Rickel recognized the Rev. Paul Collins, chair, Committee on Privilege, to present the report on the granting of privilege of convention. Collins referred to document 09/E/5 and moved that seat and voice be granted to those listed. [*Document, pg. 40*]

**Motion carried**  
**Privilege granted**

## **Election of Secretary of Convention**

Bishop Rickel recognized Mr. Steve Tellari, chair, Nominations Committee, who moved that the Rev. John Schaeffer be elected Secretary of Convention for one day (Friday) and the Rev. Marda Steedman Sanborn be elected Secretary of Convention beginning on Saturday morning continuing to the next convention.

**Motion carried**

## **Appointment of Assistant Secretaries**

Secretary John Schaeffer, in his 20<sup>th</sup> year as secretary of convention, requested the approval of Convention of the appointment of Dede Moore, Barbara Brower, Diane Wells, Heather Kmitta, Tiffany Brannon, Sharon Pethers, Carrie Rohlik and Dana Chapman as assistant secretaries serving the current convention.

## **Appointment of Parliamentarian**

Bishop Rickel appointed Mrs. K. Ann McCartney as the parliamentarian for the 99<sup>th</sup> Convention.

## **Chancellor and Vice Chancellor**

Bishop Rickel appointed the Hon. Judy Andrews, Esq., chancellor of the Diocese of Olympia. Bishop Rickel appointed the Hon. Duncan Bayne, Esq., and the Hon. Mike Reynvaan, Esq., vice chancellors of the Diocese of Olympia. Bishop Rickel acknowledged the

appointment of the following assistant chancellors: Jeffrey Helsdon and R. Thomas Olsen.

#### **Appointments accepted**

#### **Convention Committees**

Bishop Rickel appointed the Convention Committees and Commissions by reference to document 09/E/4, with the request that Convention approve the appointments as presented and in place. [Document pg. 40]

#### **Appointments ratified**

##### Board of Directors

Bishop Rickel appointed the following members to the Board of Directors. **The Rev. Ray Sheldon**, Faith, Kingston, three year term; **Ms. Pat McGuire**, St. Bede, Port Orchard, three year term; a third vacancy yet to be filled.

#### **Appointments ratified**

##### Commission on Ministry

Bishop Rickel appointed the following members to the Commission on Ministry. **The Rev. Arienne Davison**; two others to be named later.

Bishop Rickel appointed the following member as the Jubilee Officer. **The Rev. Chris Hoebermann**

Bishop Rickel appointed the following members to the Liturgy & Arts Commission. **Jason Anderson, Jack Barben, Gen Grewell, Ann Lukens** (chair), **Alan Mack, Mary McKenzie, Deborah Hickey-Tiernan, Joseph Hickey-Tiernan, Samuel Torvend, Andrew Shiota, Becky Morrill**.

#### **Appointments ratified**

##### Diocesan Council

Bishop Rickel acknowledged the new or reappointed/elected members of the Diocesan Council from regional ministries and program commissions. Eastside Episcopal Churches—**Ms. Sally Farrell**, St. Clare, Snoqualmie; Evergreen Regional Ministry—**Ms. Lucy Von Heesen**, St. Columba, Kent; Mt. Baker Regional Ministry—**The Rev. Andrea McMillin**, Christ Church, Blaine; Peninsula Regional Ministry—**Mr. Don Little**, St. Bede, Port Orchard; Sno Isle Regional Ministry—**Mr. Bob Wheeler**, Trinity Church, Everett; Commission for Stewardship/Planned Giving—**Mr. Joe. McGuire**, St. Bede, Port Orchard; Commission for Church in the World—**Ms. Rebecca Crimmins**, St. Thomas, Medina.

#### **Appointment of the Trial Court**

Bishop Rickel nominated the following persons to be members of the Ecclesiastical Trial Court. **Ms. Kathryn Barron**, St. Paul, Port Townsend; **Mr. Mac Brown**, St. Mark's Cathedral, Seattle; **The Rev. Lex Breckinridge**, St. Thomas, Medina; **The Rev. Pat Taylor**, retired; **The Rev. Tom Warne**, Church of the Good Shepherd, Vancouver.

#### **Appointments ratified**

#### **Clergy and Staff Transitions**

Bishop Rickel recognized clergy who experienced transitions during the last year. Clergy and staff

retired in the past year, or planning to retire were also recognized. [Document 09/A/8, pg. 79]

#### **Committee on Nominations**

Bishop Rickel called on Mr. Steve Tellari, chair, Nominations Committee, for the report. Tellari referred to report 09/B/3 & 4 [Document 09/B/4, pg. 20] and placed the following names in nomination.

##### Nominations for the Standing Committee

Mr. Stanley Fear, St. Augustine-in-the-woods, Freeland  
Mr. Bob Jacobs, St. Margaret, Bellevue  
The Rev. Kirtley Yearwood, St. Clement, Seattle  
The Rev. John Allen, St. John, Olympia

#### **Nominations closed, ballots prepared**

##### Nominations for Diocesan Council

Mr. Jordan Rickard, Church of the Apostles, Fremont  
The Rev. Fletcher Davis, retired

#### **Nominations closed, ballot prepared**

##### Nominations for Cathedral Vestry

Mr. Dale Ramerman, Christ Church, Anacortes

#### **Nominations closed**

**Ramerman elected**

##### Historiographer

Carle Griffin, St. George, Seattle (Be Attitudes).

#### **Nominations closed**

**Griffin elected**

##### Treasurer

Steve Faust.

#### **Nominations closed**

**Faust elected**

##### Archivist and Records Manager

Diane Wells.

#### **Nominations closed**

**Wells elected**

#### **Introduction to voting procedures**

##### **First ballot**

Bishop Rickel recognized Mr. Chuck Hamilton, elections official, to introduce the balloting system to be used in the 2009 elections. Bishop Rickel declared the polls open.

#### **First ballot completed**

#### **Announcement of Mission Stations**

Bishop Rickel announced that the Church of the Apostles, Fremont; St. John's Sudanese, Tukwila; and Resurreccion, Mt. Vernon, had been accepted as Bishop's Designated Mission Stations.

#### **Committee on Resolutions**

Miller Adams reminded convention members about the pro/con microphones and speaking time limits. Duncan Bayne, chair, Resolutions

Committee, presented and moved the following resolutions with committee recommendations of "do pass."

**Resolution #1—2011 Diocesan Assessment Rate**

Resolved, That this 99<sup>th</sup> Convention of the Diocese of Olympia approve the recommendation of the Diocesan Council that the 2011 diocesan assessment rate factor be set at 18% of the Net Disposable Income (NDI). *[Full text pg. 32]*

**Motion carried**

**Resolution #1 adopted**

**Resolution #2—2010 Cost of Living Adjustment**

Resolved, That this 99<sup>th</sup> Convention of the Diocese of Olympia authorize the setting of the Cost of Living Adjustment for 2010 parochial clergy salary scale at 0%. *[Full text pg. 32]*

**Motion carried**

**Resolution #2 adopted**

**Courtesy Resolutions**

BE IT RESOLVED, that the 99<sup>th</sup> Annual Convention of the Diocese of Olympia express thanks to all persons—lay and clergy—who have given freely of their time and talents to provide leadership for this Diocese over the past year, especially those who are completing their terms on Diocesan Council, Standing Committee, and various boards, commissions, committees and task forces. BE IT RESOLVED, that the 99<sup>th</sup> Annual Convention of the Diocese of Olympia remember in their prayers all those in countries around the world where war, or the threat of war, is a daily reality, and for all in military service who risk life and personal safety on our behalf to bring about peace, especially the military chaplains in their rounds, duties and deployment. BE IT RESOLVED, that the 99<sup>th</sup> Annual Convention of the Diocese of Olympia give thanks for the leadership and ministry of our Bishop Suffragan, the Rt. Rev. Bavi Edna "Nedi" Rivera, and her husband, the Rev. Robert "Bob" Moore, especially at this their last official convention in this diocese. BE IT RESOLVED, that the 99<sup>th</sup> Annual Convention of the Diocese of Olympia give thanks for the Rev. John Schaeffer and his wife Lorrie, and for his 21 years of leadership and ministry as our secretary. BE IT RESOLVED, that the 99<sup>th</sup> Annual Convention of the Diocese of Olympia give thanksgiving for the leadership and ministry of our Presiding Bishop, the Most Reverend Katharine Jefferts Schori and that of her husband, Richard. BE IT RESOLVED, that the 99<sup>th</sup> Annual Convention of the Diocese of Olympia send greetings to the Archbishop of Canterbury Rowan Williams with our thanks and our prayers. BE IT RESOLVED, that the 99<sup>th</sup> Annual Convention of the Diocese of Olympia send love and best wishes to our Bishops retired, Robert Cochrane, and his wife Terry; Sanford "Sandy" Hampton, and his wife, Mari; Vincent Warner, and his wife Shen; William Choi, and his wife Catherine; Cabbell "Cabby" Tennis, and his wife, Hyde; and Craig Anderson and his wife, Lizbeth. BE IT RESOLVED, that the 99<sup>th</sup> Annual Convention of the Diocese of Olympia send greetings to the Rt. Rev. Michael Sande, Bishop of Butere, Kenya and to all the clergy and people of the Diocese of Butere. BE IT RESOLVED, that the 99<sup>th</sup> Annual Convention of the Diocese of Olympia send greetings to the Rt. Rev. Suheil Duwani, Bishop of Jerusalem and the Middle East and to all of the clergy and people of the Diocese of Jerusalem and the Middle East. BE IT RESOLVED, that the 99<sup>th</sup> Annual Convention of the Diocese of Olympia send greetings to the Rt. Rev. Michael Ingham,

Bishop of the Diocese of New Westminster and to all of the clergy and people of the Diocese of New Westminster. BE IT RESOLVED, that the 99<sup>th</sup> Annual Convention of the Diocese of Olympia recognize and celebrate the 50<sup>th</sup> anniversary of Church of the Resurrection, Bellevue; the 50<sup>th</sup> anniversary of St. Aidan, Camano Island; the 50<sup>th</sup> anniversary of St. Columba, Kent; the 50<sup>th</sup> anniversary of St. Elizabeth, Burien as a parish; the 50<sup>th</sup> anniversary of St. Mary, Lakewood as a parish. BE IT RESOLVED, that the 99<sup>th</sup> Annual Convention of the Diocese of Olympia recognize the ministries of Rev. Deacon Brent Brentnall and expresses its appreciation to him by saying, "Well done, good and faithful servant!" BE IT RESOLVED, that the 99<sup>th</sup> Annual Convention of the Diocese of Olympia give thanks for the life and witness of Jeff Macon, St. Margaret's, Bellevue, for his life, ministry, and witness, and for his ability to share his wisdom and dream beyond his years. BE IT RESOLVED, that the 99<sup>th</sup> Annual Convention of the Diocese of Olympia express thanks and appreciation for the leadership of Mary Lyons as president of the Standing Committee. BE IT RESOLVED, that the 99<sup>th</sup> Annual Convention of the Diocese of Olympia express thanks to the Secretary of Convention, the Rev. John Schaeffer, the Reverend Marda Steedman-Sanborn and to those who assisted them in preparing for this Convention. BE IT RESOLVED, that the 99<sup>th</sup> Annual Convention of the Diocese of Olympia express thanks to those who serve as pages, tellers and work in other capacities behind the scenes, making it possible for this Convention to be together and conduct its business to the Glory of God. BE IT RESOLVED, that the 99<sup>th</sup> Annual Convention of the Diocese of Olympia express thanks to the facilitators of our Indaba groups and especially the Rev. Melissa Skelton who led and guided this group. BE IT RESOLVED, that the 99<sup>th</sup> Annual Convention of the Diocese of Olympia give thanks for the able work of our Chancellor Judith Andrews. BE IT RESOLVED, that the 99<sup>th</sup> Annual Convention of the Diocese of Olympia thank Nathan Dungan for his ministry and message to us on financial sanity. BE IT RESOLVED, that the 99<sup>th</sup> Annual Convention of the Diocese of Olympia thank all the staff of the Vancouver Hilton, for their care for us. BE IT RESOLVED, that the 99<sup>th</sup> Annual Convention of the Diocese of Olympia express thanks and appreciation to the diocesan staff who work faithfully on behalf of the people and congregations of our Diocese and the wider Church each and every day in the spirit of Servant Leadership. BE IT RESOLVED, that the 99<sup>th</sup> Annual Convention of the Diocese of Olympia express thanks for the ministry of all who have worked so hard on this Convention's planning: in particular the people and congregations of the Columbia Region, especially Bette Ludden, Commission for Liturgy and the Arts for creating our wonderful liturgies; Chair of Dispatch of Business, Mr. Miller Adams; and especially Ms. Dede Moore, Bishop's Executive for Governance, for their dedicated and effective work.

**Motion carried**

**Courtesy resolutions adopted**

**Report of the first ballot**

Bishop Rickel called on Secretary John Schaeffer for the report of the first ballot.

### Diocesan Council

Simple majority (222) needed to elect.

Fletcher Davis	196
Jordan Rickard	247

**RICKARD ELECTED**

### Standing Committee

Clerical Order — concurrence between orders (69 clergy/154 lay on this ballot) required to elect.

John Allen	94 clergy	192 lay
Kirtley Yearwood	43 clergy	114 lay

**ALLEN ELECTED**

### Standing Committee

Lay Order—concurrence between orders (66 clergy/154 lay on this ballot) required to elect.

Stanley Fear	53 clergy	111 lay
Bob Jacobs	78 clergy	195 lay

**JACOBS ELECTED**

### **Bishop's Address – the Rt. Rev. Greg Rickel**

*[See pg. 11 for text of the address]*

### **Report on Mutual Ministry Review**

Bishop Rickel recognized Mary Lyons, Standing Committee president, who reported on Bishop Rickel's most recent Mutual Ministry Review.

### **Report from the Treasurer**

Bishop Rickel recognized the diocesan treasurer, Mr. Steve Faust, for his annual report. *[Text pg. 17]*

### **Action on the 2010 Budget**

Bishop Rickel thanked Steve Faust for his work as treasurer. Mr. Steve Faust commended to convention the 2010 operating budget and **moved** for its ratification. *[Document pg. 21]*

**Motion carried**  
**2010 Budget ratified**

### **Committee on Resolutions**

Bishop Rickel recognized Mr. Duncan Bayne, chair, to continue the report from the Resolutions Committee. Bayne placed on the floor **Resolution #3—Support to Develop ongoing Relationships between the Diocese of Olympia and the First Nations People of Western Washington** with a Committee recommendation of “do pass.”

Resolved, That the Diocese of Olympia celebrates the First People of the Pacific Northwest, affirms their dignity and respects their wisdom; and be it further, Resolved, That the Diocese of Olympia honors its previous commitments in the “Covenant of Faith,” and “The Apology,” our bishops being signatories of these documents, encourage all parishes and missions to work toward developing and maintaining ongoing relationships with nearby First Nations Peoples. *[Full text pg. 33]*

An **amendment** to the resolution was proposed from the floor by *Joel Connolley* regarding the restoration of the river.

**Motion failed**  
**Amendment rejected**  
**Motion carried**

**Resolution #3 adopted as originally proposed**

Bayne placed on the floor **Resolution #4—In Support of the Centre for Indian Scholars** with a Committee recommendation of “do pass.”

Resolved, That this 99<sup>th</sup> Convention of the Diocese of Olympia, in light of our previous apology, recognition and honoring of First Nations peoples among us, do acknowledge a need to take specific actions commensurate with the spirit of the Apology to the Northwest Tribes (1989) and the New Jamestown Covenant (2007); and be it further Resolved, That the Centre for Indian Scholars is an Indian cultural and educational institution which provides support for the study and teaching of First Nations traditions and cultures in order to lessen cultural conflicts and to foster North American Indian civilizations; and be it further Resolved, That the 99<sup>th</sup> Convention of the Diocese of Olympia acknowledges the valuable contribution of the Centre for Indian Scholars in building bridges between traditional tribal leaders of North American Indian Cultures and those who honor them through scholarship and learning. *[Full text pg. 33]*

**Motion carried**  
**Resolution #4 adopted**

Bayne placed on the floor **Resolution #5—Concerning a Canonical Change Regarding Clergy Compensation** with a Committee recommendation “to refer to a task force to be established by the bishop with a report to the 2010 convention.”

**Resolved**, That this 99<sup>th</sup> Convention of the Diocese of Olympia authorize amendment of Canon 12, sections 2 and 3, to specifically include all active clergy as indicated:

**Canon 12, Section 2** All clergy ~~employed by~~ actively serving any Parish, Mission Congregation, or other diocesan institution shall be covered by written agreements specifying terms as to compensation, including any housing and utilities allowance, pension and insurance benefits, continuing education expenses and business expense allowances, which are not inconsistent with the Constitution and Canons of the National Church and the Diocese and the Diocesan Clergy Personnel Policy Manual. **Section 3** The Diocesan Council shall periodically recommend the establishment of a minimum annual compensation scale applicable to all clergy ~~employed by~~ actively serving any Congregation Parish, Mission, or other diocesan institution. Once adopted by Convention, written compensation payments shall not be less than the established minimum without the written concurrence of the Bishop. *[Full text pg. 34]*

**Motion carried**  
**Resolution #5 referred**

## Report from Episcopal Relief and Development

Bishop Rickel recognized Brian Sellers-Peterson, director of church engagement programs for Episcopal Relief & Development, who reported on ERDs current projects.

## Keynote Address

Bishop Rickel welcomed and introduced Nathan Dungan, of *Share Save Spend*, who presented his keynote address.

## Indaba Groups #1

Discussion Topic: *Congregational Responsibility*

**Study Prayer/Passage:** "As there is but one Body and one Spirit, one hope of our calling, one Lord, one Faith, one Baptism, one God and Father of us all, so we may be all of one heart and of one soul, united in one holy bond of truth and peace, of faith and charity, and may with one mind and one mouth glorify you." BCP, p. 818 – Collect for the Unity of the Church. **Study Questions:** How does this prayer apply to relationships among the congregations of our diocese? What Christian ethical values are involved when congregations are conducting their "diocesan business," such as the timely filing of parochial reports and audits, payment of assessments and repayment of loans? Do you believe there should be consequences when these values are compromised?

## Pandemic Planning Group

Bishop Rickel recognized the Ven. Gen Grewell who reported on how to deal with the flu and worship should a pandemic take place.

## Greetings from CDSP

Bishop Rickel recognized Donn Morgan, dean, who brought greetings from CDSP. Bishop Rickel thanked Dean Morgan for his years of service.

## We Will Stand With You (WWSWY)

Bishop Rickel recognized Canon Carl Knirk who reported on the progress of the WWSWY campaign, noting that through the generosity of the people in the Diocese of Olympia with both cash and sweat, the initial pledge of \$500,000 was nearly met, a year earlier than anticipated. Knirk also issued invitations to those interested in joining in the rebuilding efforts.

## General Convention Presentation

Bishop Rickel spoke briefly about the 2009 General Convention (GC) and thanked the deputation members who attended the GC this past July: Peter Strimer, Connie Moorehead, Stephen Moore, Jeff Sells, Hisako Beasley, Doug Oles, Katrina Hamilton, Duncan Bayne, Marda Steedman Sanborn, Kathleen Patton, Edie Weller, Becky Clark, and Mark Lloyd Taylor. Peter Strimer gave an outline of the presentation and highlighted the accomplishments at the GC. Duncan Bayne gave a brief history of the convention, followed by video testimonials from the deputies.

## Recognition of John Schaeffer

The Rev. Stephen Moore and Bishop Rickel thanked John Schaeffer for his many years of service as Secretary of Convention.

## Announcements/Evening Prayer

The day concluded with announcements and evening prayer. Bishop Rickel recessed the convention to 8:30 AM Saturday morning; reminding people that the day starts in Indaba Groups, plenary to begin at 9:40 AM.

# Saturday, October 17, 2009

## Indaba Groups #2

Discussion Topic: *Israel/Palestine*

**Study Prayers/Quote:** Grant, O God, that your holy and life-giving Spirit may so move every human heart that barriers which divide us may crumble, suspicions disappear, and hatreds cease; that our divisions being healed, we may live in justice and peace; through Jesus Christ our Lord. Amen. BCP, page 823. O God, you have bound us together in a common life. Help us, in the midst of our struggles for justice and truth, to confront one another without hatred or bitterness, and to work together with mutual forbearance and respect; through Jesus Christ our Lord. Amen. BCP, page 824. "The Israel-Palestine crisis is the most urgent problem for the world to solve.... if it remains unresolved, no other issues from the war on terror to nuclear disarmament

will ever be resolved." Desmond Tutu, Archbishop emeritus of Cape Town, *The Guardian* (May 28, 2009). **Study Questions:** What do you know about Christians in the Holy Land? What is your understanding about this issue between Israelis and Palestinians? Why is the conflict important to us as Christians? Our Presiding Bishop and 29 other religious leaders recently sent an open letter to President Obama stating it is a fundamental American interest to find a sustainable and just resolution to the Palestinian-Israeli conflict. Do you agree? Why or why not? What role do you think the Diocese of Olympia might play regarding this conflict?

## Call to Order

Bishop Rickel called the convention to order.

## **Morning Prayer**

*Worship Leader:* Elsie Dennis

*Musicians:* Jack Barben and Jason Anderson

## **Constitution and Canons Committee**

Bishop Rickel recognized the Rev. Stephen Moore, substituting for Doug Oles, who presented the report of the committee and changes to the Articles of Incorporation.

*Second vote on changes to Constitution and Vote on change to related Canon*

Our diocesan Constitution provides (in Article XXI) that it may be amended by a majority vote of the two orders voting separately at two successive annual meetings of Convention.

Article VII, Section 4(f) of the Constitution to be amended as follows:

The Lay members of Convention shall consist of: ...

One young adult (ages 16-21) selected by each Regional Ministry prior to Convention.

**Motion carried in the clergy order**

**Motion carried in the lay order**

**Amendment to Article VII, Section 4(f) adopted**

*First vote on changes to Constitution*

Article VII, Section 4

(Lay Members of Convention)

It was recommended to include members of the diocesan Board of Directors as lay members of Convention. It was also suggested to clarify the requirement in Section (g) that all lay members of Convention be adult Communicants in Good Standing. In the list of categories of lay members, the current Section 4(g) reads as follows:

(g) All members must be adult Communicants in Good Standing

The Committee proposes to replace this language as follows:

(g) Lay members of the Board of Directors of the Diocese of Olympia, Inc., during their terms in office

(h) All lay members described in this Section 4 must be adult Communicants in Good Standing

**Motion carried in the clergy order**

**Motion carried in the lay order**

**Amendment to Article VII, Section 4(g and h)  
adopted on first reading**

*Vote on changes to Canons*

Pursuant to Canons 28 and 29, canons can be enacted or amended by a "vote of a majority of each Order." These amendments "take effect upon the adjournment of the meeting of Convention at which they are enacted"

unless the Convention votes unanimously for the changes to take immediate effect.

**Canon 2, Section 4:** It was suggested that the requirement for submission of Convention delegate names be relaxed to conform with current practice as follows:

As a condition to voting at the Annual convention, a congregation shall complete and return its form to the Secretary at least one month prior to the Convention.

**Motion carried**

**Amendment to Canon 2, Section 4 adopted**

## **Canon 12, Section 3 and Canon 23, Sections 2 and 3 (Recommendations for Diocesan Compensation)**

Section 3 of Canon 12 (Business Methods in Church Affairs) currently provides:

The Diocesan Council shall periodically recommend the establishment of a minimum annual compensation applicable to all clergy employed by any parish, Mission or other diocesan institution. Once adopted by Convention, written compensation payments shall not be less than the established minimum without the written concurrence of the Bishop.

The actual practice, as described in Sections 2 and 3 of Canon 23, is that the Commission on Personnel makes these recommendations. To eliminate the seeming conflict, to be consistent with actual practice, and to consolidate the language on this subject in a single canon, the Committee recommends deleting Section 3 of Canon 12 (and renumbering Section 4 as Section 3), and consolidating some of its language into sections 2 and 3 of Canon 23 as follows:

### **Section 2**

...No later than July 1 of each year, the Commission shall advise the Diocesan Council as to proposed compensation changes that bear upon development of the proposed Diocesan Program and Budget for the following year. Within the canonical deadline for submission of resolutions to Convention, the Commission shall also recommend cost of living adjustments and levels of minimum annual compensation applicable to all clergy employed by any Parish, Mission, or other Diocesan institution, which recommendations shall be presented at the fall Regional Ministry meetings and the annual Convention.

### **Section 3**

By resolution of Convention, recommendations of the Commission may be adopted as either advisory guidelines or as policy applying to the Diocese and its Parishes and Missions.

**Motion carried**

**Amendment to Canon 23, Sections 2, 3, and 4 adopted**

## **Canon 23, Section 1(b)**

In the canon on the Commission on Personnel, it is also suggested to delete the word confirmed, so that



confirmation is not a requirement for members of the Commission.

**Motion carried**

**Amendment to Canon 23, Section 1(b) adopted**

**Canon 16 (Stated Offerings)**

The Canon currently reads:

The person in charge of a Parish or Mission in this Diocese shall take the following offerings at the times and for the purpose hereinafter stated:

Section 1: The Church School Lenten Offering, for special missionary purposes designated by the Executive Council of the General Convention.

Section 2: An offering on Thanksgiving Day or the Sunday previous or following for the Episcopal Charities Appeal or for such other purposes as the Convention or Council may determine.

This canon fails to put congregations on notice of an additional requirement in the national canons (Title III, Canon 9.5(b)(6)) for a special monthly ingathering, and in an additional problem arises because the Executive Council of the General Convention does not regularly perform the function described in Section 1. The Committee therefore proposes to reword the canon as follows:

Section 1: Every congregation shall solicit offerings for the poor to the extent required by the National Canons (see, e.g., Title III, Canon 9.5(b)(6) as it may hereafter be amended).

Section 2: Every congregation is encouraged to solicit Church School Lenten Offerings for special missionary purposes to be designated by the Bishop.

Section 3: On Thanksgiving Day or the Sunday previous or following, every congregation shall solicit offerings for the Episcopal Charities Appeal or such other purposes as the Convention or Council may determine.

**Motion carried**

**Amendment to Canon 16 adopted**

**Church in the World**

Bishop Rickel recognized Nancy McConnell who read the "Bishop's Committee on the Environment Kate Sullivan Award," presented posthumously to Kate Sullivan. Bishop Rickel presented the award. Nancy McConnell accepted the award on behalf of Kate's husband, Tim.

**Commission on Emerging Mission**

Bishop Rickel recognized the Rev. Karen Ward, Church of the Apostles, Fremont, who discussed the purpose of this new commission: promoting the work of the emerging church in the Diocese of Olympia.

**Washington Association of Churches**

Bishop Rickel recognized Alice Woldt, executive director of the Washington Association of Churches, who shared the vision of the organization: to bring all Christians together to promote the common good in all of our communities.

**Northwest Harvest**

Bishop Rickel introduced Matthew Campbell, Cherry Street Food Bank Manager for Northwest Harvest, commending his energy for this program. Matt thanked all the staff at Diocesan House for their ongoing volunteerism at the Cherry Street Food Bank and talked about the mission of Northwest Harvest: to provide nutritious food to hungry people statewide in a manner that respects their dignity, while fighting to eliminate hunger. He also urged volunteerism and presented an opportunity at a "day of volunteering" on April 17, 2010.

**Episcopal Charities Appeal Committee**

Bishop Rickel recognized Linda Brice who reported that the Episcopal Charities Appeal had distributed over \$68,000 to 28 ministries in western Washington.

**Bishop's Cross Presentation**

Bishop Rickel presented the Bishop's Cross to Jefferson Macon.

**Bishop Rickel:** Jefferson Macon is a charming Southern gentleman, born on April 25, 1919, in Georgia. Raised a Baptist, he was confirmed in the Episcopal Church in the 1950's. He became a member of St. Margaret's Episcopal Church in Bellevue, in 2005, after moving from the Missoula, MT, area where he had a career in real estate. Jeff's life story includes some remarkable moments. In 1943, Jeff enlisted in the US Army Air Force, where he was trained as a pilot. Upon earning his wings, he married his beloved Sara, and they moved to Colorado Springs, where he received combat training on a B-24. During WWII, he was the pilot of missions into southern Germany and Italy. When his plane was shot down over Austria (after more than 40 successful missions), all 12 members of Jeff's crew were captured and sent to concentration camps. Jeff was marched from one Stalag to another, moving toward Munich during winter, where he was rescued by Patton's Army. Then he returned to the US with all 12 of his crew alive. Before he left Sara in Georgia to go overseas, he asked a florist in Atlanta to give his wife a rose each month. Even while he was prisoner, the florist continued to do that each month. When Sara was diagnosed with Alzheimer's in 1990, Jeff and his son Gary cared for her at home for two years, then made the difficult decision to admit her to a nursing home in Missoula. Jeff and Gary eventually closed their real estate office and moved so they could spend time with Sara daily. Jeff wrote a history of this time: "My Second Courtship of Sara During 13 Years of Alzheimer's." He wrote, "... never give up on a loved one who has Alzheimer's.... Wrap your arms around the limited abilities that still exist and treasure them with love." Since arriving at St. Margaret's, Jeff has been actively engaged in EFM, worship, and other ministries. He can reflect upon the "epiphanies" of his life – such as when he and his wife Sara entered a movie theater just after the lights had dimmed. "We were raised as bigots," he says. When the movie ended, they discovered to their amazement that the theater was a racially-integrated one. They

looked at each other, initially horrified, but then instantly realized that it was not a problem. And Jeff immediately changed his attitude. More recently (at age 89), he was drinking coffee in a Starbucks, when he overheard two men at the next table who got up to leave. They embraced each other and said, "See you tonight." Jeff had an epiphany – a moment of understanding about how people relate to each other, and he's been a gay rights activist since then. "If I can change my thinking that quickly, why is the church so slow?" he wonders. Last Lent, when St. Margaret's read Phyllis Tickle's *The Great Emergence* together, Jeff read it several times, excited and eager to know what comes next. He has attended every parish discussion of the book, written to the bishop about his thoughts and questions, and is ready to do whatever he can do to help St. Margaret's and the Episcopal Church to be ready for the future. He recently wrote to the Bishop and said, "I am 90 years old, I figure I only have a few more years to help, tell me what I can do!" For his ministry, and his amazing wisdom which has allowed him to grow old without growing up, to get younger on every birthday, and to be a servant of our Lord and an inspiration to us, it is with a great deal of pleasure that I present the Bishop's Cross to **Jefferson Macon**.

### **Recognition of youth, pages, volunteers and diocesan staff**

Bishop Rickel thanked the following groups for their dedication and hard work in putting together the 99<sup>th</sup> Convention of the Diocese of Olympia: voting and non-voting youth presence; volunteers—registration, hospitality, facilitators, pages, tellers and those from the Columbia Region; Liturgy and Arts Commission for the liturgy; the musicians, Jason Anderson and Jack Barben; and the entire Diocesan Staff, members of the Head Table, your suffragan bishop Nedi Rivera, his wife and son, Marti and Austin.

### **Announcements/Noonday Prayers**

Bishop Rickel recognized Secretary Marda Steedman Sanborn for announcements.

## **Final Remarks**

### **Sending Forth**

Bishop Rickel reminded everyone that ordinations to the diaconate would take place during the closing Eucharist later that afternoon and urged all to attend. Secretary Marda Steedman Sanborn announced that the 2010 Convention will be October 29-30 at the Hilton Seattle Airport, Seatac, Washington.

### **Indaba Groups #3**

Discussion topic: *Vision and Mission*

**Study Prayer/Passage:** <sup>2</sup>Then the Lord answered me and said: Write the vision; make it plain on tablets, so that a runner may read it. Habakkuk 2:2. Where there is no vision, the people perish. Proverbs 29:18. **Study Questions:** Bishop Rickel has articulated three focus areas since being called as our bishop. The developed vision statement containing these three is on the reverse side of this paper. After reading it, discuss these three areas. Which of the focus areas does your congregation need most to explore and work on and why? How would the Diocese of Olympia be changed if we were to work on these priorities together? Describe a diocesan structure/way of working that would reflect these priorities.

### **Eucharist and Ordinations**

Bishop Rickel presided and Bishop Rivera preached at the ordination to the diaconate for Terri Lolcama, Karen Pierce, Steve Tellari, and Brian Wright. The offering from the Eucharist was designated to three ministries in the Columbia region—Babies in Need, St. James Family Center, and the Cowlitz County Habitat for Humanity.

### **Adjournment**

Bishop Rickel declared the 99<sup>th</sup> Convention adjourned.

# Section 2

*Bishop's Address – the Rt. Rev. Greg Rickel*  
*Seek Him in the Kingdom of Anxiety*  
99<sup>th</sup> Diocesan Convention

I greet you all this day in the name of our Lord and Savior Jesus Christ. Delegates, clergy and lay, visitors and staff, with many thanks to all who have made this gathering possible, and most especially the members of the Columbia Regional Ministry, who have prepared for quite some time for our arrival and have devoted much to making our welcome and our stay here the huge success it that has already been and is sure to be. I don't know if you made it to the opening dinner, but in my estimation it was a huge success. Thank you, Columbia Region.

I also want to extend a special welcome to our honored guest and my friend, Nathan Dungan. I have known Nathan for quite a while and he simply seemed to be the perfect person to have as our keynote speaker this year.

Last year I stood before you and used my dentist as an example of welcome and professional care. I feel a follow up is in order, simply to say that my dentist has not failed to live up to that over this last year. In fact, shortly after that address and this convention—on Thanksgiving Day, to be exact—I managed to pull a tooth completely out of my head. And as luck would have it, it was one of my front teeth.

I spent about six months finding creative ways to glue this back in. She, my dentist, did in fact

help me a lot with that. I did think a bit about simply showing up at Church of the Resurrection, Bellevue the next Sunday, smiling really big as I stepped out: "Hello, I'm your bishop." At any rate, as fun as that might have been, my smile is back intact and the saga of a good dentist goes on.

It was an interesting year, but we have to get on with this one. It is reported that the third Bishop of Olympia, Stephen Bayne once remarked, "I rather feel like a mosquito at a nudist camp. I know what I am supposed to do, but I just don't know where to start." This in fact mirrors greatly my feeling before you today. But start I must, and so I will: In our *Hymnal* 1982, Hymns 463 and 464 are entitled "He is the Way." These are words by W.H. Auden. They are strange words that somehow have kept coming to me of late. "He is the Way. Follow him through the Land of unlikeness; you will see rare beasts and have unique adventures. He is the Truth. Seek him in the Kingdom of Anxiety; you will come to a great city that has expected your return for years. He is the Life. Love him in the World of the Flesh; and at your marriage all its occasions shall dance for joy."

This hymn just has been in the back of my head, through the early part of last year, through General Convention, and through the

Standing Committee meeting last week, where I was saying to them, "I don't know how to find this hymn. Where does it come from?" They all began to help me look it up, and [the Rev.] Georgie Boyle (St. Benedict's, Lacey) and [the Rev.] Mary Allen (St. Philip's, Marysville) finally found it on the internet. Then I started looking for the history of the words and the music and was surprised to find this, which some of you already know, I am sure. The first score that I sang in seminary for the first time was by Richard Proulx; it was an anthem, not from our hymnal, and Proulx writes about it as follows: "This wonderful poem comes from 'For the Time Being' by W. H. Auden, written in 1941–1942.

Found in the section 'Flight into Egypt,' the inspiration comes from John 14:6. Auden's mystical language invoked this unusual setting in 1976 for the wedding of Mark and Noreen Schedler. Mark was a singer of Richard Proulx's at St. Stephen's, Seattle and St. Thomas', Medina. Much closer to home than I had thought. The line I was most drawn to over this last year, singing in my head, even when I didn't know where it all came from was, "seek him in the Kingdom of Anxiety." It seems we are there.

Our world, our country and our Church have changed greatly since our last meeting, much of it brought on by a financial meltdown of generational proportions but some

also brought on by what preceded — an almost unfettered boom of oblivious greed. Our church was not immune. We are subject to the world around us, and if we are not careful, quite susceptible to following whatever way it might go.

However, as I told you in my preconvention video, rumors of our demise are highly exaggerated. Of course, the big news for us is our budget considerations and adjustments, but I must say with all that has befallen us we have a remarkable story of resilience to tell, both as a diocese and as individual congregations.

We were pushed into the land of unlikeness, the “Kingdom of Anxiety,” to reduce our diocesan budget by \$350,000, and that has resulted in staff reductions, which, as we are all painfully aware, and some of you are very much living, include real people. That part is the most difficult.

Beyond that are some “unique adventures.” We are trying to use this jolt to wake us up to the realities of what the Church, with a capital C, must become in the years ahead. My firm belief is that our current structure—nationally, on a diocesan level and locally—is built on a mid-20<sup>th</sup> century model that is far more top down, program-based and in some ways quite consumeristic, (as I said earlier, we are certainly susceptible to that), and I just don’t think it will work for the future.

Before I go into that I want to do some simple housekeeping; things that just must be in such an address. I have heard a lot of people say still, “We need a mission and a vision.” I have to admit I am not sure what is being asked for when this is said. In my more cynical moments I think this is a question designed to keep us

from doing what we need to do, because the mission and vision is there. I said clearly, or at least I thought I did (which may say something in and of itself) in this address last year that I believe our mission—cogent, clear, life-changing—is our Baptismal Covenant, found on page 304 of the *Book of Common Prayer*. Were we to follow it to its end, the world would be totally transformed. It gives us a lot to do and a lot to be.

As for what has come to me to work on in that mission, in this place, I have said very clearly since the walkabouts that I would concentrate on three focus areas, these all coming from the profile provided by you in that search process. Those three are congregational development; people 35 and under; and stewardship of all our resources. In our budget decreases we tried to stay true to those focus areas. We have to know we can’t do it all.

I know many will not agree with these and it would be easy to begin adding others, but that has often been the problem with our larger corporate life—we try to do more than we can and often try to do things we can’t really do well at this level of the church. I see the diocese as the resource to you, the local, not the place where all things are decided and all programs developed.

Some things uniquely fall to the diocese but most are contextual and more authentically developed locally with, hopefully, the design help and resources from the diocesan level. I had someone recently argue with me that the focus on those 35 and under is exclusive, and I had to vehemently disagree. We focus on certain areas not at the expense of others but so that we might shine the light on that which has either been

neglected, or seems to be of greatest need for our future. I can make an argument that a focus on those 35 and under is a radically inclusive focus as it serves to provide a legacy for all the church, current and past, and someone to actually leave the church to.

And they are there. Our youth are among the finest servants of God. When I attend 6-Day and HYC and JYC, I see some of the most respectful and faithful people of any age who I have ever known. They’re there, waiting for us; looking to us.

These are the areas I see as the work of the next years. I have not and will not apologize for my focus on them. There will be another time, and other people, who will work other issues and concerns, but for now I remain convinced these are the concerns for our moment in the church.

And so our budget shifts and structural changes are based on these premises, based on us becoming more of a resource to our local congregations. This will mean in the future more of our canon positions will also be in the parish, with our Canon for Congregational Development Melissa Skelton being a prime and stellar example. It will mean a focus on how we help you have the basic foundation where you live to do what you do well where you live.

One new position at Diocesan House will be an Internet Strategist, whose job will be to make the best use of the internet and social networking for our diocese, and to help the local make the best use of these tools as well. This person will be a resource to you, and in fact, if you don’t have a website, if you don’t have the ability or even the desire to have one, you will. Even if it’s the most basic and even if you

don't want a thing to do with it, you will have one. Should you want a bit more to do with it, you will have someone to help.

I cannot tell you how often, when I sit and talk to those who are being confirmed or baptized into this church, how many of those under the age of 35, and quite frankly beyond for that matter, tell me they came to the church because of the website. We still have 14 congregations without one. It is my goal to report to you next year that all of our congregations have a website.

Our College for Congregational Development is going very well. We have over 80 people attending, mostly in teams, now in both our weekend and week-long programs. They represent over 20 of our congregations and the experience is having great affect.

On the stewardship focus, our Legacy Society is still the largest by far of any diocese in the Episcopal Church, and our giving outside ourselves an inspiration to not only the Episcopal Church but far beyond. We are nearing our \$500,000 goal of giving to St. Paul's, New Orleans; not to mention the many hands-on trips we have made there. I plan to be there personally in November. This is a good time to remind you that we will honor our retiring Bishop Suffragan Nedi Rivera and her husband, Bob Moore, on Jan. 22 and attempt to give her the gift of finishing this commitment that she inspired by completing this last bit of the promise to St. Paul's. There is more detailed information about all the celebrations of Nedi being distributed at this convention. And there will be other opportunities at this convention to honor and thank her, but we could never do that

enough, and I want to do that now. Nedi Rivera: Thank God.

We also sent \$15,000 to Galveston, Texas and I am working with the Bishop of Texas to see how we might offer similar human help to that area which is still recovering from Hurricane Ike. Two years ago at this convention, I challenged us to give one malaria net for each member in our congregations. I have been so deeply inspired by the excitement and energy this created. I am very happy to announce on behalf of the Seattle Women's Development Council, and all of you, that our diocese from November 2007, when we launched the One-for-One Malaria Net Challenge, until mid-May 2009, raised \$356,770 for malaria nets. This means we raised enough money to fund 29,814 nets, which will cover over 89,000 children for the next five years. Assuming 33,000 Episcopalians in western Washington, our goal was \$396,000, or \$12 raised for each Episcopalian in our diocese. So as of May 2009, we reached 90 percent of our goal. And in this day and time that is exquisite! This program not only inspired us, but it inspired the whole church, many dioceses have since joined in, and ERD is now launching a national malaria net challenge.

I am not going to rehearse all that is going on in these focus areas. Throughout the year we will be focusing our communications on these areas and telling you the stories, and there are many to tell. But I did want to make clear our continued centering on them.

In my pre-convention video I mentioned that we were moving convention to be one day. What I meant by that was one "night" - reducing the time convention

members need to stay in a hotel from two nights to one night. The model we are working with for 2010 would have us start mid to late-afternoon on Friday, go through Friday evening and then continue on Saturday until late afternoon. This will enable those travelling from a distance to travel on Friday, rather than having to arrive on Thursday and spend an extra night in the hotel. The hope is that it will also make it easier for working convention members to participate in our conventions. We are going to try this model for a couple of years and then make decisions about whether we are able to further reduce the length of the conventions. We want to have enough time to be together to do the business we must do, but to also not put undue pressure on our true mission back home.

Mary Lyons, President of the Standing Committee will, after this address, follow me to tell you a bit more about my Mutual Ministry Review, which was done this year and is to be done every year of my episcopate. We tried to include many more people in the feedback this year, including five open meetings around the diocese. I want to personally thank Eldon Olson for his work on this and our Standing Committee who is responsible for seeing to it. It is so valuable for me and for our work together, and it is something all the clergy and congregations should be doing, in some form, so I will be doing it too!

"Seek him in the Kingdom of Anxiety." The latest statistics which compare 1965 to 2007 in the Episcopal Church reveal that Membership is down 35 percent, baptisms down 64 percent, Church School Enrollment down 72 percent, and clergy up 75 percent.

One of the most interesting subsets of these is that there are only about 1,500 clergy under 50 years old. All of these statistics were known at General Convention, but in a 10 day scurry to try to solve every problem under the sun, these were hardly ever mentioned.

I want you to know I don't read these as some indication that the sky is falling. However, I do read these as a wake-up call to change, and to change radically and soon. I read these to say perhaps what we are using to measure is off, and the whole idea of how people engage with the church is changing, while we are incapable and/or unwilling to change with it.

The spiritual need of the masses, the desire to be in community, the connection to God is not waning. It is alive and well. But the church is losing the ability to make the connection.

Many of you read in Lent, along with your friends in the diocese, Phyllis Tickle's book *The Great Emergence*. She suggests that the world is changing and the Church must too. Lately, thanks to Bob Rhodes and *Leaders for Mission* I have been reading Reggie McNeal's book "Missional Renaissance: Changing the Scorecard for the Church." In it McNeal talks about the difference between the "attractional church," which is what he would say is the current prevalent model, and the "missional church," where he suggests we must head. It very much coincides with Tickle and others.

He says this will require three major shifts in our life and our thinking: one, from internal to external in terms of ministry focus; two, from program development to people development in terms of core activity; and three, from

church-based to kingdom-based in terms of leadership agenda. He goes on to describe the difference between where we have been and where we are going. He describes the current Christian worldview as one where the crosshairs of God's love line up squarely on the church, which was the primary concern on earth throughout history. This view had the effect of shrink-wrapping God's activities in the world down to the church. In this system of thought, God preferred hanging out at church with his people. The idea of what it meant to be Christian became synonymous with what it meant to be a committed church person.

Further, the measure of personal devotion to God was the degree of one's separation from the world outside the church. This meant centering one's life on the church and its activities, usually pulling away from people who weren't willing to do the same. The primary focus of evangelism was converting people to the church culture.

Alternatively, he cites a church in Australia where the members of the church make five promises to each other in covenant: 1) to be authentic, 2) to serve a cause greater than themselves, 3) to create community, 4) to be generous and practice hospitality, and 5) to work righteously as a way to be sent by God in to the world. These promises are made to each other in the community; the proof is in their conduct of life beyond the community.

Now, if you are paying attention, it is quite stunning that we have those five questions already, for quite some time, in our Baptismal Covenant. We answer them, "I will, with God's help."

Were we to make these shifts, many things would be different. A lot of it causes me pause and makes me nervous, but that is good. Maybe that churning in our stomach is the indication that we are getting close to where we need to be.

This might seem very overwhelming but I am not overwhelmed, and here are a few reasons why. And all the reasons include you, and all the reasons include you, and what I see in you. Several months ago we were beginning to talk to the people at St. Peter's, Seaview about its future, wondering what it looked like, if there was one. Over in Aberdeen, Dale McQueen, Tom Halbrook, Don Maddux and Tom Schaffer had other ideas. They felt that St. Peter had a great deal of potential and wanted to do what they could to provide leadership. In fact they talked a great deal about St. Andrew's providing resources and leadership for St. Peter's and perhaps even others in the area. Their vision is that these congregations are all part of "the Harbor" and ought to cooperate with each other and share gifts and resources. After all, we are all working for the same Lord and with the same vision for our future.

Tom Halbrook now goes each Sunday and preaches and celebrates for the people of St. Peter's. There are approximately 30 people in attendance, up from numbers in the teens. To do this, Tom drives 150 miles round trip. St. Peter's pays mileage but Tom's time and expertise is a gift. Dale drives that same 150 miles each Tuesday to do the administrative work and some pastoral care. Tom Schaffer goes with Dale on Tuesdays and offers a Bible Study which presently has 25 participants. Dale McQueen and the others rose above the scarcity so

often in us, which comes from some belief that there are only so many people around, and not enough to go around, to share and to build. As Steve Wendfeldt reminded us last year, we have already gotten all the Episcopalians.

Grace, Bainbridge Is. has recorded its thousandth member—as a mission (but probably not one for long). It has innovated and brought in youth; it has a website second to none. It dreams big.

St. John's Sudanese congregation meeting in Tukwila, who I met with just two weeks ago, is working diligently and faithfully to become a mission of this diocese. The inspiration you get by being part of this body is amazing. I encourage you all to go one Sunday afternoon. Be prepared to move! They are an amazing and inspiring body.

Our Hispanic congregations at St. Luke's/San Lucas, Vancouver; Resurrecion, Mount Vernon; St. Matthew/San Mateo, Auburn; and St. John's, Olympia. At Resurrecion several weeks ago, along with the other youth of the Komo Kulshan Cluster, I was dragged around Big Lake on a tube at high rates of speed. To Terry Kylo's great delight, he was able to throw me off and I ended up drinking most of the lake, but the amazing thing that day was the activity and the diversity of the youth, 20 or so, of all colors and tongues.

And back in May, after a great day at St. Stephen's, Longview I traveled to be with the Hispanic congregation of St. John's, Olympia that evening. I had been out of town that week and Don Maddux and I had been trying desperately to reach each other. We had a bad connection; I thought I heard him say, "There will be about 40 or so people there

Sunday." And so when I arrived at St. John's, the first thing I noticed was the lack of parking and the second I noticed was the sea of people, and when I got into the church I found out that what Don Maddux had told me was, "There will be 41 confirmations, seven baptisms and over 300 people present." It was the largest number of confirmations I had done in one place since becoming a bishop.

All Saints, Vancouver, which, after long discussions did not receive a grant from the diocese instead of looking at that as some end used it as an opportunity to discern just what they were being called to be and do now. And in that discernment, they figured out they could do it, and they are doing it.

Epiphany, Seattle, who ended last spring with an average Sunday attendance of six children in their church school, now have over 100 registered and are averaging over 50 a Sunday.

St. Benedict's, Lacey paid off its note on its parish hall and burned it! I was there. The note! We tell them to wear it out, but not like that!

St. Bede's, Pt. Orchard; St. Christopher's, Olympia; St. Augustine's in-the-Woods, Freeland, St. Stephen's Episcopal, Oak Harbor; Emmanuel, Orcas Is.; St. Michael's and All Angels, Issaquah; St. Clare's, Snoqualmie; St. Paul's, Seattle; and Holy Cross, Redmond are all places where their physical facility is stretched or very much starting to be.

There are many I have not named; there are some I have not even been able to visit yet, but this is the year! If haven't seen you this year, you're going to see me whether you want to or not. And here is what I will see there, wherever "there" is, because I see it

everywhere, whether I named you or not: I see and hear this great commitment, the desire to be faithful, even if you are not sure just how, the hope to learn and to grow.

It may reveal itself in different ways, but all of you in this room have that spark. We cannot do it alone, and we must not succumb to scarcity—the notion that there is only so much to go around. We are in strange times but exciting ones; a time of anxiety, rare beasts and unique adventures. But this is the time we have been placed in. It is a time that will require much of us, not the least of which is to suspend that urge, that quick impulse which serves to squelch the new and different, only because of our need for comfort.

At the very least we will need to learn to be gentle with each other; to listen more; to meditate; to ponder; to be in true relationship, even; and maybe more importantly, around those things on which we disagree.

I am going to end this address rather strangely, with two quotes. The first is again from the third Bishop of Olympia, Stephen Bayne, these remarks being made roughly 50 years ago: "The Church has no mission of its own. All we can have by ourselves is a club or a debating society; and our only hope, left to ourselves, is to win as many members for our own club and away from other clubs as we can. And whatever this is, it is not Mission. Mission belongs to God. The Mission was His from the beginning; it is His; it will always be His. He has His purposes from the foundation of the world, and the means to fulfill them; and the only part the Church has in this is obedience—a share in the eternal and life-giving obedience of the Son of God... And the most terrible

judgment on the Church comes when God leaves us to our own devices because He is tired of waiting for our obedience—leaves us to be the domestic chaplains to a comfortable secular world—and goes Himself into the wilderness of human need and injustice and pain. This judgment does come on churches and nations, when they forget that God is in command, that God does the choosing.”

The second quote comes from Jonathan Meyers, a very recent postulant in our diocese. Jonathan comes out of Church of the Apostles in Fremont; he was confirmed along with my son last December by Bishop Rivera. Jonathan has a Master of Divinity from Mars Hill Graduate School and a certificate in Spiritual Direction. He is young, and describes himself as having two cats but being a dog person at heart. He has long dreadlocks. He is trying to plant a church in the North Beacon Hill section of Seattle. When I found out he was up to this, and this is key—he didn’t really ask about this, it was his dream. He kept me in the loop, but he was called by God and so I recently asked him to go to the Plant My Church conference at Kanuga. On his blog he writes: “Last week I was at Camp Kanuga in the hills of North Carolina at the Plant My Church conference. First off, Kanuga was stunning and I can see why Episcopalians on that side of the nation speak so highly of it because even in the rain it is heavenly. The food wasn’t bad either, which is always a thumbs up for a camp/conference center. However I have no idea what is up with the toast. Somebody needs to work on that. I digress.

“There were a handful of key moments for me during my few

days there, and one of my first ‘aha’ moments came during a conversation that brought to light the benefit of church plants on the diocese as a whole and on individual parishes. One observation I’ve had from my years of working in established churches is of a mentality that I think holds parishes back, which is an over inflated sense of ownership that devolves into territorialism. I think this is a product of living in a hyper-individualized culture saturated with materialism and consumerism. When this mentality is present and a church planter moves into the neighborhood (however loosely we define neighborhood) there can be a sense within the established parish of feeling threatened, usually fearful of losing members. However, experience has proven that this fear is unwarranted, because the inverse is actually more true. (Starbucks has known this for years)

“In areas where new churches are started in a Diocese, the ASA (average Sunday attendance) at the already established churches actually increases. This phenomenon may seem counterintuitive, but it actually makes a lot of sense. The phenomenon is that of stirring the waters or kicking up some dust. When a new church begins it brings about a certain amount of excitement among the spiritual folks in a given area.”

He goes on. He concludes by saying: “My hope is that the Episcopal churches in the South end of Seattle come together around our various ministries and our call to be the Eucharistic community in the world to encourage and support one another as well as to challenge each other’s paradigms. I look forward to our community being a

benefit and support to the work that God has been doing in the established communities of faith in and around Beacon Hill.”

The third bishop of Olympia and a fresh postulant, 50 years or more apart, speaking much the same.

Jon dreamt this up on his own, or rather at the very least I should say, it did not come out of the diocese. He asked for money but he said if he didn’t get it he would try anyway. When word got out about this, I started hearing from folks, concerned about putting another church in, what would it do to us, fearful, scarcity, anxiety, the land of unlikeness.

I am really going to end, and I am going to do it by paraphrasing the vision statement on the Beacon Hill plant website. It seems like a fitting way to end, and a good invitation to all of us. It says: “Welcome. This site is intended to be a space for listening, asking questions, and dialoging together about what a new church might be like. Our hope of being a new faith community is to reimagine, with the people of this community, and with the Episcopal Diocese of Olympia a way of life that is defined by the hope of resurrection and the suffering love of a God who is both present in reality, and beyond our best imagination. All are welcome to participate in the creation of this new story.”

The creation of a new story, born out of unlikeness and anxiety, filled with unique adventures, where all its occasions shall dance for joy. That’s a story I am convinced we can write together, and I’m looking forward to joining you in that.

**The Rt. Rev. Gregory Rickel**  
**October 16, 2009**  
**Vancouver, Washington**



## Treasurer's Report to Convention - 2009

Thank you for re-electing me to serve the diocese as your Treasurer. I mentioned last year in my report that the treasurer's job is now a volunteer one, but I didn't tell you exactly what I do. I don't keep the books, reconcile bank statements, or prepare periodic reports. The Canon for Finance, Chris Smith-Clark, and her staff do that. I rarely sign checks, and when I do, it's mostly because I'm just handy when other signers are on the phone or out of the office. What I mostly do is read and sign things – contracts, government filings, federal and county grant requests and the many other things that require the manual ministrations of a corporate officer. I deal with the auditors. The treasurer is an ex-officio member of the Council, but does not vote. The treasurer is also an ex-officio member of the Board of Directors and the Diocesan Investment Fund Committee. I vote in those two roles. And, not least, I report on the financial position of the diocese at these annual conventions.

It seems a little strange to be reporting in October on the position of the diocese as of the previous January, but that is how it works. Churches in general push the date by which they report audited financial results to the end of summer so as not to compete with the for-profit sector for the time of accountants in the first quarter of the year. This usually results in lower audit fees.

The diocese received an unqualified opinion of the condition of the financial statements again this year. It would be news if that were not so. The complete audited financial statements run to 77 pages. I will not drench you in numbers in this report, but I have brought the statements with me today and they are always available for inspection at the Diocesan office. Like most non-profit and government entities, the Diocese keeps its books using "fund accounting". There are, broadly

speaking, four funds within the diocese.

The first is the Operating Fund, which records assessment, investment and fee income and staff and program expense. The 2010 budget which I will recommend for adoption in a moment is the income and expense part of the Operating Fund. There are assets and liabilities in this fund, as well, but they are relatively small in the overall order of things.

The second important fund is the James F. Hodges Diocesan Investment Fund or DIF, for short. This fund was established in 1951 as an investment pool for the endowments of the diocese itself, and the parishes, missions and institutions of the diocese. This fund has a balance at year end of \$37 million dollars, down from \$47 million one year earlier. This is a 29% drop year over year. Thankfully, the equity portion of the DIF has partly recovered during the past nine months. As I write this, the Dow Jones Index closed above 10,000 for the first time in a year, although no one will be singing "we're in the money" now or anytime soon.

About half the money in the DIF belongs to parishes and missions. The other half belongs to the diocese itself, or is being held by the diocese in trust for parishes and missions. This money is specifically accounted for and collectively known as the "Trust Accounts" and I consider that as the third fund. An example of a trust might be if a person left money to the diocese for the specific benefit of a congregation or a camp. Washington State law was changed this July in respect of management and use of institutional endowments. The Board of Directors will soon appoint a board task force to examine the implications of this revision. It will likely mean that congregations with large endowments that rely heavily on endowment income for current operations will have more latitude in setting the withdrawal rate. While the law applies to all, I would not

suggest that congregations with relatively small investments ever consider invading the principal, but confine themselves to using only the income.

Finally, we have a handful of related funds, all pertaining to real estate. These are the fourth of the main diocesan funds. They are the Building Loan Fund, the Mission Development Fund and the Real Estate Fund. A full recap of these funds and the assets that are placed in them can be found in your convention material. It is in the excellent report prepared by Bill Goodenough, the Board Representative for Properties and is numbered 09/F/2.

The Building Loan fund is the largest and deserves special comment. It contains a couple of large non-performing loans. The auditors have concluded that the loans are sufficiently over-collateralized that we do not have to adjust their value on our books, based on their assumption that the congregation could be evicted and the property sold. Such a drastic action is not likely anytime soon, or perhaps ever. The Board of Directors, however, does not want to delude itself or convention about the potential for full payment of these loans. On a case-by-case basis, these properties will be reviewed to see if any of the land now occupied by the congregation can be short-platted or otherwise divided to allow sale and application of the sale proceeds to the loan balance. Based on this review, a portion of the existing loan may be written down to make the books line up better with reality. Also, congregations with memberships too small to service debt adequately will be carefully reviewed to see if payment plans can be devised that will allow resolution of some long-standing arrearages.

One particular project has consumed almost \$800,000 of Building Loan funds over the past year. This was the mandatory construction of a

gravity sewer line and lift station to serve the congregation of Good Samaritan in the City of Sammamish, east of Lake Washington. The need for eventual construction of this facility was known at the time the building was occupied about 8 years ago, but the actual need to build was triggered by an adjacent landowner and by the local school district which constructed an 800-student elementary school which came on line (ha-ha) this August. A small portion of this expense, less than \$100,000 will be recovered from the school district. Another \$150,000 or so will be recovered from an adjacent landowner who piggy-backed on our construction to his exclusive benefit. Until the Building Loan Fund can be

replenished by recapture and loan retirement, the Board is confined to making relatively small loans for repairs and accessibility improvements – relatively small in this context means about \$100,000 or less. The congregation of Good Samaritan has committed to a capital campaign within the next two years to significantly reduce this advance from Building Loan Funds.

In closing, I want to recommend a book given to me by Steve Moen, the treasurer of St. Mark's Cathedral. The book is called *Remember the Future*, by the Rev. Gerald Keucher, controller of the Diocese of New York. It is simply the best thing I have ever read on church long-term finance, especially in the area of property care.

He outlines a way of thinking, and steps to take, to preserve and maintain our long-term assets. He points out that while most families might reasonably expect to sell a home in 20 years when their children are grown or when retirement looms, churches keep their buildings for generations. This time horizon requires a different way of thinking about capital repair and improvement, and a dedicated funding source to achieve it. I recommend this to all wardens, treasurers and clergy.

And now, knowing that all delegates have had an opportunity to study and absorb the 2010 budget for the Diocese of Olympia, as prepared by and approved by Diocesan Council, I move its ratification.

**Mr. Steve Faust**

# Section 3

## *Reports to the 2008 Convention*

### **Clergy & Staff Transitions since Convention 2008 (09/A/8)**

Canonical clergy: Christine **Hoeberrmann**, St. George, Maple Valley; Christina **Jillard**, St. Margaret, Bellevue; Kirtley **Yearwood**, St. Clement, Seattle. Clergy who have retired from full-time ministry (as recorded with the Church Pension Fund): Larry **Perry**, David **James**. Clergy transferred to other dioceses: Les **Carpenter**, Indianapolis; Jack **Erskine**, Eastern Oregon; Stephen **McHale**, California. Clergy licensed: John Karanja **Macharia**. Deacons ordained (transitional): Andrew **Shirota**, Elizabeth **Easton**, Jered **Weber-Johnson**, Rilla **Barrett**, Shelly **Fayette**. Priests ordained: Kyle **Stillings**; Carla **Robinson**, Church of the Resurrection, Bellevue; Clayola **Gitane**; Nan **Waldie**, St. Margaret, Bellevue; Rebecca **Kirkpatrick**, St. Andrew, Seattle; Les **Carpenter**, St. Paul, Indianapolis; June **Johnson**, St. John, Olympia; Samuel **Torvend**, St. Paul, Seattle; Ray **Sheldon**, Faith, Kingston; Karen **Ward**, Church of the Apostles, Seattle. Clergy deceased: Melvin **Brown**, Marshall **Ellis**, Margaret **Kaus**, Fred **McLaughlin**. New to the Diocesan Staff: Melissa **Skelton**, Canon for Congregational Development.

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### **Postulants and Candidates for Holy Orders (09/A/12)**

Postulants – Priesthood: Edith **Burkhalter**, Christ Church, Seattle; John **Daniels**, St. Thomas, Medina; Jennifer **Daugherty**, Emmanuel, Mercer Is; Dent **Davidson**, St. Thomas, Medina; John **Forman**, St. Paul, Seattle; Paula **Harris-White**, St. Clement, Seattle; Ron **Harris-White**, St. Clement, Seattle; Alex **Labal**; Timothy **Mathis**, COTA, Seattle; Laura **Murray**, St. Paul, Bremerton; Jonathan **Myers**; Alisaabeth **Newton**, St. Paul, Seattle; John **Powless**; Catherine **Reid**, St. Paul, Seattle; Irene **Tanabe**; Andrew **Varyu**, COTA, Seattle; Craig **Vocelka**.

Candidates – Priesthood: \*Sheila **Crisp**, St. Benedict, Lacey; \*Stephen Drew **Foisie**, St. Margaret, Bellevue; \*M. Karen **Haig**, Grace, Bainbridge; Janet **Loyd**, Transfiguration, Darrington. \*pending completed background check.

Transitional Deacon: Rilla **Barrett**, St. James, Sedro-Woolley; William **Deng**; Elizabeth **Easton**, St. Stephen, Seattle; Shelly **Fayette**, St. Mark, Seattle; Clayola **Gitane**; Andrew **Shirota**, St. Peter, Seattle; Jered **Weber-Johnson**, St. Luke, Renton.

Postulants – Diaconate: Mark **Blindheim**; Stephen Crippen, St Margaret, Bellevue; David **Culp Jr.**, Holy Spirit, Vashon; Elizabeth **Forbes**, St. Peter, Seaview; Carter **Hawley**; William Larson, St. Luke Memorial, Tacoma; James **Lofstrand**, St. Hilda/St. Patrick, Edmonds; Laura **Muglia**; Esther Osborne, St. Mark, Seattle; Robin **Ringland**, St. Aidan, Camano Is; Polly **Shigaki**, St. Peter, Seattle; Delores **Washington**, All Saints, Seattle.

Candidates – Diaconate: Paul **Haggland Jr.**, St. Elizabeth, Burien; Kay **Kessel-Hanna**, St. Thomas, Medina; Terri **Lolcama**, St John, Olympia; George **Mulvey**; Karen **Pierce**, St. Paul, Pt Townsend; Steve **Tellari**, St. James, Kent; Brian **Wright**, Trinity, Everett.

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### **Final Agenda (09/A/16)**

#### Diocese of Olympia / Convention Agenda “Being Church in Anxious Times”

#### **Thursday**

1-5 pm Safeguarding God’s Children  
2-4 pm “Families, Money & Habits: Charting...  
2-4 pm “Is that Covered by Insurance?”  
4-7 pm Registration  
6-9 pm Social at Who-Song & Larry’s

#### **Friday**

8 am – on Registration

8 am – on Exhibits open  
9:30 am Plenary #1  
Opening worship  
Convention business – *Call to order / Welcome / Quorums / Organized / Introductions / Dispatch / Privilege / Nomination & election Secretary / Appointments / Trial Court / Clergy and staff transitions / Nominations / Ballot #1*  
10:30 am Break

10:50 am	Plenary #2 <i>Resolution #1 / Resolution #2 / Courtesy resolutions / Report of ballot #1 / Ballot #2</i> Bishop's address / MMR report /		
	Announcements		
11:45 am	Noonday prayers		
12:00 pm	Lunch		
1:00 pm	Plenary #3 Convention business – <i>Treasurer's Report / Action on 2010 budget / Resolution #3 / Resolution #4 / Resolution #5 / Episcopal Relief &amp; Development</i>		
1:30 pm	Keynote – Nathan Dungan – <i>Navigating the New Normal: Financial Leadership in Communities of Faith</i>		
2:15 pm	Break / Exhibit exploration time		
3:00 pm	Indaba Conversations #1 – <i>Congregation Responsibility</i>		
4:00 pm	Break		
4:15 pm	Plenary #4 Convention business – <i>Pandemic Planning Group / Report of ballot #2 / Ballot #3 / CDSP / We Will Stand With You / General Convention presentation / Thank you to John Schaeffer</i> Evening prayer		
5:30 pm	Adjourn for day		
7:30 pm	Workshops / Exhibit exploration		
	<ul style="list-style-type: none"> <li>o Financial Sanity and Faith: Pulling It All Together</li> <li>o Lift Every Voice &amp; Sing sing-a-long</li> <li>o Seeing God through First Nation Eyes: Indigenous Anglican Perspectives on Faith &amp; Worship</li> <li>o Five Things Congregations Need to Know About Records</li> <li>o Determining Your Congregation's Openness Quotient</li> </ul>		
		<ul style="list-style-type: none"> <li>o Sacred Conversations on Race</li> <li>o Risk Management in the 21<sup>st</sup> Century</li> <li>o The College for Congregational Development: The Process of Planned Change in Congregational Life</li> <li>o Theology Pub</li> </ul>	
		8:15 pm	Break
		8:30 pm	Repeat of workshops / exhibits open
		9:15 pm	Compline
		<b>Saturday</b>	
		8:00 am-	on Registration
		8:00 am – on	Exhibits open
		8:30 am	Indaba Conversations #2 – <i>Israel / Palestine Conflict</i>
		9:30 am	Break
		9:40 am	Plenary #5 Morning Prayer Convention business <i>Call to order / Report of ballot #3 / Constitution &amp; Canons / Award presentation / Commission for Emerging Mission / Washington Association of Churches / Northwest Harvest / Episcopal Charities Appeal / Bishop's Cross / Recognitions / Final announcements / Final words from Bishop Greg</i>
		11:00 am	Break
		11:30 am	Indaba Conversations #3 – <i>Vision &amp; Mission: Our Focus Areas</i>
		12:30 pm	Lunch
		1:15 pm	Gathering music
		1:30 pm	Convention Eucharist & Ordinations
		3:30-4 pm	Adjournment

## Nominations Committee Report to Convention – short form (09/B/4)

### Convention 2009 - Nominations

Below you will find a current list of nominees for diocesan offices – to be elected at the October Convention.

Diocesan Council: There are two nominees for one position; nominees may be clergy or lay persons. Nominees are: **The Rev. Fletcher Davis**, St. Augustine's in-the-Woods, Freeland (Sno Isle); **Mr. Jordan Rickard**, COTA (Church of the Apostles), Seattle (Holy C).

Standing Committee - Lay Order: There are two nominees for one position. Nominees are: **Mr. Bob Jacobs**, St. Margaret's Church, Bellevue (Eastside); **Mr. Stanley Fear**, St. Aidan's Church, Camano Island (Sno Isle).

Standing Committee - Clerical Order: There are two nominees for one position. The nominees are: **The Rev. John Allen**, St. Luke ~ San Lucas, Vancouver (Columbia); **The Rev. Kirtley Yearwood**, St. Clement's of Rome, Seattle (Holy C).

Cathedral Vestry: Nominee not yet announced.

Secretary of Convention: **The Rev. Marda Steedman Sanborn**, St. James', Kent (Evergreen).

Archivist and Records Manager: **Ms. Diane Wells**.

Treasurer: **Mr. Steve Faust**.

Historiographer: **Br. Carle Griffin**.

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## 2010 Fall Proposed Diocesan Budget (09/C/3)

### Letter from the Diocesan Council

#### ***Dear Convention Members,***

The Budget and Finance (B&F) Committee of the Diocesan Council has continued to work with Bishop Rickel to meet the challenge set earlier this spring to further reduce the 2010 Budget by \$350,000 and to present for ratification at the fall Convention a balanced budget using only unexpended 2009 authorized amounts from the unrestricted reserve. We feel that this challenge has been met, with hard work by all involved – Bishop Rickel, the diocesan staff, B&F Committee, and Diocesan Council members. Accordingly, we present for your review and ratification the proposed final 2010 Operating Budget for the Diocese of Olympia. Bishop Rickel has done an excellent job in his letter (pg. 2-5 of this document) reviewing the changes made since the earlier drafts, with context and explanation. At the end of this document you will find a “short-form” chart (pg. 17) showing these changes in dollar amounts. We continue to monitor revenues, and, if necessary, will continue to adjust both revenue and expense items as needed. This is the work of the Diocesan Council as your “convention in recess” and we take this ongoing work very seriously. The result is the balanced 2010 budget you see before you, which shows revenue and expense of \$4,344,460, an 8.84% decrease from our 2009 actual/administrative budget. This includes a decrease in salaries and benefits of 10.44%. The 2010 Budget is not an end, but the beginning of our transition to the new model of being a diocesan resource for all congregations envisioned in the included Vision Statement (pg. 6). More input will be invited and considered as we move into the process for development of the 2011 budget. To that end, the Diocesan Council asks that fall Pre-Convention Gatherings consider the presented budget in light of the priorities outlined in the Vision Statement and continue to provide feedback through the Budget and Finance Committee members attending each Pre- Convention meeting. While changes will not be made to this document – it is the final document that will be considered at the fall Convention, the Budget and Finance Committee and Diocesan Council will continue to work on your behalf as we refine the budget process and align ourselves for future mission and ministry.

**Your Diocesan Council,** *The Rt. Rev. Gregory Rickel*, Bishop Diocesan; *The Rt. Rev. Nedi Rivera*, Bishop Suffragan; *the Rev. Chuck Atcheson*, Be Attitudes Regional Ministry; *Ms. Sally Barnes*, Columbia Regional Ministry; **\*\*Mr. Bill Brice**, Commission for Planned Giving/Stewardship; *Ms. Charlotte Brown*, Commission for Ethnic Ministries; **\*\*Mr. Jim Campbell**, Willapa Regional Ministry (chair, Budget & Finance Committee); **\*\*Dr. Chris Christensen**, Commission for Church in the World; *Ms. Sue Clary*, Peninsula Regional Ministry; *the Rev. Susan Dean*, Commission for Evangelism; *Ms. Sally Farrell*, At-Large 2009; *the Rev. JR Lander*, Commission for Faith Formation; *Mr. Don Little*, Evergreen Regional Ministry; *Ms. Sandy McCloud*, Holy C Regional Ministry; *Mr. Peter Pitarys*, Eastside Episcopal Churches; **\*\*Mr. Dale Ramerman**, Mt. Baker Regional Ministry; *the Rev. Jeff Sells*, At-Large 2010; **\*\*Mr. Bob Wheeler**, Sno Isle Regional Ministry; *the Rev. Martin Yabroff*, Rainier Regional Ministry; *the Rev. Richard Younge*, At-Large 2011. Additional members of the Budget & Finance Committee who are not Diocesan Council members: **\*\*Mr. Steve Faust**, Diocesan Treasurer. **\*\*Ms. Mary Coon**, St. Mark's Cathedral, Seattle; **\*\*Mr. Bill Montgomery**, St. Stephen, Seattle. **\*\*denotes Budget & Finance Committee member**

### Letter from the Rt. Rev. Greg Rickel, Bishop of Olympia

#### ***Dear Convention members,***

Without a doubt, this budget is one of the most important and most difficult the diocese has faced in the near past. While this economic situation pushes us to make very difficult decisions, I also feel this is the moment to design our diocesan services center for the future ahead. In this budget you will find certain positions eliminated or greatly restructured. All those affected have been spoken to by me personally. The former administration vowed, even with the convention agreement not to do so, to fund unemployment insurance for those who may lose their jobs. We continue to honor that commitment. This narrative is designed to help explain some of the thinking that has gone into the budget before you. When the current budget was turned over to me the expectation was to reduce the expense side, or the balance, by \$350,000. The philosophy used to do this was to hold several things firm: the three focus areas; ministry directly to congregations; and outreach to the world. I believe this proposed budget has kept these three principles at the forefront. I have placed our most recent vision document which explains the three focus areas at the end of this narrative (pg. 6). **Revenues** I have basically left revenues to Budget and Finance and those who know this area better than I do. **Expenses COLA Rollback** Broadly, each position, save the Canon to the Ordinary (which will be explained later), will give up their COLA increase for 2009 in the 2010 budget. This will affect every position. Neither Bishop Rivera nor I took our COLA increase for 2009. In fact, since arriving as your bishop I have had only one COLA increase, so for 2010 I have decreased my salary back to the amount it was when I arrived. I have also made it clear to the staff there will be no COLA increase in 2010. **Position Descriptions** All position descriptions will be changing as some positions absorb current functions; reporting functions may change as well. Significant changes will be discussed at more length below. **Supporting the Broader Church** In this category, one line item (Province VIII assessment) is reduced. We are still committed to the greater Episcopal Church assessment and note that the most recently completed General Convention approved a budget that will lower the percentage of assessment by 1% in the next two years following 2010. (General Convention changed the deduction on our assessment, which Chris Smith-Clark informs me will result in \$4,200 less assessment paid in 2010 than was previously calculated.) Prior to my beginning work on the budget the St. Mark's Cathedral Partnership had been lowered 25%; Ecumenical and Interfaith by 75%. (I am convinced this small amount can be covered by discretionary income over this next year.) Back to Province VIII assessment: my first Province VIII meeting before General Convention caused me some concern as the budget was very unclear. At almost \$500,000 annually I am becoming more and more convinced that this day and time calls for a revisioning of provincial governance and

whether it is needed at all. We will continue to monitor this. **Empowering Congregations** In my mind, this area is one of the most important reasons for a diocese. To that end, in this subheading you will actually see reinstated two line items that were deleted in the prior iteration of the budget: \$10,000 for an assistant to our Canon for Congregational Development and the College for Congregational Development, and \$1,000 for consulting services (consulting was requested at \$8,500 so it is essentially far reduced). As I state above, congregational development is our primary goal as a diocese. I feel strongly that we have developed a very efficient office here; the Canon for Congregational Development remains a rector of a parish, thereby greatly reducing the diocesan contribution while also keeping the position attached to a "real" situation. In other words, the canon is actually doing the work she talks about and teaches. To me, this is a bargain. Currently we have over 80 people from a large portion of our congregations enrolled in the College for Congregational Development and I am convinced this will make a huge difference in our local congregations. Of course, the largest portion of this area is the "Grants to Congregations" portion which remains unchanged from last year. **Supporting Congregations** Another main goal and purpose of a diocese, this area also sees an addition (although this did appear in the prior iterations of this budget)—a half-time Total Common Missioner for our Total Common Ministry congregations and the benefits associated with this position. We are also able to keep 1/3 of the new curacy program for which \$150,000 had been requested. We have kept \$55,000; this, too, directly affects local congregations.

Evangelism and Growth One line item, Evangelism Program, was decreased in consultation with Canon Carl Knirk who oversees this area. He is convinced we can offer good programming in 2010 with this amount. **Faith Formation** Slight program decreases are made in all areas, not including college work, which remains the same. The largest decrease is the Dean of DSOMAT, which is decreased to a half-time position. Further, I will be requesting that the Board of DSOMAT assess the school's reason for being and how we fulfill its purpose in the future. I have announced that the school will take a one-year sabbatical from offering courses in order to focus on this change and in hopes of becoming more internet-based. This evaluation will be done over the next year. **Emerging Mission** You will note a slight decrease in the program contribution in this line item but it remains a strong item in our budget. **Ethnic Ministries** The largest impact here comes in the reduction to both the Canon for Multicultural Ministry and the Administrative Assistant. As in all the cases above, we have been in some discussion with them and will have much more as we get creative about the future and our continued commitment to this very important ministry of the Church. I hope to make the canon position similar to the Congregational Development position, serving as both canon and as rector/vicar of a church, and the assistant position as well. I think we can do some very creative and exciting things in this area. A decrease also was made in the actual expense of the Commission for Ethnic Ministries, which does bring in some revenue. I am committed to work with them to make up whatever is needed in this area to continue their work. **Stewardship and Planned Giving** There is a 20% program cut in the program section of this area.

**Communications** Here there will be some significant change. First we will retain our Communications Director. Operationally we will go to at most six issues of *The Voice* (versus 11 now) and we may even go to quarterly to match the schedule change of *Episcopal Life*. All this will be determined over the next few months as even now we are gathering the numbers on all of this. We will make better use of an electronic format which can be done for far less cost and in a timelier manner. We will not lose sight of the fact that we are in a generational shift and that many people still desire and need hard copies. With greater electronic and internet need, we will be completely eliminating the current position known as Information Systems Coordinator. The funding for this position is moved into the Bishop's Office and a new position has been established entitled Internet and Social Network Resources Officer. This position will substantially change to be less focused on internal computer operations and more focused on aiding local congregations to develop website and other internet capabilities. Some of the hardware functions will now be handled by contract. Also, due to cuts in print production, the Publications Coordinator has been reduced to 40% time. Changes in the print shop reflect the fact that St. Mark's Cathedral will no longer be utilizing this service. All of these reductions amount to over \$100,000 saved from where we were before. **Bishop's Initiatives** Realizing this budget item aids the three focus areas and mission strategy, we have done all in our power to keep it funded. This area began with \$120,000 and then at my request was lowered to \$100,000. The proposed final draft of the budget was distributed to Council and staff on August 1 with a month provided for comment or suggestions for changes. At the August 27 Diocesan Council meeting, the Commission for Ethnic Ministries pointed out a problem with restricted revenue used to fund the half-time administrative assistant position in Ethnic Ministries. Faced with a canonical deadline of September 1, the council had to make some quick decisions to maintain a balanced budget. As a compromise (not wanting to cut the position, make further cuts to other areas or draw from the unrestricted reserve) the council voted to take funds for this position from funds designated for Bishop's Initiatives, effectively reducing the Bishop's Initiatives line item to about \$65,000 for 2010.

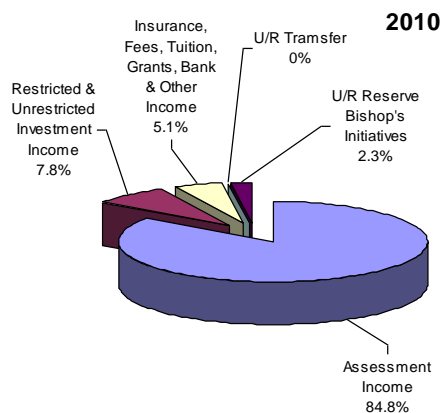
**Specialized Ministries/Church in the World** This entire budget subheading is reduced across the board by 12% as per the request of the Commission for the Church in the World, except for the MDG line item, which was retained at full funding of 0.7% of annual diocesan unrestricted budget. **Canonical and Corporate Expenses** Of course the largest change in this area is the retirement of our Bishop Suffragan Nedi Rivera early in 2010. After her retirement date we will still owe her for a sizable vacation and so this is included in this line item as well as some funding for Assistant Bishop assistance after her departure. Another change here is an increase in the salary of the Canon to the Ordinary. I did this for two reasons. First, Joan Anthony started in this position at a far lower rate than her predecessor and she is doing a truly superb job. When I looked at taking her COLA back it just seemed unjust. One way to look at this is the amount I have given back in my salary is about the amount she will take on. This amount brings her closer to a fair wage for this position. The Lambeth reserve is reduced since we will most likely send only one bishop to the next Lambeth Conference and we will also have the entire 10-year period to build up this reserve. We added back a half-time position for Vocations Secretary to aid the Commission on Ministry. We tried this with current clerical support but it is clear this will be needed, especially with the departure of the bishop suffragan, who has ably overseen this area. Program funds in the Archives have been reduced by 20%. Governance program has been reduced by 3%. **Trustee Expenses** Under this subheading fall the basic operations of Diocesan House, which includes the current Maintenance Service Director. Under this plan, this position will be eliminated and all cleaning and lawn services will be contracted out. We worked closely with St. Mark's Cathedral, which has recently made this change, and plan to team up with the same contract services they have, making this even more efficient. So far, they report very good results from the change. Reductions have also been made in plant services and general maintenance to a level we feel can be effectively managed. **Summary** I am well aware that this is a lot to take in. It has not been easy for anyone involved. We will continue to work with those who have been affected. In all of it, we must remember that we are a people of faith, based in an abundant hope and focused on a world beyond this one. You are in my prayers, as I hope for yours. **Faithfully, Bishop Greg Rickel**

## A Vision of the Diocese of Olympia

We envision the Diocese of Olympia as one of the healthiest places in the Episcopal Church, growing and moving through the opportunity and challenge that come with being situated in the "None Zone" of the largely unchurched Pacific Northwest. We are a diocese on solid footing, with open communication and a resolve to live together in Christ and with Christ. We see our differences as blessings and we are committed to sharing those blessings with the world around us. We believe the core purpose of a diocese is building up the Body of Christ. The Diocese of Olympia works to fulfill that commitment in our congregations by focusing on three areas: **Congregational development** – We believe that developing healthy congregations is central to that call. To that end, we have a clear strategy and ethos of development and health in all our congregations, no matter what the size or context. We assist congregations in facilitating clear expectations and in developing leaders—lay and clergy—who are given the skills and have the understanding to take responsibility for development. We believe that congregational development means far more than numerical growth, but when development is done well, numerical growth is often an outcome. **Concentrating on those 35 and under** – We believe that the Church has a particular call to reach out to and attract people under age 35, many of whom are the second and third generations to have no knowledge of Christ and the Church. We believe that if we, the Church, can discover how to reach, feed and attract people under 35 we will be blessed by the tremendous leadership and spirituality this generation offers the Church. Therefore, our mission field is wherever we find this generation. We must engage with, listen to and commit resources toward all those who are 35 and younger. We equip congregations to relate to younger people and build ministry with them, and we do the same work on a diocesan level. **Stewardship of all our resources** – We believe Christianity is a faith of abundance and blessing. Becoming a people truly in touch with this reality makes us stewards of all of our resources—human, financial, material and spiritual. At Creation, God gave us responsibility for the care of the earth. More than ever before, we are aware that what we do affects those in the next generations. Jesus teaches us that when we live for others we have abundant life. We assist congregational leaders in strengthening the stewardship of all resources in their congregations, and we practice this at a diocesan level.

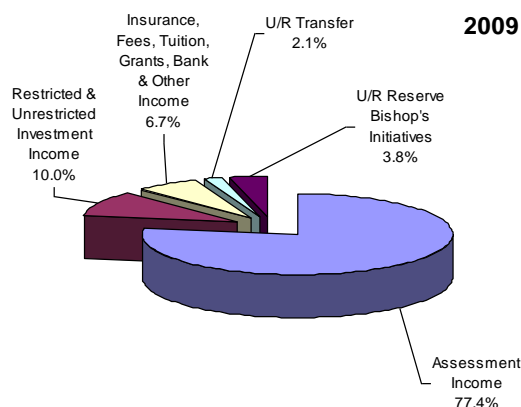
### Revenue Forecast 2010

Total Assessment Income	\$ 3,684,000
Restricted & Unrestricted Investment Income	340,992
Insurance, Fees, Tuition, Grants, Bank, & Other Income	219,468
Unrestricted Reserve	-
Unrestricted Reserve Bishop's Initiatives	100,000
	<b>\$ 4,344,460</b>



### Revenue Forecast 2009

Total Assessment Income	\$ 3,710,000
Restricted & Unrestricted Investment Income	479,151
Insurance, Fees, Tuition, Grants, Bank, & Other Income	323,125
Unrestricted Reserve	100,000
Unrestricted Reserve Bishop's Initiatives	180,000
	<b>\$ 4,792,276</b>

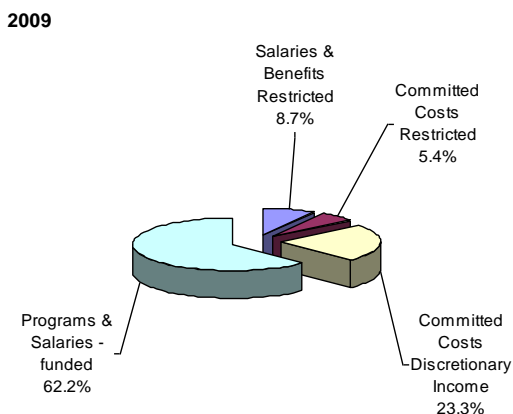
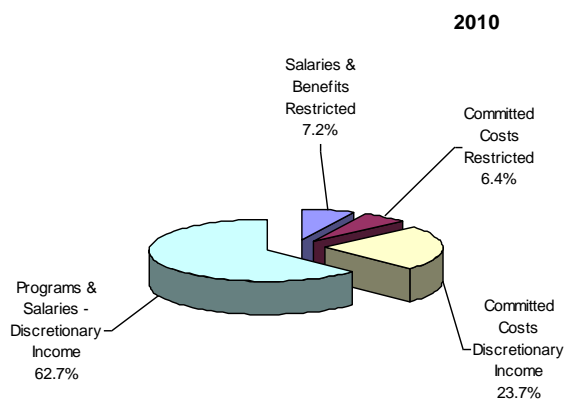


### 2010 Expense Fall Final

Salaries & Benefits Restricted	\$ 312,741
Committed Costs Restricted	277,802
Committed Costs Discretionary Income	1,028,647
Programs & Salaries Discretionary Income	2,725,270
	<b>\$ 4,344,460</b>

### 2009 Approved Expenses

Salaries & Benefits Restricted	\$ 413,196
Committed Costs Restricted	280,415
Committed Costs Discretionary Income	1,109,493
Programs & Salaries – funded	2,962,658
	<b>\$ 4,765,762</b>



Description	2010 Estimate Fall	% increase/ decrease from Actual 2009 Budget	2010 Estimate Spring	2010 Estimate Winter	Admin/ "Actual" 2009 Budget	Approved 2009 Budget	2008 Actual
Assessments: 20% rate--2004-06; 18% rate--2007 & on	3,950,000	2.01%	3,950,000	3,950,000	3,872,000	3,900,000	3,340,126
Less Non-Pay Shortfall: 8%--2007, 7%--2008, 6%--2009 & 8% 2010	-316,000	36.21%	-316,000	-237,000	-232,000	-234,000	
Prior Years' Assessments	50,000	-28.57%	50,000	70,000	70,000	70,000	77,884
<b>Total Assessment Income</b>	<b>3,684,000</b>	<b>-0.70%</b>	<b>3,684,000</b>	<b>3,783,000</b>	<b>3,710,000</b>	<b>3,736,000</b>	<b>3,418,010</b>
<b>Unrestricted Investment Income</b>							
Hodges	2,500	0.00%	2,500	2,500	2,500	2,500	3,750
Henry	57,910	-34.49%	57,910	57,910	88,399	88,399	98,343
Thanksgiving	2,780	-17.11%	2,780	2,780	3,354	3,354	4,725
<b>Total Unrestricted Income</b>	<b>63,190</b>	<b>-32.96%</b>	<b>63,190</b>	<b>63,190</b>	<b>94,253</b>	<b>94,253</b>	<b>106,818</b>
<b>Restricted Investment Income</b>							
Christiansen (line 141)	6,220	-34.62%	6,220	6,220	9,514	9,514	10,564
Clapp (line 68)	23,239	-34.49%	23,239	23,239	35,474	35,474	39,464
Clergy Emergency (line 140)	9,693	-34.56%	9,693	9,693	14,811	14,811	16,461
College Work (line 81)	7,239	-34.49%	7,239	7,239	11,050	11,050	12,292
Episcopate Endowment #1 (line 134)	102,291	-34.65%	102,291	102,291	156,524	156,524	173,711
Episcopate Endowment #2 (line 134, 137, 142, 143, 173)	60,491	-18.81%	60,491	60,491	74,503	74,503	76,012
McDonald (Huston scholarships)	0	-100.00%	0	0	310	310	-83
Mission Ministry Fund (line 56)	21,022	-15.91%	21,022	21,022	25,000	40,000	25,538
Phillips Fund	11,340	-24.40%	11,340	11,340	15,000	0	19,951
Pruden Fund (clergy residency fund) (line 67)	504	-34.46%	504	504	769	769	855
St. Bernard's Chapel (line 190)	754	-34.78%	754	754	1,156	1,156	1,280
Theological Education (line 139)	19,519	-34.47%	19,519	19,519	29,787	29,787	33,147
Working Capital Trust	10,553	603.53%	10,553	10,553	1,500	1,500	2,254
Human Need Endowment (line 131)	4,937	-48.03%	4,937	4,937	9,500	9,500	9,500
<b>Total Restricted Income</b>	<b>277,802</b>	<b>-27.82%</b>	<b>277,802</b>	<b>277,802</b>	<b>384,898</b>	<b>384,898</b>	<b>420,946</b>
<b>Other Income</b>							
Bank and Other Income	20,000	-53.81%			43,300	43,300	47,605
Transfers and Grants		-100.00%	-		46,387	46,387	0
Transfers - Ethnic Ministries		-100.00%			29,192		
Insurance Administration (line		0.00%			25,000	25,000	45,500



<b>Total Other Income</b>	<b>45,000</b>	<b>-68.72%</b>	<b>79,625</b>	<b>98,397</b>	<b>143,879</b>	<b>114,687</b>	<b>93,105</b>
<b>Fees, Tuitions, and Reimbursements</b>							
Print Shop (line 108, 111)	21,000	-16.00%	24,000	24,000	25,000	25,000	28,395
Printer 20% (Cathedral) (line 111)	-	-100.00%	13,700	13,700	13,634	13,634	12,644
DSOMAT/Adult Education (line 79)	9,000	-6.25%	9,600	9,600	9,600	9,600	9,150
Youth Events (line 80)	24,000	-23.81%	24,000	24,000	31,500	31,500	23,225
Emerging Mission (line 84)	2,000		2,000	2,000	0	0	0
Ethnic Ministry (line 97)	10,000		10,000	10,000	0	0	0
Evangelism (line 72)	3,000		3,000	3,000	0	0	0
Governance (line 169)	19,500	0.00%	19,500	40,000	19,500	0	0
College for Congregational Develop. (line 59)	45,788		45,788	45,788	30,000	0	0
Diocese of Eastern Oregon (line 145, 147)	25,680	-35.82%	49,366	49,366	40,012		
Grant and DIF Administration (line 154, 155)	14,500	45.00%	8,500	8,500	10,000	10,000	10,500
<b>Total Fees, Tuitions, etc.</b>	<b>174,468</b>	<b>-2.67%</b>	<b>209,454</b>	<b>229,954</b>	<b>179,246</b>	<b>89,734</b>	<b>83,914</b>
<b>Unrestricted Reserve</b>							
Transfer from (to) Unrestricted Reserve	-	-100.00%	-	-	100,000	100,000	-
Transfer from (to) U/R for Bishop's Initiatives*	100,000	-44.44%	120,000	-	180,000	300,000	
<b>Total Revenues Projected/Used:</b>	<b>4,344,460</b>	<b>-9.34%</b>	<b>4,434,071</b>	<b>4,452,343</b>	<b>4,792,276</b>	<b>4,819,572</b>	<b>4,122,793</b>
**Unrestricted Reserve balance	320,000	-23.81%	300,000		420,000	300,000	700,000

\*\$35,000 of this has been redirected by Council action to fund the administrative assistant position for Ethnic Ministries - see explanation in Bishop narrative pg. 4

Description	2010 Program Requests Fall	% increase/decrease for Fall Budget from Actual 2009 Budget	2010 Program Requests Spring Revised	2010 Program Requests	Admin/Actual 2009 Budget	Approved 2009 Budget	2008 Actual
<b>Supporting the Broader Church</b>							
<i>Wider Church Covenants</i>							
Nat'l Church Apportionment	694,679	1.25%	698,879	698,879	686,074	686,074	693,184
St. Mark's Cathedral Partnership	75,000	-25.00%	75,000	##	100,000	100,000	100,000
Province VIII Assessment	15,000	-36.17%	23,500	23,500	23,500	23,500	23,328
WA Assoc of Churches	20,000	0.00%	20,000	20,000	20,000	20,000	20,000
Ecumenical and Interfaith	250	-87.50%	250	250	2,000	2,000	-
<b>Total Supporting the Broader Church</b>	<b>804,929</b>	<b>-3.20%</b>	<b>817,629</b>	<b>742,629</b>	<b>831,574</b>	<b>831,574</b>	<b>836,512</b>
<b>Empowering Congregations</b>							
<i>Program for Ministry</i>							
• <b>Congregational Development</b>							
Canon for Congregational Development (50% FTE)							
compensation package	45,000	0.00%	45,000	45,000	45,000	-	-
Assistant (25%FTE) salary	10,000	0.00%	-	10,000	10,000	-	-
Total Benefits for above position	4,850	100.00%	4,550	4,750	-	-	-
Grants to Congregations (includes \$25k reserve)	360,000	0.00%	360,000	500,000	360,000	360,000	285,207
NDI Inkind Grant Backs	32,000	-50.00%	32,000		64,000		
Bishop Directed Grants ** (Line 16)	21,022	-47.45%	21,022	21,022	40,000	40,000	89,439
Congregation Consulting Network	1,000	100.00%	-	8,500			

Canon for Cong. Dev. General Office	6,500	100.00%	6,500	6,500			
College for Congregational Development * (Line 37)	85,000	183.33%	85,000	90,450	30,000	-	-
<b>Subtotal</b>	<b>565,372</b>	<b>2.98%</b>	<b>554,072</b>	<b>686,222</b>	<b>549,000</b>	<b>400,000</b>	<b>374,646</b>
<b>• Supporting Congregations</b>							
Total Common Missioner (50% FTE) South salary	40,000	122.22%	36,000	36,000	18,000	-	-
Total Common Missioner (50% FTE) North salary	-		-	36,000			
Total Benefits for above positions	150	-98.64%	27,600	55,178	11,000		
Total Common Ministry Program - South	11,700	0.00%	11,700	12,000	11,700	11,700	-
Total Common Ministry Program - North	-		-	12,000			
Clergy Residency Program -	55,000	100.00%	55,000	155,325			
Support for Congregations --	65,000	0.00%	65,000	84,700	65,000	65,000	88,028
Clergy Residency ** (Line 18)	504	-34.46%	504	504	769	769	660
Bond Support Grant - Battle Ground ** (Line 10)	23,239	-15.61%	23,239	23,239	27,536	27,536	24,620
<b>Subtotal</b>	<b>195,593</b>	<b>45.96%</b>	<b>219,043</b>	<b>414,946</b>	<b>134,005</b>	<b>105,005</b>	<b>113,308</b>
<b>• Evangelism and Growth</b>							
TV Eucharist	16,000	0.00%	16,000	17,000	16,000	16,000	16,000
COTA salary support	15,000	0.00%	15,000	15,000	15,000	15,000	15,000
Evangelism Program -- * (Line 35)	19,700	-27.57%	27,200	29,000	27,200	27,200	23,621
<b>Subtotal</b>	<b>50,700</b>	<b>-12.89%</b>	<b>58,200</b>	<b>61,000</b>	<b>58,200</b>	<b>58,200</b>	<b>54,621</b>
<b>• Faith Formation</b>							
Canon for Youth & Young Adults salary	60,646	-2.91%	62,465	62,465	62,465	60,646	60,646
Director of Diocesan Resource Center salary (50% FTE)	18,620	-4.76%	19,550	19,550	19,550	18,620	21,723
Dean, DSOMAT, salary (50% in 2010)	27,750	-51.46%	57,165	57,165	57,165	55,500	48,776
Project Coordinator salary (75% FTE)	29,791	-4.76%	31,281	31,281	31,281	29,791	29,791
Total Benefits for above positions	56,396	-5.52%	59,688	59,688	59,688	56,659	55,799
Faith Formation -- Adult Resources* (Line 31)	36,800	-8.00%	40,000	61,180	40,000	40,000	32,886
Faith Formation -- Youth & Young Adults* (Line 32)	52,700	0.00%	52,700	57,250	52,700	52,700	40,379
College Work/UW * (Line 12)	52,000	0.00%	52,000	55,000	52,000	52,000	50,000
College Work/Bellingham WWU	35,000	250.00%	35,000	70,000	10,000	10,000	0
<b>Subtotal</b>	<b>369,703</b>	<b>-3.94%</b>	<b>409,849</b>	<b>473,579</b>	<b>384,849</b>	<b>375,916</b>	<b>340,000</b>
<b>• Emerging Mission</b>							
Emerging Mission -- * (Line 33)	30,000	50.00%	36,850	36,850	20,000	20,000	0
<b>Subtotal</b>	<b>30,000</b>	<b>50.00%</b>	<b>36,850</b>	<b>36,850</b>	<b>20,000</b>	<b>20,000</b>	<b>0</b>
<b>• Ethnic Ministries</b>							
Canon for Multi-Cultural Min salary (50% FTE in 2010)	34,579	-51.46%	71,233	71,233	71,233	69,158	69,158
Administrative Assistant salary (50% FTE) (Line 42)	24,851	9.74%	22,645	22,645	22,645	35,945	35,945
Administrative Assistant salary (50% FTE)**	-	-100.00%	28,546	28,546	28,546		
Total Benefits for above positions	25,058	-3.31%	25,915	25,915	25,915	30,345	30,179
African American Committee	3,000	0.00%	3,000	3,200	3,000	3,000	944
Anti-Racism Training Team	9,000	0.00%	9,000	9,000	9,000	9,000	8,666
Cambodian - Holy Family of Jesus	46,000	0.00%	46,000	46,000	46,000	46,000	45,600
Chinese Ministry - Holy Apostles	5,000	0.00%	5,000	5,200	5,000	5,000	4,446
First Nations Committee	3,500	0.00%	3,500	3,700	3,500	3,500	2,105
Indo-Hispanic Ministry Committee	16,000	0.00%	16,000	16,500	16,000	16,000	13,521
Sudanese Committee	1,500	0.00%	1,500	2,000	1,500	1,500	709

Commission for Ethnic Ministries * (Line 34)	10,000	-37.50%	16,000	16,000	16,000	16,000	16,802
<b>Subtotal</b>	<b>178,488</b>	<b>-28.13%</b>	<b>248,339</b>	<b>249,939</b>	<b>248,339</b>	<b>235,448</b>	<b>228,075</b>
<b>Stewardship and Planned Giving</b>							
• Canon for Planned Giving/Stew/Evangelism salary	80,862	-2.91%	83,288	83,288	83,288	80,862	80,862
Administrative Assistant salary (86% FTE in 2010)	32,090	-4.77%	33,696	33,696	33,696	28,880	31,287
Total Benefits for above positions	44,250	3.56%	42,728	42,728	42,728	37,544	37,553
Feasibility Study for Capital Campaign	-		-	60,000			
S & PG Program --	37,080	-20.00%	46,350	53,200	46,350	46,350	45,426
<b>Subtotal</b>	<b>194,282</b>	<b>-5.72%</b>	<b>206,062</b>	<b>272,912</b>	<b>206,062</b>	<b>193,636</b>	<b>195,128</b>
<b>Communications</b>							
• Director of Diocesan Communications salary	55,327	-2.91%	56,987	56,987	56,987	55,327	55,327
Publications Coordinator salary (40% FTE in 2010)	18,746	-50.00%	37,492	37,492	37,492	46,815	5,160
Information Systems (moved to line 136)			54,795	54,795	54,795	53,199	53,199
Print Shop Coordinator salary * (84% FTE in 2010) (Line 29)	39,864	-19.64%	49,604	49,604	49,604	47,242	51,664
Total Benefits for above positions	43,797	-36.12%	68,566	68,566	68,566	63,457	57,164
Communications Program --	84,000	-34.50%	128,250	134,750	128,250	128,250	98,390
Print Shop ** (Line 29, 30)	20,000	-13.04%	23,000	23,000	23,000	23,000	18,892
<b>Subtotal</b>	<b>261,734</b>	<b>-37.49%</b>	<b>418,694</b>	<b>425,194</b>	<b>418,694</b>	<b>417,290</b>	<b>377,041</b>
<b>Bishop's Initiatives</b>							
• Bishop's Initiatives - originally \$100k, \$35k redirected by Council 8/27 to fund the half-time Administrative Assistant for Ethnic Ministries. (Line 42)	65,375	-63.68%	120,000		180,000	300,000	-
<b>Subtotal</b>	<b>65,375</b>	<b>-63.68%</b>	<b>120,000</b>	<b>0</b>	<b>180,000</b>	<b>300,000</b>	<b>0</b>
<b>Total Empowering Congregations</b>	<b>1,911,247</b>	<b>-13.09%</b>	<b>2,271,109</b>	<b>2,620,642</b>	<b>2,199,149</b>	<b>2,105,495</b>	<b>1,682,819</b>
<b>Specialized Ministries/Church in the World</b>							
Commission for Church in the World Program --	54,656		62,110	12,000	12,110	12,110	39,917
Bishop's Committee for the Environment				9,500	10,000	10,000	11,839
Walk in Love: Response to AIDS				4,000	2,500	2,500	2,000
Committee on Alcohol and Substance				4,100	2,500	2,500	1,272
Bishop's Committee for Israel/Palestine				12,500	12,500	12,500	10,038
Jubilee Ministry Network				1,600	1,500	1,500	1,125
Committee for Economic Justice				2,500	2,500	2,500	749
Greater Seattle Cares				5,000	5,000	5,000	
Integrity Puget Sound				1,500	2,000	2,000	
Refugee Resettlement				9,900	7,200	7,200	6,000
Refugee Resettlement - Starter Kits				9,900			
St. James Family Center				1,500	1,500	1,500	1,500
The Mission to Seafarers				4,000	2,800	2,800	2,800
Earth Ministries				10,000			
Global Mission				500			
Emergency Assistance Grants ** (Line 22)	4,937	-48.03%	4,937	4,937	9,500	9,500	9,500
Millennium Development Goals	27,968	18.66%	27,968	26,481	23,569	23,569	26,681
<b>Total Specialized Ministries</b>	<b>87,561</b>	<b>-8.00%</b>	<b>95,015</b>	<b>120,008</b>	<b>95,179</b>	<b>95,179</b>	<b>96,082</b>
<b>Canonical and Corporate Expenses</b>							
• Diocesan Bishop's Office							
The Bishop's salary ** (Line 13,	127,680	-2.63%	131,127	131,127	131,127	131,127	131,127

14)

Executive Assist to the Bishops salary (also supports Bishop Suffragan)	56,000	-2.91%	57,680	57,680	57,680	50,000	51,784
Internet & Social Network Resources Officer salary	53,199	-2.91%	(previously line 107 in Communications)				
Total Benefits for above positions * (Line 14)	86,697	26.12%	68,742	68,742	68,742	62,411	62,398
Bishop's Office Program	75,000	0.00%	75,000	82,000	75,000	75,000	66,138
Theological Education ** (line 20)	19,519	-34.47%	19,519	19,519	29,787	29,787	55,918
Clergy Emergency Grants ** (Line 11)	9,693	-34.56%	9,693	9,693	14,811	14,811	12,062
Christiansen Grants ** (Line 9)	6,220	-34.62%	6,220	6,220	9,514	9,514	16,151
Lambeth Conference Reserve ** (Line 14)	2,500	-37.50%	4,000	4,000	4,000	4,000	4,000
Bishop Search Reserve ** (Line 14)	10,000	0.00%	10,000	20,000	10,000	20,000	10,000
<b>Subtotal</b>	<b>446,508</b>	<b>11.44%</b>	<b>381,981</b>	<b>398,981</b>	<b>400,661</b>	<b>396,650</b>	<b>409,578</b>
• Bishops Suffragan's Office							
Bishops Suffragan's salary * (Line 38)	62,500	-45.18%	114,000	114,000	114,000	114,000	114,000
Secretary for Vocations salary (40% FTE)	16,000		-	16,200			
Total Benefits * (Line 38)	24,427	-23.17%	31,794	31,794	31,794	31,218	31,135
Bishop Suffragan Program --	37,500	-47.74%	71,750	82,000	71,750	71,750	43,899
<b>Subtotal</b>	<b>140,427</b>	<b>-35.45%</b>	<b>217,544</b>	<b>243,994</b>	<b>217,544</b>	<b>216,968</b>	<b>189,034</b>
• Canon to the Ordinary's Office							
Canon to the Ordinary salary	85,000	3.16%	82,400	82,400	82,400	80,000	79,402
Total Benefits for above position	28,511	5.42%	27,044	27,044	27,044	26,195	26,111
Canon to the Ordinary Program	18,650	0.00%	18,650	25,000	18,650	18,650	32,080
<b>Subtotal</b>	<b>132,161</b>	<b>3.18%</b>	<b>128,094</b>	<b>134,444</b>	<b>128,094</b>	<b>124,845</b>	<b>137,593</b>
• Treasurer's Office							
Canon for Finance salary * (Line 39)	71,286	-2.91%	73,425	73,425	73,425	71,286	71,286
Accounting Manager salary * (Line 39)	55,000	-2.91%	56,650	56,650	56,650	55,000	55,000
Insurance & Finance Assistant salary * (Line 27)	37,810	-2.91%	38,942	38,942	38,942	35,945	35,000
Total Benefits for above positions	50,023	2.12%	48,985	48,985	48,985	47,161	46,910
Treasurer's Office Program --	21,775	0.00%	21,775	23,000	21,775	21,775	17,338
Insurance General ** (Line 27)	2,600	4.00%	2,600	2,600	2,500	2,500	2,374
<b>Subtotal</b>	<b>238,494</b>	<b>-1.56%</b>	<b>242,377</b>	<b>243,602</b>	<b>242,277</b>	<b>233,667</b>	<b>228,853</b>
• Archives							
Archivist & Records Manager salary (60% FTE)	25,535	-4.76%	26,812	26,812	26,812	25,535	24,864
Total Benefits	17,581	5.55%	16,657	16,657	16,657	16,145	16,095
Archives & Records Management Program --	8,000	-20.00%	10,000	10,650	10,000	10,000	9,309
<b>Subtotal</b>	<b>51,116</b>	<b>-4.40%</b>	<b>53,469</b>	<b>54,119</b>	<b>53,469</b>	<b>51,680</b>	<b>50,939</b>
• Diocesan Governance							
Bishop's Executive for Governance & Convention salary (75% FTE)	41,125	-2.91%	42,359	42,359	42,359	41,125	41,125
Total Benefits	14,073	2.26%	13,762	13,762	13,762	13,391	13,328
Governing Bodies (reserve transfer)	-		-	-	0	0	0
Governance-Legal, Audit Governance Program * (Line 36)	59,500	0.00%	59,500	69,000	59,500	59,500	49,927
Representative for Property	88,300	-2.75%	90,800	134,600	90,800	58,300	53,409
<b>Subtotal</b>	<b>226,998</b>	<b>-1.49%</b>	<b>230,421</b>	<b>283,721</b>	<b>230,421</b>	<b>196,316</b>	<b>181,789</b>
• Other Governance Program --	15,400	-19.23%	15,400	15,400	19,067	19,067	11,667

Cathedral Dean Search Reserve ** (Line 14)	2,500	0.00%	2,500	2,500	2,500	2,500	2,500
<b>Subtotal</b>	<b>17,900</b>	<b>-17.00%</b>	<b>17,900</b>	<b>17,900</b>	<b>21,567</b>	<b>21,567</b>	<b>14,167</b>
• Property and Liability Insurance Premium	60,000	0.00%	60,000	60,500	60,000	60,000	55,466
<b>Subtotal</b>	<b>60,000</b>	<b>0.00%</b>	<b>60,000</b>	<b>60,500</b>	<b>60,000</b>	<b>60,000</b>	<b>55,466</b>
• Benefits Compensation/Benefits Reserves (med ins changes/staff changes)	20,914	39.43%	-	65,000	15,000	221,415	8,772
Medicare Supplement	42,000	-10.64%	42,000	42,000	47,000	47,000	40,624
<b>Subtotal</b>	<b>62,914</b>	<b>1.47%</b>	<b>42,000</b>	<b>107,000</b>	<b>62,000</b>	<b>268,415</b>	<b>49,396</b>
<b>Total Canonical/Corporate Expenses</b>	<b>1,376,518</b>	<b>-2.79%</b>	<b>1,373,786</b>	<b>1,544,261</b>	<b>1,416,033</b>	<b>1,570,108</b>	<b>1,316,815</b>
<b>Trustee Expenses</b>							
• Diocesan House Receptionist salary	29,108	-4.76%	30,563	30,563	30,563	29,108	29,108
Total Benefits for above positions	11,443	-67.62%	35,341	35,341	35,341	31,941	31,207
Maintenance services	20,000	-45.75%	36,867	36,867	36,867	35,111	35,293
Casual Labor	2,000	0.00%	2,000	2,000	2,000	2,000	1,654
Diocesan House General	25,900	-21.28%	32,900	37,800	32,900	32,900	34,599
Plant Services General	65,000	-13.33%	75,000	95,000	75,000	75,000	69,930
<b>Subtotal</b>	<b>153,451</b>	<b>-27.85%</b>	<b>212,671</b>	<b>237,571</b>	<b>212,671</b>	<b>206,060</b>	<b>201,791</b>
• Other Trustee Expenses							
St. Andrew's House Deferred Maintenance - diocesan subsidy	10,000	0.00%	10,000	10,000	10,000	10,000	0
St. Andrew's House Operating Budget - diocesan subsidy	-		-	26,946	0	0	0
St. Bernard's Chapel**(Line 19)	754	-34.78%	754	754	1,156	1,156	0
<b>Subtotal</b>	<b>10,754</b>	<b>-3.60%</b>	<b>10,754</b>	<b>37,700</b>	<b>11,156</b>	<b>11,156</b>	<b>0</b>
<b>Total Trustee Expenses</b>	<b>164,205</b>	<b>-26.64%</b>	<b>223,425</b>	<b>275,271</b>	<b>223,827</b>	<b>217,216</b>	<b>201,791</b>
<b>TOTAL EXPENSES</b>	<b>4,344,460</b>	<b>-8.84%</b>	<b>4,780,964</b>	<b>5,302,811</b>	<b>4,765,762</b>	<b>4,819,572</b>	<b>4,134,019</b>
<b>TOTAL REVENUES</b>	<b>4,344,460</b>	<b>-9.34%</b>	<b>4,434,071</b>	<b>4,452,343</b>	<b>4,792,276</b>	<b>4,819,572</b>	<b>4,122,793</b>
Net Surplus or (Deficit)	-		(346,893)	(850,468)	26,514	-	(11,226)

Explanations of Changes from Spring Draft

Item	2010 Summer Draft	2010 Spring Draft	2010 Request	2009 Actual Budget	% Increase or decrease from 2010 Spring Draft	% increase or decrease from 2009 Actual Budget	Comments
<b>CHANGES IN REVENUE</b>							
Print Shop	\$ 21,000	\$ 24,000	\$ 24,000	\$ 25,000	-13%	-16%	
Printer (20% Cathedral)	-	13,700	13,700	13,634	-100%	-100%	
DSOMAT/Adult Education	9,000	9,600	9,600	9,600	-6%	-6%	
Diocese of Eastern Oregon (Jan-June only)	25,680	49,366	49,366	40,012	-48%	-36%	
Grant & DIF Administration	14,500	8,500	8,500	10,000	71%	45%	Income from Cathedral for 1 day/wk Insurance Assistant
Transfer from U/R reserve for Bishop's Initiatives	100,000	120,000	-	180,000	-17%	-44%	
<b>EXPENSES – SALARY COLA – ROLLBACK</b>							
All staff positions, except those noted below were subjected to a 3-5% COLA rollback reducing salaries to the 2008 salary level. Includes the following positions: Canon for Youth and Young Adults, Director of Diocesan Resource Center, Faith Formation Project Coordinator, Canon for Planned Giving/Stewardship & Evangelism, Stewardship/Planned Giving Assistant, Director of Diocesan Communications, Internet Resources Manager, Bishop Diocesan, Executive Assistant to the Bishops, Canon for Finance, Accounting Manager, Insurance & Finance Assistant, Archivist & Records Manager, Bishop's Executive for Governance, Receptionist							
<b>EXPENSES – SALARY CHANGES</b>							

Cong. Development Asst.	10,000	-	10,000	10,000	100%	0%	New position, 25% FTE
TCM Missioner South	40,000	36,000	36,000	18,000	100%	122%	Adjustment for no benefits/Medicare
Dean, DSOMAT	27,750	57,165	57,165	57,165	-51%	-51%	Position reduced to 50% FTE
Canon for Multi-Cultural Min	34,579	71,233	71,233	71,233	-51%	-51%	Position reduced to 50% FTE
Ethnic Min Admin Asst	24,851	51,191	51,191	51,191	-51%	-51%	Position reduced to 50% FTE
Publications Coordinator	18,746	37,492	37,492	37,492	-50%	-50%	Position reduced to 40% FTE
Info Systems Coordinator	-	54,795	54,795	53,199	-100%	-100%	Position redefined – see below
Print Shop Coordinator	39,864	49,604	49,604	49,604	-20%	-20%	Position reduced to 84% FTE/Cathedral no longer using service
Internet & Social Network Resource Officer	53,199	-	-	-	100%	100%	Previously Info. Sys. Coord.
Bishop Suffragan	62,500	114,000	114,000	114,000	-45%	-45%	Full time Jan-June; retirement
Secretary for Vocations	16,000	0	16,200	0	100%	100%	New position, 40% FTE
Canon to the Ordinary	85,000	82,400	82,400	82,400	3%	3%	See narrative for explanation
Building Mgr/Maintenance	20,000	36,867	36,867	36,867	-46%	-46%	Position redefined as contract
<b>EXPENSES – BENEFITS CHANGES</b>							
Benefits have been adjusted for each position based on best estimate for insurance increases in 2010, and/or based on changes in positions.							
<b>Total benefits changes</b>	407,256	471,102	498,880	450,222	-14%	-10%	
<b>EXPENSES – PROGRAM CHANGES</b>							
National Church Apportion	694,679	698,879	698,879	696,074	-1%	1%	Exemption changed from \$100k to \$120 k at GC 2009
Province VIII Assessment	15,000	23,500	23,500	23,500	-36%	-36%	
Cong. Consulting Network	1,000	0	8,500	0	100%	100%	
Evangelism Program	19,700	27,200	29,000	27,200	-28%	-28%	
Faith Formation Adult Res.	36,800	40,000	61,180	40,000	-8%	-8%	
Emerging Mission	30,000	36,850	36,850	20,000	-19%	50%	
Comm for Ethnic Ministries	10,000	16,000	16,000	16,000	-38%	-38%	
Stew/PG Program	37,080	46,350	53,200	46,350	-20%	-20%	
Communications Program	84,000	128,250	134,750	128,250	-35%	-35%	
Print Shop Program	20,000	23,000	23,000	23,000	-13%	-13%	
Bishop's Initiatives	100,000	120,000	0	180,000	-17%	-44%	
Comm for Church in World	54,656	62,110	88,590	62,110	-12%	-12%	
Lambeth Conf Reserve	2,500	4,000	4,000	4,000	-38%	-38%	
Bishop Suffragan Program	37,500	71,750	82,000	71,750	-48%	-48%	
Archives Program	8,000	10,000	10,650	10,000	-20%	-20%	
Governance Program	88,300	90,800	134,600	90,800	-3%	-3%	
Comp/Benefits Reserve	21,000	0	65,000	15,000	100%	40%	
Diocesan House General	25,900	32,900	37,800	32,900	-21%	-21%	
Plant Services General	65,000	75,000	95,000	75,000	-13%	-13%	

## Narrative

### Revenue (line 1-44)

Assessment projections are based on the net disposable income reported annually by congregations. The rate of assessment is set each year by the Diocesan Convention for the second succeeding year (i.e., the 2009 Convention will set the 2011 rate). Payment of the assessment is mandatory for a congregation to stay in union with convention. Of the total, 8% in 2010 is budgeted as a reserve to allow for those congregations that do not meet their obligations. *Unrestricted Investment Income* from endowment funds is available for general operating expenses. *Restricted Investment Income* is designated for specific purposes ranging from support for the diocesan bishop to clergy emergency grants, college work, theological education and human needs. *Other Income* and *Fees, Tuitions and Reimbursements* reflect income received from youth and other events, convention, DSOMAT classes, the College for Congregational Development, the print shop, and accounting services.

### Supporting the Broader Church (line 46-50)

Includes support for our shared ministry through the asking for the **National Church** (based on a formula approved by the triennial General Convention of the Episcopal Church), support for **Province VIII** (one of nine provinces in the Episcopal Church USA consisting of the dioceses of Alaska, Arizona, California, Eastern Oregon, El Camino Real, Hawaii, Idaho, Los Angeles, Nevada, Northern California, Olympia, Oregon, San Diego, San Joaquin, Spokane, Taiwan, Utah and the Navajoland Area Mission), the **Washington Association of Churches** (our faith-based state public policy education & advocacy network), **St. Mark's Cathedral** and **ecumenical work** in Western Washington.

### Empowering Congregations (line 51-115)

**Congregational Development** includes full funding for the College for Congregational Development (CCD) as well as Grants to Congregations and staffing, including a new 25% FTE assistant to the Canon for Congregational Development. **Supporting Congregations** includes a half-time Total Common Ministry Missioner, one FTE Clergy Residency Program as well as support for congregations in transition, leadership development, MissionInsite (demographic program), wardens conferences, clergy days, abuse and misconduct prevention training and misconduct consulting and settlement. **Evangelism and Growth** supports the TV Eucharist on KONG cable television, COTA (Church of the Apostles) an emerging church in Fremont, as well as development of lay pastoral care ministry, newcomers' ministry, and evangelism training (diocesan and provincial/national) including scholarships. The **Faith Formation** program offers training, education, consultation and resources for congregations with specific programs for children, youth and young adults including HYC, JYC, and 6-Day youth conferences, youth leadership training programs, and young adult ministry. **Adult Faith Formation** includes the DSOMAT (Diocesan School for Ministry and Theology) on sabbatical for 2010, resources for distance learning, curriculums and resources, and training for Sunday school teachers, as well as yearly fees for the use of EFM (Education for Ministry), and funding for Ministry Resource Day. **College Work/UW** supports Canterbury Campus Ministry at the University of Washington. **College Work/Bellingham** provides for a new campus ministry at Western Washington University. **Emerging Mission** receives increased funding in this budget; the goal is to support congregations in evangelical outreach in the emerging culture and among emerging generations. **Ethnic Ministries** support, empower and develop ethnic ministries in the diocese with a goal to promote the health and development of a culturally and ethnically diverse diocese. The **Planned Giving and Stewardship** office provides congregations with resources and training to develop the ministry of legacy giving as well as support for annual campaigns; this includes stewardship-focused workshops, diocesan-wide special appeal campaigns, work with the Bishop's Society and a new planned giving website. The office of **Communications** strives to provide outstanding communications services to the diocese, boldly proclaiming the good news of the Episcopal Church in Western Washington through the FYI leadership newsletter, the diocesan website, and the *Episcopal Voice*; this office also manages public relations for the Office of the Bishop and includes the print shop which is funded by restricted income and provides in-house printing services for all diocesan departments, programs and ministries.

### Specialized Ministries/Church in the World (line 116-133)

The work of these ministries of justice and mercy are coordinated through the Commission for the Church in the World; resources support diocesan and affiliated programs. The Millennium Development Goals (MDGs) (adopted at the 2005 convention) designates 0.7% of the annual diocesan unrestricted budget to fund international relief and development programs. Committees and ministry efforts include concerns for the environment; responding to AIDS locally and internationally; substance abuse curriculum, training and consultation; education, advocacy and prayer in support of our brothers and sisters in the Diocese of Jerusalem; as well as support for the Jubilee Ministry Network, economic justice ministry, Integrity/Puget Sound, the Refugee Resettlement Ministry, Mission to Seafarers and Earth Ministries.

### Canonical/Corporate Expenses (line 134-180)

Funding for the office of the **Diocesan Bishop**, includes support for the Standing Committee, Pastoral Care of Clergy, Clergy Spouses and Partners network, diaconal presence and Episcopal assistance. The **Bishop Suffragan** support includes funding for this office as well as support for the Commission on Ministry and Ministry Discernment. The office of the **Canon to the Ordinary** assists the bishops in diocesan ministry and carries out the decisions and vision of the bishops; this office also works with congregations in transition, congregations in conflict, coordinates deployment of clergy, and misconduct case management. The **Treasurer's Office** is responsible for the financial transactions and records of the operating, trust, building loan, mission development and diocesan investment funds of the diocese. This office audits the annual NDI reports from congregations and files state tax forms; the diocesan medical, dental, property and liability insurances are also the responsibility of this office. The **Archivist and Records Manager** is the official custodian of diocesan records and is responsible for the direction and implementation of this program; a volunteer *historiographer* is responsible for chronicling the history of the diocese and making it available through written works and oral presentations. **Diocesan Governance** supports the Convention, Pre-Convention events, the Diocesan Council, Commission on Church Architecture, Board of Directors, Liturgy and Arts Commission, Personnel and Insurance committees, General Convention reserve, Cathedral Dean Search reserve, as well as other bodies or events that provide overall leadership of the diocese. The budget process, work with regional ministry leadership and the Committee on Constitution and Canons is also coordinated through this office. A Legal/Audit fund provides for the annual audit of the diocesan books and legal expenses incurred by the diocesan chancellor and her office dealing with issues related to both diocesan and congregation-related matters. **Property & Liability Insurance** funds the cost of property and liability coverage, and non-owned auto for the diocesan corporation. **Compensation/Benefits Reserves** provides for the likelihood of an increase in insurance premiums for diocesan staff; zero funding for COLA salary increases is provided for in this budget. **Medicare Supplement** is also covered in this area.

### Trustee Expenses (line 181-192)

Funds in this area provide for the use, care and upkeep of the Diocesan House, a deferred maintenance subsidy for St. Andrew's House, and, funded through restricted funds, the care and upkeep of St. Bernard's Chapel.

## Resolutions Committee 2009 Report to Convention (09/D/3)

Diocese of Olympia

### RESOLUTIONS COMMITTEE

2009 Report to Convention

MEMBERS OF THE RESOLUTIONS COMMITTEE: **Mr. Duncan Bayne**, St. Mark's Cathedral, Seattle, Diocesan Vice-Chancellor, chair; **the Rev. Josefina Beecher**, Komo Kulshan Cluster, Mount Vernon; **the Rev. Richard Green**, St. Stephen's Church, Longview; **Ms. Jordan Gross**, St. Andrew's Church, Seattle; **Ms. Mary Maxon**, Emmanuel Church, Mercer Island; **Mr. Ralph Provencal**, St. Benedict's Church, Lacey; and **the Rev. Richard Younge**, St. Clement's Church, Seattle.

#### **Resolution #1 – 2011 Diocesan Assessment Rate.** *Submitted by the Diocesan Council.*

**Resolved**, That this 99<sup>th</sup> Convention of the Diocese of Olympia approve the recommendation of the Diocesan Council that the 2011 diocesan assessment rate factor be set at 18% of the Net Disposable Income (NDI). Explanation: In accordance with Canon 7, Diocesan Convention determines the assessment rate for the second year of assessment following determination; thus the 2009 Convention sets the 2011 assessment rate. This Council recommendation is based on several factors: 1) Reasonably-stable results for 2009 assessment payments to date, namely, at the end of July a total payment shortfall of about 9.7% and a net shortfall of about 9% (after removing those congregations with shortfalls 1 month or less behind, most of which historically are able to catch up by year end). About 75 of 93 congregations have stayed current with their assessment payments so far this year in this stressful economic climate, and Diocesan Council is thankful for everyone's efforts to date. It is hoped we will be able to come in near the projected shortfall rate of 6% for the 2009 budget. 2) A projected shortfall rate of 8% for the 2010 budget – with additional attention from Council, diocesan leadership, and all congregations it is hoped to meet or reduce this shortfall rate for 2010. We just completed our work with the 2010 budget and dealt with a \$350k projected shortfall. Based on 2009 revenues for congregations being only steady and not growing in 2011 this struggle may continue. (For 2010 the total assessment revenues possible with full payment only increased by 1% from 2009.) 3) At this time there is nothing specific driving a change to the assessment rate. However, at the national church level it was approved to reduce national diocesan assessments from 21% to 19% by 2012. It would be a nice gesture if the diocese could lower assessments during this national and local serious economic condition as well. Unfortunately, this would lead to another \$200-300k budget deficit to deal with in planning the 2011 budget, so it was felt it was best to leave the assessment as is for now. Regardless, we are continuing to look at how to move the budget toward more direct support of the bishop's priorities. Long term, Council continues to look at the possibility of changing the assessment basis or formula and the rate. While the present setup has been in place since the late 1970s and was reviewed once in 1993 resulting in no changes approved at Convention, we are considering this with the new bishop in conjunction with whatever new mission and programs that may be established. It is therefore the decision of Council to retain the present assessment formula and rate while further research and discussion is undertaken toward any move to a new calculation method or rate. **Recommendation of the Resolutions Committee:** DO PASS

#### **Resolution #2 – Cost of Living Adjustment (COLA) for 2010.** *Submitted by the Personnel Commission of the Diocese of Olympia.*

**Resolved**, That this 99<sup>th</sup> Convention of the Diocese of Olympia authorize the setting of the Cost of Living Adjustment for 2010 parochial clergy salary scale at 0%. Explanation: As required by Canon 23, Sections 2 and 5, and Canon 12, Section 4, the Personnel Commission, in July 2009, set the Cost of Living Adjustment (COLA) for 2010 for the parochial clergy salary scale at 0%. This is based on the Bureau of Labor Statistics (BLS) for West Coast cities under 1,500,000 population (Bremerton/Tacoma) COLA information for the calendar year May 2008 to May 2009. The revised clergy salary scale is as follows:

#### **Commission on Personnel—2010 Parochial Clergy Salary Scale**

GRADE	MINIMUM	MID-POINT	MAXIMUM
A	\$75,812	\$94,766	\$113,718
B	68,921	86,150	103,381
C	62,624	78,305	93,966
D	57,272	71,197	85,436
E	51,843	64,804	77,765

#### **APPLICABLE POLICIES:**

##### **MANDATORY POLICIES (APPLIES TO RECTORS AND VICARS)**

1. IF CHURCH-OWNED HOUSING IS PROVIDED, THE RANGE IS REDUCED BY 20% PLUS THE AMOUNT OF ANY UTILITIES PROVIDED, EITHER IN FORM OF ACTUAL UTILITY COSTS PAID OR IN ALLOWANCES PROVIDED.
2. CLERGY MUST BE PAID AT LEAST THE MINIMUM OF THE APPLICABLE RANGE.
3. CLERGY WITH FIVE (5) OR MORE YEARS OF ORDAINED SERVICE MUST BE PAID AT LEAST 90% OF THE MID-POINT OF THEIR CONGREGATION'S APPLICABLE GRADE. **NOTE: A CLERGY PERSON WITH LESS THAN FIVE (5) YEARS SHOULD BE GIVEN PAY RAISES GREATER THAN THE COST-OF-LIVING ADJUSTMENT SO THE SALARY WOULD REACH THE 90% OF MID-POINT BY THE FIFTH YEAR.**
4. CLERGY WITH TEN (10) OR MORE YEARS OF ORDAINED SERVICE MUST BE PAID AT LEAST 100% OF THE MID-POINT OF THEIR CONGREGATION'S APPLICABLE RANGE. **NOTE: A CLERGY PERSON APPROACHING (10) YEARS IN THE SAME GRADE OR CONGREGATION SHOULD BE GIVEN PAY RAISES GREATER THAN THE COST-OF-LIVING ADJUSTMENT SO THE SALARY WOULD REACH THE 100% OF MID-POINT BY THE TENTH YEAR.**
5. EXCEPTIONS TO THESE POLICIES REQUIRE APPROVAL OF THE BISHOP.



6. ALL FINANCIAL AGREEMENTS WITH CLERGY MUST BE REWRITTEN OR AMENDED IN THEIR LETTER OF MUTUAL MINISTRY AGREEMENT (LOMMA) TO REFLECT CHANGES IN COMPENSATION OR PROVISIONS AND A COPY FORWARDED TO THE BISHOP.

**ADVISORY POLICIES:**

1. FOR ASSISTING CLERGY, IT IS RECOMMENDED THAT MINIMUM COMPENSATION BE ESTABLISHED AT TWO SALARY GRADES BELOW THAT ESTABLISHED FOR THE PARISH OR MISSION, DEPENDING UPON QUALIFICATIONS AND EXPERIENCE.
2. FOR INTERIM CLERGY OF A PARISH OR MISSION, IT IS RECOMMENDED THAT COMPENSATION SHALL BE AT THE GRADE LEVEL OF THE PARISH OR MISSION, PRORATED FOR THE PERCENTAGE OF TIME COMMITTED.

**Recommendation of the Resolutions Committee: DO PASS**

**Resolution #3 – Support to Develop Ongoing Relationships between the Diocese of Olympia and the First Nations Peoples of Western Washington.** *Submitted by the First Nations Committee, Diocese of Olympia, Elsie Dennis and Becky Clark, co-chairs.*

**Resolved**, That the Diocese of Olympia celebrates the First People of the Pacific Northwest, affirms their dignity and respects their wisdom; *and be it further*, **Resolved**, That the Diocese of Olympia honors its previous commitments in the “Covenant of Faith,”\* and “The Apology,”\* (\*see appendix), our bishops being signatories of these documents, encourage all parishes and missions to work toward developing and maintaining ongoing relationships with nearby First Nations Peoples. Explanation: *Budget:* no funds requested. *Staff:* support of Ethnic Missioner as available, support of Suffragan Bishop as available. *Responsibility:* the parishes and missions of the Diocese of Olympia, in consultation with the First Nations Committee. *Report to:* First Nations Committee, time and form, to be decided with each relationship. Taking our example from General Convention Resolutions 1997-A305, 2003-C008, and 2007-D046, “With God’s help, in the love of Christ, and under the direction of the Holy Spirit may we journey longer still in friendship and in faith” we recognize that the Diocese of Olympia has parishes and missions in Western Washington State on or adjacent to the traditional lands of the First People of the Pacific Northwest, and we therefore have the perfect opportunity to develop and strengthen relationships with the First Nations Peoples of western Washington. In living out our Baptismal Covenant we are to seek and serve Christ in all persons, loving our neighbors as ourselves, and to strive for justice and peace among all people, and respect the dignity of every human being, recognizing the Christ in the First Nations Peoples of western Washington, they are our neighbors. Ways we can live that out are to:

- strive for justice in reconciling our history of colonization and the suffering it has engendered for generations between us: We will continue to be as constant in our search for the truth as we are responsible to its discoveries.
- work together to find new solutions to the social and political challenges before us: We will continue to be as dedicated to the principles of self determination as we are committed to justice for all humanity.
- expand the theological and spiritual dialogue between our several traditions and communities: We will continue to be respectful of the integrity of Indigenous traditions.
- stand together to honor, protect and nurture our home, the Earth: We still continue to be as active in stewardship of God’s creation as we are diligent in our advocacy for its care.

**Recommendation of the Resolutions Committee: DO PASS**

**Resolution #4 – In Support of the Centre for Indian Scholars.** *Submitted by Kathryn Rickert, Ph.D. and the First Nations Committee, Diocese of Olympia.*

**Resolved**, That this 99<sup>th</sup> Convention of the Diocese of Olympia, in light of our previous apology, recognition and honoring of First Nations peoples among us, do acknowledge a need to take specific actions commensurate with the spirit of the Apology to the Northwest Tribes (1989) and the New Jamestown Covenant (2007); *and be it further* **Resolved**, That the Centre for Indian Scholars is an Indian cultural and educational institution which provides support for the study and teaching of First Nations traditions and cultures in order to lessen cultural conflicts and to foster North American Indian civilizations; *and be it further* **Resolved**, That the 99<sup>th</sup> Convention of the Diocese of Olympia acknowledges the valuable contribution of the Centre for Indian Scholars in building bridges between traditional tribal leaders of North American Indian Cultures and those who honor them through scholarship and learning. Explanation: Since the public signing and support for the Apology to the Northwest Tribes in 1989, by our (then) Bishop, the Rt. Rev. Robert Cochrane, and our more recent commemoration and signing of the New Jamestown Covenant in 2007, the Diocese of Olympia has taken a public stand in recognition of and support of the presence and contribution of First Nations peoples in the Episcopal Church and society. While both the Apology and the New Jamestown Covenant called us to supportive action to the benefit of First Nations peoples, neither of these documents offered specific steps for action. In the spirit of both of those documents, the Diocese of Olympia can most fully and faithfully act in demonstration of our support and appreciation by offering our official recognition for on-going First Nations institutions such as the Centre for Indian Scholars. Our public recognition will facilitate their applications for grants and funding in order to further their work. “The Centre for Indian Scholars is a Native educational and religious institution designed to develop native reflection and scholarship by North American First Nations peoples about their aboriginal, religious, cultural and social heritage. The need for such a Centre originates in the concerns of native elders and religious leaders who attended the Indian Ecumenical Conference in 1971. These religious leaders, traditional and Christian First Nations/Native Americans, called for an institution which makes possible the strengthening and sharing of Native religious thought and theology among all the Native peoples of North America.” The Centre is administered from Vancouver, B.C. and works in collaboration with the Vancouver School of Theology’s Native Ministries Consortium. Contact: The Secretary/ Treasurer, Mr. Jim White, The Centre for Indian Scholars, 6000 Iona Dr., Vancouver, BC, V6T1L4 CANADA. **Recommendation of the Resolutions Committee: DO PASS**

**Resolution #5 – Concerning a Canonical Change Regarding Clergy Compensation.** *Submitted by the Rev. Mike Morrissey, St. Bede's Church, Pt. Orchard, and the Rev. Martin Yabroff, St. Andrew's Church, Tacoma.*

**Resolved,** That this 99<sup>th</sup> Convention of the Diocese of Olympia authorize amendment of Canon 12, sections 2 and 3, to specifically include all active clergy as indicated:

**Canon 12, Section 2**

All clergy ~~employed by~~ actively serving any Parish, Mission, Congregation, or other diocesan institution shall be covered by written agreements specifying terms as to compensation, including any housing and utilities allowance, pension and insurance benefits, continuing education expenses and business expense allowances, which are not inconsistent with the Constitution and Canons of the National Church and the Diocese and the Diocesan Clergy Personnel Policy Manual.

**Section 3**

The Diocesan Council shall periodically recommend the establishment of a minimum annual compensation scale applicable to all clergy ~~employed by~~ actively serving any Congregation, Parish, Mission, or other diocesan institution. Once adopted by Convention, written compensation payments shall not be less than the established minimum without the written concurrence of the Bishop.

**Explanation:** There are two "classifications" of clergy not addressed by written diocesan pay policy. The first classification of clergy (priests and deacons) are ordained for and serving within the Diocese of Olympia's Total Common Ministry (TCM) congregations of which there are seven as of August 2009. As a matter of practice, these clergy and most vocational deacons (the second classification for the purpose of this explanation) actively serving in other congregations or institutions are not to be paid. Under the proposed changes, these clergy may opt out with the concurrence of the bishop just as other clergy may do. Current practices do not allow for stipends to TCM clergy if a congregation wishes to do so. In other situations supply, interim, assistant and part-time clergy are covered. As a matter of justice, there is no standard or practice prohibiting a stipend/ salary for lay people in the performance of a ministry. (The ancillary phrases "continuing education" and "the Diocesan Clergy Personnel Policy Manual" are included to reflect and clarify current practices.) **Recommendation of the Resolutions Committee: REFER TO A TASK FORCE TO BE ESTABLISHED BY THE BISHOP PRIOR TO DECEMBER 31, 2009, FOR REVIEW AND RECOMMENDATIONS TO THE 2010 DIOCESAN CONVENTION.**

**APPENDIX A: The Apology – A Public Declaration to the Tribal Councils and Traditional Spiritual Leaders of the Indian and Eskimo Peoples of the Pacific Northwest:** c/o Jewell Praying Wolf James, Lummi.

Dear Brothers and Sisters,

This is a formal apology on behalf of our churches for their long-standing participation in the destruction of traditional Native American spiritual practices. We call upon our people for recognition of and respect for your traditional ways of life and for protection of your sacred places and ceremonial objects. We have frequently been unconscious and insensitive and not come to your aid when you have been victimized by unjust Federal policies and practices. In many other circumstances we reflected the rampant racism and prejudice of the dominant culture with which we too willingly identified. During this 200<sup>th</sup> Anniversary year of the United States Constitution we, as leaders of our churches in the Pacific Northwest, extend our apology. We ask for your forgiveness and blessing.

As the Creator continues to renew the earth, the plants, the animals and all living things, we call upon the people of our denominations and fellowships to a commitment of mutual support in your efforts to reclaim and protect the legacy of your own traditional spiritual teachings. To that end we pledge our support and assistance in upholding the American Religious Freedom Act (P.L. 95-134, 1978) and within that legal precedent affirm the following:

- (1) The rights of the Native Peoples to practice and participate in traditional ceremonies and rituals with the same protection offered all religions under the Constitution
- (2) Access to and protection of sacred sites and public lands for ceremonial purposes
- (3) The use of religious symbols (feathers, tobacco, sweet grass, bone, etc.) for use in traditional ceremonies and rituals

The spiritual power of the land and the ancient wisdom of your indigenous religions can be, we believe, great gifts to the Christian churches. We offer our commitment to support you in the righting of previous wrongs; to protect your peoples' efforts to enhance Native spiritual teachings; to encourage the members of our churches to stand in solidarity with you on these important religious issues; to provide advocacy and mediation, when appropriate, for ongoing negotiations with State agencies and Federal officials regarding these matters.

May the promises of this day go on public record with all the congregations of our communions and be communicated to the Native American Peoples of the Pacific Northwest. May the God of Abraham and Sarah, and the Spirit who lives in both the cedar and Salmon People, be honored and celebrated.

Sincerely, The Rev. Thomas L. Blevins, Bishop, Pacific Northwest Synod-Lutheran Churches in America; The Rev. Dr. Robert Bradford, Executive Minister, American Baptist Churches in the Northwest; The Rev. Robert Brock, N.W. Regional Christian Church; The Right Rev. Robert H. Cochrane, Bishop, Episcopal Diocese of Olympia; The Rev. W. James Halfaker, Conference Minister, Washington North Idaho Conference, United Church of Christ; The Most Rev. Raymond G. Hunthausen, Archbishop of Seattle, Roman Catholic Archdiocese of Seattle; The Rev. Elizabeth Knott, Synod Executive, Presbyterian Church, Synod Alaska-Northwest; The Rev. Lowell Knutson, Bishop, North Pacific District, American Lutheran Church; The Most Rev. Thomas Murphy, Coadjutor Archbishop, Roman Catholic Archdiocese of Seattle; The Rev. Melvin G. Talbert, Bishop, United Methodist Church – Pacific Northwest Conference. Signed on November 21, 1987.

**APPENDIX B: A Covenant of Faith**

**In the Name of God, The One Who Creates. In the Name of Christ, The One Who Redeems. In the Name of the Holy Spirit, The One Who Guides in Truth. In the Name of the Trinity, The Three in One. Amen**

The Holy Scriptures commend us, as a people of faith, to publish glad tidings that the world may know that things which were cast down are being raised up, and things which had grown old are being made new, and that all things are being brought to their perfection by him through whom all things were made, Jesus Christ. Therefore, we publish this sacred Covenant as a living sign of the renewal of the centuries old relationship between the Indigenous peoples of the Americas and the Anglican Communion. We gather in community, on this feast of All Saints, in the year of our Lord Nineteen Hundred and Ninety Seven, to pray God's blessings on our common mission.

We are the Indigenous Peoples of this hemisphere. We are Native American and Native Alaskan Peoples. We are Native Hawaiian. We come from many tribes and speak many languages, but this we share in common: we are a free People of a common history bound by a shared tradition who embody a culture both ancient and wise.

We are the Episcopal Church. We are a community comprised of many cultures, many races, and many traditions, but this much we share in common: we are equal partners in the mission of Christ as it is proclaimed and lived out by the Church we celebrate and serve.

Representing these two expressions of our Church, we gather to make a Covenant of Faith between the Episcopal Church and its Indigenous Peoples.

We begin in prayer, asking God to bless and sanctify our pledge of faith as we seek the wisdom and direction of the Holy Spirit in fulfilling its promise.

We add our individual names to this Covenant in humility, inviting others to join us in the commitment and hope it embodies for us all.

We offer this Covenant to the Church, inaugurating a decade of study, action, and prayer as the relationship between us continues to mature and bear the fruit of the gospel.

We lift this Covenant up as the sign of a recognition and reconciliation for all Indigenous communities and their neighbors in the Episcopal Church: may a new decade of respect and justice unify us all as we seek to be the family of God.

Therefore, we joyfully covenant ourselves to the continuing mission of Christ as it finds both meaning and expression in the Indigenous Peoples and the Episcopal Church, with these statements of our faith:

I As we strive for justice in reconciling our history of colonization and the suffering it has engendered for generations between us: We will continue to be as constant in our search for the truth as we are responsible to its discoveries.

II As we work together to find new solutions to the social and political challenges before us: We will continue to be as dedicated to the principles of self determination as we are committed to justice for all humanity.

III As we expand the theological and spiritual dialogue between our several traditions and communities: We will continue to be as respectful of the Integrity of Indigenous traditions as we are loving in sharing Christ.

IV As we stand together to honor, protect, and nurture our home, the Earth: We still continue to be as active in stewardship of God's creation as we are diligent in our advocacy for its care.

With these four principles as our guide for a Decade of Remembrance, Recognition, and Reconciliation, we, the undersigned, pledge our hearts and minds to the task God has placed before us.

We do so, not with pride that assumes we speak for all, but rather with a humility that invites others to join in living out the gospel.

We call upon all people to reflect upon the true meaning of our agreement: that through Jesus Christ those who were once separated by walls of hostility have been brought together: those who were once unequal in power and position now have equal access to the spirit through the church they share: and that together they are no longer strangers and sojourners, but fellow citizens with the saints and members of the household of God.

We are the Episcopal Church. We are partners in the future for which God has planned and humanity has dreamed for over four hundred years. May God bless this Covenant and may God bless all those who embrace it as their own.

To these four statements of a shared faith, in solemn covenant one to another, we commit ourselves before God and in celebration of the mission and witness of the Episcopal Church. In so doing, we honor one another as we begin again the long journey that has brought us this far. With God's help, in the love of Christ, and under the direction of the Holy Spirit may we journey longer still in friendship and in faith.

(See General Convention Resolutions 1997-A035, 2003-C008, and 2007-D046 at <http://www.episcopalarchives.org/e-archives/acts/>).

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## Courtesy Resolutions

BE IT RESOLVED, that the 99<sup>th</sup> Annual Convention of the Diocese of Olympia express its thanks to all persons – lay and clergy – who have given freely of their time and talents to provide leadership for this Diocese over the past year, especially those who are completing their terms on Diocesan Council, Standing Committee, and various boards, commissions, committees and task forces.

BE IT RESOLVED, that the 99<sup>th</sup> Annual Convention of the Diocese of Olympia remember in their prayers all those in countries around the world where war, or the threat of war, is a daily reality, and for all in military service who risk life and personal safety on our behalf to bring about peace, especially the military chaplains in their rounds, duties and deployment.

BE IT RESOLVED, that the 99<sup>th</sup> Annual Convention of the Diocese of Olympia gives thanks for the leadership and ministry of our Bishop Suffragan, the Rt. Rev. Bavi Edna “Nedi” Rivera, and her husband, the Rev. Robert “Bob” Moore, especially at this their last official convention in this diocese.

BE IT RESOLVED, that the 99<sup>th</sup> Annual Convention of the Diocese of Olympia gives thanks for the Rev. John Scheaffer and his wife Lorrie, and for his 21 years of leadership and ministry as our Secretary,

BE IT RESOLVED, that the 99<sup>th</sup> Annual Convention of the Diocese of Olympia give thanksgiving for the leadership and ministry of our Presiding Bishop, the Most Reverend Katharine Jefferts Schori and that of her husband, Richard.

BE IT RESOLVED, that the 99<sup>th</sup> Annual Convention of the Diocese of Olympia sends its greetings to the Archbishop of Canterbury Rowan Williams with our thanks and our prayers.

BE IT RESOLVED, that the 99<sup>th</sup> Annual Convention of the Diocese of Olympia send its love and best wishes to our Bishops Retired, Robert Cochrane, and his wife Terry; Sanford “Sandy” Hampton, and his wife, Mari; Vincent Warner, and his wife Shen; William Choi, and his wife Catherine; Cabbell “Cabby” Tennis, and his wife, Hyde; and Craig Anderson and his wife, Lizbeth.

BE IT RESOLVED, that the 99<sup>th</sup> Annual Convention of the Diocese of Olympia sends its greetings to The Rt. Rev. Michael Sande, Bishop of Butere, Kenya and to all the clergy and people of the Diocese of Butere.

BE IT RESOLVED, that the 99<sup>th</sup> Annual Convention of the Diocese of Olympia sends its greetings to The Rt. Rev. Suheil Duwani, Bishop of Jerusalem and the Middle East and to all of the clergy and people of the Diocese of Jerusalem and the Middle East.

BE IT RESOLVED, that the 99<sup>th</sup> Annual Convention of the Diocese of Olympia sends its greetings to the The Rt. Rev. Michael Ingham, Bishop of the Diocese of New Westminster and to all of the clergy and people of the Diocese of New Westminster.

BE IT RESOLVED, that the 99<sup>th</sup> Annual Convention of the Diocese of Olympia recognizes and celebrates the 50<sup>th</sup> Anniversary of Church of the Resurrection, Bellevue; the 50<sup>th</sup> Anniversary of St. Aidan, Camano Island; the 50<sup>th</sup> Anniversary of St. Columba, Kent; the 50<sup>th</sup> Anniversary of St. Elizabeth, Burien as a Parish; the 50<sup>th</sup> Anniversary of St. Mary, Lakewood as a Parish.

BE IT RESOLVED, that the 99<sup>th</sup> Annual Convention of the Diocese of Olympia recognizes the ministries of Rev. Deacon Brent Brentnall and expresses its appreciation to him by saying, "Well done, good and faithful servant!"

BE IT RESOLVED, that the 99<sup>th</sup> Annual Convention of the Diocese of Olympia give thanks for the life and witness of Jeff Macon, St. Margaret's, Bellevue, for his life, ministry, and witness, and for his ability to share his wisdom and dream beyond his years.

BE IT RESOLVED, that the 99<sup>th</sup> Annual Convention of the Diocese of Olympia express its thanks and appreciation for the leadership of Mary Lyons as President of the Standing Committee.

BE IT RESOLVED, that the 99<sup>th</sup> Annual Convention of the Diocese of Olympia express its thanks to the Secretary of Convention, the Rev. John Schaeffer, the Reverend Marda Steedman-Sanborn and to those who assisted them in preparing for this Convention.

BE IT RESOLVED, that the 99<sup>th</sup> Annual Convention of the Diocese of Olympia express its thanks to those who serve as

pages, tellers and work in other capacities behind the scenes, making it possible for this Convention to be together and conduct its business to the Glory of God.

BE IT RESOLVED, that the 99<sup>th</sup> Annual Convention of the Diocese of Olympia express thanks to the facilitators of our Indaba groups and especially the Rev. Melissa Skelton who led and guided this group.

BE IT RESOLVED, that the 99<sup>th</sup> Annual Convention of the Diocese of Olympia give thanks for the able work of our Chancellor Judith Andrews.

BE IT RESOLVED, that the 99<sup>th</sup> Annual Convention of the Diocese of Olympia thanks Nathan Dungan for his ministry and message to us on financial sanity.

BE IT RESOLVED, that the 99<sup>th</sup> Annual Convention of the Diocese of Olympia thanks all the staff of the Vancouver Hilton, for their care for us.

BE IT RESOLVED, that the 99<sup>th</sup> Annual Convention of the Diocese of Olympia express its thanks and appreciation to the diocesan staff who work faithfully on behalf of the people and congregations of our Diocese and the wider Church each and every day in the spirit of Servant Leadership.

BE IT RESOLVED, that the 99<sup>th</sup> Annual Convention of the Diocese of Olympia express its thanks for the ministry of all who have worked so hard on this Convention's planning: in particular the people and congregations of the Columbia Region, especially Bette Ludden, Commission for Liturgy and the Arts for creating our wonderful liturgies; Chair of Dispatch of Business, Mr. Miller Adams; and especially Ms. Dede Moore, Bishop's Executive for Governance, for their dedicated and effective work.

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## **Committee on Constitution and Canons Report to 2009 Annual Diocesan Convention (09/E/1)**

At its two meetings this year, our Committee examined several canons. We provided input to others with respect to resolutions proposing amendments to the Diocesan Constitution or Canons. We also reviewed proposed revisions to the Articles and Bylaws of our Diocesan corporation (which the Committee had not reviewed since 1995). Amendments to the Diocesan corporate articles are set forth in a separate document, but the Committee's remaining recommendations are set forth below.

### **Second Vote on Changes to Constitution**

Our diocesan Constitution provides (in Article XXI) that it may be amended by a majority vote of the two orders voting separately at two successive annual meetings of Convention.

#### **Article VII, Section 4(f) (Process for Regional Ministries to Select Young Adult Lay Delegates):**

It was suggested that Convenors of Regional Ministries be reminded of their opportunity to select a young adult lay delegate to the Diocesan Convention under Article VII of our Constitution. It was also suggested that Regional Ministries be allowed to select such delegates before their last pre-Convention meeting so that they would have more time to get involved in the process. The Committee therefore recommends the following amendment:

Article VII, Section 4(f) of the Constitution would be amended as follows:

The Lay members of Convention shall consist of: ...

One young adult (ages 16-21) selected by each Regional Ministry ~~in its last regular meeting~~ prior to Convention.

### **First Vote on Changes to Constitution**

#### **Article VII, Section 4 (Lay Members of Convention)**

It was recommended to include members of the Diocesan board of directors as lay members of Convention. It was also suggested to clarify the requirement in Section (g) that all lay members of Convention must be adult Communicants in Good Standing.

In the list of categories of lay members, the current Section 4(g) reads as follows:

- (g) All lay members must be adult Communicants in Good Standing

The Committee proposes to replace this language as follows:

- (g) Lay members of the Board of Directors of the Diocese of Olympia, Inc. during their terms in office
- (h) All lay members described in this Section 4 must be adult Communicants in Good Standing.

### **Votes on Changes to Canons:**

Pursuant to Canons 28 and 29, canons can be enacted or amended by a "vote of a majority of each Order". These amendments "take effect upon the adjournment of the meeting of Convention at which they are enacted" unless the Convention votes unanimously for the changes to take immediate effect.

**Canon 2, Section 4:** It was suggested that the requirement for submission of Convention delegate names be relaxed to conform with current practice, as follows:

As a condition to voting in the Annual Convention, a ~~C~~ongregation shall complete and return its form to the Secretary at least ~~one~~two months prior to the Convention.

### **Canon 12, Section 3 and Canon 23, Sections 2 and 3 (Recommendations for Diocesan Compensation)**

Section 3 of Canon 12 (Business Methods in Church Affairs) currently provides:

The Diocesan Council shall periodically recommend the establishment of a minimum annual compensation applicable to all clergy employed by any parish, Mission or other diocesan institution. Once adopted by Convention, written compensation payments shall not be less than the established minimum without the written concurrence of the Bishop.

The actual practice, as described in Sections 2 and 3 of Canon 23, is that the Commission on Personnel makes these recommendations.

To eliminate the seeming conflict, to be consistent with actual practice, and to consolidate the language on this subject in a single canon, the Committee recommends deleting Section 3 of Canon 12 (and renumbering Section 4 as Section 3), and consolidating some of its language into Sections 2 and 3 of Canon 23 as follows:

#### *Section 2*

...No later than July 1 of each year, the Commission shall ~~advise~~ recommend to the Diocesan Council as to proposed overall compensation changes that bear upon development of the proposed Diocesan Program and Budget for the following year. Within the canonical deadline for submission of resolutions to Convention, the Commission shall also recommend cost of living adjustments and levels of minimum annual compensation applicable to all clergy employed by any Parish, Mission or other diocesan institution, which recommendations shall ~~to~~ be presented at the fall Regional Ministry meetings and the annual Diocesan Convention.

#### *Section 3*

By resolution of Convention, ~~the~~ recommendations of the Commission may be adopted as either advisory guidelines or as policy applying to the Diocese and its ~~p~~Parishes and ~~m~~Missions.

### **Canon 23, Section 1(b):**

In the canon on the Commission on Personnel, it is also suggested to delete the word "confirmed", so that confirmation is not a requirement for members of the Commission. The requirement of confirmation is not generally imposed on members of other Diocesan commissions or committees.

### **Canon 16 (Stated Offerings)**

This canon currently reads:

The person in charge of a Parish or Mission in this Diocese shall take the following offerings at the times and for the purpose hereinafter stated:

*Section 1:* The Church School Lenten Offering, for special missionary purposes designated by the Executive Council of the General Convention.

*Section 2:* An offering on Thanksgiving Day or the Sunday previous or following, for the Episcopal Charities Appeal or for such other purposes as the Convention or Council may determine.

This canon fails to put congregations on notice of an additional requirement in the national canons (Title III, Canon 9.5(b)(6)) for a special monthly ingathering, and an additional problem arises because the Executive Council of the General Convention does not regularly perform the function described in Section 1. The Committee therefore proposes to reword the canon as follows:

*Section 1:* Every congregation shall solicit offerings for the poor to the extent required by the National Canons (see, e.g., Title III, Canon 9.5(b)(6) as it may hereafter be amended).

*Section 2:* Every congregation is encouraged to solicit Church School Lenten Offerings for special missionary purposes to be designated by the Bishop

*Section 3:* On Thanksgiving Day or the Sunday previous or following, every congregation shall solicit offerings for the Episcopal Charities Appeal or such other purposes as the Convention or Council may determine.

The Committee is pleased to present this report through Rev. Stephen Moore. The Committee chair very much regrets that a longstanding commitment in Philadelphia prevents his presentation of the report, and if the Bishop suffers him to continue in office for another year he will make every effort to be there. Faithfully submitted, COMMITTEE ON CONSTITUTION & CANONS: Douglas Oles, Chairman; Judith L.

Andrews, Chancellor; Duncan Bayne, Vice Chancellor; Dede Moore, Diocesan Staff; The Reverend Stephen Moore; The Reverend John Schaeffer.

## AMENDED ARTICLES of THE DIOCESE of OLYMPIA, INC. (09/E/2)

(Adopted September 21, 1995 \_\_\_\_\_, 2009)

### Article I Name

The name of the Corporation shall be "the Diocese of Olympia, Inc."

### Article II Existence

The corporation shall have perpetual existence.

### Article III Purpose

The purpose of the corporation shall be to further the interest and welfare of The Domestic & Foreign Missionary Society of the Protestant Episcopal Church in the United States of America ("The Episcopal Church") in the Diocese of Olympia, and to assist in the work of the Diocese, its constituent congregations and institutions.

### Article IV Capital Stock

The corporation shall have no capital stock.

### Article V Powers

To aid in the accomplishment of the purpose of this corporation, it shall have the following powers:

1. To acquire, by purchase, gift, bequest, devise, lease, or in any other manner, real and personal property of every sort, choses in action and funds; and any interest therein, and to hold, use, improve, lease, sell, invest, operate, control, manage, or dispose of the same.
2. To acquire, hold and maintain a suitable parcel of land and a suitable building thereon to be the residence of the Bishop of the Diocese.
3. To acquire, hold, maintain and improve lands, building, furniture and equipment, and to acquire, accumulate and manage funds for the purposes of establishing, maintaining and conducting churches, missions, congregations, schools, hospitals, and other institutions of a religious, educational, charitable, or benevolent character within the limits of the Diocese, and of providing suitable residences for the ministers, instructors, physicians or other managing officials thereof.
4. To acquire, hold, manage, invest and maintain a fund of money, or its equivalent, to be called the "Episcopal Endowment Fund" of the Diocese, for the purposes of earning and providing thereby a stated and regular income wherewith to pay the salary, or any part thereof, of the Bishop of the Diocese for the time being, and to pay other suitable charges and expenses of an episcopal or diocesan character.
5. To receive, acquire, hold, manage, invest, reinvest and maintain other funds or monies for the benefit of the Church within the Diocese.
6. To receive, by donation, bequest, devise, or otherwise, real or personal property, monies and securities, either as a trust or in direct ownership, for the purpose of aiding and promoting either the general interests of the Church within the Diocese, or any particular object, trust, donation, establishment, or institutions of a religious, charitable, or educational nature, growing out of, or connected with, the Church within the Diocese.
7. To sell, transfer any real or personal property above mentioned, or which may be acquired by this corporation in the conduct of its affairs; to dispose of the same, or the proceeds thereof, and to invest the same, pursuant to the direction of the donors, the objects of this corporation, or the directions and limitations of the trusts on which the same shall be received; and in the course of such investments to acquire, hold, manage and dispose of any form of real or personal security--all upon the vote of the Board of Directors, or of a majority off the Board, and without vote or action of the members of the corporation; provided, however, that before disposing of any real property the Board of Directors shall obtain and give consideration to the opinion of the Council of the Diocese with respect to such proposed disposition.
8. To invest and reinvest monies and funds of the corporation and to loan money available for such purposes either with or without security therefor, and to accept real estate, chattels of personal security, to deal in notes, mortgages, bonds, warrants and other items of collateral.
9. To borrow money and to issue its promissory notes, bonds or other obligations, and, if deemed proper, to secure the same by mortgages or liens upon its real estate and other property.
10. To do all things permitted by law in furtherance of the purposes and objects of this corporation and of the Episcopal Church in the United States of America in the Diocese of Olympia thereof and its constituent congregations and institutions.

### Article VI Members

Members of the corporation shall include all persons qualified as members of Diocesan Convention as provided in the Constitution and Canons of the Diocese. The Bishop while in office shall at all times be a member of the corporation.

### Article VII Registered Office and Agent

The address of the registered office shall be: 1551 - 10th Avenue East, Seattle, Washington 98102. The ~~initial~~ registered agent at the above address is the Right Reverend Greg Rickel ~~Vincent W. Warner, D.D.~~

### Article VIII Directors

The Board of Directors shall constitute the following members:

Ex officio members of the Board:

The Bishop of Olympia, who shall be President of the corporation.

The Vice President of the corporation.

The Treasurer of the Diocese of Olympia, who shall be the Treasurer of the corporation.

The Secretary of the Convention of the Diocese of Olympia, who shall be the Secretary of the corporation.

The Chancellor of the Diocese of Olympia, who shall be a nonvoting member



Two members of the clergy and six laypersons appointed by the Bishop with the approval of the Convention of the Diocese of Olympia who shall serve terms of three years each, except that one of the two clergy first appointed shall be appointed for two years, two of the lay persons first appointed shall serve for one year, two for two years and two for three years.

Vacancies occurring prior to the expiration of any terms shall be filled by appointment by the Bishop until the next Convention.

#### **Article IX Distribution of Assets on Dissolution**

In the event of dissolution of the corporation or the winding up of its affairs, the corporation's property, assets and funds shall not be conveyed or distributed to any individual or organization created or operated for profit, but shall be conveyed or distributed only to The Domestic & Foreign Missionary Society of the Protestant Episcopal Church in the United States of America.

#### **Article X Allegiance**

The corporation accedes to and agrees to be bound by and comply with the Constitution and Canons of the The Episcopal Church in the United States of America and the Constitution and Canons of the Diocese of Olympia.

#### **Article XI Limitation of Director Liability**

To the full extent that the Washington Nonprofit Corporation Act, as it exists on the date hereof or may hereafter be amended, permits the limitation or elimination of the liability of Directors, Trustees or Officers, a Director, Trustee or Officer of this corporation shall not be liable to this corporation or its members for monetary damages, including costs and attorneys fees, for conduct as a Director, Trustee or Officer.

#### **Article XII Indemnification**

1. Right to Indemnification. Each person who was or is made a party or is threatened to be made a party to, or is otherwise involved, (including, without limitation, as a witness) in any actual or threatened action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a "proceeding"), by reason of the fact that he or she is or was a Director, Trustee or Officer of the corporation (hereinafter an "indemnitee"), where the basis of a proceeding is alleged action in an official capacity as such a Director, Trustee or Officer, shall be indemnified and held harmless by the corporation to the full extent permitted by applicable law as then in effect, against all expense, liability and loss (including attorneys' fees, judgments, fines, or penalties and amounts to be paid in settlement) actually and reasonably incurred or suffered by such indemnitee in connection therewith, and such indemnification shall continue as to an indemnitee who has ceased to be a Director, Trustee or Officer, and shall inure to the benefit of the indemnitee's heirs, executors and administrators; ~~provided, however, that no indemnification shall be provided to any such indemnitee if the corporation is prohibited by the nonexclusive provisions of the Washington Nonprofit Corporation Act or other applicable law as then in effect from paying such indemnification; and provided, further, that except as provided in subsection 2 of this Article with respect to proceedings, seeking to enforce rights to indemnification, the corporation shall indemnify any such indemnitee in connection with a proceeding (or part thereof) initiated by such indemnitee only if a proceeding (or part thereof) was authorized or ratified by the Board of Directors.~~ The right to indemnification conferred in this subsection 1 shall be a contract right and shall include the right to be paid by the corporation the expenses incurred in defending any proceeding in advance of its final disposition (hereinafter an "advancement of expenses"). Any advancement of expenses shall be made only upon delivery to the corporation of an undertaking (hereinafter an "undertaking"), by or on behalf of such indemnitee, to repay all amounts so advanced if it shall ultimately be determined by final adjudication that such indemnitee is not entitled to be indemnified for such expenses under this subsection
2. Right of Indemnitee to Bring Suit. If a claim for reimbursement of expenses under subsection 1 of this Article is not paid in full by the corporation within sixty days after a written claim has been received by the corporation, the indemnitee may at any time thereafter bring suit against the corporation to recover the unpaid amount of the claim. If successful in whole or in part, in any such suit or in a suit brought by the corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the indemnitee shall also be entitled to be paid the expense of prosecuting or defending such suit. The indemnitee shall be presumed to be entitled to indemnification under this Article upon submission of a written claim (and, in an action brought to enforce a claim for an advancement of expenses, where the required undertaking and affirmation or determination has been tendered to or made by the corporation) and thereafter the corporation shall have the burden of proof to overcome the presumption that the indemnitee is so entitled.
3. Nonexclusive of Rights. The right to indemnification and the advancement of expenses conferred in this Article shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of the Articles of Incorporation or Bylaws of the corporation, general or specific action of the Board of Directors, contract or otherwise.
4. Insurance, Contracts and Funding. The corporation may maintain insurance, at its expense, to protect itself and any Director, Trustee or Officer against any expense, liability or loss, whether or not the corporation would have the power to indemnify such person against such expense, liability or loss under the Washington Nonprofit Corporation Act. The corporation may enter into contract with any Director, Trustee or Officer of the corporation in furtherance of the provisions of this Article and may create a trust fund, grant a security interest or use other means (including, without limitation, a letter of credit) to ensure the payment of such amounts as may be necessary to effect indemnification as provided in this Article.
5. Indemnification of Employees and Agents of the Corporation. The corporation may, by action of the Board of Directors, grant rights to indemnification and advancement of expenses to employees and agents of the corporation with the same scope and effect as the provisions of this Article with respect to the indemnification and advancement of expenses of Directors, Trustees and Officers of the corporation or pursuant to rights granted pursuant to, or provided by, the Washington Nonprofit Corporation Act or otherwise.

## 2009 Convention Committees (09/E/4)

### Constitution & Canons Committee

Ms. Judith Andrews, *Diocesan Chancellor*  
Mr. Duncan Bayne, *Diocesan Vice Chancellor*  
Ms. Dede Moore, *Bishop's Executive for Governance*  
The Rev. Stephen Moore, *All Saints, Bellevue (Eastside)*  
\*Mr. Douglas Oles, *Redeemer, Kenmore (Be-Attitudes)*  
The Rev. John G. Schaeffer

### Resolutions Committee

\*Mr. Duncan Bayne, *St. Mark's Cathedral, Seattle (Holy C)*  
The Rev. Josefina Beecher, *Komo Kulshan Cluster,  
Mt. Vernon (Mt. Baker)*

The Rev. Richard Green, *St. Stephen, Longview (Columbia)*  
Ms. Jordan Gross, *St. Andrew, Seattle (Be Attitudes)*  
Ms. Mary Maxon, *Emmanuel, Mercer Island (Eastside)*  
Mr. Ralph Provencal, *St. Benedict, Lacey (Willapa)*  
The Rev. Richard Younge, *St. Clement, Seattle (Holy C)*

### Nominations Committee

Ms. Sue Clary, *St. Luke, Sequim (Peninsula)*  
Mrs. Jan Hanson, *St. Stephen, Longview (Columbia)*  
The Rev. Stephen Moore, *All Saints, Bellevue (Eastside)*  
\*Mr. Steve Tellari, *St. James', Kent (Evergreen)*  
Dr. Leann Torgerson-Harrison, *Trinity, Everett (Sno-Isle)*

### Commission on Personnel

Ms. Linda Beardslee, *St. George, Maple Valley*  
The Rev. Rachel Endicott  
Mr. Jim Hindle, *Good Samaritan, Sammamish*  
Ms. Gayle Lee, *St. Thomas, Medina*  
Ms. Cindy Miller, *St. Luke Memorial, Tacoma*  
\*The Rev. Kevin Pearson, *St. Luke, Renton (CADO)*  
Ms. Carol Pollock, *St. John, Gig Harbor*  
The Rev. Canon Jonathan Weldon, *St. Paul, Bellingham*  
The Rev. Canon Joan Anthony, *Staff*  
**Ms. Sharon Pethers, Staff**  
Mrs. Chris Smith-Clark, *Staff*

### Committee on Privilege

\*The Rev. Paul Collins, *Trinity Church, Seattle (Holy C)*  
Ms. Dede Moore, *Bishop's Executive for Governance*  
The Rev. Canon Joan Anthony, *Canon to the Ordinary*

### Commission on Church Architecture

The Rev. Robert Biever, *All Saints, Tacoma*  
Mr. Guy Falskow, *St. Stephen, Seattle*  
Mr. Don Glad, *St. Stephen, Seattle*  
Mr. William Goodenough, *Bishop's Rep for Property*  
The Rev. Canon Robert Hayman  
Mr. Kenneth Large, *Good Samaritan, Sammamish*  
Mrs. Jeannette Moore, *St. Mark's Cathedral, Seattle*  
Mr. Allen Moses, *Redeemer, Kenmore*  
Mr. Frederick Pneuman, *St. Thomas, Medina*  
Mr. Ralph Provencal, *St. Benedict, Lacey*  
Mr. Nate Thomas, *Grace Church, Bainbridge Island*  
The Rev. Kirtley Yearwood, *St. Clement, Seattle*

### Commission on Ministry

The Rev. Jo Beecher, *Resurreccion, Mt. Vernon*  
Ms. Tiffany Brannon, *staff support*  
Becky Clark, *St. Matthew, Auburn*  
The Rev. Peter DeVeau, *St. John the Baptist, Seattle*  
The Rev. Canon John Fergusson, *Redeemer, Kenmore*  
The Rev. Constance Moorehead, *St. Clement, Seattle*  
The Rev. Jim Neal, *St. Hugh of Lincoln, Allyn*  
Ms. Roberta Newell, *St. Mary, Lakewood*  
The Rev. Joan Niemann, *St. Luke, Elma*  
The Rev. Kathleen Patton, *St. Stephen, Longview*  
Mr. Cleveland Riley, *St. Augustine's, Freeland*  
\*The Rt. Rev. Bavi Rivera  
The Rev. Kate Wesch, *Epiphany, Seattle*  
Dr. Donald Wilbert, *St. Michael's, Issaquah*  
The Rev. Philip Wong, *Holy Apostles, Bellevue*

### Insurance Committee

\*Mr. Stephen Day, *Epiphany Parish of Seattle*  
Mr. Steve Faust, *Diocesan Treasurer*  
Mr. Phillip Haas, *St. Mark's Cathedral, Seattle*  
Mr. William Meacham, *St. John, Kirkland*  
Ms. Carrie Rohlik, *Staff Liaison*  
The Rev. Raymond Sheldon, *Faith Church, Kingston*  
Mrs. Chris Smith-Clark, *Canon for Finance*

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## Report of the Committee on Privilege (09/E/5)

The Committee on Privilege recommends that the following persons be given the privilege of voice or seat and voice at the 99<sup>th</sup> Annual Convention of the Diocese of Olympia.

**Retired Bishops now residing in the diocese, if present :** The Rt. Rev. Cabell Tennis, Bishop Retired, Delaware; The Rt. Rev. William Choi, Bishop Retired



**Officers of the Diocese/Convention who are not members of Convention:** Mrs. Diane Wells, Archivist and Records Manager (voice only)

**Diocesan Staff members who are not members of Convention:** Ms. Dede Moore, Bishop's Executive for Governance; Mrs. Kathleen Hamilton, Canon for Youth and Young Adults; Mr. Carl Knirk, Canon for Planned Giving, Stewardship & Evangelism; Mr. Bill Goodenough, Representative for Property

**Lay members of the Board of Directors who are not members of Convention:** Mr. William Bain, Emmanuel Church, Mercer Island; Mr. George Garcia, St. Joseph-St. John Church, Lakewood; Mr. Jim Paddleford, St. Mark's Cathedral, Seattle; Mr. John Rolfe, St. Mark's Cathedral, Seattle;

**Developing Congregations, Specialized Ministries:** Francisco Lopez, Resurreccion, Komo Kulshan Cluster, Mt. Vernon; Matthew Lyon, COTA, Seattle; Eliacin Rosario, COTA, Seattle; Deng Lual, St. John's Sudanese; Atem Mabior, St. John's Sudanese

**ELCA Pastors serving Episcopal Congregations:** The Rev. Pamela Armstrong; The Rev. Sandra Kreis, St. Christopher's, Olympia

**Clergy canonically resident, but not domiciled or ecclesiastically employed within the Diocese of Olympia, if present:**

Adams, Richard	Hammond, Constance	Ruder, John
Arnold-Boyd, Annette	Keller, Patterson	Smith, Robin
Ayers, Phillip	Kolbet, Paul	Snyder, Ken
Bell, John	Longwood, David	Sonnesyn, Roger
Berge, Clark	Lueckert, Diana	Stewart, Daniel
Blue, Gordon	Maier, Andrea	Stewart, Ralph
Bogel, Marianne	Marchand, Richard	Stillings, Kyle
Brock, Charles	McCauley, Shana	Taber-Hamilton, Rachel
Carpenter, Les	McCaw, Mary	Thomas, John
Clark, Corbet	McDaniel, Judith	Tomter, Patrick
Cleveland-Stout, Jennifer	McHale, Stephen	Viggers, Jack
Deng Deng, William	McKee, Helen (Louise)	Weber-Johnson, Jered
Edwards, Nancy	Miller, A. Scott	Westpfahl, Carol
Elkins, Donald	Moore, David	Williams, Robert H.
<del>Ellis, Marshall</del>	Paolozzi, Joann	Wilton, G.W Paul
Friedrich, James	Robertson, Patricia	Wolfe,
Gitane, ClayOla	Rouffy, Edward	Eugene

**Clergy licensed in the Diocese of Olympia, if present:**

Allaire, Nancy	Hakiel, Nick	Miller, Donald
Barnett, Webster	Harper, Helen	Minter, Russell D.
Bethell, James	Harris, Carl	Moore, Robert
Beveridge, Robert	Helsel, Verle	Ortung, Thomas
Bird, Julie	Holly, F.E.	Ostertag, Ed
Bourne-Raiswell, Margaret	Hubbard, Winfield	Powers, Robert
Brown, Marilyn	Hubbard, John	Shaver, Stephen
Brown, Robert	Jimenez-Mesenbring, Maria	Shippen, Sallie
Dexter, Raymond	Larive, Armand	Tudor, William
Echols, Beth	Larson, L. John	Van Eenwyk, John
Elliott, James	Marie, Christine	Watson, Stennis
Gallagher, Robert	Maxwell, William	Williams,
Gillett, Richard	McMurtry, Herbert	Henry
Greenwood, Don	Mesenbring, David	

Submitted by, **Committee on Privilege:** (The Rev. Paul Collins, chair; Ms. Dede Moore; Canon Joan Anthony)

## **Audits Outstanding (09/E/6)**

Canon 12 Section 1e requires that each congregation file with the Bishop's Office an audit of the prior year's books no later than September 1. Below is the list of congregations that have not filed the 2008 audit as of October 9, 2009

### **PARISHES**

Auburn, St. Matthew; Bellingham, St. Paul; Bremerton, St. Paul, Chehalis, St. Timothy; Edmonds, St. Alban; Freeland, St. Augustine; Friday Harbor, St. David; Kenmore, Redeemer; Mercer Is., Emmanuel; Mt. Vernon, St. Paul; Oak Harbor, St. Stephen; Olympia, St. John; Orcas Is., Emmanuel; Port Townsend, St. Paul; Puyallup, Christ Church; Seattle, St. Andrew; Seattle, St. George; Seattle, St. John; Seattle, St. Peter; Seattle, St. Stephen; Shelton, St. David; Shoreline, St. Dunstan; Snohomish, St. John; Tacoma, St. Luke; Tacoma, St. Mary; Tacoma, St. Matthew; Vashon, Holy Spirit

### **MISSIONS**

Bainbridge Is., Grace; Battle Ground, Holy Spirit; Blaine, Christ Church; Bellevue, Holy Apostles; Camano Is., St. Aidan; Castle Rock, St. Matthew; Cathlamet, St. James; Elma, St. Luke; Lopez, Grace Church; Monroe, Our Saviour; Sammamish, Good Samaritan; Shoreline, St. David/Emmanuel; Sedro Woolley, St. James; Tacoma, St. Joseph/St. John; Tacoma, Holy Family

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## **Commission on Personnel—Report to the 99<sup>th</sup> Convention (09/E/7)**

The Commission on Personnel serves the Diocese of Olympia by providing assistance and advice to the Bishop, Convention, and Diocesan Council concerning compensation and employment guidelines applying to clergy and lay employees of the Diocese. We are also available to advise clergy, Vestries and Bishop's Committees who seek our counsel. As required by Canon 23, Sections 2 and 5, and Canon 12, Section 3, the Personnel Commission, in July 2009, set the Cost of Living Adjustment (COLA) for 2010 for the parochial clergy salary scale at 0%. This is based on the Bureau of Labor Statistics (BLS) for West Coast cities under 1,500,000 population (Bremerton/Tacoma) COLA information for the calendar year May 2008 to May 2009, which showed a slight decrease in the cost of living of -.4%. In 2009, the Commission advised Council in setting a policy on employee bonuses, reviewed the new personnel handbook for Diocesan employees, and benchmarked compensation for all Diocesan staff. This year the Commission has been made up of Carol Pollock St. John, Gig Harbor, The Rev. Rachel Endicott (Trinity, Seattle), Gail Lee (St. Thomas, Medina), The Rev. Kevin Pearson (St. Luke's, Renton), Linda Beardslee (St. George's, Maple Valley), Cindy Miller (St. Luke's, Tacoma), Kathy Wells (St. Mark's, Seattle), The Rev. Jonathon Weldon (St. Paul's, Bellingham), and The Rev. Bill Fulton (St. Anthony's, Silverdale). The Rev. Rachel Endicott and Kathy Wells have completed their work on the Commission and we thank them for their expertise and faithful service. *Respectfully submitted, Kevin Pearson*

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## **REPORT OF THE ARCHIVIST AND RECORDS MANAGER (09/F/1)**

The Archivist and Records Manager is the official custodian of diocesan records and responsible for the direction and implementation of the Archives and Records Management Program of the Diocese.

[www.ecww.org/archives/index.cfm](http://www.ecww.org/archives/index.cfm)

"At each Annual Convention, a Registrar shall be elected who shall continue in office until his successor is elected. He shall have the custody of the archives of the Diocese, and shall perform such duties as may be prescribed by the Diocese or by resolution of the Convention." Article X, Constitution of the Diocese of Olympia, Journal of Convention, 1911. The Registrar continued to maintain the care and custody of the archives until 1976 when the Archives of the Diocese of Olympia was established and the first Archivist appointed. In 1994, the title was changed to Archivist and Records Manager. \* Today's diocesan archives contains a wide assortment of materials in a variety of formats and the individual charged with their care must not only preserve and protect those materials of historic importance but must also actively manage the records that are of administrative, fiscal and legal importance to the Diocese.

**Collections:**

Materials in the Archives date from 1851 and document the early years of the missionary territories and districts, the establishments of the Diocese of Olympia in 1910 and the Diocese as it is today. Collections include: Papers of the Bishops; Journals of Convention; Newspapers; Parish and Mission Records; Records of diocesan offices, organizations, commissions, committees, camps & conference centers, ministries & institution; Photographs, slides, films & tapes; CDs & DVDs; Scrapbooks, memorabilia, artifacts and vestments.

- Vancouver, St. Luke's 1857 Lopez, Grace Church 2002
  - Bellingham, St. Paul – Laying of the Cornerstone 1925
- Collection processing is an on-going function of the Archives. The following records have been processed during the course of the year:

- Records of Canon Betsy Greenman
- Records of Governing Bodies
- Records of the Stewardship Program Directors and Stewardship Committee Chairpersons
- Records of Development Officer, Ms. April Gaines-Collier, 1989-93
- Records of Charles Wright Academy
- Records of various parishes and missions

In addition the Archives has received partial files of former Chancellor, Donald Mullins, Esq. and artifacts and vestments from the Rt. Rev. Robert Hume Cochrane.

**Records Management Manual:**

The "Records Management Policies and Procedures Manual" is available on the diocesan website at: <http://www.ecww.org/onlinedocuments>.

**Microfilm/Scanning Projects:**

Parochial reports from 1935 to 1974 were scanned in 2009. Other microfilm/scanning projects – including parochial reports from 1975 to the present – will follow as funds allow.

**Reference & Research:**

The Archives is contacted daily with requests for information from diocesan staff, congregations, ministries and the general public and providing such information in a timely fashion is a primary goal. These requests number from 200 – 250 annually and include requests for parish and mission information, for financial information, for biographical information, requests for photos, and other materials. Reference services are available by mail, telephone

and email. The Archives also has a web page that can be accessed at [www.ecww.org/archives/index.cfm](http://www.ecww.org/archives/index.cfm) or by clicking DIRECTORY on the diocesan web site. Researchers may also visit the Archives in person by contacting me for an appointment.

**Outreach:**

Assisting congregations with establishing their own archives and records management programs is another major goal of the diocesan Archives and Records Management Program and I am happy to consult with congregations on any archives and records questions they may have. My column, 'Archives in Action' in "FYI" is part of my effort to meet congregational needs for this information and I am happy to receive any feedback or requests for particular topics. My articles in "A La Mode," the online publication for clergy spouses and partners, feature historical topics and highlight our archival collections. Occasional articles in the "Episcopal Voice" are also intended to acquaint readers with the history of the Diocese and the materials available in the Archives. On a professional level, I continue as a member of the Association of Records Managers and Administrators (ARMA), the Society of American Archivists, and the National Episcopal Historians and Archivists (NEHA). I am also a founding member of the Episcopal Archivists Network and active in several local archival organizations. This year I also attended General Convention and helped staff the exhibit booth for the Archives of the Episcopal Church.

**Volunteers:**

I currently have three volunteers in the Archives and I would like to thank them for their service. Lorry Garrett is assisting in collection processing and Karen and Rick Bonk are helping with database design.

**History, Archives and Records Committee:**

I would like to thank the members of the Committee: Barbara Benson; Richard Gould; Jane Hershman; and ex-officio member, Bro Carle Griffin, OCP, Historiographer for their continued service and advice.

*Respectfully submitted by,*

*Diane Wells, CA, Archivist and Records Manager*

\*A history of the Diocese of Olympia Archives is included in the 2008 Report of the Archivist and Records Manager

## Report of the Board of Directors (09/F/2)

The Board of Directors of the Diocese of Olympia, Inc. has legal and fiduciary responsibility for the assets of the Diocese, including land, buildings, endowments and other funds. It is the mission of the Board to manage these assets to further God's work in this Diocese, both now and in the future. The Board is comprised of 12 members noted below. The Board convenes monthly as needed (with the exception of July). Loans to congregations are made from:

### Mission Development Fund (MDF)

Assets as of 9/30/09 \$1,118,170

6 non-interest bearing loans

5 not serviced \$404,239

2 properties-Orchard, Clark County \$644,386

-Whatcom County \$21,608

Available funds \$47,937

### Building Loan Fund (BLF)

Assets as of 9/30/09 \$5,200,397

17 interest, 3 non-interest bearing loans \$4,374,655

6 of 16 loans - non-performing

(Totaling \$2,494,688)

Interest in arrears \$196,750

Available funds \$628,992

### Loans Made October 2008-September 2009:

- Christ Church, Anacortes - \$255,000 loan to purchase the Catholic Archdiocese property adjacent to the church.
- St. Andrew, Seattle - \$96,718.90 interim loan for three years at parish rate, to cover until funds from capital campaign come in.
- Good Shepherd, Vancouver - \$37,500 for five years at parish rate, subject to advice and counsel from the Commission on Church Architecture regarding building project.
- St. Anne, Washougal - \$99,950 loan for fifteen years at mission rate, for maintenance renovation and expansion.
- Good Samaritan, Sammamish project cost summary. Interim lift station, gravity sewer extension on NE 16<sup>th</sup> St and 244<sup>th</sup> Ave NE from NE 16<sup>th</sup> St to NE 18<sup>th</sup> St, including church side sewer and deactivation of the church grinder pump/force main and water system on NE 16<sup>th</sup> St. Permits, engineering, surveying, soil testing, inspections and project management: \$166,848.73
- Construction, including manholes, PVC pipe, valves, control panel and water meter: \$672,981.53

**Total Cost: \$839,830.26**

### Significant Actions Taken October 2008-September 2009 (Detailed Actions are available from the Board upon request):

- Approved a bank account for the Sudanese congregation.
- Authorized opening a deposit-only account with a debit card for director and assistant director of St. Andrew's House.
- Re-identified the Diocesan Investment Fund (DIF) account associated with St. Catherine, Enumclaw and made the account designated for Board expenses pertaining to that property.
- Ratified to redeem all shares of the St. Catherine, Enumclaw DIF account, totaling approximately \$75,000.
- Approved the continuance requested in the easement lawsuit regarding St. George, Seattle.
- Authorized the creation of a DIF account for St. Germain, Hoodspport and recent \$57,237.66 bequest be designated there.
- Authorized the use of up to \$9,000 from the Hodges Fund to pay for the replacement of air conditioning system in Archives.
- Issued a letter of thanks and congratulations to Grace Church, Bainbridge Island for early payoff of their building loan.
- Approved the 2009 Building Loan Fund (BLF) rates at 4.25% for Parishes and 3.5% for Missions.
- Approved the formula used to determine the BLF rate: the second Tuesday of November's one year treasury constant maturity (TCM) index plus 3% for Parishes, rounded up to the nearest 1/8<sup>th</sup> and for

Missions the TCM plus 1.5% rounded to the nearest 1/8<sup>th</sup>. At no time will the lower rate be set at less than 3.5%. The rate shall be set on the November 30<sup>th</sup> loan balance.

- Authorized the Hatrup bequest be divided as follows: \$25,000 for Diocesan Council, \$25,000 for the Board Thanksgiving and Memorial DIF account and the remaining \$21,522.67 for the Church of the Apostles, Fremont for a loan repayment.
- Approved reallocating \$9,000 of the Huston Camp and Conference Center capital improvements projects money towards painting Paddock, Barker, Keator and Curtis Lodges.
- Adopted the Conflict of Interest Policy.
- Reaffirmed that the James F. Hodges DIF Committee is a permanent committee of the Diocese of Olympia, Inc. Board of Directors, with the Diocesan Treasurer and the Chair and Secretary of the committee authorized to transact the Fund's trades.
- Directed that when the Bishop' Office/Diocesan House roof and entry loans are paid in full, the Hodges Fund money be directed to pay off the Small Business Administration Bishop's Office/Diocesan House chimney loan.
- Agreed to sign the promissory note with Skagit State Bank for up to \$250,000, up to 7.5% interest for up to fifteen years with a twenty year amortization, to purchase half the building located at 1019 7<sup>th</sup> St, Anacortes for the Red Door Thrift Shop, subject to the adoption by the Bishop's Committee of Christ Church, Anacortes and title insurance.
- Approved the Huston Camp and Conference Center 2009 capital and major improvements totaling \$25,000. Funds will come from the Horn Fund.
- Approved the funding plan for the new director's house at Huston Camp and Conference Center. \$42,000 from Horn revenue account, \$58,000 from Huston reserve account and \$125,000 as a loan from the Walter Horn Endowment Fund.
- Approved that \$125,000 allocated from the Walter Horn Endowment Fund for the funding of a new director's house at Huston Camp and Conference Center be repaid to the Fund by paying \$4,000/yr plus 50% of each year's operating surplus over \$5,000 (if any).
- Approved 2009 revision to the Archives and Records Management Policies and Procedures Manual.
- Approved that the Treasurer, Steve Faust, and Jim Paddlford represent the Board of Directors on the DIF committee.
- Approved that the Rev. Ann Lukens and Jim Paddlford represent the Board of Directors on the Joint Finance Panel.
- Approved the transfer of one of the portable trailers at the St. Francis, Mill Creek property to St. Clare, Snoqualmie, with the cost of transportation be borne by St. Clare.
- Approved the installation of a back door in the Bishop's house, including landing and steps, and the installation of concrete pad and 50 amp electrical outlet, cost not to exceed \$7,200.
- Ratified to include moving existing hose bib, installing landing, steps and stud wall, cost not to exceed \$7,600.
- Re-confirmed status of all Missions as covered by the Diocese's 501(c)(3). The Board empowers the Bishop's Committee of each Mission to name appropriate signers for bank accounts, but that all contracts must be signed by an officer of the Diocese and securities traded must be done through the Diocesan Stewardship Office.
- Appointed Christ Church, Anacortes as the agents of the Diocese and for them to accept rent checks from Skagit Adult Day Care.
- Approved the bequest of \$18,357.19 by Mary Cochran, that it be given to Holy Family of Jesus, Tacoma and be used to translate the

- Book of Common Prayer into the native Cambodian language of Khmai, to further their ministry.
- Approved the release of \$2,000 from the Architectural Assistance Fund for a feasibility study at St. Bede, Pt. Orchard, subject to consent from the Commission on Church Architecture.
- Approved Don Mullins to appeal Kennewick Public Hospital v. Diocese of Olympia to the Supreme Court of the State of Washington in the eventuality the Appeals Court of Spokane rules in favor of Kennewick.
- Accepted the right of use agreement between Clark County Parks and Recreation and the Diocese of Olympia dba All Saints Episcopal Church, Vancouver.
- Accepted the joint use agreement between Christ Our Redeemer and the Diocese of Olympia, Inc dba All Saints Episcopal Church, Vancouver.
- Accepted the lease agreement between Living Again Worldwide Ministry and the Diocese of Olympia, Inc, for the rental of the church building at St. Francis, Mill Creek.

- Granted an easement for the City of Sammamish's maintenance facility access with the hopeful compensation of payment for the 244<sup>th</sup> Ave NE sidewalk improvements.
- Approved the policy regarding the posting of signs on Diocesan property: it is the policy of the Diocese of Olympia that the only signs that may be posted on Diocesan property are those related to the Diocese of Olympia or the Episcopal Church. One dissenting vote.
- Authorized archivist Diane Wells to work with Yearwood Studio to determine matte and framing, with a limit of \$4,000, for the portrait of Bishop Vincent Warner.
- Authorized the Vicar of St. Antony of Egypt, Silverdale, the Rev. Bill Fulton, to sign the agreement for freezer space between the Diocese of Olympia, Inc. dba St. Antony of Egypt and Central Kitsap Food Bank.

**Members of the 2009 Board of Directors:** the Rt. Rev. Gregory Rickel, president; Mr. Bill Bain, vice president, Emmanuel, Mercer Island; the Rev. John G. Schaeffer, secretary; Mr. Steve Faust, treasurer, Epiphany, Seattle; Mrs. Judith Andrews, St. Mark's, Seattle, chancellor; Mr. Bill Goodenough, Ascension, Seattle; Mr. George Garcia, St. Joseph –St. John's, Lakewood; the Rev. Ann Lukens, St. Michael and All Angels, Issaquah; Mr. Jim Paddleford, St. Mark's, Seattle; Mr. John Rolfe, St. Mark's, Seattle; and the Rev. Lawrence Perry, Trinity, Everett.  
*Submitted by Bill Goodenough, Board of Directors Representative for Property.*

## Report from the Diocesan Council Grants Committee (09/F/3)

At its August 27<sup>th</sup> meeting, Diocesan Council approved the following congregation grants for 2010. These grants are tentative, based upon the final approval of the 2010 diocesan budget at Diocesan Convention. Congregations requested \$513,127. A total of \$318,745 was awarded to 20 congregations, with a small fund held in reserve for congregations based upon further work and planning. These grants represent a dramatic shift in our congregational grant program. Funds are now awarded for congregational programs and development in line with the three priorities identified by Bishop Rickel: 1) Congregational development, 2) Ministry with those under the age of 35, 3) Stewardship of all our resources. **What changed in the process?** Congregations wishing to receive grants first provided a Letter of Inquiry (LOI) to the Grants Committee of Diocesan Council. The LOI included a brief summary of the proposed project, and limited financial and church attendance data. Based upon the LOI, those in line with the priorities listed above were invited to submit grant applications, and given feedback about their proposed projects. The application included more detailed information about the proposed project, congregation finances, attendance, and area demographics. **In evaluating grant applications**, the Grants Committee considered the following: 1) How the project matched diocesan priorities; 2) Congregation's plan for self-sufficiency and growth; 3) Congregation's understanding of local demographics. The majority of the grants are for one year. Some are part of multi-year projects, though the congregation must reapply each year and normally will not receive such grants for more than 5 years total. Once awarded grants, congregations will file reports to the Diocesan Council Grants Committee based on their level of funding. Reporting will include detailed accountability of funds used and what their impact is in their congregation and/or the surrounding community or neighborhood. Congregations interested in applying for grants for 2011 should watch for grant application information in Spring 2010. As they were in 2009, the process as well as Letter of Inquiry, application and reporting forms will be available on the diocesan web site at <http://www.ecwww.org/grants>.

Congregation	2010 Award	Comments
Good Shepherd, Federal Way	1,000	For website development
St. Clement's, Seattle	1,500	For website development
Crossroads Campus Ministry	5,000	Peer Ministry on UW Campus
Christ Church, Blaine	770	Travel and resources for participation in CCD
COTA	35,000	For Community Architect staff position
Resurreccion, Mt. Vernon	33,000	Continued support of ministry among Latino community in Skagit Valley
St. Paul's, Bremerton	30,000	Support for new rector salary as parish implements growth strategies
St. Andrew's, Port Angeles	14,000	Support for rector salary as parish implements growth strategies
Komo Kolshan Cluster	12,000	Support clergy salary and increase support staff hours for new program
St. Clare's, Snoqualmie	25,000	Support for rector salary as parish implements growth strategies
St. Stephen's, Longview	5,000	Support special programming
St. George's Maple Valley	50,000	2nd year of 5 year Congregational Development effort to grow attendance and giving
St. Hilda's-St. Patrick's, Edmonds	3,500	Godly Play Program
St. Bede's, Port Orchard	21,000	Support operations while the parish attempts to address the

All Saints', Tacoma	5,000	limitations of the size of their facility Underwrite operations while the parish puts together a plan for self-sufficiency
Grace, Bainbridge	17,500	Assistance in hiring second clergy person
Our Savior, Monroe	15,000	Support vicar salary while creating plan to address limitations of facility
St. Paul's Seattle	19,475	Third Service, launching Sept 2009
St. Joseph-St. John, Lakewood	15,000	Support vicar and staff salary while implementing growth strategies
Faith, Kingston	10,000	Support vicar and other staff salary while implementing growth strategies

### Diocesan Council Report to Convention 2009 (09/F/4)

The Diocesan Council (DC) is the "convention in recess" and has responsibility to oversee the budget and program goals of the Diocese and to carry out the priorities adopted by convention. DC members accept assignments, work on task groups, and attend regional, committee and commission meetings as necessary. The DC includes the bishop, bishop suffragan, ten members elected from the regional ministries, up to six members appointed by program commissions and three members elected by convention. This past year the DC met eight times: December (24-hour retreat), January, March (hosted in the Peninsula region by St. Antony's of Egypt Church, Silverdale), April, June (hosted in the Evergreen region by St. James' Church, Kent), August 1 (hosted in the Willapa region at Camp Michael), August 27, and September. At the **December** retreat (held at Huston Camp & Conference Center in Gold Bar) DC members joined Standing Committee members to talk about a new Joint Finance Committee, the "Rules of Respect," caution about email communications and confidentiality versus secrets, the diocesan website and the new Technology Committee, the role of the SC, Title IV, Canon 25 and the Ecclesiastical Trial Court. The evening session provided a time to work in new Sub-Committees: Grants, Budget & Finance, Congregation Connections, Trends, and Policies. Actions:

- *The September 25, 2008, minutes were accepted as written.*
- *Approved assessment relief of prior year's assessment arrears for St. Mary's Church, Lakewood; Christ Church, Blaine; St. John the Baptist Church, West Seattle; Church of the Holy Spirit, Vashon Island; Church of the Transfiguration, Darrington; and St. Alban's Church, Edmonds.*
- *Recorded, for IRS purposes, the housing allowances for the following clergy: Sam Lee, Andrea McMillin, Greg Rickel, Mary Shehane, Jerry Shigaki, Nedi Rivera, Alan Mack and Joan Anthony.*
- *Authorized the accounting office to write off all outstanding 2008 assessment balances (for accounting purposes only).*
- *Authorized the accounting office to rollover \$35,000, if there was a budget surplus, from the \$100,000 in the 2008 budget for the Canon for Congregational Development to be used for the College of Congregational Development and grant to St. Paul's Church, Seattle.*
- *Upon recommendation of the Commission for Congregations, authorized 2009 congregation development grants: Bremerton, St. Paul, \$30,000; Maple Valley, St. George, \$50,000; Kingston, Faith Church, \$10,000 (\$26,000 if they move into a new building); Port Angeles, St. Andrew, \$19,000; Skagit Valley, Komo Kulshan Cluster, \$38,000; and Silverdale, St. Antony's of Egypt, \$18,000.*
- *Upon recommendation of the Commission for Congregations, authorized 2009 congregation discernment grants: Port Orchard, St. Bede, \$25,000; Seattle, All Saints, \$25,000; Monroe, Our Saviour, \$20,000; Lakewood, St. Joseph-St. John, \$30,000; Tacoma, All Saints, \$10,000; Blaine, Christ Church, \$2,500; Battle Ground, Holy Spirit, \$33,000; and Resurreccion, Mt. Vernon, \$33,000.*
- *Upon request of the bishop diocesan approved usage of bequest funds (authorized under Board resolution) for the following: Genesis Covenant Task Force Energy Efficient Projects (\$28,892) plus Energy Efficient Programs (\$4,000); Celtic Visit (\$2,600); Canon for Emerging Mission (\$10,000); St. Andrew's, Seattle, initiative (\$7,000); and grant deficit (\$10,000).*
- *Approved the request from St. Alban's Church, Edmonds, to move from the Be Attitudes Regional Ministry to the Sno Isle Regional Ministry.*

In **January** the DC spent time working in sub-committees, heard a report from Bishop Rickel, reports from sub-committees, a report from the Regional Ministry Leadership Team meeting and an update on the budget process. Actions:

- *Accepted the minutes of the December 5-7, 2008, meeting as written.*
- *Sent a letter of thanks to the Diocesan Investment Fund (DIF) Committee and Board of Directors for its sound financial management.*

- Recorded, for IRS purposes, the housing allowances for the following clergy: Mary Shehane (corrected) and Carla Robinson.
- Rescinded the old agreement from 2002 with Church of the Resurrection, Bellevue, which allowed the in-king outreach rent deduction, effective for the 2010 assessment, noting that for 2009 assessment no change would take place from their original 2007 NDI report and assessment calculation for 2009.
- Upon recommendation of the Budget and Finance Committee authorized prior years' assessment relief as follows: St. John's Church, Gig Harbor, \$17,249; Christ

The **March** meeting was hosted by St. Antony's of Egypt Church, Silverdale, in the Peninsula Regional Ministry. Reports were heard on Bishop's Initiative Grants, a project at Grace Church, Bainbridge Island, the work of the Cathedral Task Force, the year-end financial statements and on the change in Bishop Nedi's role. In addition, DC members heard presentations from and shared conversation with members of the Peninsula region. Actions:

- Accepted the minutes of the January 22, 2009, meeting as written.
- Concurred with Bishop Rickel in creating a Bishop Assistant position to more effectively serve our Diocese with the stated intent of filling that position with the Rt. Rev. Bishop Cabell Tennis (retired).
- Accepted a policy "for use with congregations who have been chronic assessment under-payers"; said policy to be available for use by the bishops in conversation with the congregations that fall into this category; the program has a net zero effect on the budget.
- Upon recommendation of the Budget & Finance Committee, authorized up to \$100,000 from the unrestricted reserve for use by the bishop with congregations with critical budget needs in 2009.

The DC gathered in **April** at the Diocesan House. DC members heard reports from both bishops, a presentation from the Sudanese Community, an update on the budget process, a review of the first quarter financial statements, updates from sub-committees. In addition, DC members considered a bishop's initiative grant request and a grant request from St. Matthew/San Mateo, Auburn. Actions:

- Accepted the minutes of the March 7, 2009, meeting as written.
- Authorized Bishop Rickel to send a letter to those congregations that had not yet submitted NDI or Parochial reports advising them of Council action stating that if the NDI or Parochial report is not filed by June 1 any diocesan funding will be cut off until these two reports are filed.
- Adopted the 2010 draft operating budget as presented with the expectation that Bishop Greg Rickel will make necessary changes via restructuring and realignment of programs for efficiency to met the projected revenue amount, bringing it back to Council for review and placement in the final budget at the August Diocesan Council meeting.
- Upon recommendation of the Budget & Finance Committee forwarded for discussion at spring regional meetings a high level draft of the budget showing expected revenues and overall expenses (without detail) with a cover letter from the

Church Puyallup, \$22,564; Church of the Holy Spirit Battle Ground, \$1,476; St. Francis', Mill Creek, \$18,010; All Saints', Seattle, \$3,127; All Saints', Vancouver, \$6,891; Faith Church, Kingston, \$2,767; and St. Matthew's, Tacoma, \$20,114.

- Upon recommendation of the Budget and Finance Committee adopted the "Policy for Granting Relief of Prior Year(s) Unpaid Assessment Amount."
- Approved Bishop's Initiative Grants as follows: COTA (Church of the Apostles, \$35,000 for support of an administrative person; Episcopal Campus Ministry, \$6,000 for development of ministry.
- Looked with favor on the use of the St. Andrew's House 2008 surplus – half for staff bonuses and half to be placed in their unrestricted reserve – and noted that this does not set precedent; Council also looked with favor on creating a camps and conferences board for oversight of both St. Andrew's House and the Huston Camp and Conference Center.
- Approved Bishop's Initiative Grants: Grace Church, Bainbridge Island, \$36,400; St. Paul's Church, Seattle, \$10,000; St. Stephen's Church, Longview, \$16,800; St. Clare's Church, Snoqualmie, \$55,000; St. Andrew's Church, Port Angeles, \$19,769; and the Diocesan Technology Committee, \$2,000.

bishop outlining his plan to achieve a balanced budget by August 1 and a letter from the Budget & Finance Committee outlining how the deficit of requests over revenue was reduced from \$850,000 to \$350,000.

- Upon recommendation of the Budget & Finance Committee requested the Personnel Commission to undertake a study of benefits offered in the non-profit sector with emphasis on premium sharing in healthcare with a report back to the late August Diocesan Council meeting.
- Recorded, for IRS purposes only, the following housing allowance: Nedi Rivera (revised).
- Did not approve a grant request from St. Matthew/San Mateo, Auburn.
- Approved the Bishop's Initiative grant request for St. Bede's Church, Port Orchard, feasibility study in the amount of \$13,000 (1/2 of the total fund required).

In **June**, members of the DC were hosted by St. James' Church, Kent, in the Evergreen region. A major agenda item was presentations by and conversation with members from the churches in the Evergreen Regional Ministry. In



additional the DC spent time working in sub-committees, heard a report from Bishop Rickel, an update on the budget process and assessment payments, and convention and commission updates. Actions:

- Accepted the minutes of the April 23, 2009, meeting as written.
- Approved the request of St. Hugh of Lincoln Church, Allyn, to move from the Peninsula region to the Willapa region.
- Authorized a \$10 convention registration fee with the additional \$15 per person funded from the unrestricted reserve.

The DC gathered on **August 1** at Camp Michael in the Willapa region. DC members heard from Bishop Nedi about her announced retirement, reviewed the proposed 2010 budget, were introduced to Google Groups, reviewed the current financial statements, and gathered for lunch and conversation with members from the Willapa Regional Ministry. Actions:

- Accepted the June 6, 2009, minutes as written.
- Upon recommendation of the Budget & Finance Committee, and with acknowledgement of the satisfactory completion of the congregation NDI and Parochial reports, authorized for St. Elizabeth's Church, Burien, assessment relief of prior years' unpaid assessment (2003-2006), as well as the amount unpaid in 2007 due to a calculation error, for a total of \$53,716.
- Upon recommendation of the Budget & Finance Committee authorized relief of prior years' assessment (2001-2003) for St. Luke's Church, Renton, in the amount of \$52,299; and accepted with thanks their willingness to pay \$3,095 outstanding 2006 assessment (one monthly payment not paid, which was an oversight) during 2009.
- Upon recommendation of the Personnel Commission and the Policies Task Group adopted the Bonus Policy.
- Recorded, for IRS purposes only, a housing allowance for the following clergy person: Kim Forman.

The Diocesan Council gathered on **August 27** at the Diocesan House in Seattle. Members of the Regional Ministry Leadership Team joined DC members to plan the fall Pre-Convention Gatherings and to hear a report on the July General Convention. Actions:

- Accepted the minutes of the August 1, 2009, meeting as written.
- Upon recommendation from and with thanks to the Grants Committee, approved the 2010 Congregation Grants: Good Shepherd, Federal Way, \$1,000; St. Clement, Seattle, \$1,500; Episcopal Campus Ministry, Seattle, \$5,000; Christ Church, Blaine, \$770; COTA, Seattle, \$35,000; Resurreccion, Mount Vernon, \$33,000; St. Paul, Bremerton, \$30,000; St. Andrew, Pt. Angeles, \$14,000; Komo Kulshan Cluster, Skagit Valley, \$12,000; St. Clare, Snoqualmie, \$25,000; St. Stephen, Longview, \$5,000; St. George, Maple Valley, \$50,000; St. Hilda/St. Patrick, Edmonds, \$3,500; St. Bede, Pt. Orchard, \$21,000; All Saints, Tacoma, \$5,000; Grace, Bainbridge Island, \$17,500; Our Saviour, Monroe, \$15,000; St. Paul, Seattle, \$19,475; St. Joseph-St. John, Lakewood, \$15,000; Faith, Kingston, \$10,000. Held in reserve (released upon meeting requirements for program planning): Holy Apostles, Bellevue, \$2,500; St. Joseph-St. John, Lakewood, \$13,755. Held in reserve per bishop's request: \$25,000.
- In the 2010 budget, reduced revenue line 42 to \$65,375 and changed revenue line 26 to read "transfer from U/R for Ethnic Ministries).
- Approved the 2010 budget fall draft as amended and forwarded the final budget to the convention for ratification.
- Upon recommendation of the Budget & Finance Committee forwarded to the fall convention a resolution setting the 2011 assessment rate at 18%.
- Upon recommendation of the Policies Work Group approved policy 15-003 and policy 15-004.

The Diocesan Council gathered in **September** at the Diocesan House in Seattle. DC members continued work in sub-committees, heard reports from our bishops, debriefed the first two fall Pre-Convention Gatherings, were introduced to the new Committee for Youth Exchange and Mission (under the Commission for Faith Formation). The group also received the audit report of the operating fund and heard reports from sub-committees, commissions and region. Actions:

- Accepted the minutes of the August 27, 2009, meeting as written.
- Adopted Policy 15-001 (Writing Diocesan Policies).

Respectfully submitted on behalf of the Diocesan Council by, Ms. Dede Moore, Bishop's Executive for Governance

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## Commission for Emerging Mission (CFEM) (09/F/5) [www.emergingmission.org](http://www.emergingmission.org)

'Companioning Congregations and Leaders in Emerging Church and Mission'

To support and resource Episcopal parishes and leaders in starting new forms of church or outreach, reaching out to 'under 35s,' and gaining new skills and competencies for engaging mission within emerging culture and the postmodern world.

### CFEM MISSION



CFEM helps congregations and leaders learn skills for sharing the Anglican witness to the Christian Gospel in today's postmodern and post Christian culture.

- A **network of support** or those engaging new forms of church or mission.
- Mission **consultations** for parishes re: new forms of church or mission.
- **Resources:** diocesan NING and mission newsletter (coming in 2010).
- **Workshops** and Learning Parties on mission topics from: emerging liturgy, and technology for ministry, to emerging leadership and new monasticism.
- *Practica:* 'how to' and **skill building** sessions for leaders.
- **Pioneer Missioners** placed in congregations to engage emerging mission projects (coming in 2010).
- Baptismal Covenant Groups and **events for young adults** in local congregations.

## CFEM PROVIDES

### CFEM 2009 Scope of Work

#### Building a Community of Emerging Leaders:

In 2009, CFEM has connected with hundreds of Episcopalians and community members, hosting and co-sponsoring: Four 'Conspiracy' Parties, Stone Soup Young Adult Retreat, Bi-Weekly Theology Pubs in Seattle, Young Adult BBQ at Diocesan House, Eucharist during Pride Week and an Episcopal presence in the Pride Parade, Young Adult Pub Trivia Night, Young Adult Gathering at Convention, Major Benefit Concert for the AIDS organization Multi-faith Works

#### Partnering with Parishes and Community Organizations:

##### 2009 Partnerships:

St. Mark's Cathedral, Church of the Apostles, Christ Church, Puyallup, St. Andrew's, Seattle, St. Andrew's, Port Angeles, The Commission for Evangelism, The Commission for Youth and Young Adults, The Commission on Ministry, Multi-faith Works, The Human Sexuality Group, Integrity Puget Sound, The Fremont Abbey Arts Center, and Mars Hill Graduate School.

#### Educating for Emerging Church and Mission:

2009 CFEM workshops: James K. Wellman Clergy Day presentation, Ian Mobsby Clergy Day presentation, Anglimergence workshop at Ministry Resource Day, Theology Pub workshop at Diocesan Convention, 'Seizing the Episcopal Moment: Emerging Cultures and Anglican Futures' at the Fremont Abbey

#### Preparing Leaders for the Future of the Church:

CFEM is partnering with the Commission on Ministry to develop the Pioneer Missioner Pilot Project - a first-in-the-nation effort to recruit, train and ordain emerging Episcopal ministry pioneers, building on the learnings of the Church of England's 'Fresh Expressions' program and interdenominational best practices.

**CFEM Commissioners** J.R. Lander, Carol Everson, Eliacin Rosario Cruz, Susan Tyree Cuevas, James Thibodeaux, Tom Sine, Jordan Rickard, Jon Myers, Ben Newland, Kathy Hamilton (Liaison, Youth/Young Adults), Gregory H. Rickel (Bishop Diocesan)

**CFEM Staff Team** Blaire Notrica, [blaire.notrica@gmail.com](mailto:blaire.notrica@gmail.com), (GLBT Liaison); Tim Mathis (Community Catalyst), [Timothy\\_Mathis@yahoo.com](mailto:Timothy_Mathis@yahoo.com); Karen Ward (Chair) [karen@apostleschurch.org](mailto:karen@apostleschurch.org)

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## Report of Diocesan Historiographer for 2009 (09/F/6)

By Br. Carle Griffin, OCP

During the 2008 – 2009 year, your Historiographer:

- Gave presentations on the history of the diocese and St. Mark's parish.
- Completed an outline for a comprehensive history of the diocese.
- Began the first draft of a comprehensive history.
- Made plans for the 100<sup>th</sup> anniversary of the creation of the diocese (1910 – 2010).

Having changed to a part-time work schedule, I expect the drafting of the history to advance more rapidly. I will continue making presentations to interested congregations.

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## All Saints Episcopal Campus Ministry – WWU Bellingham (09/F/7)

"Our campus ministry has grown in spirit and in size in just one year. With the financial and prayerful support of the diocese, this outreach and ministry WITH the students in Bellingham will continue to grow! We have weekly study, prayer, communion, regular meals together, and retreats. We are collaborating with St. Paul's Episcopal in ministry, and work to transport students to church there. Our goal is to create a community of Christians, who support and work together in ministry." - **The Rev. Andrea McMillin, Campus Minister**

"As a dedicated Sunday School participant since day 1, I have lost track of how many times I was taught the importance of the community of a church family holds in one's personal relationship with God. When I moved away from home to study at Western Washington University, I

started attending the All Saints Episcopal Campus Ministry services. It wasn't until I stepped into this welcoming atmosphere that I truly realized what it meant to be part of a church family. Over the past two years, the campus ministries have given me a place where I can feel at home away from home, be surrounded by people who care, and be supported and nurtured as I continue along my own spiritual journey."

**-Kirsten Moore – Student at WWU, Bellingham**

"It is very common for college students to take a break from the church to find their own way. As parents we encourage this exploration. The value that our son has experienced is the importance of community. When times are tough, regardless of one's specific beliefs, being Christian means supporting each other. This campus ministry has been a true "saving grace" for our son and us!"

**-The Rt. Rev. Jeff & Lisa Lee, Parents - Diocese of Chicago**

"I am seeing students come to this group who are in different places with their faith development. The ministry, as I see it, is to encourage the students toward being more of a part of what we are doing with this ministry so they have an opportunity to grow in their faith by taking ownership of this ministry. My goal is to be ministering with students, rather than to, students."

**-Ryan Knight, Intern Campus Minister & WWU graduate**

"I am happy that WWU has an active Episcopal presence on campus. My student may choose a different path, but the All Saints ministry allows her to grow into her faith, developing a close community with other student peers as they deal with large questions in their lives. God needs to present as they ponder their identity and careers. I welcome and support this spiritual home-away-from-home and cheer the diocesan support of these activities." - **Phil Mixter, Parent – Diocese of Spokane**

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## **Diocese of Olympia Liturgy & Arts Commission (09/F/8)**

**The mission** of the Liturgy & Arts Commission is to foster vibrant and formative liturgies across the diocese, demonstrating the power, depth and breadth to be found within the Book of Common Prayer, Enriching Our Worship, other approved texts of the Episcopal Church, and those created in consultation with the bishop.

**Four broad areas of activity** are undertaken:

- *Worship for diocesan gatherings:* primarily Convention and Ministry Resource Day; secondarily Pre-Conventions, Clergy Days, and other diocesan functions as requested.
- *Education and consultation:* Ministry Resource Day, Commission-sponsored institutes or workshops, and, on request, local consultations, Clergy Day, or Regional Ministry gatherings.
- *Web-based worship resources:* liturgy customs requested by the bishop (e.g. Celebration of New Ministry, Marriage, and Ordination); public domain imagery and sheet music; supply sources for supplies and directions for creating vessels, vestments and visual arts; links to other liturgy sites; and a diocesan liturgical event calendar. (Under construction)
- *E-network:* a virtual community for liturgically interested Episcopalians in western Washington. (Under construction)
- *Liturgical Art:* create art and environment for diocesan gatherings; develop resources to support congregational development of liturgical art. Contact Deborah Hickey-Tiernan [deborahht@comcast.net](mailto:deborahht@comcast.net) (253) 212-3667.
- *Liturgical Text:* work with the bishop to develop diocesan customs, and compose specific prayers as needed to supplement those available in the Book of Common Prayer; provide liturgical bulletins for diocesan gatherings. Contact Becky Morrill [BMorrill@saintmarks.org](mailto:BMorrill@saintmarks.org) (206) 323-0300.
- *Liturgical Catechesis & Theology:* support clergy and congregations in realizing the power of theology enacted through liturgy, and its formative role in people's lives. Contact Joseph Hickey-Tiernan [josh@comcast.net](mailto:josh@comcast.net) (253) 212-3667.
- *Music:* provide accessible and engaging music for diocesan gatherings in order to build community; develop resources to enrich the musical life of congregations; foster collegiality among parish musicians. Contact Jason Anderson [associate@stmichaels-issaquah.org](mailto:associate@stmichaels-issaquah.org) (425) 392-3215
- *Web Resources:* build and maintain the Commission's e-network. Contact Jack Barben [jbarben@gmail.com](mailto:jbarben@gmail.com) (765) 532-8331

**Commission membership** consists of twelve appointments made by the bishop, including both lay and ordained persons, who serve rotating three year terms. Nine members are designated to serve specific roles (Commission chair, five workgroup chairs, diaconal liaison, ethnic ministries, and emergent church) with the remaining three positions made at large. Members and their year in term are:

Member	Role	Year in 3 Year Term as of Convention 2009
Jason Anderson	Music Chair	3
Jack Barben	Web Resources	3
Gen Grewell	Diaconal Liaison	1
Ann Lukens	Commission Chair	3
Alan Mack	At Large	3
Mary MacKenzie	At Large	2
Deborah Hickey-Tiernan	Liturgical Arts Chair	2
Joseph Hickey-Tiernan	Liturgical Catechesis & Theology Chair	2
Samuel Torvend	At Large	2
Andrew Shiota	Ethnic Ministries	1
New Appointee Pending	Emergent Church	
Becky Morrill	Liturgical Text & Coordination	1

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### Standing Committee Annual Report 2009 (09/F/9)

“Just what exactly do you *do*?” is the most common question a Standing Committee member hears during their four year term. Standing Committee responsibilities include advising the Bishop, interviewing and approving postulants and candidates for Holy Orders, consenting to the elections of bishops in the Episcopal Church and working with the Board of Directors in approving various property issues within the diocese. Additionally, any clergy member who rejects the decision of the bishop in cases of clergy misconduct would appeal the judgment before the Standing Committee, and, should the bishop/s be incapacitated in any way, the Standing Committee assumes ecclesiastical authority in the Diocese. In the Diocese of Olympia it is also the Standing Committee’s responsibility to manage our annual Mutual Ministry Review (MMR) between the people of the Diocese and Bishop Rickel.

In 2009 the Diocese of Olympia Standing Committee made some adjustments in its organizational system. The role of Commission On Ministry representative was changed to a two person, two-year time frame. The representative and the “representative-elect” now share the COM responsibilities through the year and terms overlap from year to year. The goal was to improve continuity and familiarity from year to year between the SC representatives, the COM and the postulants and candidates. Another job converted into a team system was the role of Secretary, with one person holding the official role while a second member commits to being “secretary-elect” and is on hand to fill in when needed the first year, falling into the full secretary role the second year.

Wider Diocesan representation occurred in 2008-2009 with members coming from “distant lands” on a monthly basis. Outgoing members Jim Neal and Mary Lyons came from Shelton and Longview respectively, while ongoing members Jo Beecher and Virginia Wagner come in from Mt. Vernon and Oak Harbor. Kirkland, Seattle, Marysville and Olympia are all represented along with varying ministries stretching from Total Common Ministry to Ethnic Ministries to Anti-Racism to Seafair. The

quirkiest challenge of the year was Jim Neal’s sole representation of the male gender amidst seven strong women, and we give thanks to God for Jim and the gifts he’s so richly given during these past twelve months!

The annual Mutual Ministry Review can be viewed online at [www.ecww.org](http://www.ecww.org) and this year was facilitated by the Reverend Eldon Olson, ELCA. Eldon’s approach to the gathering of voices was a rich experience for him as well as the participants and you can feel his enthusiasm and ours in that Review. Mutual Ministry Review is a process between clergy and laity that is more “collaborative” than “corrective” and, as we’ve learned these past two years, it is always a work in progress: “Don’t stop. Keep going!”

Finally, in reference to the first “responsibility” listed in this report, it has been a pleasure to work with Bishop Rickel these past twelve months. Prior to electing him, we all shared a vision of ourselves during the Candidate Walk-Abouts which he very clearly heard. His innovative efforts to help us “get where we want to go” is a privilege to witness, and we give thanks for his willingness to continue giving his gifts so freely as he and Marti and Austin begin another new year in our midst. Amen.

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### Commission for Planned Giving/Stewardship (09/F/10)

The purpose of the Commission is to provide servant leadership and encouragement for developing and sharing resources to strengthen the work of the Episcopal Church in Western Washington. The Diocesan Office for

Planned Giving/Stewardship supports the Commission and its work in the areas of planned giving, stewardship, and Episcopal Charities Appeal. **Staff members include:** Carl Knirk, Bishop's Deputy for Planned Giving/Stewardship; Sharon Pethers, Administrative Assistant; Chair of the Commission, Maryellen Young, St. Alban's, Edmonds; Commission Representative to Diocesan Council, Bill Brice, St. Andrew's, Tacoma.

The Commission sets and reviews goals and objectives annually. A copy of the goals for 2009 are attached at the end of this report. The focus on stewardship is to define Christian Stewardship in a transformational way. It is what we do with all that God has given to us after we say "Credo", we believe. Transformational stewardship is about conversion, it is about our relationship with Christ, and we are constantly invited into a deeper relationship with Our Lord. It is not about meeting the church budget. It is not about staying in one place. God accepts us no matter where we are in our faith journey, but God does not want us to stay there.

The office produced an updated version of the Six Steps in Christian stewardship and focuses on teaching proportional giving and year round stewardship. If you always do what you've always done, you'll always get what you always got. If you are ready to try something new, a new approach to the annual campaign, to incorporating grateful giving and saying thank you to a year round stewardship program, to include mission giving regularly, call the diocesan office to tap some of those resources. Every congregation receives a subscription to the by-monthly newsletter from TENS, The Episcopal Network for Stewardship. You are also encouraged to use the resources at **tens.org**.

As of convention, 2009, over 1800 individuals have received first hand resources, teaching, or preaching from the stewardship/planned giving program with many more programs and visits planned for the remainder of 2009. The Bishop's Society has grown to 1,333 members as of Convention, 2009. Started in 1993 by Bishop Warner, our society is the largest diocesan recognition legacy society in The Episcopal Church. Anyone who has made arrangements for a gift to any Episcopal church or ministry in their will or estate plans qualifies. Eighty five members and guests enjoyed a cruise on Lake Washington this past August with Bishop Rickel and members are invited to Trinity Parish, November 6, for an organ concert by Mel Butler, St. Mark's Cathedral organist. A new diocesan planned giving website came on line this past February, at: **Ecwwgift.org**

This new website has had 14,000 hits already and it offers a wealth of information on ways to leave a legacy gift to your church or any Episcopal ministry. Witness stories from several diocesan legacy donors highlight the website with links to everything from how to set up an endowment at your church, to making a charitable gift annuity and what the return on your gift would be.

Our annual diocesan stewardship program drew 80 plus attendees, hosted by St. John's, Kirkland. Evaluations were extremely positive, with 3 guest presenters along with our own Bishop Rickel.

The Canon for Planned Giving/Stewardship has consulted with several congregations around capital campaigns offering resources and potential capital campaign consultants.

**Episcopal Charities Appeal, Chair, Kris Dobbyn, Emmanuel, Mercer Island, Chair**

Episcopal Charities Appeal was founded in 1987 by the Diocesan Convention as our diocesan annual appeal to support ministries with an Episcopal Connection in Western Washington reaching out to those in human need. Congregations are asked to take a special offering for ECA on Thanksgiving or the Sunday before or after Thanksgiving. An annual direct mail appeal is sent to diocesan households during Lent each year. A separate ECA report is included to convention delegates.

The ECA committee distributed over \$60,000 to 25 ministries in Western Washington. Donations may now be made electronically, on line, year round. Go to [www.ecww.org](http://www.ecww.org) and link to the secure website to make a gift to ECA via credit card, debit card, or electronic transfer. **A special ECA report is included in this year's CD.**

**Additional Diocesan-Wide Campaigns and Consulting**

The Planned Giving/Stewardship office supports several other diocesan wide campaigns, including the We Will Stand With You and the Student Scholarship Committee. The office has advised several Episcopal events/ministries in their own fundraising efforts.

The We Will Stand With You Campaign stands at \$450,000 in pledges and a fundraising event is planned for January 22, 2010, at St. Columba's, Kent, to raise the final \$50,000 and honor Bishop Suffragan Nedi Rivera as she retires. The dinner event/live auction will be called "Happy Trails/BBQ-Buffer/for NEDI & NOLA

There will be a live auction including a cruise from Holland America and a Cajun dinner cooked by Chef Mark Uddo, plus a raise the paddle for individuals and congregations to reach our commitment of half a million dollars to St. Paul's Church and School. St. Paul's is now using all of our donations to fund the Homecoming Center which has moved to Gentilly, where there is so much work to be done in helping people rebuild, four years after Katrina.

#### **Electronic Giving Now Available**

The Diocese of Olympia has now set up a secure website link through our website: [www.ecww.org](http://www.ecww.org) where donors can give via credit card, debit card, or electronic transfer from their bank accounts. You can now give to ECA, We Will Stand With You, and the Student Scholarship Fund campaigns as well as other campaigns.

In some churches more than a third of their donations are received through electronic giving. If you are not offering this service to your members, it is now time to consider it and take the steps to do so. The costs are minimal for the services provided, and need to be a budgeted item for the cost of running the church.

You can find more information about VANCO at their website: [http://www.vancoservices.com/vs\\_nonprofit\\_main.htm](http://www.vancoservices.com/vs_nonprofit_main.htm) or simply do a search online for VANCO. If you would like to know more information from our diocesan office call Sharon Pethers, at ext. 2041 at Diocesan House (800-488-4978). There are other providers available as well, besides Vanco. The important thing is that churches do their own investigation and move forward to make it easy for people to be generous with their monetary gifts.

### *GOALS, OBJECTIVES FOR 2009*

#### *COMMISSION FOR PLANNED GIVING & STEWARDSHIP*

**Staff members include:** Carl Knirk, Canon for Planned Giving/Stewardship/Evangelism; Sharon Pethers, Administrative Assistant

#### **Commission for Planned Giving & Stewardship**

**Purpose:** To provide servant leadership and encouragement for developing and sharing resources to strengthen the work of the Episcopal Church in Western Washington through annual stewardship and legacy stewardship.

*The Commission sets and reviews goals and objectives for the planned giving and stewardship program, working in partnership with the Canon for Planned Giving/Stewardship/Evangelism.*

#### **GOAL #1**

**Increase the Bishop's Society membership from 1281 members to 1540 members at the close of 2009 (a 20% increase) as progress toward our five year Living Tree Campaign Goal of 2010 members by the year 2010. (The Bishop's Society is open to members in congregations throughout the diocese who have provided for a planned gift for their congregation and/or other Episcopal ministry.)**

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|---|---|
| <ul style="list-style-type: none"> <li>• Conduct diocesan wide mailing during Epiphany season to 15,000 households with letter from Bishop Greg and "estate planning quiz" brochure and response card to request more information or let us know if they already qualify. Greg will write about legacy giving in his Voice column in January, 2009.</li> <li>• Conduct at least 5 life planning seminars, distribute 500 Life Planning Manuals</li> </ul> | <ul style="list-style-type: none"> <li>• Offer homily on legacy stewardship in at least 5 congregations</li> <li>• Support/attend at least five legacy society celebrations in congregations</li> <li>• Hold at least one diocesan wide event to say thank you to Bishop's Society members</li> </ul> |
|---|---|

#### **GOAL #2**

**Develop new planned giving website, (\$3500 to \$5,000 annual fee) linked to diocesan website, contracting with Crescendo, Inc., providers to hundreds of non-profits. The website will be interactive, have current, up to date information, and the ability to do model income producing charitable gifts such as charitable gift annuities and charitable trusts. This will be a huge enhancement to the marketing and closing of additional legacy giving across the diocese.**

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| <ul style="list-style-type: none"> <li>• Prepare basic content, articles, pictures, promotional information for the website</li> <li>• Review the website using volunteers to provide feed back</li> </ul> | <ul style="list-style-type: none"> <li>• Enter into long term contract with Crescendo, fees to be paid out of program budget for planned giving/stewardship</li> </ul> |
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- Develop a plan as we go forward updating the information and to determine amount of work and effort needed by staff to keep the website relevant

- Link the website to diocesan website, market it through all means available

### GOAL #3

**Conduct stewardship focused presentations, workshops or training that reach at least 1500 participants and 40 congregations during the year, with motivational tools to improve year round, annual, and legacy stewardship in congregations, focus on abundance and transformational stewardship**

- Ministry Resource Day – May 9, 2009 – Offer at least 3 workshops, one on annual giving, one on legacy giving, one on laying the groundwork for using the Building Survey to lead to potential capital campaign – 50 attendees
- June 20, 2009 – Hold all day stewardship workshop, offer beginning and advanced track, outside speakers, local speakers, panels, St. John's-Kirkland, potential site – 75 attendees

- Work with individual congregations, training, homilies, providing resources
- Working with TENS: Lead workshop at TENS conference in Tennessee, for professionals at pre-conference training day – 25 attendees; Lead workshop at TENS conference on Legacy Giving using Life Planning Manual – 20 attendees; Provide TENS membership and newsletters to all diocesan congregations out of diocesan budget

### GOAL #4

**Review and distribute, trial and assess "Building Survey" to congregations who self-select that they want to take the survey, collate the results, share with the diocese, with goal of offering capital campaign feasibility study in 2010 to see what congregations and whether the diocese is ready for a capital campaign, possibly in 2011**

- Partnering with Liz Osborne who has developed the survey for potential publication, develop a method to contact all congregations, inviting their participation, work out a plan to provide support if

needed for them to conduct the survey and submit the results

- Review the results by year end to determine how whether to move forward with a capital campaign feasibility study in 2010

### GOAL #5

**Continue to provide our ongoing services offered by the planned giving office, including: Use of our Diocesan Brokerage Account to benefit missions and congregations and other ministries; Electronic Giving; Support of the We Will Stand With You Campaign to fulfill its goal of \$500,000; growing the Student Scholarship Appeal, ECA, and supporting any other campaigns that should arise.**

- Continue to market the availability to use stock as gifts via articles in FYI, on the website, reminders in mailings that this method is available
- Staff the Student Scholarship Committee, conducting an annual appeal to raise funds for students, staff the semi-annual meetings and distribution of these funds, increase campaign totals by 20% from 2007

- Continue to acknowledge all donations with timely thank you letters serving as receipt
- Cover the expenses for electronic giving options out of our operating budget, keep the account reconciled monthly
- Complete 4 new charitable life income gifts/donor advised funds

### Episcopal Charities Appeal Committee

**Purpose: To conduct an annual campaign to Episcopal households and local congregations to provide financial support for selected ministries within the Diocese of Olympia that respond to a broad spectrum of human need and to allocate the funds annually.**

**GOAL #1 Increase the total amount distributed by ECA in 2008 from \$78,000 to 85,000 in 2009, a 10 percent increase**

- Conduct Lenten appeal, mailing a direct mail piece to entire diocesan mailing list –
- Send a holiday direct mail appeal to all former donors, providing an opportunity for an end of the year gift to next year's appeal.
- Remind congregations to observe the Canon requiring a Thanksgiving offering to benefit

ECA; assign members of ECA Committee specific churches to contact, resulting in a 15% increase in congregation participation in 2008 - help committee members to make personal contact with congregations seeking their support.

- Keep ECA link on the new diocesan website up to date.

- Have an ECA update at diocesan convention, ask to be on the agenda
- Continue to promote the existence of the new Endowment Fund for ECA, mailing the Living Tree brochure with all thank you letters.
- Assign to committee members the writing of personal thank you's to specific donors who have been faithful givers over the years.

- Develop a commemorative gifts program for memorial gifts to ECA in name of someone and review and define better the ECA Endowment, purpose, policies.
- Formalize guidelines for ECA Endowment when we get to \$50,000 in corpus

#### **Members of the Commission for Planned Giving/Stewardship, January 2009**

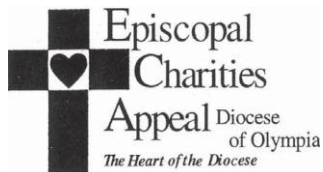
Maryellen Young, St. Alban's, Edmonds, Chair; Bill Brice, St. Andrew's, Tacoma, Council Representative; Kris Dobbyn, Chair, Episcopal Charities Appeal, Emmanuel, Mercer Island; Joe McGuire, St. Bede's, Pt. Orchard; Pamela Reed, St. Matthews, Tacoma; Margaret Lopic, St. Stephen's, Longview; Johanna Padie, St. Margaret's, Bellevue; Brian Wright, Trinity, Everett; John Sinclair, Grace, Bainbridge Island; Eric Dodsley, Christ Church, Seattle; Carol Batchelder, Ascension, Seattle; The Rev. Jane Maynard, St. Thomas, Medina; Lynda & Ken Anderson, St. Augustine, Freeland; Sharon Pethers, Adm. Assistant; Carl Knirk, Bishop's Deputy for Planned Giving/Stewardship

#### **Members of the Episcopal Charities Appeal Committee**

Chair, Kristine Dobbyn, Emmanuel, Mercer Island; Vice Chair, Diana Klein, St. Augustine's, Freeland; Doug Hutcheson, St. John's, Olympia; Jon & Louise Frederick, St. Luke's, Vancouver; Linda Brice, St. Andrews, Tacoma; Marie Cain, Ascension, Seattle; Paul Demetriades, St. Thomas, Medina; Don & Jan Gauthier, St. Jame's, Kent; Lorry Garratt, Christ Church, Seattle; The Rev. Kate Wesche, Epiphany, Seattle; Mary O. Haller, Good Shepherd, Federal Way

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#### **Episcopal Charities Appeal Summer Newsletter (09/F/11)**



Thank You! On behalf of the ECA Committee for 2008, we want to thank you for your support that allowed us to distribute \$60,762 in June to 26 worthy ministries in Western Washington. Your support means so much to these ministries! Since the distributions in June, most of the ministries are sending thank you letters to us, having received their ECA gift. Below we take this opportunity to share with you a few

anecdotes from these thank you's.

**Since ECA's inception in 1988, close to \$2 million has been distributed, an outward sign of our collective care for our brothers & sisters in our diocese.**

With Fall just around the corner, we encourage you to give generously during your congregation's special offering on Thanksgiving or the Sunday prior to or after Thanksgiving to benefit ECA. Give online at [www.ecww.org](http://www.ecww.org) and follow the links from "Make a Gift". Or send checks to Episcopal Charities Appeal, PO Box 12126, Seattle, WA 98102. You'll be supporting folks who need housing, health care, food, basic needs, all with one, tax deductible gift. For more information call the Diocesan Planned Giving Office at 206-325-4200 or 800-488-4978, ext. 2041.

**Harmony Hill Retreat Center - \$2123.** "Thank you and the Diocese of Olympia for your recent gift to Harmony Hill Retreat Center. Without the support of donations like yours we would not be able to accomplish our mission to improve the quality of life for those affected by cancer, providing support and resources the inspire renewal. The ECA donation will be used to keep our cancer program free of charge to those that attend."

**Mediation & Settlement Center - \$2543.** "Thank you for accepting our ministry for funding in 2009. We deeply appreciate your generosity. The Mediation and Settlement Center cannot adequately express how important ECA support has been for us. It affirms our reconciliation and peacemaking ministry, that although quiet and low-keyed, is still important to the church. Your support helps us live our ministry confidently, knowing we are blessed as peacemakers. Thank you."

**Safeplace - \$2115.** A mother with a young son who stayed at our shelter this summer wanted to share her thanks with the supporters of Safeplace: "I just wanted to say thank you for giving my son & me the opportunity to

have a place like this for us to feel safe, and stable. We were greeted with open arms, beds to sleep in, food to eat and all the toiletries we needed. They also helped with clothing and support groups. They were positive role models for my son, showing him that a man can be nonviolent and still have love.”

Aids Housing Assoc. of Tacoma Tacoma \$ 2,228  
 Associated Ministries Tacoma \$ 2,143  
 Congregations for the Homeless Bellevue \$ 2,728  
 Dungeness Valley Health & Wellness Clinic Sequim \$ 1,941  
 Episcopal Crossroads Campus Ministries Seattle \$ 2,401  
 Fort Vancouver Seafarer's Center Vancouver \$ 1,425  
 Gourmet Grub Seattle \$ 2,295  
 Harmony Hill Union \$ 2,123  
 Helping Hand S. Whidbey \$ 2,243  
 HomeStep Seattle \$ 4,373  
 Jackson Street Food Bank Tacoma \$1,030  
 KAIROS Prison Ministry of WA Bellevue \$ 2,567  
 La Iglesia Episcopal de la Resurreccion Mt. Vernon \$ 2,233  
 La Iglesia Santa Isabel Burien \$ 1,402

MANNA Pt. Angeles \$ 2,168  
 Matthew House Monroe \$ 2,475  
 Mediation & Settlement Centerer Montesano \$ 2,543  
 Mission To Seafarers Seattle \$ 3,487  
 Northwest Harvest South Vancouver \$ 2,188  
 Refugee Resettlement Office Seattle \$ 2,183  
 SafePlace Olympia \$ 2,115  
 St. Matthew/San Mateo Auburn \$ 1,609  
 St. James Family Center Cathlamet \$ 4,422  
 St. James Outreach Program Kent \$ 1,856  
 Thurston Co. Ministries in Higher Education Olympia \$ 2,143  
 VIMO Pt. Angeles \$ 2,218  
 ECA Endowment & Misc. Designations \$ 220  
**2009 ECA DISTRIBUTIONS TOTALS: \$60,762**

## Commission for Evangelism (09/F/12)

The purpose of the Commission for Evangelism is to equip the congregations of the diocese to share the good news of Jesus Christ with others, and to remain accountable to God and the diocese. **Staff members include:** Nedi Rivera, Bishop Suffragan; Carl Knirk, Canon for Planned Giving/Stewardship/ Evangelism; Sharon Pethers, Administrative Assistant; Commission Chair, Laura Poston, Our Saviour, Monroe; Commission Representative to Diocesan Council, The Rev. Susan Dean, St. Clare, Snoqualmie.

The goals for the Evangelism Commission for 2009 are listed below. We are tracking well with these goals as of convention, 2009. The visit by Canon Britt Olson to Ministry Resource Day was very well received, with over 300 people hearing her message of welcoming and evangelism. The workshops for 2009 listed under goal 5 have taken place or are on schedule, including the partnership with CFEM for the workshop at COTA on November 14 at Church of the Apostles.

### GOALS & OBJECTIVES FOR THE COMMISSION FOR EVANGELISM 2009

**The purpose of the commission for Evangelism is to equip the congregations of the Diocese of Olympia to share the good news of Jesus Christ with others, and to remain accountable to God and the diocese.**

The Commission for Evangelism submits the following goals and objectives for 2008 in support of that mission.

1. Goal: Provide financial support and fund-raising support and awareness of Church of the Apostles (COTA), the postmodern, emerging mission church in the Fremont area of Seattle.
  - Provide \$15,000 in financial support from evangelism budget through the diocesan budget to fund the salary of Rev. Karen Ward, missionary to COTA, in partnership with ELCA NW Washington Synod and ELCA national division of outreach
  - Assist COTA in making applications for grants, providing references and letters of support, and work to open doors for partnerships with congregations in the diocese
  - Develop a strategy and implement a partnership campaign with COTA to raise \$30,000 toward fulfilling our \$100,000 commitment to help them purchase the building, raise additional funding for their capital needs
2. Goal: Continue the development of lay pastoral care ministry at the diocesan level, aimed at helping congregations improve the way they organize and deliver pastoral care assistance, by providing consultation, training and frequent communications of ideas of use in local parish pastoral care networks.
  - A. Training**
    - Present Pastoral Care Workshop I, "Building an Effective Pastoral Care Workshop" in late March, under the aegis of DSOMAT, of which this course is now part of the curriculum.
    - Develop Pastoral Care Workshop II with the objective of contributing to the development of personal interface skills in the pastoral care setting; to be completed by the end of the year
    - Pilot Workshop II by year's end (or no later than 1st quarter of 2010), and make adjustments prior to diocesan-wide launch



- Continue working with DSOMAT on training issues related to pastoral care

## B. Communications

- Issue 2 new pastoral care newsletters, "Caring Connections", in the Spring and Fall
- Revise the Diocesan Pastoral Care Directory for 2009.
- Begin planning for a 2010 Diocesan Pastoral Care Retreat for Pastoral Care leaders in the diocese
- See that the pastoral care entries on the diocesan website are regularly updated.

## C. New Initiative

- Work with the Bishop's office to define "Pastoral Leader", as specified in the national canons, and determine elements of a certification program
- Consult with DSOMAT to develop a training program to be required for certification of pastoral care leaders

## D. Ongoing Activities

- Consult with churches on pastoral care issues, upon request
  - Make pastoral care presentations to church pastoral care networks, when requested
  - Continue refining the make-up of the Diocesan Pastoral Care Committee
3. Goal: Provide financial support through Evangelism Budget and publicize the existence of the Sunday Eucharist television program on KONG TV
    - Provide financial support of \$16,000 to underwrite coordination of this program, Rev. Mike Jackson is paid staff person who handles staffing of each show
    - Work on a feature article in Voice on the TV Eucharist
  4. Goal: Continue to promote and take advantage of national and regional trainings, including the provincial evangelism/stewardship workshop planned for May in San Diego along with other events as we learn of them, work with CFEM to support their work and seek to do some trainings together

- Send at least 10 from our diocese to the Provincial stewardship/evangelism workshop in San Diego May 15/16, providing financial assistance as needed
- Support the James Wellman workshop January 21 at the Cathedral, Evangelical vs. Liberal

## 5. Goal: Provide Evangelism training opportunities for at least 300 members of the diocese through diocesan wide training activities during 2008

- Stephanie Speller's "Radical Welcome" workshop February 21 at St. Luke's, Vancouver, co-sponsored by Oregon and Spokane diocese.
- May 15, Ministry Resource Day – Feature speaker will be Canon Britt Olson, of Diocese of Northern California, speaking on "sharing our story" and hospitality, she will lead a series of workshops and serve as keynote speaker, in addition we will organize other workshops on emerging church; pastoral care; advertising/mailling to invite people; attracting young families, etc.
- Conduct a "Small Church" focused, all day workshop, with Rev. Bob Honeychurch, National church officer presenting, fall date, all day, Saturday, October 3
- Conduct an all day, Saturday workshop with CFEM, Commission For Emerging Mission, focused on initiatives to reach out to 35 and under, aimed at mainliners as well

## 6. Goal: As a commission, open each meeting with bible study/prayer, led by members of commission, to ask the Holy Spirit to guide our work

- Structure agenda meetings to include bible/book study, and prayer time.
- Seek to follow the discipline of Holy Habits as put forth in the general convention resolution "That in recognition of the church's tradition of calling us to work, pray, and give for the spread of God's kingdom, all members of The Episcopal Church be encouraged to develop a personal spiritual discipline that includes, at a minimum, the holy habits of tithing, daily personal prayer and study, Sabbath time, and weekly corporate worship

Commission members: Chair, Laura Poston, Church of Our Saviour, Monroe; Council Representative: The Rev. Susan Dean, St. Clare, Snoqualmie; The Rev. Andrea McMillin, Bellingham; The Rev. Karen Ward, Church of the Apostles, Fremont; Sue Tait, St. Mark's Cathedral; The Rev. Susan Tyree-Cuevas, St. Matthew's, Tacoma; Peter Pitarys, St. Thomas, Medina; The Rev. Mike Morrissey, St. Bede's, Pt. Orchard; Bob Champoux, St. Margaret's, Bellevue; Bill & Julia Findley, St. Paul's, Bellingham; The Rev. Jerry Shigaki; The Rt. Rev. Nedi Rivera, Bishop Suffragan; The Rev. Canon Joan Anthony; Carl Knirk, Canon for Planned Giving/Stewardship/Evangelism; Sharon Pethers, Adm. Asst.

## Commission for Faith Formation (09/F/16)

*A life-long journey in faith ... Spiritual as well as Developmental ... Formational!*

**High School Youth Conference (HYC)** Three weekend conferences were provided for youth in grades 9-12. Winter HYC was hosted by St. Thomas, Medina. The Spring conference was held at Church of the Good Shepherd, Vancouver and Fall found us at St. Stephen's, Longview. The theme for each of the weekends was supported through speakers, films, worship, music, and both large and small-group activities. The HYCs are dependent

upon the support of clergy and laity within the hosting churches and the volunteer staff who come from all parts of the Diocese.

**Junior High Youth Conference (JYC)** Two of these weekend conferences were held serving grades 6-9. These events are similar in design to the HYC program, taking place in our churches, with more emphasis on active learning situations. The Spring conference was hosted by St. Mary's, Lakewood and last Fall we

were at St. Luke's, Seattle. Again, the support of the clergy and laity in the hosting congregation is critical to our success!

**6-Day** 6-Day was held in June at Huston Camp and Conference Center. The theme for the conference was "The Gospel According to Dr. Seuss." The youth and volunteer clergy and lay leaders in attendance lived in Christian community and experienced music, worship, speakers, workshops, prayer, games, and small and large-group activities. Both Bishop Rickel and Bishop Rivera were on hand to support the week-long program.

**Young Adult Ministry** Several events were offered this year for young adults. A "Pub Trivia Night" was held at St. Andrew's, Seattle. We helped to sponsor the Good Friday event "Dancing in the Darkness" and several casual get-together barbeques including one in which the young adults hosted our Diocesan Council. We also worked with the Commission For the Emerging Mission to sponsor a successful young adult retreat in August at St. Andrew's, Port Angeles.

**Episcopal Crossroads Campus Ministry** Episcopal Crossroads Campus Ministry continues to grow. During the 2008-2009 academic year we have 3,325 contacts with students. We had 733 students attend worship, 644 students dropped in to visit or hang out, 127 international students attended ESL classes, 250 international students attended Talk Time, 144 students came to "Finals Flapjacks", 29 came to Shrove Tuesday, 113 came to our spring quarter BBQ and Jazz night, 83 attended the monthly meeting of the Alchemist Guild (gathering of students, clergy and scientists), 1,140 students were in contact for everything from pumpkin carving, zombie photo shout to hosting the United Students for Fair Trade to service projects. Episcopal Crossroads was invited to speak at a student led response to an article in the

UW Daily about gay marriage. We were the only faith voice at the rally. We had a student led service project of fixing lunch for a local drop in center for homeless teens for the full academic year. We offered Eucharists celebrating the lives and ministries of King Kamehameha and Queen Emma, Absalom Jones and Martin Luther King Jr. We had a very successful giving year raising over \$1,000 for a community center in Argentina as well as other offerings. We continue to offer training and coaching for the development of college and young adult ministries.

**Church and Regional Support** The Commission has also provided assistance to children, youth, teachers, and youth leaders by helping to supply or locate resources. Youth leader meetings and regional gatherings were attended by Commission members and Faith Formation staff. Last summer we also hosted a youth leader training event, "Food for the Soul – exercises and activities to feed both young people and the adults who minister with them" with guest speaker the Reverend Brian Prior our Province VIII Youth Ministry Coordinator and Vice-President of the House of Deputies. Every other month we also host "A Conversation Over Lunch" which is a new network for youth leaders to come together to share their ministries with one another.

**Diocesan Convention** Nine young people from around the Diocese were given seat, voice and vote as "Regional Youth Presence" on the floor at Convention 2008. They participated in table discussions and brought a younger viewpoint to critical issues. An additional seven youth were given seat and voice as Non-voting Diocesan Youth Presence. Youth and youth leaders served as pages and tellers working the floor of Convention and handling the balloting. Our Commission and the Resource Center also provided a display of resources for ministry.

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## Commission for Ethnic Ministries (09/F/17)

The Commission for Ethnic Ministries works to promote and to develop a culturally and ethnically diverse diocese. It is dedicated to support ethnic



congregations. The commission encourages lay and ordained leadership of individuals of color. It strives to build bridges of mutual respect and understanding between the Anglo and Ethnic Minority communities throughout the diocese. The following are 2008-2009 highlights

### Ministries of the Commission

#### for Ethnic Ministries:

**Circle of Color Discernment Group** – This group, which consists of nine individuals, has met twice a month for discernment to Holy Orders and mutual support. People of color in the ordination process include: two postulants to the priesthood, a transitional deacon, two postulants to the diaconate, and two individuals who plan to attend BACAM in 2010.

**Clergy of Color Support Group** – Regular gatherings are held to provide spiritual and personal support. Clergy of color continue to be very active in the work of Ethnic Ministries. Currently there are fifteen clergy of color.





**Multi-Cultural Clergy Support Group** – A strong core of Anglo clergy have been very involved in lifting up Ethnic Ministries throughout the diocese.

**Mission to Seafarers** – Ethnic Ministries has continued to be a strong supporter and advocate for the Mission to Seafarers. Activities include: supporting the ditty bag project, sponsoring a fund raising lunch and purchasing several tickets for the annual cruise luncheon.

**Church visitations** – The Ethnic Ministries staff has made over 40 church visitations to preach, preside, provide consultation services, facilitate anti-racism training, and be present at various celebrations. Staff and volunteers have worked diligently with six parishes/missions as they transform into multi-cultural communities.



Sacred Conversations on Race, and Radical Hospitality seminars. In 2008 over 350 individuals attended at least one of the above seminars.

**African-American Ministry** – The committee continues to sponsor a diocesan wide Absalom Jones event and Black Nativity. In 2008, Hunter Tynes was honored for his life long work and dedication in lifting up communities of color. Three curates of color have been awarded grants.

**Anti-Racism Training Team** – Foundational in the development of multi-cultural congregations has been the facilitation of anti-racism workshops. Offerings include: anti-racism training,



**Cambodian Ministry** – The Cambodian congregation at Holy Family of Jesus continues to be faithful in sharing the Good News. The Sunday attendance has grown in the past year. A Sunday afternoon Bible study has attracted several young men.

**Chinese Ministry** – Our Chinese church, Holy Apostles, has been very stable. There continues to be a number of ministries: Chinese School, Bible study, Chinese New Year celebration at the Cathedral, the Golden Age Club, and Christian Education classes. The relationship with the Church of the Resurrection has gotten stronger.



**First Nation's Ministry** – This ministry continues to be visible

throughout the diocese. Several workshops focusing on First Nation's people were held at Ministry Resource Day. Work is being done to develop a mutual relationship between St. Joseph and St. John, Lakewood and members of the Nisqually Tribe.

**Hispanic Ministry** – The six Hispanic ministries received grants totaling \$12,000. This ministry has the potential for tremendous growth, over three hundred individuals attended the Bishop's visitation at San Juan, Olympia and about sixty individuals attended the annual retreat at Camp Huston. Discussions are being held to develop a



Hispanic congregation in the city of Seattle.

**Sudanese Ministry** – Ethnic Ministry supports two Sudanese congregations: St. John's Episcopal Sudanese Church and the Sudanese community that worships at St. Columba's Episcopal Church. St. John's has been named as a Bishop's Designated Mission Station. The Drums of Peace continues to be a very successful fundraiser.

**Staff Members:** *Commission for Ethnic Ministries chairperson – Elsie Dennis-Dofelmeier; Missioner for Ethnic Ministries – The Rev. Canon Jerry Shigaki; Administrative Assistant – The Rev. Carla Robinson; Commission Representative to Diocesan Council – Charlotte Brown; Commission Members: Dianne Aid, The Rev. John Allen, Hisako Beasley, Evelyn Beard, The Rev. Josephine Beecher, The Rev. Sara Carlson, The Rev. Arienne Davison, Alfredo Feregrino, The Rev. Vivian Hopkins, Charles Hubbard, Torres Hui, The Rev. Margaret Kaus, The Rev. Anna Maria Korathu, The Rev. Sam Lee, Francisco Lopez, The Rev. Constance Moorehead, Justin Okot, Linda Potter, Cleveland Riley, The Rt. Rev. Bavi Rivera, Polly Shigaki, Susan Tait, The Rev. Patricia Taylor, Stephen Tellari, The Rev. Edie Weller, and The Rev. Philip Wong.*

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## Commission for Church in the World (09/F/18)

Summary: There are currently 12 separate ministries comprising Church in the World Commission. For 2009, membership guidelines, grant guidelines and other leadership foundations have been developed. Commission ministries are supported in the three areas of concentration that were designated by Bishop Rickel as key goals.

### **Bishop's Committee for the Environment (BCE) Submitted by Nancy McConnell**

All activities are in preparation for the 2010 goal of helping churches implement the Genesis Covenant.

- Guidelines for Greening Congregations are about to be posted on the BCE pages on the diocesan website.
- Developed clear easy series of steps to follow in conducting an energy audit to begin retrofitting.
- Sent request for a contact via e-mail to almost all diocesan churches; 15 responded and several have joined the BCE.

### **Committee on Alcohol and Substance Abuse (CASA) Submitted by Ruth Adams and Jeffrey Angwin**

- Retreat scheduled at St. Andrews House was cancelled because of the economy and lack of participation. Will try again next year.
- A new, more user-friendly, family oriented brochure has been is available to be distributed throughout the Diocese.
- Watch for the article in the September edition of "The Episcopal Voice" about young people and their alcohol and drug use.
- In the past have offered water in plastic bottles at Convention "have a drink on us." These will be replaced with re-usable refillable containers to comply with the guidelines presented at the National Convention.

### **The Mission to Seafarers Submitted by Captain Charles E. Hubbard**

- At the end of July 2009, 649 seafarers have used the center for an increase of 67% over the same period last year.
- Transportation has been provided to 3,251 seafarers from Terminal 91 to downtown Seattle and return via the ministry volunteers.

- Financial health is biggest and most pressing concern. Currently able to pay bills, however staff has been on half pay all year. Need to become a full-time ministry accompanied by financial support of being full time.

### **Episcopal Bishop's Committee for Israel/Palestine Submitted by Tim Hill**

- Have organized a Diocese of Olympia Women's Connection for Peace Project for the purpose of strengthening partnerships between churches and ministries of the Dioceses of Olympia and Jerusalem. 13 women will travel under the leadership of Bishop Rivera to the Holy Land to visit Episcopal parishes, biblical destinations and archaeological sites.
- Maggie Riley, a young person from Bellevue, was sponsored by the Committee to serve at St. Matthew's in Zababdeh in the West Bank for several months. She taught English, assisted a women's group and supported the rector.
- Developed a tri-fold brochure to be used at presentations about the Committee and its mission.

### **Walk in Love, Episcopal Church Responds to AIDS Submitted by Rebecca Crimmins**

- Diocese of Olympia and Walk in Love sponsoring "Many Voices Concert" for Multifaith Works at St. Mark's Cathedral, 7:30 pm. Wonderful Concert!!!
- Preparing for World AIDS Day, December 1, 2009. Multifaith Works event at the Convention Center, Seattle and activities at St. Thomas Medina.
- Preparing content for Diocesan web site describing the mission and goals of the committee.

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## Diocesan Resource Center (09/F/19)

Although the Resource Center for the Diocese is physically located in the old ballroom at Diocesan House in Seattle, our focus has increasingly shifted to the needs of the congregations in the diocese and the various workshops held by the commissions. For instance, in March of this year the Roanridge curriculum was completed and distributed.







Written by The Rev. Irene Martin, the grant to develop curriculum for Total Common Ministry in the Diocese of Olympia, included an amount for the purchase of books in her bibliography, which became part of the Resource Center collection. Recently the librarian displayed those and other books at a TCM retreat and she is mailing books on a particular unit to a TCM circle that is forming in Anacortes.

Selected books and video materials have been exhibited at eight diocesan-sponsored workshops, as well as the Diocesan Convention, and we have continued "bookmobile visits" to various parishes during the year. By far the most ambitious book display though took place in the exhibit hall at the



General Convention in Anaheim. For some years a "Discovery Center" has been part of the exhibits at General Convention, and this year the educators in Province Eight were asked to head that project.

Because the Charter for Lifelong Learning was one of the Convention resolutions this year, we broadened the Discovery Center scope to include faith formation for all ages. Books from our collection and from the Diocese of Oregon reflected the themes of the Center, and Sue Tait was one of the staff in Anaheim for the two weeks of convention. Our diocese was vital in contributing financially to the Discovery Center and supporting the concept and the project itself.

We hosted story times and activities for children (there was a separate children's program for families of deputies and bishops), lectures for adults, sometimes yoga in the afternoons and of course books, videos, and other materials for individual browsing. The Center was well received and heavily visited. Just ask if you would like to know more about the Discovery Center, and the support from our Diocese. It was a wonderful experience.



The Resource Center collection is constantly growing, in fact bursting at the seams. We have around 8600 books, plus videos and DVDs. And, we partner with the Diocesan School of Ministry and Theology to provide theological and other material relevant to the ministry training workshops offered and work with diocesan commissions and committees, especially collecting materials to support speakers and workshops presented in the diocese. New partnerships are being established with The Rev. Melissa Skelton who is designing the College for Congregational Development. A



standing order with the Alban Institute allows us to add new titles as they are published, and we continue a more restricted standing order program with Church Publishing, Inc. Curriculum for the *Education for Ministry* (EfM) program resides in the Resource Center. Earth Ministry has its own website, but we house the books and videos that are part of their collection and receive requests for loans from all over the country.

The Resource Center does a good deal of business by mail, sending material this year to congregations from one end of the diocese to the other, and responding to requests for material on designing retreats, discovering spiritual gifts, becoming a more inviting church, leading the Daily Office, childcare, adult curriculum ideas and much more.

Visibility for the Resource Center is increased by "bookmobile" visits (a traveling display) to various congregations, and what was once a summer program has expanded to an all year possibility, except in really inclement driving weather. Monthly columns in *FYI* provide a themed approach to promoting materials. Our email distribution list to "Colleagues in Children's Ministry" provides way to communicate with educators across the diocese about new books for children and youth, relevant classes and other information. Consultations are offered at the Resource Center or on site. We have been able to offer scholarships to individuals attending several

workshops related to the faith formation of children. Plans for the future involve on-line access to the Resource Center collection, and use of technology to expand our holdings while saving space.



Faithfully,

Sue

Sue Tait, Librarian  
Diocesan Resource Center  
Diocese of Olympia



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### Student Scholarship Committee Report (09/F/20)

Providing financial support for students from the Diocese of Olympia studying to become priests and/or deacons. The Student Scholarship Committee (SSC) was formed in 2001 to solicit and distribute funds diocesan wide to support students studying for Holy Orders from the Diocese of Olympia. The Mentzer Endowment fund with the Diocese of Olympia, is restricted to male seminarians studying to become priests, and has been distributed annually by The Diocesan Bishop. One of the prime reasons for creating the SSC is to bring some equity in funding for women students and to add support for those who are following a call to become Deacons.

In 2007 the SSC will took over the distribution of the Mentzer Funds, the Seminary Scholarship Endowment (started by Episcopal Churchwomen in 1961), and all funds raised by the SSC annual appeal to donors and congregations. The Committee decided to distribute funds on an “as needed” basis, beginning last December, 2008. Previously, funds were given to all students. A new “scholarship application” form has been developed and sent to all students as well as the information for applying for support is all on our website at [www.ecww.org](http://www.ecww.org).

The cost of residential seminary education runs more than \$35,000 annually. The norm for everyone studying for the priesthood in this diocese is that they are in residence at an Episcopal seminary for at least one year. Many students receive some support from their sponsoring congregation, but the sacrifice given by individual students and the toll on their families, including for many a long-term debt that needs to be repaid, can be enormous. The SSC conducts an annual appeal in January to clergy,

congregations, and former donors to support all those studying for Holy Orders from our diocese. In 2009 \$8,535 has been given to the SSC appeal to date. Distributions made for this year totaled \$18,726 from the Seminary Scholarship Endowment and annual appeal and \$22,000 from the Mentzer Fund for a total of \$40,726 distributed. With distributions from the two endowments, nearly \$40,000 will be available to needy candidates in December, 2009.

Gifts to the Student Scholarship Committee may now be made on line, at [www.ecww.org](http://www.ecww.org), through our secure website for electronic giving. Options include giving by credit card, debit card, or electronic transfer of funds. **Members of Student Scholarship Committee are:** Maureen Lyons, Convener; Rev. Anna Maria Korathu; Rev. Dennis Taylor; Rev. Jerry Shigaki; Carl Knirk; Dwight Russell; Barbara Wilson; Tiffany Brannon. For more information, contact Carl Knirk, Canon for Planned Giving/Stewardship/Evangelism at Diocesan House, 206-325-4200, ext. 2016.

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### Episcopal Retirement Communities Foundation (09/F/21)

We are a nonprofit organization whose mission is to provide affordable, faith-based services to low-income senior citizens. We operate two retirement communities and an adult day center, serving over 100 local seniors every year. We provide these services through the blessed generosity of our donors. For more information, please visit [www.episcopalretirement.org](http://www.episcopalretirement.org). ERCF, PO Box 2468, Bremerton, WA 98310, 360-479-2883.

## Washington Association of Churches (09/F/22)

WAC@thewac.org  
www.thewac.org  
206.625.9790



P.O. Box 95949  
Seattle, WA  
98145-2949

### HELP US PLANT A RENEWED ECUMENICAL VISION

**WHO WE ARE** We are all forms of Christian community – not only denominational judicatories, but denominational structures, congregations, ecumenical and faith related ministries, clergy associations, religious orders, Christian colleges, universities and seminaries. We want you and your community to be part of strengthening the Washington Association of Churches as a vital organization that serves the needs of ministries across the state.

**WHAT WE DO** We are continuing our education and public policy advocacy based upon Gospel values. We have a plan for the path forward that will strengthen relationships within the Christian community and create leadership tools, identify best practices and model programs and develop networks around particular interests. By becoming a seed member you will help us decide direction, priorities, ministries and leadership.

**WHEN AND WHERE** NOW!! We are transforming now. Don't wait to water what others plant. We are committed to

participation from communities all over Washington State: Seattle to Spokane, Aberdeen to Zillah. We are using new tools that allow connection without proximity: email, teleconferencing and social networking.

**WHY NOW?** A vital statewide ecumenical ministry is more important than ever in an era of turmoil and change. It will strengthen all our ministries in a culture that is fractured and needs healing. In its 78 years the Washington Association of Churches and its predecessor ministries changed with the times. We know that change does not always come through official leadership – the grass tops, but from individuals and groups with passion and vision – the grassroots. Join us in creating the change that will renew the ecumenical vision in Washington State. To join now please complete the form on the reverse, or for more information, email [wac@thewac.org](mailto:wac@thewac.org) or call us at 206-625-9790.

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## We Will Stand With You Campaign (09/F/23)

Following the devastation of Hurricane Katrina in late August, of 2005, The Episcopal Church (TEC) invited dioceses to partner with congregations devastated by the storm. Some congregations took it upon themselves to partner with congregations before the diocese planned its response. Thank you to those who fit this category as well. April 1, 2006, The Rev. Will Hood (priest appointed in early 2006 to St. Paul's in Lakeview) came to Diocesan House in Seattle to meet with fifty volunteers from across the diocese to hear the story of St. Paul's Episcopal Church and neighborhood. He showed pictures and shared the stories of many Episcopalians who returned to find their homes ruined. The church and school were under 8 feet of water for three weeks. Only about half the congregation returned to rebuild and the school was closed for several months, opening up in a shared school with Baptists.

Following this meeting with Father Will, the diocese made a commitment to raising \$500,000 over a five-year period to help St. Paul's Church and School rebuild and to reach out to their neighbors in need. Many diocesan congregations undertook local fundraising events, some held Mardi Gras parties, and others held dinners to raise funds toward what we would call the We Will Stand With You (WWSWY) campaign. An invitation to donate and pledge support was mailed to every diocesan household in August-2006, along with a DVD and packets asking congregations to honor and remember Katrina on the last Sunday in August or a Sunday near this date. Over 500 combined pledges from individuals and congregations have been received.

As of convention, 2008 we had \$376,000 pledged or donated. October 3, 2008, the Bishops' Benefit Bash, a dinner/auction fundraiser at the Museum of Flight, drew 444 attendees and raised about \$120,000 to be split between WWSWY and our One for One Malaria Nets Challenge led by Episcopal Relief & Development. As of convention, 2009 we have pledged about \$450,000 total. In addition to monetary support, hundreds of volunteers, both youth and adult, have gone to New Orleans on "mission work trips", many staying at the St. Paul's Homecoming Center dormitory and going out daily on work parties organized by the Diocese of Louisiana Office of Disaster Response (ODR). ODR has rebuilt over 100 homes and gutted 800, primarily with volunteer labor from thousands of faith based groups from our church and other groups.



In August, 2006, one year after Katrina, St. Paul's moved back into its restored sanctuary. The school has been restored and enrollment is now about 175 students, still down from the 250 prior to the storm. St. Paul's Church and their Beacon of Hope Homecoming Center choose to move from Lakeview to Gentilly in 2009 as Lakeview was well on the road to recovery. In Gentilly, however, there is still a huge need for help in getting people back in their homes. In one week alone in August the Homecoming Center placed over 1000 volunteers in day jobs doing meaningful work to help. The director of the Homecoming Center is Connie Uddo who has been in charge since

the beginning and who forged a relationship with Will Hood and St. Paul's that continues to be strong and productive.

Our relationship with St. Paul's is about much more than money, it is about relationships with people, with fellow Christians, offering hope to each other. We have all been blessed in so many ways by the WWSWY program and the relationships will continue. Pete Nunnally, Director of Volunteers for ODR, was present at diocesan convention last year to share the ongoing story of the re-birth of St. Paul's and the work of the diocese. I am writing this report from New Orleans with a group of eleven volunteers, two weeks before convention. You will find here two pictures of the home/group and neighborhood in the Lower Ninth Ward



that we are working on. Today we put in laminated flooring, tile, and doors, the house is coming along quickly now. The house next door is totally restored, next to it is an empty lot where the previous owner chose to demolish but not rebuild. So it goes in New Orleans.

Tonight we are being hosted at a dinner given by a member of St. Paul's, they love anyone from the Diocese of Olympia and they are so grateful for what we have done. I can share that the 4 trips I've made down here have all been transformative. I've met Christian brothers and sisters and residents of New Orleans who always say "We can't thank you enough". Yes, they do thank us and we thank God for pairing us with the people of St. Paul's and the hundreds and thousands they have reached out to with their ministry.

This coming January 22, 2010, a Friday evening, the diocese will host a "Happy Trails/ BBQ-Buffer for NEDI & NOLA" fundraising dinner to raise the final \$50,000 to reach our goal of half a million, a year ahead of time. It will be held at St. Columba's, Kent. Nedi has been involved since we met Will Hood, she loves the idea of a farewell dinner to raise this money. Tickets will be \$25 or \$100, if you purchase the \$100 ticket, \$75 is deductible. We will have a live auction of 5 to 10 items, including a cruise from Holland America and a dinner cooked by Mark Uddo in your home, a Cajun style dinner by a chef extraordinaire in your home, and a raise the paddle for individuals and congregations to make a final pledge to help us raise the final piece of our goal.

We are told the money we give in 2010 will help keep the Homecoming Center going in Gentilly, the recovery effort could go on for 2 or 3 more years, there is much work to be done. For more information on the Happy Trails dinner and WWSWY campaign visit the WWSWY booth at convention or contact Carl Knirk at [cknirk@ecww.org](mailto:cknirk@ecww.org). Invitations are open to anyone to attend this event. Get your tickets early as seating will accommodate between 250 and 300 people. Get ready for some dancing, BBQ from Longhorn BBQ in Auburn, and a delicious dessert auction.

*Submitted by Carl Knirk.*





# Section 4

## *Leadership Lists*

### **Congregations of the Diocese of Olympia**

#### Parishes

Aberdeen, St. Andrew (1890)  
Auburn, St. Matthew (1896)  
Bainbridge Island, St. Barnabas (1944)  
Bellevue, Church of the Resurrection (1957)  
Bellevue, St. Margaret (1957)  
Bellingham, St. Paul (1883)  
Bremerton, St. Paul (1901)  
Burien, St. Elizabeth (1941)  
Chehalis, St. Timothy (1883/2000) formerly St. John, Centralia and Church of the Epiphany, Chehalis  
Eastsound/Orcas Island, Emmanuel Parish (1885)  
Edmonds, St. Alban (1952)  
Everett, Trinity Church (1892)  
Federal Way, Church of the Good Shepherd (1961)  
Freeland, St. Augustine in-the-Woods (1949)  
Friday Harbor, St. David (1950/1999)  
Gig Harbor, St. John (1916)  
Issaquah, St. Michael & All Angels (1950)  
Kenmore, Church of the Redeemer (1947)  
Kent, St. James (1890)  
Kirkland, St. John (1922)  
Lakewood, St. Mary (1949)  
Longview, St. Stephen (1923)  
Marysville, St. Philip (1958/1998)  
Medina, St. Thomas (1943)  
Mercer Island, Emmanuel Church (1909)  
Mount Vernon, St. Paul (1891)  
Oak Harbor, St. Stephen Episcopal (1952)  
Olympia, St. John (1853)  
Port Angeles, St. Andrew (1891)  
Port Townsend, St. Paul (1860)  
Poulsbo, St. Charles (1963)  
Puyallup, Christ Church (1882)  
Redmond, Church of the Holy Cross (1909)  
Renton, St. Luke (1892)  
Seattle, Christ Church (1903)  
Seattle, Church of the Ascension (1938)  
Seattle, Epiphany Parish of Seattle (1908)  
Seattle, St. Andrew (1906)  
Seattle, St. Clement (1890)  
Seattle, St. George (1954)  
Seattle, St. John the Baptist Church (1892)  
Seattle, St. Luke (1891)  
Seattle, St. Mark Cathedral (1889)  
Seattle, St. Paul (1892)  
Seattle, St. Peter (1908)  
Seattle, St. Stephen (1920)  
Seattle, Trinity Church (1865)  
Sequim, St. Luke (1893)  
Shelton, St. David of Wales (1890)  
Shoreline, St. Dunstan (1949) formerly Seattle  
Snohomish, St. John (1889)

Tacoma, Christ Church (1889)  
Tacoma, St. Andrew (1890)  
Tacoma, St. Luke (1879)  
Tacoma, St. Matthew (1951)  
Vancouver, Church of the Good Shepherd (1966/2005)  
Vancouver, St. Luke (1836)  
Vashon Island, Church of the Holy Spirit (1912)

#### Missions

Allyn, St. Hugh of Lincoln (1969)  
Anacortes, Christ Church (1890)  
Bainbridge Island, Grace Church  
Battle Ground, Church of the Holy Spirit (1996)  
Bellevue, All Saints (1996)  
Bellevue, Church of the Holy Apostles (1990) formerly Seattle  
Blaine, Christ Church (1889)  
Camano Island, St. Aidan (1959)  
Castle Rock, St. Matthew (1961)  
Cathlamet, St. James (1851)  
Darrington, Church of the Transfiguration (1955)  
Edmonds, St. Hilda-St. Patrick (1963)  
Elma, St. Luke (1895)  
Enumclaw, St. Catherine (1940's, closed 2007)  
Kent (Des Moines), St. Columba (1957)  
Kingston, Faith Church (1997)  
Lacey, St. Benedict (1980)  
Lakewood, St. Joseph-St. John (1969)  
Lopez Island, Grace Church (1954)  
Maple Valley, St. George (1967)  
Monroe, Church of Our Saviour (1910)  
Montesano, St. Mark (1909)  
Olympia, St. Christopher (1959)  
Port Orchard, St. Bede (1963)  
Sammamish, Church of Good Samaritan (1990)  
Seattle, All Saints (1903)  
Seaview, St. Peter (1896)  
Sedro-Woolley, St. James (1890)  
Shoreline, St. David Emmanuel Church (1958)  
Silverdale, St. Antony of Egypt (1985)  
Snoqualmie, St. Clare (1982)  
South Bend, St. John (1890)  
Tacoma, All Saints (1890)  
Tacoma, Holy Family of Jesus Church (1980)  
Tahuya, St. Nicholas (1968)  
Vancouver, All Saints (1977)  
Washougal, St. Anne (1951)  
Westport, St. Christopher (1959)

#### Parochial Missions/Developing Congregations

Forks, St. Swithin (1964)  
Hoodsport, St. Germain (1976)  
Port Gamble, St. Paul (1931)  
Rockport, St. Martin-St. Francis (1952)

## Diocesan Canonically Resident Clergy – September 2009 (09/A/7)

The Right Reverend Gregory H. Rickel, Diocesan Bishop  
 The Right Reverend Bavi Edna "Nedi" Rivera, Bishop Suffragan  
 The Right Reverend Robert H. Cochrane, retired  
 The Right Reverend Sanford Z.K. Hampton, retired  
 The Right Reverend Vincent W. Warner, retired

001	Forbes, William	057	Lambert, John P.	113	Hauge, Morris
002	Forbes Jr., Charles A.	058	Knowles, Walter R.	114	Hanna, Gerald B.
003	Adams, Richard C.	059	Lindsey, Barrett K.	115	Carmichael, M. Jean
004	Garlichs, Richard W.	060	Garratt, Stephen R.	116	Thompson, John K.
005	Leche, Edward D.	061	Stewart, Ralph R.	117	Pollock, Douglas S.
006	Schaeffer, John G.	062	Butt, J. Reginald	118	Porter, Gerald W.
007	Huston, John A.	063	Rankin, Edward H.	119	Van Zanten, Peter E.
008	Hunter, Charles W.	064	Walker, John F.	120	Alkins, David S.
009	Winn, J. Barrie	065	Johns III, Norman S.	121	Steedman-Sanborn, Marda
010	Jordan, Alan	066	Sell-Lee, William	122	Paolozzi, Joann
011	Bristol, Wallace E.	067	Biever, Robert	123	Lueckert, Diana M.
012	Maddux, Donald J.	068	Fowler Jr., Stanley G.	124	Dietel, Robert G.
013	Snyder, Kenneth M.	069	Bethea, Robert L.	125	Moore, Stephen E.
014	Luethe, Robin L.	070	Halbrook, Thomas R.	126	Smith, Kevin C.
015	Carpenter, George W.	071	Bogel, Marianne	127	Williams, Robert L.
016	Nakayama, Timothy	072	Smith, Don L.	128	Trelease, Murray L.
017	Seaman, Henry F.	073	Ferguson, John F.	129	Martin, Irene
018	Radcliffe, Ernest	074	Lane, John C.	130	Dierick, Frances L.
019	Storm, David A.	075	Mikel, Joseph F.	131	Gunderson, Gretchen A.
020	Carney, Joseph P.	076	Pyrne, Carla V.	132	Kindle, Charles R.
021	Johnson Jr., William C.	077	Besheer, Kimbrough A.	133	Wright, Scot R.
022	Tomter, Patrick A.	078	Snow, Peter D.	134	Dills, R. Scott
023	Gorsuch, John P.	079	Ludden, Carol P.	135	Francis, Mary Jane
024	Bigford, Jack N.	080	Sonnesyn, Roger	136	O'Shea, Susan
025	Pearson, J. Norris	081	French, Richard C.	137	Cleveland, Jennifer B.
026	Smith, Homer H.	082	Berge, William Clarke	138	Gould, Mary D.
027	Tench, Jack M.	083	Taylor, Patricia L.	139	Lukens, Ann Pierson
028	Stewart, Daniel R.	084	McCulloch, Kent T.	140	Murray, Vincent D.
029	Burnett, William M.	085	Williams Jr., Hollis R.	141	Scott, Richard H.
030	Bond, L. Wayne	086	Nemes, John D.	142	Bigelow, Thomas S.
031	Christie, Robert L.	087	Dement, Thomas E.	143	Hayman, Robert F.
032	Scovell, Dean H.	088	Nichols, Robert	144	Ensor, A. Jeanne
033	Peterson Jr., Phillip	089	Viggers, Jack	145	McCaw, Mary Ann
034	Dunning, David	090	Ford, R. Lawrence	146	Brelsford, Diane
035	Ethelston, Geoffrey F.	091	Waring, William D.	147	Loneragan, W. Gerald
036	Ross, H. Stewart	092	Carskadden, Ralph	148	Minifie, Thomas
037	Wolfe, V. Eugene	093	Lewis, Margaret K.	149	Harper, William
038	Sherman, Guy C.	094	Keller, Patterson	150	Shehane, Mary K.
039	Fast, Todd H.	095	Rietmann, Paul D.	151	Kolbet, Paul R.
040	Rhodes, Robert W.	096	Richards, Fitzroy I.	152	Campbell, Anne
041	Blundell, James	097	Reynolds, Alan D.	153	Bartels, Judith T.
042	Parker, Allan C.	098	Hickey-Tieman, Joseph	154	Bayles, Richard
043	Rogers, Henry S.	099	Astleford, Elise	155	Brown, Lawrence Edward
044	Collins, Paul M.	100	Steig, Terrance	156	Hammond, Blaine R.
045	Wilson, George S.	101	Jessett, Frederick E.	157	Mullins, Judith P.
046	Wappler, Harry	102	Moore, Robin A.	158	Ruder, John Williams
047	Grabinski, Kenneth	103	Bell, John R.	159	Craighead, J. Thomas
048	Wilton, G.W.	104	Davis, M. Fletcher	160	Anthony, Joan M.
049	Clark, D. Corbet	105	Creighton, Susan	161	Strimer, Peter
050	Snodgrass, Marilyn S.	106	Stanton, Barclay R.	162	DeVeau, Peter J.
051	McDaniel, G. Judith	107	Phinney, James	163	Arnold-Boyd, Annette
052	Davis, West R.	108	DeVine, Whitney Jones	164	Best, Stephen
053	Sterling, Edward A.	109	Mackay III, Donald	165	Korathu, Anna Maria
054	Gehrig, Stephen J.	110	Miller, A. Scott	166	Lee, Samuel
055	Erskine, John A.	111	Ridge III, Charles D.	167	Moorehead, Constance
056	Zimmerman, Curtis	112	Woods, James E.	168	Peters, Gregory

169	Simonsen, Douglas	224	Dean, Susan Chanda	279	Lewis, Philip
170	Miller, Mark	225	Moon, Mary Louise	280	MacKenzie, Mary
171	Dunn, Robert E.	226	Morris, Cecelia Gilman	281	Scott, Rebecca
172	Kinney, Kathleen	227	Poirier, Esther Holley	282	Smith, Jacqueline
173	MacKay, Wray	228	Rozendaal, Jay Calvin	283	Smith, Robin
174	Pratt, Jennifer	229	Maier, Andrea R.	284	Moore, David
175	Stiles, Linda	230	Demura, Christine A.	285	Heathcock, Deborah
176	Miller, Judith J.	231	Tiederman, Nancy Coppass	286	Pearson, Kevin
177	Walker, Randolph D.	232	McQueen, Dale L.	287	Cornwell, Marilyn
178	Conklin, Daniel G.	233	Glenn, Katherine Merrell	288	Dogaru, Vickie
179	Trytten, Patricia S.	234	Younge, Richard	289	McCauley, Shana
180	Cole, Dennis C.	235	Steele, Chris C.	290	Saunderson, Ann
181	Forman, Bernard (Kim)	236	Campbell, Janet	291	Anderson, Mary Petty
182	Prestegard, JoAnn	237	Seeger, Elisabeth A.	292	Hopkins, Vivian
183	Wolford, Rachael	238	Beecher, Josephine C.	293	Newland, Benjamin
184	Helgeson, Gail M.	239	Haase, Sylvia Anne	294	Wesch, Kate
185	Williams, Robert H.	240	Logan, Christie Larson	295	Lobdell, Gary
186	Whitfield, Ann	241	Neal, James Frederick	296	Carver, Robert C.
187	Endicott, Rachel Faith	242	Brentnall, Burden	297	Yabroff, Martin I.
188	Fageol, Suzanne A.	243	Goode, Colin	298	Brock, Charles F.
189	Brill, Steven G.	244	Tyree-Cuevas, Susan	299	Davison, Arienne S.L.
190	Avery, Joyce M.	245	Boyle, George Anne	300	Mix, Lucas J.
191	McMeekin, Dorothy N.	246	Deng Deng, William	301	Tierney, Dennis S.
192	Irving, Anthony T.	247	Mulvey, Dorian	302	Niemann, Joan
193	Spina, Frank A.	248	Hosea, Beverly	303	Lander, James R.
194	Rhoads, Robert L.	249	James, David	304	Stillings, Kyle
195	Thomas, John	250	Johnston, Zula	305	Carlson, Constance
196	Taylor, Robert V.	251	Baker, Patricia	306	Marchand, Richard
197	Price, David L.	252	Grout, Earl L.	307	Campbell, Boneta
198	Gott, Jayne	253	Marshall, David	308	Leech, John
199	Grewell, Genevieve M.	254	Taber-Hamilton, Rachel	309	Kirkpatrick, Rebecca
200	McConnell, Joyce	255	Weller, Edith	310	Johnson, June
201	Novak, Margaret A.	256	Ackermann, John	311	Carpenter, Leslie
202	Shigaki, Jerry M.	257	Morrissey, Michael	312	Fowler, Dan
203	Westpfahl, Carol E.	258	Stockburger, Andrea McMillin	313	Warne, W. Tom
204	Wong, Philip	259	Sells, Jeffrey	314	Fulton, William
205	Green, Richard	260	Sells, Patricia	315	DeShaw, Glen
206	Patton, Kathleen	261	Mack, Allan E.	316	Priest, Hunt
207	Wesen, Vicki	262	Borders, LeRoy	317	Thibodeaux, James
208	Perry, Lawrence S.	263	Santman, Linda	318	Jillard, Christina
209	Taber-Hamilton, Nigel	264	Cochran, Elizabeth Jane	319	Yearwood, Kirtley
210	Harlacher, Carol	265	Streiff, Suzanne	320	Robinson, Carla
211	Roddam, John W.R.	266	Bloch, Elizabeth	321	Gitane, ClayOla
212	Longwood, David P.	267	Maynard, Jane F.	322	Waldie, Nan
213	Heller, Jan C.	268	Kalunian, J. Peter	323	Torvend, Samuel
214	Jackson, E. Michael	269	Moore, Bridget	324	Brown, Margaretta
215	Amburgey, Cristina G.	270	Garman, Gerald R.	325	Wheatley, Gail
216	Espeseth, Cynthia A.	271	Sheldon, Raymond S.	326	Carpenter, Les
217	Taylor, N. Dennis	272	Stroup, Susan L.	327	Morrison, Mikel
218	Eichner, James	273	Ballinger, Kathryn E.	328	Shirota, Andrew
219	Armer, Susan C.	274	Allen, Mary L.	329	Easton, Elizabeth
220	Barber, Grethe	275	Reid, M. Sue	330	Weber-Johnson, Jered
221	Wills, Clark E.	276	Atcheson, Charles B.	331	Barrett, Rilla
222	Allen, John M.	277	Skelton, Melissa	332	Fayette, Shelley
223	Buhrer, Richard	278	Carlson, Sara	333	Ward, Karen

## Lay Delegates & Alternates as of October 6, 2009 (09/A/9)

### *Be-Attitudes Region*

Kenmore, Redeemer Eleanor Close, Lee Darrow, Deborah Laughlin, Bill McGlinn, Karl Oles, Douglas Oles, Donald Bentley, Donna McLean

Seattle, Christ Church Eric Dodsley, Jan McNair, Liz Osborne, Frank Prohaska, Donald Swisher, Leslie Bourgoin

Seattle, St. Andrew Kathryn Adams-Lee, Elizabeth Denison, Mark Hartinger, Mike Hicks, , M. Ross TenEyck, Sharon Wilson, Andrew Benson, Susan Chloupek, Kenneth Feldman, Denise Hartinger

Seattle, St. George Jim Larson, Barbara Larson, Len Basham, Judy Clogston

Seattle, St. Luke Bud Stevens

Seattle, St. Stephen David Easton, Guy Falskow, Cindy Glad, Mary Franz Hopkins, Robin Hopkins, William Montgomery, Jenna Pollock, Diane Stipp, Darlene Franz, Peggy Habegger, Julie Coryell, Tom Faber, Mary Ellen Sandberg, Ronald Wendling

Shoreline, St. David Emmanuel Jamie Bunson, Rick Peterson, James Perry

Shoreline, St. Dunstan Kay Hessemer, Jay Cook, Don Riccardo, Ann Patrice Riccardo

### *Columbia Region*

Battle Ground, Holy Spirit No delegation for 2009

Castle Rock, St. Matthew Julie King, Sally Barnes, Jere Cochran, Kerry King,

Cathlamet, St. James Michael Nunes, Joan Wren, Gerry Brennan

Chehalis, St. Timothy Carol Sue Hogan, Pat Hogan, David Johnson, Janet Graham,

Longview, St. Stephen Dave Hanson, Howard Meharg, Gretchen Niemi, Summer O'Neill, Michael O'Neill, John Freeman, Diane Glase, Jan Hanson, Marlene Norman, Buddy Patten, Joel Rupley, Chere Weiss

Vancouver, All Saints Suzanne Philbrook, Al Manning, Diane Manning, Dan Haase

Vancouver, Good Shepherd Cole Dawson, Linda Dawson, Jim Kribs, Diane Lyngholm, Paul Mayhew, Doreen Miller, Jane Whitfield, Edwin Hopper, Janice Hopper, Roger Lyngholm, Sandra St. Claire

Vancouver, St. Luke June Anderson, Nancy Denny, Bob Hiltz, Ebie Mountford, Kathleen Brown, Carol Hiltz, Melanie Kenoyer, Kristeen Lawless

Washougal, St. Anne Fay Tooley, Ron Tooley, Mary Tipton, Paul Anderson

### *Eastside Episcopal Churches*

Bellevue, All Saints Jane Grabinski, Eric Stroo, Fred Williams, Sarah McMenomy

Bellevue, Resurrection Sandy Lewis, Becky Owens, Vee Drummond

Bellevue, Holy Apostles Cindy Li, Torres Hui, Gordon Ma

Bellevue, St. Margaret Joel Davis, Robbie Fulton, Meredith Moses, Francie Emory, Nancy Jacobs, Betsy Rosenzweig, Jeanie Totten, Lynda Voight, Mary Feltrup, Carlyn Forrest, Sherril Nossun, Peter Rothermel

Issaquah, St. Michael & All Angels Bud Harmon, Carolyn Lukens, Barbara O'Neal, Mark Shaffer, Bruce Follansbee, Mike Kaufmann, Priscilla Kaufmann, Marilyn Taylor

Kirkland, St. John Ruth Adams, Gwen Baker, Kristin Gulley, Bill Hughes, Earl Payne, Karen Sjostrom, Tom Steele, Jon Vicklund, Diana Lampard, Scott Randall, Pam Reilly, Scott Reilly

Medina, St. Thomas Laurie Anderson, Carol Howie, Kay Kessell-Hanna, Rose Magee, Keith Moulton, Wes Ono, Alice Reid, JoAnn Rendall, Robert Simeone, Jim Treysen, Marian Webb, Robert Webb, Douglas Anderson, Fred Coleman, Rebecca Crimmins, Randall Fisher

Mercer Island, Emmanuel Lee Ann Edwards, Bruce Lee, Emmett Maloof, Sandy Maloof, Jim Radcliffe, Mary Radcliffe, John Way, Peggy Way, Nile Clarke, Marilee Duer-Clarke, Bo Darling, Patricia Darling, Ed Dobbyn, Kris Dobbyn, Mike Jared, Jan Jared

Redmond, Holy Cross Laura Gregg, Scott Hildebrand, Tina Paul, Martin Smith

Sammamish, Good Samaritan Jim Hindle, Jeannie Jackson, Clay Jackson, Cathy Strohl

Snoqualmie, St. Clare Ken Van Dine

### *Evergreen Region*

Auburn, St. Matthew/San Mateo Gordon Baxter, Jim Hesketh, Janine Mix, Vicky Sandate, Dianne Aid, Armando Caraveo, Elsie Dennis, Helen Shultz-Kamadulski

Burien, St. Elizabeth Jeanette Hoerd, Neal Jacques, Pat Lofstedt, Patti McGowan

Federal Way, Good Shepherd Susan Ennaro, Edie Hitchcock, Kurt Weis, Preston Johnson

Kent, St. Columba Denaya Blalock, Dan Briggs, Rod Blalock, Lucy Von Heesen

Kent, St. James Dave Brumbaugh, Norm Harris, Tisha Helmer, Sandra Lai, James Maher, Craig McKelvey, Elizabeth Reed, Kathy Scholl, Val Brustad, Don Gauthier, Laura Keith, David Paisley, Joe Schneider, Tina Shafer, Marybeth Sipe, Mary Beth Westbrooke

Maple Valley, St. George Jay Hoebermann, Catherine Ploue-Smith

Renton, St. Luke Stan Burgess, Joe Gregg, Tom Bakan, Sally Cummings

### *Holy C Region*

Seattle, All Saints Delores Washington, Faye Lomax, Katrina Hawking, John Palmer

Seattle, Ascension Cristi Chapman, Jill Gray, Tom Reeder, Linda Snider, Carol Batchelder, Nancy Cleveland, Carol Voelker

Seattle, Epiphany Parish Timothy Hill, Margot Hill, Margie Kates, Joel Melin, Peter Polson, Shannon Polson, Patty Clarke, Ed Emerson, Philip Stoller

Seattle, St. Clement Ted Barber, Roy Sparks, Diane Westergaard, Edith Young, Eleanor Goodall, Bruce Johnson

Seattle, St. John the Baptist Jim McDonald, David Perrine, Nell Rehm, Anne Rogers, Donna McNamara, David Peterson

Seattle, St. Mark Cathedral Sallie Bodie, Colleen Boyns, Maria Coldwell, Carol Green, Sean Horner, Susan Knirk, Phil Lloyd, Kevin Meadows, Robert Wright, Roger Valdez, John Selberg, Maggie Yowell, Hisako Beasley, Amelia Canaday, Chris Christensen, Miles Ewing, Mary Fredericks, Mark Gaaserud, Paul McDonald, Marshall McReal

Seattle, St. Paul John Forman, Robin Allan Jones, Catharine Reid, Kate Rickard, Denise Crawford, Neil Snyder

Seattle, St. Peter Lana Abrams, Michael Burnap, Mel Asato, Ye-Ting Woo

Seattle, Trinity Church Peter Hoover, Brenda Sol, John Steers, Barbara Vann, Lisa Chang, Sue Hoover, Kurt Lucks, Tony Ramsey

### *Mt. Baker Region*

Anacortes, Christ Church Frank McCoy, Betty Anne McCoy, Sandi Davidson, Guy Davidson

Bellingham, St. Paul Debbie Apollonio, Jim Beckwith, Joanne Clark, Mary Fehrman, Lisa Hamstreet, Gary Lampman, Debbie McMeel, Ed McMeel, Joshua Parrish, Scott Stockburger, Charlie Storrs, Catherine Huhndorf, Marian Lampman, Sharon Matzinger, John Matzinger

Blaine, Christ Church Carl Bradley, Colleen Gilliam, Caroline Hodgins

Eastsound/Orcas Island, Emmanuel Duff Andrews, Marilyn Andrews, Christine Kenady, Elizabeth Lorenzen

Friday Harbor, St. David Richard Wright, Janet Wright

Lopez Island, Grace Church Cristina Krantz, Brian Krantz, George Keeler, Kay Keeler

Mt. Vernon, St. Paul Dottie Evans, Mary Ann Taylor

Oak Harbor, St. Stephen Rick Chapman, Michele Chapman

Sedro Woolley, St. James Bob Abrams, Joleen Sloniker

### *Peninsula Region*

Bainbridge Island, Grace Ruth Blaney-Matthews, Eric Matthews, Julie Shryock, Dick Shryock, Lynn Sinclair, Dallas Young, Eve Leonard, John Sinclair, John Waldo

Bainbridge Island, St. Barnabas Stuart Case, Mike Grant, Carol Gregory, Gregg Miller, Pamela Vokolek, Lynn Whipple, Karen Beierle, Tom Beierle, Brian Neill, Kathy Neill

Bremerton, St. Paul Katherine Adams, Mike Adams, Tia Hudson, Rick Seelhoff, Reinhold Schuetz, Sandy Stutey

Gig Harbor, St. John Marje Anderson, Jeff Dolven, Del Hansen, Joan Hansen, Charles Robinson, Jean Rollins, Natalie Harnacker

Kingston, Faith Church Jim Drummond, Judy Drummond, Elizabeth Haney, Bob Hodges

Pt. Angeles, St. Andrew Ken Bockman, Margaret Crawford, Paul Hansen, Ann Wood, Paul Crawford, Deborah Hansen, Elsa Johnson, Doug Wood

Pt. Orchard, St. Bede Joe McGuire, Mary-Francis Jones, James Fraser, Frances Scott

Pt. Townsend, St. Paul Katie Fleming, Sheila Witte, Carol Self, Franz Witte, Keith Fleming, Victoria McKinnon

Sequim, St. Luke Karen Junell, John Junell, Pat Oden, Rob Onnen, Carolyn Braun, Jim Chesnutt, Tracy Williams

Silverdale, St. Antony of Egypt Elisabeth Demmon, Bill Demmon, Carolyn Segrist, Edward Segrist

Tahuya, St. Nicholas No delegation for 2009

Vashon Island, Holy Spirit Rose Ellen Albers, Doug Clarke, Dick Clow, Nancy Peregrine, Lydia Butler, William Carr, Muriel Watts, Mark Yelken

### *Rainier Region*

Lakewood, St. Joseph-St. John Charlotte Brown, Johnny Williams

Lakewood, St. Mary Mary Barber, Sid Cloud, Carl Clubb, Jean Kernen, Darliss Saylor, Ben Sclair, Clare Bungay, Doris Claypool

Puyallup, Christ Church Vickey Clayton, Barry O'Brien, Luke Owen, Robin Partington, Gwena Hedlund, Rick Tanner

Tacoma, All Saints Warren Hayes, Carol Mazzuca, Nate George, Lorraine Wilson

Tacoma, Christ Church Heidi Irvin, Dick Stowers, Mary Chapman, Doug Dahlgren

Tacoma, Holy Family of Jesus No delegation for 2009

Tacoma, St. Andrew Mark Adams, Linda Brice, Sean Moody, Pam Rhodes

Tacoma, St. Luke Memorial Walt Corneille, Cindy Miller, Roger Sharpe, Erika Sharpe, D'Arcy Figuracion, William Sampson

Tacoma, St. Matthew Daniel Dawes, Sandy Dawes, Mary Osborn, Dave Osborn, Jill Little, Pam Reed

### *Sno-Isle Region*

Camano Island, St. Aidan Stanley Fear, Jackie Humes-Fear, Jim Miller, Ann Morgan, Dick Bingay, Judy Bingay

Darrington, Transfiguration No delegation for 2009

Edmonds, St. Alban Karen Ford, Eric Hanson, Barbara McLain, Sid Rathburn

Edmonds, St. Hilda-St. Patrick Brad Kirschner, Nancy Smith, Jeff Cheek

Everett, Trinity Church Evelyn Beard, Kelly Di Cicco, Angie Griffin, David Kosar, Linda Emerson, Allen Hicks, Deborah McSwain, Bob Wheeler

Freeland, St. Augustine in the Woods Beverly Babson, Tom Williams, Joel Connelly, Diana Klein, Bert Speir, Connie Williams

Marysville, St. Philip Peggy James, Mike Wray, Christina Foster, Thomas Haynes

Monroe, Our Saviour Laura Poston, Burr Hosley, Fonda Ells, William Wade

Snohomish, St. John u Eleanor Church, Jim Church, Bob Knight, Sally Wesley, Eric Fritch, Jackie Grove

### *Willapa Region*

Aberdeen, St. Andrew Hal Gunn, Carol McQueen, Annette Pinckney, Bob Preble, Bobbi McCracken, Bob Woodcock

Allyn, St. Hugh of Lincoln Richard Moore, Linda Niles, Karen Kennedy, Mike Petty

Elma, St. Luke Kathy Eko, Robin Nunez, George Buckley, Libby Nemes

Lacey, St. Benedict Gary Grewell, Lee Irving, Bob Knudson, Susie Zych, Janice Chandler, David Kindle, Collum Liska, Martha Liska

Montesano, St. Mark Martha Krug, John Tennefoss, Anne Williams

Olympia, St. Christopher Irene Degler, Cindy Pitcher, Lindy Vincent

Olympia, St. John Troy Atwell, Catherine Atwell, DeeDee Boylan, John Boylan, Zachary Hooper, Larrel O'Keefe, Rene Rodriguez, Jens-Dieter Stahmer, Ted Focke, Vicki Focke, Barbara Roder, John Twelves

Seaview, St. Peter George Power, Rose Power

Shelton, St. David of Wales Jef Conklin, Shelby Conklin, Norman Eveleth, Marian Eveleth

South Bend, St. John Marie Mathis, Anne Rozena Williams, Patricia Neve

Westport, St. Christopher Julie Dickson, Jean Bass

## **Officers of the Convention**

The Right Reverend Gregory Rickel, Bishop  
The Reverend John G. Schaeffer, Secretary  
The Reverend Marda Steedman Sanborn, Secretary  
Mr. Steve Faust, Treasurer  
Ms. Judith Andrews, Esq., Chancellor  
Mr. Duncan Bayne, Esq., Vice Chancellor  
Mr. Mike Reynvaan, Esq., Vice Chancellor  
Br. Carle Griffin, OCP, Historiographer  
Mrs. Diane T. Wells, Archivist and Records Manager

## **Standing Committee**

Ms. Mary Lyons (2009)  
The Rev. Jim Neal (2009)  
The Rev. Mary Allen (2010)  
Mrs. Barbara Larson (2010)  
The Rev. Jo Beecher (2011)  
Ms. Virginia Wagner (2011)  
The Rev. George Ann Boyle (2012)  
Ms. Barbara Fox (2012)

## Board of Directors

The Rt. Rev. Gregory Rickel, president  
Mr. Bill Bain, vice president, Emmanuel, Mercer Island  
Mr. Steve Faust, treasurer, Epiphany, Seattle

The Rev. John G. Schaeffer, secretary  
Ms. Judith Andrews, chancellor, St. Mark's Cathedral

### ***Directors appointed by Bishop Rickel, confirmed by Diocesan Convention***

Mr. William Goodenough, Ascension, Seattle  
Mr. George Garcia, St. Joseph-St. John, Lakewood  
The Rev. Ann Lukens, St. Michael & All Angels, Issaquah

Mr. Jim Paddleford, St. Mark's Cathedral, Seattle  
Mr. John Rolfe, St. Mark's Cathedral, Seattle  
The Rev. Lawrence Perry, Trinity, Everett

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## Bishop's Office Staff

**Archives**—Ms. Diane Wells, archivist; **Bishop Diocesan**—The Rt. Rev. Gregory Rickel, bishop; The Ven. Gen Grewell, Archdeacon; Ms. Tiffany Brannon, executive assistant; **Bishop Suffragan**—The Rt. Rev. Bavi Edna “Nedi” Rivera; Ms. Tiffany Brannon, executive assistant; **Canon to the Ordinary**—The Rev. Joan Anthony, canon to the ordinary; **Communications**—Mrs. Norah Joslyn, director of diocesan communications; Mr. Greg Hester, publications coordinator; Mr. David Manes, information systems coordinator; **Congregation Development** – The Rev. Canon Melissa Skelton, canon for congregational development; **Diocesan School of Ministry & Theology**—The Rev. Alan Mack, dean; Shannon Jergenson, administrative assistant; **Multicultural Ministries**—The Rev. Jerry Shigaki, canon for multicultural ministries; The Rev. Carla Robinson, administrative assistant; **Evangelism**—Mr. Carl Knirk, canon; Ms. Sharon Pethers, administrative assistant; **Faith Formation**—Ms. Kathy Hamilton, canon for youth & young adults; Shannon Jergenson, project manager; **Governance**—Dede Moore, bishop's executive for governance & convention; Bill Goodenough, board property rep; **Human Resources**—Ms. Sharon Pethers; **Insurance**—Ms. Carrie Rohlik, insurance administrator; **Maintenance**—Mr. Mark Swanson, custodian; **Planned Giving/Stewardship** – Mr. Carl Knirk, canon for planned giving/stewardship & evangelism; Ms. Sharon Pethers, administrative assistant; **Print Shop**—Mr. Richard (Ky) Chen, print shop coordinator; **Reception**—Ms. Heather Kmitta, receptionist; **Resource Center**—Ms. Sue Tait, director; **Total Common Ministry**—the Rev. Kim Forman, Missioner; **Treasurer/Accounting**—Mr. Steve Faust, treasurer; Ms. Chris Smith-Clark, canon for finance; Paster Soong, accountant; Carrie Rohlik, finance assistant.

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## Diocesan Council

**Elected by Convention** Ms. Sally Farrell (2009); the Rev. Jeff Sells (2010); and the Rev. Richard Younge (2011); **Elected by Regional Ministries** The Rev. Chuck Atcheson (Be-Attitudes, 2011); Ms. Sally Barnes (Columbia, 2011); Mr. Jim Campbell (Willapa, 2010); Ms. Sue Clary (Peninsula, 2009); Mr. Don Little (Evergreen, 2011); Ms. Sandy McCloud (Holy C, 2010); Mr. Peter Pitarys (Eastside, 2009); Mr. Dale Ramerman (Mt. Baker, 2009); Mr. Robert Wheeler (Sno-Isle, 2009); and the Rev. Martin Yabroff (Rainier, 2010).

**Appointed by Program Commissions** Mr. Bill Brice (Stewardship/Planned Giving, 2010); Ms. Charlotte Brown (Ethnic Ministries, 2011); Dr. Chris Christensen (Church in the World, 2009); the Rev. Susan Dean (Evangelism, 2009); and the Rev. JR Lander (Faith Formation, 2011).

**Other voting members** The Rt. Rev. Greg Rickel; the Rt. Rev. Nedi Rivera.

**Other non-voting members** Ms. Judith Andrews, The Rev. Joan Anthony; Mr. Steve Faust; Ms. Kathy Hamilton; Ms. Norah Joslyn; Mr. Carl Knirk; the Rev. Alan Mack; Ms. Dede Moore; the Rev. Jerry Shigaki; the Rev. Melissa Skelton; and Ms. Christine Smith-Clark.

# Section 5

## 2008 Audit & Statistics

### Diocese of Olympia, Inc Financial Statements December 31, 2008

Peterson Sullivan PLLC, 601 Union St, #2300, Seattle, Washington, 98101

#### INDEPENDENT AUDITOR'S REPORT

Diocesan Council, Diocese of Olympia, Inc., Seattle, Washington 98102

We have audited the accompanying statements of financial position--Episcopal Church basis of the Diocese of Olympia, Inc., as of December 31, 2008 and 2007, and the related statements of activities--Episcopal Church basis and cash flows -- Episcopal Church Basis for the years then ended. These financial statements are the responsibility of the Diocesan management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audits 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 audits provide a reasonable basis for our opinion. As described in Note 1, the financial statements are being presented in accordance with accounting principles authorized by the General Convention of the Episcopal Church which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States. In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Diocese of Olympia, Inc. as of December 31, 2008 and 2007, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles authorized by the General Convention of the Episcopal Church as described in Note 1. Peterson Sullivan LLP August 20, 2009

### Diocese of Olympia, Inc. Statements of Financial Position--Episcopal Church Basis December 31, 2008 and 2007

	2008	2007
<b>ASSETS</b>		
Cash & Cash Equivalents	\$ 714,006	\$ 1,429,468
Certificates of deposit	798,250	416,250
Investments	37,121,360	46,714,524
Related party loans receivable	737,748	632,494
Interest & DIF income/principal receivable	280,671	387,850
Restricted funds	83,750	83,750
Other assets	83,797	96,842
Property	<u>23,859,516</u>	<u>23,076,632</u>
<b>TOTAL ASSETS</b>	<b>\$ 63,679,098</b>	<b>\$ 72,837,810</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES:</b>		
Distributions and other payables	\$ 264,199	\$ 301,840
Cash and investments held in trust for congregations and other institutions	20,674,809	25,930,125
Loans Payable	<u>670,604</u>	<u>704,993</u>
<b>Total Liabilities</b>	<b><u>21,609,612</u></b>	<b><u>26,936,958</u></b>
<b>NET ASSETS:</b>		
Unrestricted	26,994,972	27,029,543
Temporarily restricted	1,282,467	1,369,037
Permanently restricted	<u>13,792,047</u>	<u>17,502,272</u>
<b>Total Net assets</b>	<b><u>42,067,486</u></b>	<b><u>45,900,852</u></b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 63,679,098</b>	<b>\$ 72,837,810</b>

### Diocese of Olympia, Inc. Statement of Activities--Episcopal Church Basis For the Year Ended December 31, 2008

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>SUPPORT AND REVENUE:</b>				
Contributions	\$ 388,439	\$ 3,500	\$ 641	\$ 392,580

Bequest	200,000	-	-	200,000
Loan Interest	114,330	-	-	114,330
Other investment income	122,187	77,613	27,680	227,480
Realized & unrealized loss on investments	(696,861)	(28,819)	(3,738,546)	(4,464,226)
Net assets released from program restrictions	<u>138,864</u>	<u>(138,864)</u>	-	-
Total Support & Revenue	<u>266,959</u>	<u>(86,570)</u>	<u>(3,710,225)</u>	<u>(3,529,836)</u>
EXPENSES AND DISBURSEMENTS:				
Ministry and transfers	190,695	-	-	190,695
Bad Debts	8,151	-	-	8,151
Grant expense	58,604	-	-	58,604
Trustee obligations	<u>44,080</u>	-	-	<u>44,080</u>
Total Expenses & Disbursements	<u>301,530</u>	-	-	<u>301,530</u>
Change in net assets	<u>(34,571)</u>	<u>(86,570)</u>	<u>(3,710,225)</u>	<u>(3,831,366)</u>
Net Assets beginning of year	<u>27,029,543</u>	<u>1,369,037</u>	<u>17,502,272</u>	<u>45,900,852</u>
Net Assets end of year	<u>\$ 26,994,972</u>	<u>\$ 1,282,467</u>	<u>\$ 13,792,047</u>	<u>\$ 42,069,486</u>

**Diocese of Olympia, Inc.**  
**Statement of Activities--Episcopal Church Basis**  
**For the Year Ended December 31, 2007**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
SUPPORT AND REVENUE:				
Contributions	\$ 264,147	\$ 19,778	\$ 30,763	\$ 314,688
Loan Interest	146,385	-	-	146,385
Other investment income	231,589	59,160	18,543	309,292
Realized & unrealized income on investments	82,504	83,604	634,708	800,816
Net assets released from program restrictions	<u>(117,362)</u>	<u>(117,362)</u>	-	-
Total Support & Revenue	<u>841,987</u>	<u>45,180</u>	<u>684,014</u>	<u>1,571,181</u>
EXPENSES AND DISBURSEMENTS:				
Ministry and transfers	395,454	-	-	395,454
Bad Debts	195,465	-	-	195,465
Abandonment of Assets	43,400	-	-	43,400
Trustee obligations	<u>37,655</u>	-	-	<u>37,655</u>
Total Expenses & Disbursements	<u>671,974</u>	-	-	<u>671,974</u>
Change in net assets	<u>170,013</u>	<u>45,180</u>	<u>684,014</u>	<u>899,207</u>
Net Assets beginning of year (as restated)	<u>26,859,530</u>	<u>1,323,857</u>	<u>16,818,258</u>	<u>45,001,645</u>
Net Assets end of year	<u>\$ 27,029,543</u>	<u>\$ 1,369,037</u>	<u>\$ 17,502,272</u>	<u>\$ 45,900,852</u>

**Diocese of Olympia, Inc.**  
**Statement of Cash Flows--Episcopal Church Basis**  
**For the Years Ended December 31, 2008 and 2007**

	2008	2007
Cash flows from operating activities		
Change in net assets	\$ (3,831,366)	\$ 899,207
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Losses (gains) on investments	4,464,226	(800,816)
Increase in allowance for doubtful accounts	43,511	195,465
Abandonment of real estate	-	43,400
Contributed loan payments and real estate	(72,681)	(184,843)
Change in operating assets and liabilities		
Interest receivable	63,668	(51,486)
Other assets	13,045	(11,333)
Distributions and other payable	<u>(37,641)</u>	<u>276,476</u>
Net cash flows from operating activities	642,762	366,070
Cash flows from investing activities		
Net purchase of investments	(810,685)	(467,141)
Loan collections (advances)	(66,962)	229,842
Purchase of real estate	<u>(782,884)</u>	<u>(859,032)</u>
Net cash flows from investing activities	(1,660,531)	(1,096,331)



Cash flows from financing activities		
Payments on loans payable	-	(4,160)
Change in cash and investments held in trust for		
Congregations and other institutions	302,307	1,084,173
Net cash flows from financing activities	302,307	1,080,013
<b>Change in cash and cash equivalents</b>	<b>(715,462)</b>	<b>349,752</b>
Cash and cash equivalents, beginning of year	1,429,468	1,079,716
Cash and cash equivalents, end of year	<u>\$ 714,006</u>	<u>\$ 1,429,468</u>

## Notes to Financial Statements

### Note 1—Organization and Operations:

The Diocese of Olympia is a diocese of the Domestic and Foreign Missionary Society of the Protestant Episcopal Church in the United States of America ("the Episcopal Church"). The Diocese includes all Episcopal churches and institutions in western Washington and is composed of two separate legal entities, the Diocese of Olympia, Inc. ("the Diocese") and the Diocese of Olympia – Operating Fund ("the Operating Fund"). The Diocese's main source of support is gifts, loan interest and investment and endowment income. These financial statements are for the Diocese and do not include the Operating Fund. The Diocese is composed of the James F. Hodges Diocesan Investment Fund (the DIF), the Trust Accounts and the combined Building Loan, Mission Development and Real Estate Funds. Each of these three funds (the DIF, the Trust Accounts, and the combined funds) has issued a separate audited financial statement. The various entities discussed above are described below. **The James F. Hodges Diocesan Investment Fund ("the DIF")** was organized in 1951 as an investment pool for the endowments of the Diocese, parishes and related institutions. The DIF's investment strategy is to balance the need for current income and growth in asset value to offset inflation by investing in a mixture of stocks and bonds. The securities are currently held in trust with US Bank. The Diocesan Investment Committee makes investment decisions. The funds are not federally insured. **The Trust Accounts** hold the endowment funds of the Diocese and other institutions of the Diocese for which the Diocese has been named trustee. The funds are invested primarily in the DIF. **The Building Loan Fund ("the BLF")** was established in 1949 to make loans to churches to assist in financing new building projects and to make loans for small building repair and improvement projects. Repayment terms vary and remaining maturities range from 1 to 18 years. Effective January 1, 1993, the Board of Directors adopted a policy of annual changes in the interest rate charged to Diocesan institutions. The rate is annually at the One-Year Treasury Constant Maturities Index rounded up to the eighth of a point plus three percent for parishes and 1.5% for missions. For 2008, the rates we set at 3.4% for parishes and 1.9% for missions. In addition, a 2% cap on interest increases per year was adopted. Loans on interest waiver are shown at undiscounted value. Because of the anticipated need for funds in the future, the BLF adopted, on January 21, 1993, an interest rate incentive program to encourage faster principal repayment. In exchange for each year of loan term reduction the BLF will reduce the interest rate on the loan by 4/10 of 1%. In addition, there are other limitations on this voluntary program. **The Mission Development Fund ("the MDF")** was set up to purchase properties in areas where growth would necessitate establishment of a new congregation. Advances made by the MDF are generally exempt from interest and current principal repayment even after congregations have been organized. **The Real Estate Fund** accounts for the value of the land and buildings held by the Diocese. The value of mission property is shown as a Diocesan asset until the mission becomes a parish. Generally, in Washington State, real property used for the church's exempt purposes is exempt from real estate taxes. **The Operating Fund** contains the operating budget, restricted income, designated and grant funds of the Diocese of Olympia. The Operating Fund is an unincorporated association and is not included in these financial statements. **Basis of Accounting:** These financial statements are prepared on the accrual basis of accounting and have been prepared in accordance with principles authorized by the General Convention of the Episcopal Church in the January 1, 2000, revisions of the *Manual of Business Methods in Church Affairs*. The Episcopal Church has adopted Statement of Financial Accounting Standards ("SFAS") 117 which requires net assets to be shown as unrestricted, temporarily restricted, or permanently restricted. Inter-entity activity has been eliminated. The January 1, 1995, revised accounting principles of the Episcopal Church requires capitalizing of furniture, fixtures and equipment. They also state that the recognition of depreciation is optional. Previously, all fixtures and equipment were expensed. The Diocese does not capitalize any furniture or fixtures purchased by mission congregations. The Diocese has elected not to depreciate real estate. Real estate is to be carried at historical cost or fair value at date of donation. Because the January 1, 1995, revised accounting manual dropped the use of fair value accounting, the Diocese has reconstructed cost on its properties. Estimates were used in many cases, as precise records were not available. When a mission becomes a parish, the value of its real estate and any related loans are removed from the Real Estate Fund. No missions became parishes during 2008 or 2007. For missions of the Diocese, Diocesan policy is that all construction payments are made by the BLF and then reimbursed by the congregation. These expenditures are not reflected in the financial statements except to the extent that amounts advanced have not been reimbursed, or cash held has not been expended. Property reflected in the statements of financial position is categorized as follows:

	2008	2007
Land	\$ 2,880,972	\$ 2,880,972
Building/improvements	20,166,731	19,383,847
Bishop housing	811,813	811,813
	<u>\$ 23,859,516</u>	<u>\$ 23,076,632</u>

**Financial Statement Presentation:** The Diocese reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted new assets, and permanently restricted net assets. Contributions that are received are recorded as unrestricted, temporarily restricted, or permanently restricted, depending on the existence and/or nature of any donor restrictions. Contributions, investment income, and gains restricted by donor are reported as increase in unrestricted net assets if restrictions are met in the reporting period in which the income and gains are recognized. **Temporarily Restricted Net Assets** Temporarily restricted net assets are restricted for various ministerial purposes. Most of these net assets come from the Trust Accounts. **Permanently Restricted Net Assets** Permanently restricted net assets consist of funds held for various endowed purposes. Occasionally, due to loan losses, there can be releases of permanently restricted net assets. Most of these net assets come from the Trust Accounts. **Estimates** The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results would differ from those estimates. **Fair Value Measurements** Fair value is a market-based measurement determined based on assumptions that market participants would use in pricing an asset or liability. There are three levels, which prioritizes the inputs used in measuring fair value as follows:

- Level 1: Observable market inputs such as quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Observable market inputs, other than the quoted prices in active markets, that are observable either directly or indirectly; and

- Level 3: Unobservable inputs where there is little or no market data, which require the reporting entity to develop its own assumptions.

The Diocese reports its certificates of deposit and investments (discussed below) at fair value. **Cash and Cash Equivalents** For purpose of the statements of cash flows, the Diocese considers all highly liquid instruments purchased with a maturity of three months or less, to be cash equivalents. The Diocese regularly has cash in excess of federally insured limits with its bank. **Certificates of Deposit** the certificates of deposit have original maturities exceeding three months. Of the total balance, \$336,683 serves as collateral for a loan to a bank (see Note 5) at December 31, 2008. The certificates of deposit have a carrying value that approximates fair value and was valued using Level 1 inputs.

**Investments** Investments are reported at their fair value using Level 1 inputs in the statements of financial position. Gains and losses are included in the change in net assets. At December 31, 2008 and 2007, investments consisted of:

	<u>2008</u>	<u>2007</u>
Common stock (including equity mutual funds)	\$ 22,811,504	\$ 31,317,904
US Government Debt Securities	11,319,841	12,537,544
Money market funds	<u>2,990,015</u>	<u>2,859,076</u>
	<u>\$ 37,121,360</u>	<u>\$ 46,714,524</u>

No single investment represents more than 10% of total investments. All investments are held in the DIF discussed earlier. **Loans Receivables** Receivables are stated at the amount management expects to collect from outstanding balances. The Diocese uses the allowance method for recognizing bad debts. When an account is deemed uncollectible, it is generally written off against the allowance. The bad debt allowance at December 31, 2008, was \$155,515 for loans receivable and \$48,100 for interest receivable. The bad debt allowance at December 31, 2007, was \$155,515 for loans receivable and \$39,950 for interest receivable. Interest receivable has been accrued to December 31, 2008 and 2007. At the Board's discretion, in some instances, interest is not charged on construction loans. The Diocese has not imputed interest on related party loans as the terms are generally undefined and the imputed interest would not generally be material. **Cash and Investments Held in Trust for Congregations and Other Institutions** Cash and investments held in trust for congregations and other institutions consists of:

	<u>2008</u>	<u>2007</u>
DIF balances	\$ 17,767,953	\$ 22,320,374
Trust account balances	<u>2,906,856</u>	<u>3,609,751</u>
	<u>\$ 20,674,809</u>	<u>\$ 25,930,125</u>

**Restricted Funds** In August 2000, the City of Sammamish ("the City") required the Diocese to place \$83,750 in a bank account for the purpose of building sidewalks adjacent to a building project funded by the Diocese. These funds will be utilized by the City if the City decides to build sidewalks before August 2010; if not, the restriction will be released. **Taxes** The Diocese is exempt from Federal income taxes under section 501(c)(3) of the Internal Revenue Code.

**Reclassification** Certain amounts on the prior year's financial statements have been reclassified to conform to the current year presentation.

#### Note 2—Interfund Loans

As previously noted, inter-entity loans are eliminated in combination. Loans eliminated (listed by creditor) can be summarized as follows:

	<u>2008</u>	<u>2007</u>
Building Loan Fund	\$ 3,347,693	\$ 2,785,961
Mission Development Fund	516,828	700,176
Trust Accounts	<u>1,028,829</u>	<u>1,067,121</u>
Total	<u>\$ 4,893,350</u>	<u>\$ 4,553,258</u>

#### Note 3—Endowment

The Trust Account's endowment consists of approximately 20 individual funds established for a variety of purposes. Its endowment includes both donor-restricted endowment funds and funds designated by the Board of Trustees/Directors to function as endowments ("quasi-endowments"). As required by accounting principles generally accepted in the United States, net assets associated with endowment funds, including quasi-endowments are classified and reported based on the existence or absence of donor-imposed restrictions. **Interpretation of Relevant Law** The Board of Trustees/Directors of the Trust Accounts has interpreted the State of Washington Uniform Management of Institutional Funds Act ("UMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Trust Accounts classifies as permanently restricted net assets (a) the original value of the gifts donated to the permanent endowment, plus (b) the original value of subsequent gifts to the permanent endowment. Endowment net assets consisted of the following at:

	<u>December 31, 2008</u>			
	<u>Unrestricted</u>	Temporarily <u>Restricted</u>	Permanently <u>Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ -	\$ 1,282,467	\$ 13,792,047	\$ 15,074,514
Board-designated quasi-endowment funds	<u>1,372,037</u>	-	-	<u>1,372,037</u>
Total funds	<u>\$ 1,372,037</u>	<u>\$ 1,282,467</u>	<u>\$ 13,792,047</u>	<u>\$ 16,446,551</u>
	<u>December 31, 2007</u>			
	<u>Unrestricted</u>	Temporarily <u>Restricted</u>	Permanently <u>Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ -	\$ 1,369,037	\$ 17,502,272	\$ 18,871,309
Board-designated quasi-endowment funds	<u>1,913,090</u>	-	-	<u>1,913,090</u>
Total funds	<u>\$ 1,913,090</u>	<u>\$ 1,369,037</u>	<u>\$ 17,502,272</u>	<u>\$ 20,784,399</u>

Changes in endowment net assets are as follows for the years ended:

	<u>December 31, 2008</u>			
	<u>Unrestricted</u>	Temporarily <u>Restricted</u>	Permanently <u>Restricted</u>	<u>Total</u>
Endowment Net Assets, beginning of year	\$ 1,913,090	\$ 1,369,037	\$ 17,502,272	\$ 20,784,399
Investment return:				
Investment income	-	112,651	27,680	140,331
Net depreciation (realized and unrealized)	<u>(696,861)</u>	<u>(28,819)</u>	<u>(3,738,546)</u>	<u>(4,464,226)</u>

Total investment return	1,216,229	1,452,869	13,791,406	16,460,504
Contributions	-	3,500	641	4,141
Appropriation of endowment assets for expenditure	<u>155,808</u>	<u>(173,902)</u>	-	<u>(18,094)</u>
Endowment net assets, end of year	<u>\$ 1,372,037</u>	<u>\$ 1,282,467</u>	<u>\$ 13,792,047</u>	<u>\$ 16,446,551</u>

	December 31, 2007			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment Net Assets, beginning of year	\$ 2,521,678	\$ 1,323,857	\$ 16,818,258	\$ 20,663,793
Investment return:				
Investment income	-	59,160	18,543	77,703
Net depreciation (realized and unrealized)	<u>82,504</u>	<u>83,604</u>	<u>634,708</u>	<u>800,816</u>
Total investment return	2,604,182	1,466,621	17,471,509	21,542,312
Contributions	18,480	19,778	30,763	69,021
Appropriation of endowment assets for expenditure	<u>(709,572)</u>	<u>(117,362)</u>	-	<u>(826,934)</u>
Endowment net assets, end of year	<u>\$ 1,913,090</u>	<u>\$ 1,369,037</u>	<u>\$ 17,502,272</u>	<u>\$ 20,784,399</u>

**Return Objectives and Risk Parameters** The Trust Accounts have adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity or for a donor-specified period as well as quasi-endowment funds. Under this policy, as approved by the Board of Trustees/Directors, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the S&P 500 Index while assuming a moderate level of investment risk. The Trust Accounts expects its endowment funds, over time, to provide an average rate of return of approximately 9% annually. Actual returns in any given year may vary from this amount. **Strategies Employed for Achieving Objectives** To satisfy its long-term rate of return objectives, the Trust Accounts rely on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Trust Accounts target a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints. **Spending Policy and How the Investment Objectives Relate to Spending Policy** The Trust Accounts have a policy of appropriating up to 95% of the market value of the investment in excess of the original endowment adjusted for the U.S. City Average Urban Consumers Price Index ("CPI"). In the event that the board does not elect to appropriate the entire allowable amount, the investment gains or losses, by default, are included as a positive or negative change to permanently restricted net assets. Any losses incurred which reduce the investment value below the original endowment adjusted for CPI are included in unrestricted losses on investments. As discussed below, there were no endowments where the fair value of the investment had fallen below the original basis, adjusted for CPI as of December 31, 2008 or 2007. In establishing this policy, the Trust Accounts considered the long-term expected return on its endowment. Accordingly, over the long-term, the Trust Accounts expected the current spending policy to allow its endowment to grow at an average of 4% annually. This is consistent with the Trust Accounts' objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return. **Funds with Deficiencies** From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor requires. The donor requirement is based on the original endowment determined at December 31, 1985, or fund set-up date, if later. This date may be pushed back by the beneficiary, but the burden of proof to establish any pre-1985 excess appreciation will fall on the beneficiary. In accordance with accounting principles generally accepted in the United States, deficiencies of this nature are to be reported in unrestricted net assets. There were no such deficiencies as of December 31, 2008 and 2007.

#### Note 4—Loans Receivable

Loans receivable consist of the following:

	2008	2007
Former Bishop	\$ 23,663	\$ 24,000
Good Shepherd, Vancouver Parishes	49,382	49,382
Anacortes, Christ Church	75,000	-
Auburn, St. Matthew's	155,515	155,515
Kent, St. James	22,001	30,055
Redmond, Holy Cross	99,314	115,581
Seattle, St. John	139,874	161,601
Shelton, St. David	47,656	89,435
Vancouver, Good Shepherd	119,504	120,492
Vancouver, Good Shepherd	<u>31,354</u>	<u>41,948</u>
	893,263	788,009
Less allowance for doubtful loans	<u>(155,515)</u>	<u>(155,515)</u>
	<u>\$ 737,748</u>	<u>\$ 632,494</u>

#### Note 5—Loans Payable

Loan from a Bank that funded the construction of the Cathlamet, St. James Family Center. Payments due in monthly installments of \$2,034 including interest at 6% secured by real property and a certificate of deposit held at the Trust Accounts. Due in full June 2010.	2008	2007
	\$ 314,604	\$ 318,993
Battle Ground Bond Loans bearing interest from 6.375% to 6.5%. Due in annual installments of \$15,000 to \$27,000 plus interest, secured by real property. Due in full in 2014.	141,000	156,000
Grace Church Bond Loans bearing interest from 4.5% to 5.75%. Due in annual installments of \$15,000 to \$40,000 plus interest, unsecured. Due in full in 2013.	<u>215,000</u>	<u>230,000</u>
	<u>\$ 670,604</u>	<u>\$ 704,993</u>

The schedule of debt maturity principal is as follows at December 31:

Year Ended	Bank Loan	Battle Ground	Grace	Total
2009	5,314	19,000	10,000	34,314
2010	309,290	20,000	40,000	369,290
2011		19,000	20,000	39,000
2012		20,000	15,000	35,000
2013		27,000	130,000	157,000
Thereafter	-	36,000	-	36,000
	<u>\$ 314,604</u>	<u>\$ 141,000</u>	<u>\$ 215,000</u>	<u>\$ 670,604</u>

No interest expense is recorded by the Diocese as the amounts are paid and expensed by other related entities.

#### Note 6—Seattle Habitat for Humanity

The Diocese sold, on June 28, 2001, property valued at \$224,600 to Seattle Habitat for Humanity ("Habitat") for \$37,151. As part of the agreement, Habitat constructed two houses and leased them back to the Diocese at nominal rent for its ministry. Only the cash portion of this transaction was reflected in the financial statements, as the value of the leased property being used cannot be determined. One house is used by the Diocesan refugee program and the other by St. John's, West Seattle.

#### Note 7—Contingencies and Commitments

**Contingencies** No liabilities that relate to the mission congregations of the Diocese are reflected. The Diocese could be held to be a responsible party until a mission becomes a parish. Property insurance on structures does not include earthquake insurance. **Commitments** At December 31, 2008, the Diocese had a commitment to purchase a piece of property in Anacortes, Washington, with a purchase price of \$365,492.

#### Diocese of Olympia – Operating Fund December 31, 2008

Independent Auditor's Report, Diocesan Council, Diocese of Olympia—Operating Fund, Seattle, Washington

We have audited the accompanying statements of financial position of the Diocese of Olympia – Operating Fund ("the Operating Fund") as of December 31, 2008 and 2007, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Operating Fund's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. 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 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 the Diocese of Olympia, Inc. – Operating Fund as of December 31, 2008 and 2007, and the changes in its net assets and its cash flows for the years then ended, in conformity with the accounting principles generally accepted in the United States. Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The 2008 statement of budgeted revenue and expenditures compared to actual is presented for purpose of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we express no opinion on it. Peterson Sullivan LLP July 19, 2009

#### Diocese of Olympia—Operating Fund Statements of Financial Position December 31, 2008 & 2007

ASSETS	2008	2007
Current Assets:		
Cash and cash equivalents	\$ 1,302,360	\$ 1,604,498
Certificates of deposit	380,000	-
Short-term investments	34,568	62,864
Diocesan Investment Fund receivable	72,270	171,947
Accounts receivable	209,193	151,724
Contributions receivable, current portion	11,135	19,728
Loans receivable, current portion	91,360	115,679
Prepaid expenses	7,062	20,494
Total Current Assets	2,107,948	2,146,934
Contributions receivable, net of current portion	22,342	26,014
Loans receivable, net of current portion	83,765	110,531
Furniture and equipment, net	5,301	13,486
Prepaid rent	200,827	203,780
TOTAL ASSETS	<u>\$ 2,420,183</u>	<u>\$ 2,500,745</u>
LIABILITIES & NET ASSETS		
Current Liabilities:		
Accounts Payable	\$ 60,253	\$ 37,142
Accrued Payroll Expenses	127,600	113,419

Camp Huston/St. Andrew's House Deposits	72,445	71,013
Grants Payable	128,243	195,807
Other Payables	<u>2,596</u>	<u>59,930</u>
Total Current Liabilities	391,137	477,311
Post-retirement payable	<u>600,000</u>	<u>610,000</u>
Total Liabilities	1,051,137	1,087,311
Net Assets:		
Unrestricted	838,250	825,603
Temporarily Restricted	<u>530,796</u>	<u>587,831</u>
Total Net Assets	<u>1,369,046</u>	<u>1,413,434</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$ 2,420,183</u>	<u>\$ 2,500,745</u>

**Diocese of Olympia—Operating Fund  
Statement of Activities  
Year Ended December 31, 2008 and 2007**

	<u>2008</u>			<u>2007</u>		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenue						
Assessments	\$ 3,417,960	\$ -	\$ 3,417,960	\$ 3,225,299	\$ -	\$ 3,225,299
Contributions	190,167	151,751	341,918	66,266	168,783	235,049
Bequest	62,493	-	62,493	-	-	-
In-kind contribution of facility use	213,421	-	213,421	213,421	-	213,421
Transfer from Diocesan Investment fund	534,033	114,981	649,014	651,859	142,496	794,355
Interest Income	67,658	-	67,658	118,246	-	118,246
Fees and Tuition	895,609	-	895,609	801,235	-	801,235
Grants	490,149	9,000	499,149	525,025	34,000	559,025
Miscellaneous	71,211	7,171	78,382	13,601	53,953	67,554
Net assets released from restrictions	<u>339,938</u>	<u>(339,938)</u>	<u>-</u>	<u>250,655</u>	<u>(250,655)</u>	<u>-</u>
Total support and revenue	6,282,639	(57,035)	6,225,604	5,865,607	148,577	6,014,184
Expenses						
Program services	5,433,524	-	5,433,524	5,138,761	-	5,138,761
Management and General	791,565	-	791,565	754,031	-	754,031
Fundraising	<u>44,903</u>	<u>-</u>	<u>44,903</u>	<u>39,145</u>	<u>-</u>	<u>39,145</u>
Total Expenses	<u>6,269,992</u>	<u>-</u>	<u>6,269,992</u>	<u>5,931,937</u>	<u>-</u>	<u>5,931,937</u>
<b>Change in net assets</b>	<b>12,647</b>	<b>(57,035)</b>	<b>(44,388)</b>	<b>(66,330)</b>	<b>148,577</b>	<b>82,247</b>
Net assets, beginning of year	825,603	587,831	1,413,434	891,933	439,254	1,331,187
Net assets, end of year	<u>\$ 838,250</u>	<u>\$ 530,796</u>	<u>\$ 1,369,046</u>	<u>\$ 825,603</u>	<u>\$ 587,831</u>	<u>\$ 1,413,434</u>

**Diocese of Olympia—Operating Fund  
Statements of Cash Flows  
For the Years Ended December 31, 2008 and 2007**

	<u>2008</u>	<u>2007</u>
Cash flows from operating activities:		
Change in net assets	\$ (44,388)	\$ 82,247
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	8,185	10,507
Decrease (increase) in operating assets		
Diocesan Investment Fund receivable	99,677	(111,715)
Accounts receivable	(57,469)	(24,176)
Contributions receivable	12,265	11,327
Prepaid expenses	13,432	(13,343)
Property contribution receivable	2,953	2,953
Increase (decrease) in operating liabilities		

Accounts payable	23,111	(17,265)
Accrued payroll expenses	14,181	(4,527)
Camp Huston/St. Andrew's House deposits	1,432	9,204
Grants payable	(39,268)	30,690
Other payables	(57,334)	34,710
Post-retirement payable	50,000	-
Cash flows from operating activities	26,777	10,612
<b>Cash flows from investing activities</b>		
Purchase of certificates of deposit	(380,000)	-
Issuance of loans receivable	(70,215)	(180,549)
Proceeds from payments on loans receivable	121,300	124,926
Cash flows from investing activities	(328,915)	(55,632)
<b>Net Change in Cash</b>	<b>(302,138)</b>	<b>(45,011)</b>
Cash balance, beginning of year	1,604,498	1,649,509
Cash, end of Year	<u>\$ 1,302,360</u>	<u>\$ 1,604,498</u>

## Notes to Financial Statements

### Note 1—Organizational and Significant Accounting Policies

**Organization** The Diocese of Olympia, Inc. ("the Diocese") is a Diocese of the Domestic and Foreign Missionary Society of the Protestant Episcopal Church in the United States of America ("the Episcopal Church"). The Diocese includes Episcopal churches in western Washington. An outline of the breadth of Diocesan involvement in the community can be gleaned by reviewing the category titles in the attached statement of budgeted revenue and expenditures compared to actual. The Diocese of Olympia—Operating Fund ("the Operating Fund") contains the operating budget, restricted income, designated and grant funds of the Diocese of Olympia. The Operating Fund is an unincorporated association. The fund groupings known as the Trust Funds, the Building Loan, the Real Estate Fund, and the Mission Development Fund, and the James F. Hodges Diocesan Investment Fund are reported separately. These funds are part of the Diocese, a separate incorporated entity. The Real Estate Fund owns the Diocesan properties that constitute the offices, camp, and conference center used by and included in the budget of the Operating Fund (see Note 2). The Real Estate Fund also owns the properties used by mission parishes in the Diocese. The Diocesan Student Memorial Fund is considered to be an independent entity and is not included in these financial statements. The Operating Fund's main source of support is assessments levied on its congregations. The assessments are a function of the congregation's revenue. Some congregations are not paying their assessments currently for various reasons. The rate of assessment shortfall currently incorporated into the budget is 15 percent. The Operating Fund also runs a large refugee resettlement, assistance and work-training program, which is primarily funded by federal grants.

**Basis of Accounting** These financial statements are prepared on the accrual basis of accounting and have been prepared in accordance with principles authorized by the General Convention of the Episcopal Church in the January 1, 2000, revision of the *Manual of Business Methods in Church Affairs*. At the Operating Fund, there are no differences between the Episcopal Church Basis and account principles generally accepted in the United States. A statement comparing budget to actual is required for budgeted funds and is included as a supplemental statement to these financial statements. The Episcopal Church has adopted Statement of Financial Accounting Standards ("SFAS") 117 which requires net assets to be shown as unrestricted, temporarily restricted or permanently restricted. **Financial Statement Presentation** The Operating Fund reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Contributions that are received are recorded as unrestricted, temporarily restricted, or permanently restricted, depending on the existence and/or nature of any donor restrictions.

The Operating Fund has no permanently restricted net assets, so this class of net assets is not shown on the financial statements. **Designated Net Assets** Included in unrestricted net assets is \$177,733 and \$179,080 at December 31, 2008 and 2007, respectively, of funds designated by the Diocesan Council for various ministries. **Temporarily Restricted Net Assets** Temporarily restricted net assets consist of unexpended contributions restricted for particular purposes or time periods. Temporarily restricted net assets are transferred to unrestricted net assets as expenditures are incurred for the restricted purpose, or as time restrictions expire. Temporarily restricted net assets are available for the following purposes at December 31:

	2008	2007
Refugee loans	\$ 255,569	\$ 221,800
Ethnic ministries	78,735	72,140
Native American (ERD) program	16,584	17,743
Scholarships	29,681	27,991
Huston Center/Camp care, maintenance & development	44,906	54,876
Episcopal Charities Appeal	32,005	42,492
Theological education	11,986	34,756
Other programs	61,330	116,033
	<u>\$ 530,796</u>	<u>\$ 587,831</u>

**Use of Estimates** The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from the estimated amounts. **Fair Value Measurements** Fair value is a market-based measurement determined based on assumptions that market participants would use in pricing an asset or liability. There are three levels, which prioritizes the inputs used in measuring fair value as follows:

- Level 1: Observable market inputs such as quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Observable market inputs, other than the quoted prices in active markets, that are observable either directly or indirectly; and
- Level 3: Unobservable inputs where there is little or no market data, which require the reporting entity to develop its own assumptions.

The Operating Fund reports its certificates of deposit and short-term investments (discussed below) at fair value. **Cash Equivalents** For purpose of the statements of cash flows, the Operating Fund considers all highly liquid instruments purchased with a maturity of three months or less, to be cash equivalents. The Operating Fund regularly has cash in excess of federally insured limits with its bank. **Certificates of Deposit** The Operating Fund holds four certificates of deposit at December 31, 2008. The certificates of deposit have original maturities exceeding three months. The certificates of deposit

have a carrying value that approximates fair value and were valued using Level 1 inputs. **Short-term Investments** Investments consist of securities received from donors who specify the beneficiary of the contribution. Therefore, the amounts in this account are treated as agency transactions and a related amount is included in grants payable. Short-term investments are stated at fair value using Level 1 inputs. **Accounts and Loans Receivable** Accounts and loans receivable are stated at the amount management expects to collect from outstanding balances. The Operating Fund uses the allowance method for recognizing bad debts. When determining an appropriate allowance, management considers such things as the age of the receivable and the credit history of the creditor. When an account is deemed uncollectible, it is generally written off against the allowance. The Operating Fund has historically not experienced significant losses related to uncollectible receivables. No allowance for uncollectible accounts or loans receivable was required over December 31, 2008 and 2007. The Operating Fund has active refugee and employment programs supported predominantly by contracts with the state and federally government. Most of the programs are on an achievement or reimbursable expense basis. Accounts receivable consists primarily of amounts billed but not yet collected on these contracts. Approximately 50% and 42% of accounts receivable were due from two and three organizations at December 31, 2008 and 2007, respectively. **Contributions Receivable** Contributions receivable at year end will be collected by the Operating Fund and passed through to other organizations. The Operating Fund is acting as an agent of these funds and a related amount is recorded as a liability and is included in grants payable. All amounts are expected to be collected within five years. Any discount on the receivable would not be material. **Furniture and Equipment** The Operating Fund capitalizes equipment and furniture costs in excess of \$5,000. Furniture and equipment is depreciated on the straight-line basis over its estimated useful life of 5-10 years. **Tax Status** The IRS has determined that the Operating Fund is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code ("the IRC"). **Assessments** Assessments receivable are not recorded for the year-end. Assessment revenue is recognized on cash basis, because the Diocesan Council regularly grants assessment relief for prior years. Assessments from one parish represented 10% of total assessments in both 2008 and 2007. **Functional Allocation of Expenses** The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. **Reclassification** Certain amounts in the prior year's financial statements have been reclassified to conform to the current year presentation.

#### Note 2—Related Organization Transactions

The Diocese and the Operating Fund have agreed to be bound by and comply with the Constitution, Canons, Doctrines, Disciplines and Worship of the Episcopal Church. The Operating Fund paid \$736,512 and \$667,681 in support of the Episcopal Church for the years ended December 31, 2008 and 2007, respectively. The Diocese owns the building in which the Operating Fund has its offices. The value of the space used is considered an in-kind contribution from the Diocese and has been included in both revenue and expenses in the Statement of Activities at its current market rental value of \$213,421 for both the years ended December 31, 2008 and 2007. The Board of the Diocese makes discretionary transfers of earnings to the Operating Fund. Income from this source for the years ended December 31, 2008 and 2007 was \$649,014 and \$794,335, respectively, and is called Transfer from Diocesan Investment Fund in the Statement of Activities.

#### Note 3—Prepaid Rent

In 2003, the Diocese of Olympia entered into an agreement to lease a house for \$1 per year for a term of 75 years. The Diocese gave up property as payment for the use of the house in the Operating Fund refugee program. The value of the property given up in 2003 was \$221,500 and this prepayment for the use of the house will be expensed on a straight-line basis over the life of the lease. As of December 31, 2008 and 2007, the prepaid rent balance was \$203,780 and \$206,733, respectively. Rent expense recognized for the years then ended was \$2,953.

#### Note 4—Pensions/Postretirement Benefits

**Pension Plans** All full and part time clergy employed by the Diocese are covered under a plan administered by the Church Pension Group, a national group pension plan of the Episcopal Church ("the Church Pension Fund"). These individuals have eighteen percent of their compensation, including housing allowance if applicable, paid to the plan. Lay employees are covered under a Section 403(b), Annuity Retirement Plan, of the IRC ("the Lay Employee Plan"). Employees are eligible to participate after two consecutive 1,000-hour service years. Employees are 100% vested after five years. The Operating Fund contribution is set at five percent of current year's salary plus up to an additional four percent discretionary match of voluntary employee contributions. Employer contributions for 2008 and 2007 were made as follows:

	2008	2007
Clergy	\$ 103,088	\$ 96,527
Lay employees	86,419	89,178
<b>Total Pension Contributions</b>	<b>\$ 189,507</b>	<b>\$ 185,705</b>

The Lay Employee Plan guarantees no specific benefit, so no unfunded liabilities exist. All Episcopal clergy must participate in the Church Pension Fund and the liability is assumed by the Church Pension Fund. The Church Pension Fund does not specifically guarantee benefits. Because it is a church, the Operating Fund is not subject to ERISA requirements. **Postretirement Health Benefits** A policy established by the Operating Fund in a prior year was to pay for medigap insurance coverage for retired clergy and lay employees and their spouses who are over the age of 65, who meet eligibility requirements of 5 years full time employment immediately prior to retirement at age 59 ½ or over. All employees hired prior to January 1, 2001, are now covered under a fixed dollar per year limitation. Employees hired after January 1, 2001, have no promise of coverage. The expense associated with providing this coverage was \$40,624 and \$36,584 for the years ended December 31, 2008 and 2007, respectively. In 2003, the Church Pension Fund began providing medigap health insurance for retired clergy and their spouses (at attainment of age 65). This has reduced the Operating Fund's future obligations. The Operating Fund had an actuarial valuation prepared resulting in a \$610,000 liability for future health insurance coverage of \$660,000 and \$610,000 at December 31, 2008 and 2007, respectively, using a discount rate of 5%.

#### Note 5—Contingent Liabilities

No liabilities that relate to the mission congregations of the Diocese are reflected. The Operating Fund could be held to be a responsible party until a mission becomes a parish. The Operating Fund is an agent for institutions of the Diocese and collects and remits premiums to various healthcare insurance companies in Washington. In the normal course of business, the Operating Fund has various claims in process, matters in litigation, and other contingencies. In management's opinion, the outcome from these matters will not materially impact the Operating Fund's financial position or results of activities.

### Supplemental Statement Diocese of Olympia—Operating Fund Statement of Budgeted Revenue and Expenditures Compared to Actual - Unaudited Year Ended December 31, 2008

	2008 Budget	2008 Actual	Total Budget Over/(Under) Variance
<b>Revenue</b>			
Assessments	\$ 3,398,000	\$ 3,417,960	\$ 19,960
Contributions	3,000	3,813	813
Investments (unrestricted)	382,710	434,741	52,031
Investments (restricted)	81,400	103,231	21,831
Interest income	30,000	47,701	17,701
Fees and tuition	834,735	902,980	68,245
Miscellaneous	-	37,391	37,391
<b>Total Revenue</b>	<b>4,729,845</b>	<b>4,947,817</b>	<b>217,972</b>
<b>Expenses</b>			
Office of the Bishop	369,380	405,225	(35,845)
Assistant Bishop	193,188	188,934	4,254
Communications	319,421	294,713	24,708
Governing Bodies	196,135	188,516	7,619
Diocesan House	291,940	283,941	7,999
Archives	50,980	50,940	40
St. Mark's Cathedral	102,500	102,500	-
St. Andrew's House	202,600	212,746	(10,146)
Huston Center	548,000	617,310	(69,310)
St. Bernard's Chapel	1,000	-	1,000
Evangelism	66,000	66,000	-
Evangelism Training	38,600	38,612	(21)
Ethnic Ministries	171,691	172,031	(340)
Congregation/Ministry Development	190,657	184,971	5,686
Ministry Development	660	660	-
Faith Development Program	170,273	162,606	7,667
Resource Center	121,922	120,507	1,415
Medicare Supplement	80,860	49,397	31,463
Stewardship & Development	194,913	195,128	(215)
Treasurer's Office	288,842	284,320	4,522
National Church Apportionment	693,184	693,184	-
General Convention Deputies	11,667	11,667	-
Province VIII	23,328	23,328	-
Lambeth Conference	4,000	4,000	-
Ecumenical & Interfaith	21,000	20,000	1,000
Multi-Cultural Concerns	104,920	104,648	272
Missioners	35,000	-	35,000
Commission on Developing Congregations	486,950	487,376	(426)
<b>Total Expense</b>	<b>4,979,611</b>	<b>4,963,269</b>	<b>16,342</b>
<b>Change in net assets</b>	<b>\$ (249,766)</b>	<b>\$ (15,452)</b>	<b>\$ 234,314</b>

#### Note 1—Fund Groups Presented as Part of the Supplemental Statement

The Diocese has divided the Operating Fund into five fund groups: Unrestricted, Restricted, Designated, Audit Reconciliation, and Grant. These fund groups are still used to produce management reports but are not shown as separate funds in these financial statements. The Diocesan budget as shown on the supplemental statement of budgeted revenue and expenditures compared to actual includes only the Unrestricted Operating, Restricted Operating and Huston Center/Camp Funds (a self-supporting program comprised of both restricted and unrestricted funds), as these are the total of the funds available for the Convention to allocate in its annual budget. However, the Operating Fund includes other funds for which Diocesan Council is responsible as noted above. All of these funds are included in the Statement of Activities.

#### Diocese of Olympia, Inc – Trust Accounts December 31, 2008

Independent Auditor's Report, Diocese of Olympia, Inc., Trust Accounts, Seattle, WA 98102

We have audited the statement of financial position—Episcopal Church basis of the Diocese of Olympia, Inc.—Trust Accounts ("Trust Accounts") as of December 31, 2008 and 2007, and the related statements of activities—Episcopal Church basis and cash flows – Episcopal Church basis for the years then ended. These financial statements are the responsibility of Trust Accounts' 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. 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. As described in Note 1, the financial statements are being presented in accordance with accounting principles authorized by the General Convention of the Episcopal Church which is a comprehensive basis of accounting other than account principles generally accepted in the United States. In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Diocese of Olympia, Inc.—Trust Accounts as of December 31, 2008 and 2007 and the changes in its net assets and its cash flows for the years then ended, in conformity with the accounting principles authorized by the General Convention of the Episcopal Church as described in Note 1.

Peterson Sullivan, PLLC, August 12, 2009

**Diocese of Olympia, Inc.—Trust Accounts**  
**Statements of Financial Position—Episcopal Church Basis**  
**December 31, 2008 and 2007**

ASSETS	<u>2008</u>	<u>2007</u>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 260,355	\$ 241,382
Certificate of deposit	416,250	416,250
Investments	<u>19,294,711</u>	<u>24,424,863</u>
Total Current Assets	<u>19,971,316</u>	<u>25,082,495</u>
<b>NON-CURRENT ASSETS:</b>		
Bishop residence	811,813	811,813
Related party loans receivable	1,101,874	1,140,503
Loan interest receivable	-	35,360
Restricted funds	83,750	83,750
Other	<u>83,797</u>	<u>96,842</u>
Total Non-Current Assets	<u>2,081,234</u>	<u>2,168,268</u>
Total Assets	<u>\$ 22,052,550</u>	<u>\$ 27,250,763</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES:</b>		
Payable to DIF/DIF accrued income	66,233	99,762
Cash held in trust for congregations	124,845	13,405
Investments held in trust for congregations and other institutions	<u>2,782,011</u>	<u>3,596,346</u>
Total Current Liabilities	<u>2,973,089</u>	<u>3,709,513</u>
<b>NET ASSETS:</b>		
Unrestricted	4,004,947	4,669,941
Temporarily restricted	1,282,467	1,369,037
Permanently restricted	<u>13,792,047</u>	<u>17,502,272</u>
Total Net Assets	<u>19,079,461</u>	<u>23,541,250</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 22,052,550</u>	<u>\$ 27,250,763</u>

**Diocese of Olympia, Inc.—Trust Accounts**  
**Statement of Activities—Episcopal Church Basis**  
**For the Year Ended December 31, 2008**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>SUPPORT AND REVENUE</b>				
Contributions	\$ 26,448	\$ 3,500	\$ 641	\$ 30,589
Other Investment Income	53,427	77,613	27,680	158,720
Realized and unrealized gain (loss) on investments	(696,861)	(28,819)	(3,738,546)	(4,464,226)
Net assets released from program restrictions	138,864	<u>(138,864)</u>	=	=
Total Support and Revenue	<u>(478,122)</u>	<u>(86,570)</u>	<u>(3,710,225)</u>	<u>(4,274,917)</u>
<b>EXPENSES AND TRANSFERS</b>	186,872	=	=	186,872
<b>Change in set assets</b>	<b>(664,994)</b>	<b>(86,570)</b>	<b>(3,710,225)</b>	<b>(4,461,789)</b>
Net Assets at December 31, 2007	4,669,941	1,369,037	17,502,272	23,541,250
Net Assets at December 31, 2008	<u>\$ 4,004,947</u>	<u>\$ 1,282,467</u>	<u>\$ 13,792,047</u>	<u>\$ 19,079,461</u>

**Diocese of Olympia, Inc.—Trust Accounts**  
**Statement of Activities—Episcopal Church Basis**

**For the Year Ended December 31, 2007**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>SUPPORT AND REVENUE</b>				
Contributions	\$ 18,480	\$ 19,778	\$ 30,763	\$ 69,021
Other Investment Income	149,612	59,160	18,543	227,315
Realized and unrealized gain on investments	82,504	83,604	634,708	800,816
Net assets released from program restrictions	<u>117,362</u>	<u>(117,362)</u>	=	=
Total Support and Revenue	<u>367,958</u>	<u>45,180</u>	<u>684,014</u>	<u>1,097,152</u>
<b>EXPENSES AND TRANSFERS</b>	<u>387,058</u>	=	=	<u>387,058</u>
<b>Change in set assets</b>	<b>(19,100)</b>	<b>45,180</b>	<b>684,014</b>	<b>710,094</b>
Net Assets at December 31, 2006 (as restated)	<u>4,689,041</u>	<u>1,323,857</u>	<u>16,818,258</u>	<u>22,831,156</u>
Net Assets at December 31, 2007	<u>\$ 4,669,941</u>	<u>\$ 1,369,037</u>	<u>\$ 17,502,272</u>	<u>\$ 23,541,250</u>

**Diocese of Olympia, Inc.—Trust Accounts  
Statement of Cash Flows—Episcopal Church Basis  
For the Year Ended December 31, 2008 and 2007**

	<u>2008</u>	<u>2007</u>
Cash flows from operating activities		
Change in net assets	\$ (4,461,789)	\$ 710,094
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Net realized and unrealized losses (gains) on investments	4,464,226	(800,816)
Bad debt expense	35,360	-
Change in operating assets and liabilities		
Interest receivable	-	(35,360)
Other assets	13,045	(11,333)
Payable to Diocesan Investment Fund/accrued income	<u>(33,529)</u>	<u>74,398</u>
Net cash flows from operating activities	17,313	(63,017)
Cash flows from investing activities		
Proceeds from sale of investments	220,791	1,321,553
Purchase of investments(including reinvested dividends)	(301,883)	(393,289)
Principal payments received on loans	38,629	131,946
Purchase of real estate	-	<u>(811,813)</u>
Net cash flows from investing activities	(42,463)	248,397
Cash flows from financing activities		
Increase in cash held in trust for congregations	111,440	(391)
Change in securities and investments held in trust for Congregations and other institutions	<u>67,317</u>	<u>(91,304)</u>
Net cash flow from financing activities	<u>44,123</u>	<u>(91,695)</u>
<b>Net increase in cash and cash equivalents</b>	<b>18,973</b>	<b>93,685</b>
Cash and cash equivalents, beginning of year	<u>241,382</u>	<u>147,697</u>
Cash and cash equivalents, end of year	<u>\$ 260,355</u>	<u>\$ 241,382</u>

**Notes to Financial Statements**

**Note 1—Organization and Significant Accounting Policies**

The Diocese of Olympia, Inc. ("the Diocese") is a Diocese of the Domestic and Foreign Missionary Society of the Protestant Episcopal Church in the United States of America ("the Episcopal Church"). The Diocese includes all Episcopal congregations in Western Washington. The Diocese of Olympia, Inc. – Trust Accounts ("the Trust Accounts") hold the endowment funds for the Diocese and other institutions of the Diocese for which the Diocese has been named trustee. The funds are predominantly invested in the James F. Hodges Diocesan Investment Fund ("DIF"). The fund groupings known as Building Loan Fund ("BLF"), Real Estate Fund, and the Mission Development Fund, and the James F. Hodges Diocesan Investment Fund are reported separately. The Real Estate Fund owns the Diocesan properties that constitute the offices, camp, and conference center used by and included in the budget of the Diocese of Olympia – Operating Fund ("the Operating Fund"). The Diocesan Student Memorial Fund is considered to be an independent entity and is not included in these financial statements. The Operating Fund contains the operating budget, restricted income and designated and grant funds of the Diocese. The Operating Fund is reported separately. The Operating Fund is an unincorporated association. The Trust Accounts are not allocated any of the common expenses incurred and paid from the Operating Fund. Employees of this related entity maintain the books and records of the Trust Accounts at no charge to this fund. **Basis of Accounting** These financial statements are prepared on the accrual basis of accounting and have been prepared in accordance with principles authorized by the General Convention of the Episcopal Church in the January 1, 2000 revision of the *Manual of Business Methods in Church Affairs*. The Episcopal Church has adopted Statement of Financial Accounting Standards ("SFAS") 117 which requires net assets to be shown as unrestricted, temporarily restricted, or permanently restricted. The accounting principles of the Episcopal Church prior to January 1, 1995 required furniture, fixtures, and equipment to be expensed when purchased. After that date, property and equipment was capitalized but depreciation is optional. The building

owned by the Trust Accounts (the Bishop's residence) is not being depreciated which is the primary difference between the Episcopal Church basis of accounting and accounting principles generally accepted in the United States. **Financial Statement Presentation** The Trust Accounts report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Contributions that are received are recorded as unrestricted, temporarily restricted, or permanently restricted, depending on the existence and/or nature of any donor restrictions. Contributions, investment income, and gains on investments restricted by donors are reported as increases in unrestricted net assets if restrictions are met in the reporting period in which the income and gains are recognized. The Operating Fund (described earlier in these notes) receives and reports most of the income earned by the Trust Accounts' permanently restricted net assets. **Estimates** The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from the estimated amounts. **Fair Value Measurements** Fair value is a market-based measurement determined based on assumptions that market participants would use in pricing an asset or liability. There are three levels, which prioritizes the inputs used in measuring fair value as follows:

- Level 1: Observable market inputs such as quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Observable market inputs, other than the quoted prices in active markets, that are observable either directly or indirectly; and
- Level 3: Unobservable inputs where there is little or no market data, which require the reporting entity to develop its own assumptions.

The Trust Accounts report their certificate of deposit (discussed below) and investments (discussed in Note 4) at fair value. **Cash and Cash Equivalents** For purpose of the statement of cash flows, the Trust Accounts consider all highly liquid instruments purchased with a maturity of three months or less, to be cash equivalents. The Trust Accounts regularly have cash in excess of federally insured limits with its bank. **Certificate of Deposit** The Trust Accounts hold a certificate of deposit at December 31, 2008. The certificate of deposit has an original maturity exceeding three months and of the total balance \$336,683 serves as collateral for a loan from a bank included in the Real Estate Fund's financial statements. The certificate of deposit has a carrying value that approximates fair value and was valued using Level 1 inputs. **Loans Receivables** Receivables are stated at the amount management expects to collect from outstanding balances. The Trust Accounts use the allowance method for recognizing bad debt. When determining an appropriate allowance, management considers such things as the age of the receivable and the credit history of the creditor. When an account is deemed uncollectible, it is generally written off against the allowance. The Trust Accounts have historically not experienced significant losses related to uncollectible receivables. No allowance for uncollectible accounts or loans receivable was required at December 31, 2008 or 2007. The Trust Accounts have not imputed interest on related party loans as the terms are generally undefined, the imputed interest would not generally be material and the amounts are payable to another fund of the Diocese. **Restricted Funds** In August 2000, the City of Sammamish ("the City") required the Diocese to place \$83,750 in a bank account for the purpose of building sidewalks adjacent to a building project funded by the Diocese. These funds will be utilized by the City if the City decides to build sidewalks before August 2010; if not, the restriction will be released. **Taxes** The Trust Fund is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. **Reclassification** Certain amounts on the prior year's financial statements have been reclassified to conform to the current year presentation.

## Note 2—Endowment

The Trust Account's endowment consists of approximately 20 individual funds established for a variety of purposes. Its endowment includes both donor-restricted endowment funds and funds designated by the Board of Trustees/Directors to function as endowments ("quasi-endowments"). As required by accounting principles generally accepted in the United States, net assets associated with endowment funds, including quasi-endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. **Interpretation of Relevant Law** The Board of Trustees/Directors of the Trust Accounts has interpreted the State of Washington Uniform Management of Institutional Funds Act ("UMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Trust Accounts classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, plus (b) the original value of subsequent gifts to the permanent endowment. Endowment net assets consisted of the following at:

	December 31, 2008			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	\$ -	\$ 1,282,467	\$ 13,792,047	\$ 15,074,514
Board-designated quasi-endowment funds	1,438,186	-	-	1,438,186
Total funds	<u>\$ 1,438,186</u>	<u>\$ 1,282,467</u>	<u>\$ 13,792,047</u>	<u>\$ 16,512,700</u>

	December 31, 2007			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	\$ -	\$ 1,369,037	\$ 17,502,272	\$ 18,871,309
Board-designated quasi-endowment funds	1,957,208	-	-	1,957,208
Total funds	<u>\$ 1,957,208</u>	<u>\$ 1,369,037</u>	<u>\$ 17,502,272</u>	<u>\$ 20,828,517</u>

Changes in endowment net assets are as follows for the years ended:

	December 31, 2008			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment Net Assets beginning of year	\$ 1,957,208	\$ 1,369,037	\$ 17,502,272	\$ 20,828,517
Investment return:				
Investment income	-	112,651	27,680	140,331
Net depreciation (realized and unrealized)	(696,861)	(28,819)	(3,738,546)	(4,464,226)
Total investment return	1,260,347	1,452,869	13,791,406	16,504,622
Contributions	-	3,500	641	4,141
Appropriation of endowment assets for expenditure and				
Transfers into endowment	177,839	(173,902)	-	3,937
Endowment net assets, end of year	<u>\$ 1,438,186</u>	<u>\$ 1,282,467</u>	<u>\$ 13,792,047</u>	<u>\$ 16,512,700</u>
	December 31, 2007			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total

Endowment Net Assets beginning of year	\$ 2,722,546	\$ 1,323,857	\$ 16,818,258	\$ 20,864,661
Investment return:				
Investment income	-	59,160	18,543	77,703
Net depreciation (realized and unrealized)	82,504	83,604	634,708	800,816
Total investment return	2,805,050	1,466,621	17,471,509	21,743,180
Contributions	18,480	19,778	30,763	69,021
Appropriation of endowment assets for expenditure	(866,322)	(117,362)	-	(983,684)
Endowment net assets, end of year	<u>\$ 1,957,208</u>	<u>\$ 1,369,037</u>	<u>\$ 17,502,272</u>	<u>\$ 20,828,517</u>

**Return Objectives and Risk Parameters** The Trust Accounts have adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity or for a donor-specified period as well as quasi-endowment funds. Under this policy, as approved by the Board of Trustees/Directors, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the S&P 500 Index while assuming a moderate level of investment risk. The Trust Accounts expect its endowment funds, over time, to provide an average rate of return of approximately 9% annually. Actual returns in any given year may vary from this amount. **Strategies Employed for Achieving Objectives** to satisfy its long-term rate of return objectives, the Trust Accounts rely on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Trust Accounts target a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints. **Spending Policy and How the Investment Objectives Relate to Spending Policy** The Trust Accounts have a policy of appropriating up to 95% of the market value of the investment in excess of the original endowment adjusted for the U.S. City Average Urban Consumers Price Index ("CPI"). In the event that the Board does not elect to appropriate the entire allowable amount, the investment gains or losses, by default, are included as a positive or negative change to permanently restricted net assets. Any losses incurred which reduce the investment value below the original endowment adjusted for CPI are included in unrestricted losses on investments. As discussed below, there were no endowments where the fair value of the investment had fallen below the original basis, adjusted for CPI, as of December 31, 2008 or 2007. In establishing this policy, the Trust Accounts considered the long-term expected return on its endowment. Accordingly, over the long-term, the Trust Accounts expected the current spending policy to allow its endowment to grow at an average of 4% annually. This is consistent with the Trust Accounts' objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return. **Funds with Deficiencies** From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires. The donor requirement is based on the original endowment determined at December 31, 1985, or fund set-up date, if later. This date may be pushed back by the beneficiary, but the burden of proof to establish any pre-1985 excess appreciation will fall on the beneficiary. In accordance with accounting principles generally accepted in the United States, deficiencies of this nature are to be reported in unrestricted net assets. There were no such deficiencies as of December 31, 2008 and 2007.

### Note 3—Related Party Loans Receivable

The Diocese (through the Trust Accounts) has loaned funds to the prior Bishop, parishes, and missions within the Diocese as follows:

Loan to	Comment/Payment/Maturity	Rate	2008	2007
Bishop	Secured by residence, Equity position, no current payment	8%	\$ 23,663	\$ 24,000
	Subordinate to primary mortgage			
DIF	Diocesan house roof loan, \$4,480.50/quarter from	5%	12,008	30,412
	Hodges Income			
Cathlamet	No maturity date set	0%	150,000	150,000
St. Columba, Des Moines	Land at St. Columba's, no maturity date set	0%	318,848	318,848
DIF	Due in full in 2009	0%	3,974	23,862
Battle Ground	15 year amortization at BLF mission rate due 2017	0%	69,000	69,000
Good Shepherd, Vancouver	On interest waiver; to be repaid after BLF loan repaid	0%	49,381	49,381
St. Hilda/St. Patrick	On interest waiver, then 15 year amortization	0%	475,000	475,000
	at BLF mission rate			
			<u>\$ 1,101,874</u>	<u>\$ 1,140,503</u>

### Note 4—Investments

Investments are reported at their fair value using Level 1 inputs in the statements of financial position. Unrealized gains and losses are included in the change in net assets. The majority of the Trust Accounts' investments are in the Diocesan-managed DIF. Fund activity for 2008 and 2007 is as follows:

	2008	2007
Fair Market Value, beginning of year	\$ 24,424,863	\$ 24,415,076
Reinvestment of Dividends	98,856	118,894
Purchases	203,018	274,395
Redemptions	(220,791)	(1,321,553)
Total	24,505,955	23,486,812
Less: Fair Market Value, end of year	(19,294,711)	(24,424,863)
Increase (decrease) in market value	<u>\$ (5,211,244)</u>	<u>\$ 938,051</u>

The DIF is a type of mutual fund, open exclusively to the Diocese and its institutions. The DIF has balanced growth and income as its investment objective. At December 31, 2008, the DIF was approximately 8% cash equivalents, 31% U.S. government debt securities, and 61% common stocks (including equity mutual funds) listed on major exchanges. No single investment in the DIF represents more than 10% of total investments. Investments in the DIF are not federally insured.

### Note 5—Trust Held for Congregations and Other Institutions

Amounts held in trusts for congregations and other institutions at December 31 consist of:

2008

2007

Cash held in trust for Congregations:		
Bond Trustee accounts	124,845	13,405
Securities & investments held in trust for congregations and other institutions:		
Annie Wright School	285,958	363,403
Bainbridge, St. Barnabas' – Hodges Endowment	681,764	866,399
Charles G. McDonald Scholarship Fund	14,227	18,080
Kent, St. James – Arney Memorial	44,149	56,106
Kent, St. James – Endowment	34,956	44,423
Lord Scholarship Fund	19,793	24,258
Seattle, St. Mark's – Hodges Endowment	996,256	1,266,068
Seaview, St. Peter's – Johnson Bequest	310,902	467,457
St. Paul's, Palm Desert, CA – Hodges Endowment	130,885	166,332
Bellingham, Mabel Wilson Trust	253,165	310,295
Tod Prichard, Allyn	9,956	13,525
Total Securities for Congregations and Institutions	<u>2,782,011</u>	<u>3,596,346</u>
TOTAL LIABILITIES TO CONGREGATIONS AND OTHER INSTITUTIONS	<u>\$ 2,906,856</u>	<u>\$ 3,609,751</u>

**Note 6—Schedule of Net Assets**

	December 31, 2008			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Other assets held in trust for Diocese:				
Campaign—unrestricted	\$ 11,825	\$ 1,111,915	\$ -	\$ 1,123,740
Diocesan School of Theology	-	15,833	-	15,833
Episcopal Charities Appeal	-	2,857	-	2,857
Episcopal Residence Loan	119,000	-	-	119,000
Hodges Income Account	-	11,293	-	11,293
Huston Discretionary Account, Horn Trust	-	9,173	-	9,173
Planned Giving Gifts	-	11,570	-	11,570
Ruth & Jacques Hayes Memorial Trust	-	7,627	-	7,627
Snoqualmie, St. Bernard's chapel	-	2,135	-	2,135
Total other assets held in trust for Diocese	<u>\$ 130,825</u>	<u>\$ 1,172,403</u>	<u>\$ -</u>	<u>\$ 1,303,228</u>
Primarily securities and investments held in trust for Diocese:				
Bishop Curtis Camp Scholarship	-	-	64,616	64,616
Bishop Suffragan Endowment	-	-	31,067	31,067
Canon Jessett Memorial	-	-	12,561	12,561
Centennial Project	235	-	-	235
Christenson Bequest	-	-	248,827	248,827
Clapp Trust	-	-	929,554	929,554
Clergy Emergency Fund	-	-	387,737	387,737
College Work Endowment	-	-	289,551	289,551
David Devik Memorial	-	-	9,058	9,058
Dean Search Reserve	4,682	-	-	4,682
Diocesan Working Capital Trust Fund	-	-	422,128	422,128
Emergency/Temporary Help	6,185	-	-	6,185
Episcopal Charities Appeal	-	28,164	-	28,164
Episcopal House Fund	838,050	-	-	838,050
Episcopal Search Reserve	136,684	-	-	136,684
Episcopate Endowment Fund #1	-	-	4,091,663	4,091,663
Episcopate Endowment Fund #2	2,269,654	-	-	2,269,654
Grace L. Philips Memorial Fund	453,634	-	-	453,634
Hansen Fund	-	-	3,031	3,031
Hayes Trust (Held by Wells Fargo Bank)	-	-	23,812	23,812
Hodges Endowment for Diocese	-	-	1,898,816	1,898,816
Horn Memorial for Camp Huston	-	-	1,168,126	1,168,126
Human Need Endowment	-	-	197,492	197,492
James McConnell Scholarship Fund	-	-	15,559	15,559
Jean Young Memorial	-	12,044	-	12,044
Mission Ministry Endowment	-	-	840,881	840,881
Pruden Fund	-	-	20,160	20,160
Refugee Program Reserves	-	27,474	-	27,474

S. Eston Collins Memorial Scholarship	-	-	10,067	10,067
Sophie Henry Trust	-	-	2,316,423	2,316,423
St. Andrew's House Endowment	-	42,382	-	42,382
St. Bernard's Chapel Fund: Moffett	-	-	30,149	30,149
Thanksgiving & Memorial Fund	164,998	-	-	164,998
Theological Education Fund	-	-	780,769	780,769
Total Securities and Investments held for Diocese	<u>3,874,122</u>	<u>110,064</u>	<u>13,792,047</u>	<u>17,776,233</u>
Total Net Assets	<u>\$ 4,004,947</u>	<u>\$ 1,282,467</u>	<u>\$ 13,792,047</u>	<u>\$ 19,079,461</u>

	December 31, 2007			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Other assets held in trust for Diocese:				
Campaign—unrestricted	\$ 38,509	\$ 1,111,915	\$ -	\$ 1,150,424
Diocesan School of Theology	-	17,108	-	17,108
Episcopal Charities Appeal	-	2,857	-	2,857
Episcopal Residence Loan	119,000	-	-	119,000
Hodges Income Account	-	84,523	-	84,523
Huston Discretionary Account, Horn Trust	-	3,182	-	3,182
Planned Giving Gifts	-	11,570	-	11,570
Ruth & Jacques Hayes Memorial Trust	-	7,494	-	7,494
Snoqualmie, St. Bernard's chapel	-	2,134	-	2,134
Total Cash held in trust for Diocese	<u>\$ 157,509</u>	<u>\$ 1,240,783</u>	<u>\$ -</u>	<u>\$ 1,398,292</u>
Primarily securities and investments held in trust for Diocese:				
Bishop Curtis Camp Scholarship	-	-	82,116	82,116
Bishop Suffragan Endowment	-	-	38,078	38,078
Canon Jessett Memorial	-	-	15,963	15,963
Centennial Project	287	-	-	287
Christenson Bequest	-	-	316,215	316,215
Clapp Trust	-	-	1,181,300	1,181,300
Clergy Emergency Fund	-	-	492,745	492,745
College Work Endowment	-	-	367,969	367,969
David Devik Memorial	-	-	11,511	11,511
Dean Search Reserve	5,738	-	-	5,738
Diocesan Working Capital Trust Fund	-	-	517,385	517,385
Emergency/Temporary Help	6,185	-	-	6,185
Episcopal Charities Appeal	-	34,519	-	34,519
Episcopal House Fund	870,707	-	-	870,707
Episcopal Search Reserve	100,973	-	-	100,973
Episcopate Endowment Fund #1	-	-	5,199,786	5,199,786
Episcopate Endowment Fund #2	2,748,920	-	-	2,748,920
Grace L. Philips Memorial Fund	668,395	-	-	668,395
Hansen Fund	-	-	3,715	3,715
Hayes Trust (Held by Wells Fargo Bank)	-	-	36,404	36,404
Hodges Endowment for Diocese	-	-	2,413,062	2,413,062
Horn Memorial for Camp Huston	-	-	1,484,484	1,484,484
Human Need Endowment	-	-	252,109	252,109
James McConnell Scholarship Fund	-	-	19,773	19,773
Jean Young Memorial	-	14,763	-	14,763
Mission Ministry Endowment	-	-	1,057,396	1,057,369
Pruden Fund	-	-	25,620	25,620
Refugee Program Reserves	-	33,674	-	33,674
S. Eston Collins Memorial Scholarship	-	-	12,339	12,339
Sophie Henry Trust	-	-	2,943,768	2,943,768
St. Andrew's House Endowment	-	45,298	-	45,298
St. Bernard's Chapel Fund: Moffett	-	-	38,314	38,314
Thanksgiving & Memorial Fund	111,227	-	-	111,227
Theological Education Fund	-	-	992,220	992,220
Total Securities and Investments for Diocese	<u>4,512,432</u>	<u>128,254</u>	<u>17,502,272</u>	<u>22,142,958</u>
Total Net Assets	<u>\$ 4,669,941</u>	<u>\$ 1,369,037</u>	<u>\$ 17,502,272</u>	<u>\$ 23,541,250</u>

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**Diocese of Olympia, Inc. – Building Loan Fund, Mission Development Fund and Real Estate Fund December 31, 2008**

Independent Auditor's Report, Diocese of Olympia, Inc., Building Loan Fund, Mission Development Fund and Real Estate Fund, Seattle, WA 98102

We have audited the statement of financial position—Episcopal Church basis of the Diocese of Olympia, Inc.—Building Loan Fund, Mission Development Fund and Real Estate Fund as of December 31, 2008 and 2007, and the related statements of activities—Episcopal Church basis and cash flows—Episcopal Church basis for the years then ended. These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audit in accordance with auditing standards generally accepted in the United States. 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. As described in Note 1, the financial statements are being presented in accordance with accounting principles authorized by the General Convention of the Episcopal Church which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States. In our opinion, the financial statements referred to above present fairly in all material respects, the net assets of Diocese of Olympia, Inc.—Building Loan Fund, Mission Development Fund and Real Estate Fund as of December 31, 2008 and 2007, and the changes in net assets and its cash flows for the year then ended, in accordance with the principles authorized by the General Convention of the Episcopal Church as described in Note 1. Peterson Sullivan, PLLC, July 10, 2009

**Diocese of Olympia—Building Loan Fund, Mission Development Fund and Real Estate Fund  
Statements of Financial Position—Episcopal Church Basis  
December 31, 2008 and 2007**

ASSETS:	<u>2008</u>	<u>2007</u>
Cash and cash equivalents	\$ 453,651	\$ 1,188,086
Certificates of deposit	382,000	-
Receivables:		
Parish loans receivable	664,703	559,112
Interest receivable, net	<u>141,401</u>	<u>119,699</u>
Total Receivables	806,104	678,811
PROPERTY:		
Real Estate	<u>23,047,703</u>	<u>22,264,819</u>
TOTAL ASSETS	<u>\$ 24,689,458</u>	<u>\$ 24,131,716</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Related party loans	\$ 1,028,829	\$ 1,067,121
Loans—unrelated parties	<u>670,604</u>	<u>704,993</u>
Total Liabilities	1,699,433	1,772,114
UNRESTRICTED NET ASSETS	<u>22,990,025</u>	<u>22,359,602</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 24,689,458</u>	<u>\$ 24,131,716</u>

**Diocese of Olympia—Building Loan Fund, Mission Development Fund and Real Estate Fund  
Statements of Activities—Episcopal Church Basis  
For the Years ended December 31, 2008 and 2007**

	<u>2008</u>	<u>2007</u>
Support and Revenue		
Interest (building loans)	\$ 106,173	\$ 138,206
Interest (Bolling loans)	8,157	8,179
Bank interest	24,680	44,322
Bequest	200,000	-
Contributions	327,602	150,116
Contributed loan payments and other	<u>34,389</u>	<u>95,551</u>
Total support and revenue	701,001	436,374
Expenses		
Corporate/canonically required	3,823	8,396
Grant expense	58,604	-
Abandonment of real estate	-	43,400
Bad debt expense	<u>8,151</u>	<u>195,465</u>
Total expenses	<u>70,578</u>	<u>247,261</u>
Change in unrestricted net assets	<b>630,423</b>	<b>189,113</b>
Unrestricted net assets, beginning of year	<u>22,359,602</u>	<u>22,170,489</u>
Unrestricted net assets, end of year	<u>\$ 22,990,025</u>	<u>\$ 22,359,602</u>

**Diocese of Olympia—Building Loan Fund, Mission Development Fund and Real Estate Fund**  
**Statements of Cash Flows—Episcopal Church Basis**  
**For the Years Ended December 31, 2008 and 2007**

	<u>2008</u>	<u>2007</u>
Cash flows from operating activities:		
Change in net assets	\$ 630,423	\$ 189,113
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Increase in allowance for doubtful accounts	8,151	195,465
Abandonment of real estate	-	43,400
Contributed loan payments and real estate	(72,681)	(184,843)
Increase in interest receivable	<u>(29,853)</u>	<u>(33,585)</u>
Net cash flow from operating activities	536,040	209,550
Cash flows from investing activities:		
Parish loan collections (advances)	(105,591)	97,896
Purchases of certificates of deposit	(382,000)	-
Purchases of real estate	<u>(782,884)</u>	<u>(47,219)</u>
Net cash flows from investing activities	(1,270,475)	50,677
Cash flows from financing activities:		
Payments on loans – unrelated parties	-	(4,160)
Net increase in cash and cash equivalents	(734,435)	256,067
Cash and cash equivalents, beginning of year	<u>1,188,086</u>	<u>932,019</u>
Cash and cash equivalents, end of year	<u>\$ 453,651</u>	<u>\$ 1,188,086</u>

**Notes to Financial Statements**

**Note 1—Organization and Significant Accounting Policies**

The Diocese of Olympia, Inc. ("the Diocese") is a Diocese of the Domestic and Foreign Missionary Society of the Protestant Episcopal Church in the United States of America ("the Episcopal Church"). The Diocese includes Episcopal churches in Western Washington. The Diocese of Olympia, Inc. – Building Loan Fund, Mission Development and Real Estate Funds ("the Funds") contains the mission sites, building loans, and real estate of the Diocese. **The Building Loan Fund ("the BLF")** was established in 1949 to make loans to churches to assist in financing new building projects and to make loans for small building repair and improvement projects. Repayment terms vary and remaining maturities range from 1 to 18 years. Effective January 1, 1993, the Board of Directors adopted a policy of annual changes in the interest rate charged to Diocesan institutions. The rate is set annually at the One-Year Treasury Constant Maturities Index rounded up to the eighth of a point plus 3% for parishes and 1.5% for missions. For 2008, the rates were set at 3.4% for parishes and 1.9% for missions. In addition, a 2% cap on interest increases per year was adopted. Loans on interest waiver are shown at undiscounted value. Because of the anticipated need for funds in the future, the BLF adopted, on January 21, 1993, an interest rate incentive program to encourage faster principal repayment. In exchange for each year of loan term reduction the BLF will reduce the interest rate on the loan by 4/10 of 1%. In addition, there are other limitations imposed on this voluntary program. In September 2007, the Board of Directors authorized that the Bolling Trust Fund be designated for emergency repairs and other small projects totaling \$100,000 or less. These loans are to be generally repaid within seven year. **The Mission Development Fund ("the MDF")** was set up to purchase properties in areas where growth would necessitate the establishment of a new congregation. Advances made by the MDF are generally exempt from interest and current principal repayment even after congregations have been organized. **The Real Estate Fund** holds the land and buildings owned by the Diocese. The value of a mission congregation's property is shown as a diocesan asset until the mission becomes a parish. Generally, in Washington State, real property used for the church's exempt purposes is exempt from real estate taxes. **Other Funds** The Diocese also has other groupings known as Trust Accounts and the James F. Hodges Diocesan Investment Fund which are reported separately. Also, the Diocese of Olympia – Operating Fund is reported separately. The Operating Fund contains the operating budget, restricted income, designated and grant funds of the Diocese of Olympia. The Operating Fund is an unincorporated association. **Basis of Accounting** These financial statements are prepared on the accrual basis of accounting and have been prepared in accordance with principles authorized by the General Convention of the Episcopal Church in the January 1, 2000, revision of the *Manual of Business Methods in Church Affairs*. The Episcopal Church has adopted Statement of Financial Accounting Standards ("SFAS") 117 which requires net assets to be shown as unrestricted, temporarily restricted or permanently restricted. The January 1, 1995, revised accounting principles of the Episcopal Church require capitalizing of furniture, fixtures and equipment. They also state that depreciation is optional. Previously, all fixtures and equipment were expensed. The Diocese does not capitalize any furniture or fixtures purchased by mission congregations. The Diocese has elected not to depreciate its assets. Real estate is to be carried at historical cost or fair market value at date of donation. Because the January 1, 1995, revised accounting manual dropped the use of fair value accounting, the Diocese has reconstructed cost on its properties. Estimates were used in many cases, as precise records were not available. When a mission becomes a parish, the value of its real estate and any related loans are removed from the Real Estate Fund. No missions became parishes in 2008 or 2007. For mission of the Diocese, Diocesan policy is that all construction payments are made by the BLF and then reimbursed by the congregation. These expenditures are not reflected in the financial statements except to the extent that amounts advanced have not been reimbursed, or cash held has not been expended. Property reflected on the statement of financial position is categorized as follows:

	2008	2007
Land	\$ 2,880,975	\$ 2,880,972
Buildings/improvements	<u>20,166,731</u>	<u>19,383,847</u>
Total	<u>\$ 23,047,703</u>	<u>\$ 22,264,819</u>

**Financial Statement Presentation** The Funds report information regarding their financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Contributions that are received are recorded as unrestricted,



temporarily restricted or permanently restricted, depending on the existence and/or nature of any donor restrictions. The Funds have no temporarily or permanently restricted net assets, so these classes of assets are not presented. Contributions, investment income, and gains restricted by donors are reported as increases in unrestricted net assets if restrictions are met in the reporting period in which the income and gains are recognized. **Estimates** The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. **Fair Value Measurements** Fair value is a market-based measurement determined based on assumptions that market participants would use in pricing an asset or liability. There are three levels, which prioritizes the inputs used in measuring fair value as follows:

- Level 1: Observable market inputs such as quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Observable market inputs, other than the quoted prices in active markets, that are observable either directly or indirectly; and
- Level 3: Unobservable inputs where there is little or no market data, which require the reporting entity to develop its own assumptions.

The Diocese reports its certificates of deposit (discussed below) at fair value. **Reclassification** Certain amounts from the prior year have been reclassified in order to conform to the current year presentation. **Cash and Cash Equivalents** For purpose of the statements of cash flows, the Diocese considers all highly liquid instruments purchased with a maturity of three months or less, to be cash equivalents. The Diocese regularly has cash in excess of federally insured limits with its bank. **Certificates of Deposit** The Diocese holds four certificates of deposit at December 31, 2008. The certificates of deposit have original maturities exceeding three months. The certificates of deposit have a carrying value that approximates fair value and are valued using Level 1 inputs. **Loans Receivable** Receivables are stated at the amount management expects to collect from outstanding balances. The Funds use the allowance method for recognizing bad debts. When an account is deemed uncollectible, it is generally written off against the allowance. The bad debt allowance at December 31, 2008, was \$155,515 for loans receivable and \$48,100 for interest receivable. The bad debt allowance at December 31, 2007, was \$155,515 for loans receivable and \$39,950 for interest receivable. Interest receivable has been accrued to December 31, 2008 and 2007. At the Board's discretion, in some instances, interest is not charged on construction loans. **Related Party Loans** The Funds have not imputed interest on related party loans as the terms are generally undefined, the imputed interest would not be material and the amounts are payable to another fund of the Diocese. **Taxes** The Diocese is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code.

## Note 2—Loans Receivable

Loans receivable consist of the following:

	<u>2008</u>	<u>2007</u>
<b>Parishes</b>		
Anacortes, Christ Church	\$ 75,000	\$ -
Auburn, St. Matthew's	155,515	155,515
Kent, St. James	22,001	30,055
Redmond, Holy Cross	99,314	115,581
Seattle, St. John	139,874	161,601
Seattle, St. John	130,000	-
Shelton, St. David	47,656	89,435
Vancouver, Good Shepherd	119,504	120,492
Vancouver, Good Shepherd	<u>31,354</u>	<u>41,948</u>
	820,218	714,627
Less allowance for doubtful loans	<u>(155,515)</u>	<u>(155,515)</u>
	<u>\$ 664,703</u>	<u>\$ 559,112</u>

As missions are part of the Diocese (and are part of the Funds), the mission receivables do not appear in these financial statements (as they have been eliminated).

## Missions

Allyn, St. Hugh's	\$ 31,552	\$ 46,777
Bainbridge Island, Grace	-	224,499
Cathlamet, St. James'	121,119	96,704
Des Moines, St. Columba's	938,715	938,665
Lacey, St. Benedict's	22,652	42,475
Meadowdale, St. Hilda's – St. Patrick's	442,529	442,529
Monroe, Our Savior	10,666	16,985
Redmond, Good Samaritan	570,352	570,352
Redmond, Good Samaritan	817,813	-
Seaview, St. Peter	-	1,861
Snoqualmie, St. Clare's	50,233	55,434
Steilacoom, St. Jos/St. John	74,319	79,154
Vancouver, All Saints	<u>267,743</u>	<u>270,526</u>
	<u>\$ 3,347,693</u>	<u>\$ 2,785,961</u>

## Note 3—Combination:

As previously stated, inter-entity loans are eliminated in combination. Loans eliminated can be summarized as follows:

	<u>2008</u>	<u>2007</u>
BLF to Real Estate fund	\$ 3,347,693	\$ 2,785,961
MDF to Real Estate fund	<u>516,828</u>	<u>700,176</u>
	<u>\$ 3,864,521</u>	<u>\$ 3,486,137</u>

## Note 4—Related Party Loans:

As described in Note 1, the Trust Accounts are other Diocese funds that are not included in the financial statements. The Trust Accounts have made loans to the Funds as follows:

Loan to	Comment/Payment/Maturity	Rate	2008 Total	2007 Total
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DIF	Diocesan house roof loan \$4,480.50/quarter from Hodges income	5%	\$ 12,008	\$ 30,412
Cathlamet	No maturity date set	0%	150,000	150,000
St. Columba's	Land at St. Columba's. No maturity date set	0%	318,847	318,847
Des Moines				
DIF	Repaid \$10,000/quarter.	0%	3,974	23,862
Battle Ground	15 year amortization at BLF mission rate due 2017	5.5%	69,000	69,000
St. Hilda/St. Patrick	On interest waiver, then 15 year amortization at BLF mission rate	0%	475,000	475,000
			<u>\$ 1,028,829</u>	<u>\$ 1,067,121</u>

No interest expense is recorded by the Funds as the amounts are paid and expensed by other related entities or funds.

**Note 5—Loans Payable:**

	<u>2008</u>	<u>2007</u>
Loan from a Bank that funded the construction of the Cathlamet St. James Family Center. Payments due in monthly installments of \$2,034 including interest at 6.0% secured by real property and a certificate of deposit held at the Trust Accounts. Due in full June 2010.	\$ 314,604	\$ 318,993
Battle Ground Bond Loans bearing interest from 6.375% to 6.5%. Due in annual installments of \$15,000 to \$27,000 plus interest, secured by real property. Due in full in 2014.	141,000	156,000
Grace Church Bond Loans bearing interest from 4.5% to 5.75%. Due in annual installments of \$15,000 to \$40,000 plus interest, unsecured. Due in full in 2013.	<u>215,000</u>	<u>230,000</u>
	<u>\$ 670,604</u>	<u>\$ 704,993</u>

The schedule of debt maturity is as follows at December 31:

Year Ended	Bank Loan	Battle Ground Holy Spirit	Bainbridge Grace	Total
2009	5,314	19,000	10,000	34,314
2010	309,290	20,000	40,000	369,290
2011		19,000	20,000	39,000
2012		20,000	15,000	35,000
2013		27,000	130,000	157,000
Thereafter	=	<u>36,000</u>	=	<u>36,000</u>
Total	<u>\$ 314,604</u>	<u>\$ 141,000</u>	<u>\$ 215,000</u>	<u>\$ 670,604</u>

**Note 6—Contingencies and Commitments:**

**Contingencies** No liabilities that relate to the mission congregations of the Diocese are reflected. The Diocese could be held to be a responsible party until a mission becomes a parish. Property insurance on structures does not include earthquake insurance. **Commitments** At December 31, 2008, the Diocese had a commitment to purchase a piece of property in Anacortes, Washington, with a purchase price of \$365,492. The Diocese expects to borrow \$250,000 from external sources as part of this purchase.

**Diocese of Olympia, Inc. – The James F. Hodges Diocesan Investment Fund December 31, 2008**

Independent Auditor's Report, Diocese of Olympia, Inc., The James F. Hodges Diocesan Investment Fund

We have audited the statement of assets and liabilities of the Diocese of Olympia, Inc. – The James F. Hodges Diocesan Investment Fund at December 31, 2008 and 2007, and the related statements of operations and changes in net assets for the years then ended. These financial statements are the responsibility of the diocesan management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. 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 net assets of Diocese of Olympia, Inc. – The James F. Hodges Diocesan Investment Fund as of December 31, 2008 and 2007, and the changes in its net assets for the years then ended, in conformity with the accounting principles generally accepted in the United States. Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule of Investments as of December 31, 2008 and 2007, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. March 18, 2009

**Diocese of Olympia, Inc.—The James F. Hodges Diocesan Investment Fund  
Statements of Assets and Liabilities  
December 31, 2008 and 2007**

	<u>2008</u>	<u>2007</u>
ASSETS:		
Investment income receivable	139,270	232,791

Investments (at market value):		
Equity securities	22,811,504	31,317,904
Bonds, notes and other	11,319,841	12,537,544
Cash equivalents	<u>2,990,015</u>	<u>2,859,076</u>
Total Investments	<u>37,121,360</u>	<u>46,714,524</u>
Total Assets	<u>37,260,630</u>	<u>46,947,315</u>
LIABILITIES:		
Distributions payable	<u>197,966</u>	<u>202,078</u>
NET ASSETS	<u>\$ 37,062,664</u>	<u>\$ 46,745,237</u>

**Diocese of Olympia, Inc.—The James F. Hodges Diocesan Investment Fund**  
**Statements of Operations**  
**December 31, 2008 and 2007**

	2008	2007
Investment Income:		
Dividends and interest	\$ 1,525,780	\$ 1,628,664
Securities lending income	<u>66,733</u>	<u>21,613</u>
Total Investment Income	<u>1,592,513</u>	<u>1,650,277</u>
Expenses:		
Agency fee	31,487	25,954
Accounting fee	5,000	5,560
Audit	6,000	4,000
Board miscellaneous expense	1,170	1,578
Printing and postage	<u>423</u>	<u>563</u>
Total Expenses	<u>44,080</u>	<u>37,655</u>
Excess investment income over expenses	<u>1,548,433</u>	<u>1,612,622</u>
Realized Gain and Unrealized Appreciation on Investments:		
Net investment gain realized	809,110	225,617
Net unrealized change on investments	<u>(10,830,959)</u>	<u>1,478,628</u>
Net gain (loss) on Investments	<u>(10,021,849)</u>	<u>1,704,245</u>
Change in Net Assets Resulting from Operations	<u>\$ (8,473,416)</u>	<u>\$ 3,316,867</u>

**Diocese of Olympia, Inc.—The James F. Hodges Diocesan Investment Fund**  
**Statements of Changes in Net Assets**  
**December 31, 2008 and 2007**

	2008	2007
Change in net assets resulting from operations	(8,473,416)	3,316,867
Distributions Paid to Shareholders:	(1,568,504)	(1,612,622)
Capital Share Transactions:		
Proceeds from shareholder purchases and dividends reinvested	1,748,306	2,120,766
Shareholder redemptions	<u>(1,388,959)</u>	<u>(1,873,162)</u>
Increase in net assets resulting from capital share transactions	<u>359,347</u>	<u>247,604</u>
Total increase (decrease) in net assets	(9,682,573)	1,951,849
Net Assets – beginning of year	<u>46,745,237</u>	<u>44,793,388</u>
Net Assets – end of year	<u>\$ 37,062,664</u>	<u>\$ 46,745,237</u>

**Diocese of Olympia, Inc.—The James F. Hodges Diocesan Investment Fund**  
**Schedule of Investments**  
**December 31, 2008**

Stocks	Number of Shares	Market Value
Air Products and Chemicals, Inc.	7,300	\$ 366,971
Apple Inc.	2,000	170,700
Automatic Data Processing	8,500	334,390
Avery Dennison Corp	10,000	327,300
BankAmerica Corp	24,749	348,466
Becton Dickinson & Co	6,000	410,340
Berkshire Hathaway Inc Class B	150	482,100

Boeing Company	10,000	426,700
Chevron Corp	13,200	976,404
Cisco Systems Inc.	23,500	383,050
Citigroup	16,000	107,360
Conagra Foods, Inc.	24,500	404,250
Costco Wholesale Inc.	17,000	892,500
Eli Lilly & Co	5,700	229,539
Emerson Electric	15,800	578,438
Enterprise Products Partners LP	10,400	215,592
Exxon Mobil Corp	13,222	1,055,512
General Dynamics Corp	7,400	426,166
General Electric	25,400	411,480
Google, Inc.	525	161,516
Hospitality Properties	13,400	199,258
Intel Corp	16,300	238,958
International Business Machines	7,100	597,536
Johnson & Johnson	11,200	670,096
Johnson Controls Inc.	27,000	490,320
JPMorgan Chase & Co	15,000	472,950
Mack Cali Realty Corp	15,000	367,500
McGraw-Hill Cos Inc.	8,000	185,520
Medtronic Inc	10,000	314,200
Microsoft	26,000	505,440
Nationwide Health Properties Inc	20,000	574,400
Novartis	8,600	427,936
Paccar, Inc.	24,750	707,850
Pfizer Inc	23,800	421,498
Procter & Gamble Co	10,000	618,200
Southern Co	20,000	740,000
Staples Inc	32,250	577,920
Sysco Corp	18,500	424,390
Tsakos Energy Navigation Ltd	22,000	403,040
United Technologies	13,000	696,800
Vanguard Developed Mkts Index	276,436	2,078,801
V F Corporation	5,800	317,666
Verizon Communications Inc	23,000	779,700
Wells Fargo & Co	10,000	294,800
Wyeth	15,100	566,401
3M Co	7,500	431,550
TOTAL EQUITY SECURITIES		<u>\$ 22,811,504</u>

BONDS, NOTES AND OTHER	Rate of Interest	Maturity	Face Value	Market Value
Federal Farm Credit Bank Debenture	4.100	5/15/13	\$ 1,000,000	\$ 1,009,060
Federal Farm Credit Bank Debenture	5.150	6/5/15	1,000,000	1,014,060
Federal Home Loan Bank Debenture	6.250	6/12/15	1,000,000	1,107,190
U.S. Treasury Inflation Protected Securities	2.000	1/15/14	586,240	555,462
U.S. Treasury Inflation Protected Securities	3.375	1/15/12	1,220,090	1,206,937
U.S. Treasury Inflation Protected Securities	3.875	1/15/09	2,268,157	2,250,624
U.S. Treasury Notes	5.500	5/15/09	900,000	917,577
U.S. Treasury Notes	4.125	8/15/10	1,500,000	1,588,891
U.S. Treasury Notes	5.000	8/15/11	1,500,000	1,670,040
Total Bonds, Notes and Other				<u>\$ 11,319,841</u>
<u>CASH EQUIVALENTS</u>				
First America Prime Obligation Fund	Variable	n/a	\$ 2,990,015	\$ 2,990,015
Total Cash Equivalents				<u>\$ 2,990,015</u>

**Diocese of Olympia, Inc.—The James F. Hodges Diocesan Investment Fund**  
**Schedule of Investments**  
**December 31, 2007**

Stocks	Number of Shares	Market Value
Apple Inc.	2,000	\$ 396,160
Automatic Data Processing	8,500	378,505
Avery Dennison Corp	10,000	531,400
BankAmerica Corp	24,749	1,021,144
Becton Dickinson & Co	6,000	501,480
Chevron Corp	15,900	1,483,947
Cisco Systems Inc.	23,500	636,145
Citigroup	16,000	471,040
Conagra Foods, Inc.	24,500	582,855
Costco Wholesale Inc.	17,000	1,185,920
Eli Lilly & Co	5,700	304,323
Emerson Electric	15,800	895,228
Exxon Mobil Corp	13,222	1,238,769
General Dynamics Corp	7,400	658,526
General Electric	25,400	941,578
Google, Inc.	419	289,730
Honeywell Int'l Inc	12,700	781,939
Intel Corp	16,300	434,558
International Business Machines	7,100	767,510
Johnson & Johnson	11,200	747,040
Johnson Controls Inc.	27,000	973,080
JPMorgan Chase & Co	15,000	654,750
Mack Cali Realty Corp	15,000	510,000
McGraw-Hill Cos Inc.	8,000	350,480
Medtronic Inc	10,000	502,700
Microsoft	26,000	925,600
Nationwide Health Properties Inc	20,000	627,400
Novartis	8,600	467,066
Paccar, Inc.	24,750	1,348,380
Pfizer Inc	13,800	313,674
Procter & Gamble Co	10,000	734,200
Safeco Corp	16,300	907,584
Southern Co	20,000	775,000
Staples Inc	32,250	744,008
Sysco Corp	18,500	577,385
Tsakos Energy Navigation Ltd	14,000	518,420
United Technologies	13,000	995,020
Vanguard Developed Mkts Index	187,098	2,538,921
Verizon Communications Inc	23,000	1,004,870
Wells Fargo & Co	10,000	301,900
Wyeth	15,100	667,269
3M Co	7,500	632,400
<b>TOTAL STOCKS</b>		<b>\$ 31,317,904</b>

BONDS, NOTES, AND OTHER	Rate of Interest	Maturity	Face Value	Market Value
Federal Home Loan Bank Debenture	5.050	11/19/12	1,000,000	\$ 1,009,060
Federal Home Loan Mortgage Corporation Medium Term Note	5.340	03/11/10	650,000	651,671
Federal National Mortgage Association Medium Term Note	5.500	05/29/12	1,000,000	1,004,380
U.S. Treasury Bonds	12.000	08/15/13	1,250,000	1,315,037
U.S. Treasury Inflation Protected Securities	2.000	01/15/14	565,345	583,939
U.S. Treasury Inflation Protected Securities	3.875	01/15/09	2,187,303	2,251,894
U.S. Treasury Notes	5.500	05/15/09	900,000	929,250
U.S. Treasury Notes	5.625	05/15/08	1,650,000	1,663,283

U.S. Treasury Notes	4.125	08/15/10	1,500,000	1,539,960
U.S. Treasury Notes	5.000	08/15/11	1,500,000	1,589,070
Total Bonds, Notes and Other				<u>\$ 12,537,544</u>
<b>CASH EQUIVALENTS</b>				
First America Prime Obligation Fund	Variable	n/a	\$ 2,859,076	<u>\$ 2,859,076</u>
Total Cash Equivalents				<u>\$ 2,859,076</u>

### Notes to Financial Statements

#### Note 1—General:

The James F. Hodges Diocesan Investment Fund ("the Fund") was organized in 1951 as an investment pool for the endowments of the Diocese of Olympia, Inc. ("the Diocese"), its parishes, missions, and related institutions. The Fund's current name was adopted in 1987. The Fund's investment strategy is to balance the need for current income and growth in asset value to offset inflation by investing in a mixture of equity and debt securities. The securities are currently held by US Bank. The Diocesan Investment Committee makes investment decisions. The funds are not federally insured. The Diocese has funds other than the Fund which are called the Trust Funds and the Building Loan, Mission Development and Real Estate Fund. These funds are included in separate financial statements.

#### Note 2—Basis of Accounting:

These financial statements present only a selected portion of the activities of the Diocese. As such, they are not intended to and do not present either the financial position, results of operations, or changes in net assets of the Diocese. The financial statements are prepared on a basis of accounting that is in accordance with accounting principles and reporting practices for Episcopal Church dioceses. These principles do not specify the method of accounting for this type of fund. Therefore, the Fund follows the accounting policies of an investment pool, in accordance with accounting principles generally accepted in the United States. Securities are valued at fair value based on closing sales prices reported on recognized securities exchanges on the last business day of the year (see Note 3). Securities transactions are accounted for on a trade-date basis. Realized gains and losses from securities transactions are reported on a specific identification basis. The fund distributes net cash investment income to shareholders monthly, but net capital gains are reinvested. Shareholders may reinvest dividends, purchase or redeem shares on a monthly basis only. No provision is made for income taxes as the Diocese is exempt from taxation. Requests for purchases and redemptions are administered by the Diocesan office, which collects funds for purchase in the current month and then remits funds to US Bank in the subsequent month. Shares are purchased at the net asset value at the beginning of the month when US Bank receives the funds. At December 31, 2008 and 2007, the Diocese held \$66,370 and \$99,837 in funds for purchase in January 2009 and 2008, respectively. These amounts are not included in the financial statements until funds are purchased. They are included in the financial statements of the Diocese.

#### Note 3—Fair Value Measurement:

Fair value is defined as an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. Accounting literature defines three fair value levels which prioritizes the inputs used in measuring fair value as follows:

- Level 1: Observable market inputs such as quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Observable market inputs, other than the quoted prices in active markets, that are observable either directly or indirectly; and
- Level 3: Unobservable inputs where there is little or no market data, which require the reporting entity to develop its own assumptions.

The fair value of all investments was determined using Level 1 observable inputs, within the above fair market hierarchy using quoted market rates.

#### Note 4—Unrealized Appreciation (Depreciation):

Unrealized appreciation (depreciation) on investments was as follows at December 31, 2008:

	Cost	Market	Unrealized Appreciation (Depreciation)
Equity securities	\$ 22,711,294	\$ 22,811,504	\$ 100,210
Bonds, notes and other	10,818,220	11,319,841	501,621
Cash equivalents	<u>2,990,015</u>	<u>2,990,015</u>	-
	<u>\$ 36,519,529</u>	<u>\$ 37,121,360</u>	<u>\$ 601,831</u>

Unrealized appreciation (depreciation) on investments was as follows at December 31, 2007:

	Cost	Market	Unrealized Appreciation (Depreciation)
Equity securities	\$ 19,775,771	\$ 31,317,904	\$ 11,542,133
Bonds, notes and other	12,646,887	12,537,544	(109,343)
Cash equivalents	<u>2,859,076</u>	<u>2,859,076</u>	-
	<u>\$ 35,281,734</u>	<u>\$ 46,714,524</u>	<u>\$ 11,432,790</u>

#### Note 5—Shareholders:

The Fund's investment pool activities is as follows:

	Number of Shares	Per Share Value
Shares outstanding December 31, 2006	254,844.290	
Shares purchased and dividends reinvested	11,694.629	
Shares redeemed	<u>(10,561.465)</u>	
Shares outstanding December 31, 2007	255,977.454	\$ 182.614
Shares purchased and dividends reinvested	8,147.761	
Shares redeemed	<u>(8,204.261)</u>	

Shares outstanding December 31, 2008

255,920.954

\$ 144.821

**Note 6—Related Party Transaction:**

The Fund is charged \$5,000 per year for the common expenses paid by the Diocese.

**Note 7—Investment Policy – Tobacco Stocks:**

In accordance with investment policy recommended by the Executive Council of the Episcopal Church, the Fund has divested itself of all securities issued by companies that manufacture and distribute tobacco products.

# Vital Statistics—Data Year 2008

Year in parentheses is last year of filing if a report was not filed in 2008

	Active Members	Communicants in Good Standing	Others	Average Sunday Attendance	Sunday Eucharists	BAPTISMS 16 yrs and Older	Under 16 years	Confirmed or Rec'd
Aberdeen, St. Andrew	367	369	2	135	108	5	7	22
Allyn, St. Hugh of Lincoln	100	100	0	51	51	0	1	0
Anacortes, Christ Church	113	113	0	54	55	0	1	5
Auburn, St. Matthew	241	236	27	86	118	0	8	0
Bainbridge Island, Grace Church	1,110	0	0	241	108	1	5	0
Bainbridge Island, St. Barnabas	567	555	65	135	52	1	5	3
Battle Ground, Holy Spirit	104	95	6	56	52	1	5	0
Bellevue, All Saints	139	64	0	26	48	0	0	1
Bellevue, Holy Apostles	77	48	4	35	0	0	0	8
Bellevue, Resurrection	172	172	27	79	101	2	0	1
Bellevue, St. Margaret	717	664	42	234	143	0	16	5
Bellingham, St. Paul	1,131	1,131	0	305	156	4	22	0
Blaine, Christ Church	44	37	1	32	44	1	4	2
Bremerton, St. Paul	316	252	0	98	131	0	7	6
Burien, St. Elizabeth	196	196	5	55	103	1	2	0
Camano Island, St. Aidan	218	218	0	120	84	0	3	8
Castle Rock, St. Matthew	55	45	1	13	49	0	0	3
Cathlamet, St. James	41	39	5	20	51	0	1	0
Chehalis, St. Timothy	161	161	8	61	103	0	1	0
Darrington, Transfiguration (2004)	0	0	0	0	0	0	0	0
Eastsound/Orcas, Emmanuel	180	152	12	95	86	0	1	0
Edmonds, St. Alban	217	184	3	96	105	1	6	0
Edmonds, St. Hilda-St. Patrick	212	212	0	85	123	0	7	0
Elma, St. Luke (2007)	46	0	0	0	0	0	0	0
Everett, Trinity Church	413	371	104	194	151	2	10	13
Federal Way, Good Shepherd	163	131	7	88	101	0	3	6
Freeland, St. Augustine in-the-Woods	164	192	49	137	122	0	2	0
Friday Harbor, St. David	115	107	32	62	99	0	4	0
Gig Harbor, St. John	648	523	10	156	114	2	12	16
Hoodspoint, St. Germain	0	0	0	0	0	0	0	0
Issaquah, St. Michael & All Angels	336	336	11	113	101	0	1	0
Kenmore, Redeemer	680	377	30	121	101	0	2	5
Kent, St. Columba	116	116	15	71	95	2	0	0
Kent, St. James	823	609	14	184	105	1	13	0
Kingston, Faith Church	68	56	12	26	51	0	1	0
Kirkland, St. John	712	596	0	255	104	0	7	7
Lacey, St. Benedict	319	289	9	129	102	1	0	5
Lakewood, St. Joseph-St. John	58	58	3	37	56	0	0	0
Lakewood, St. Mary	634	275	24	244	104	3	5	0
Longview, St. Stephen	442	424	5	123	107	0	2	8
Lopez Island, Grace Church	158	158	0	55	52	0	3	0
Maple Valley, St. George	144	144	0	0	0	1	3	5
Marysville, St. Philip	121	121	0	43	53	2	0	0
Medina, St. Thomas	2,291	0	0	317	125	1	17	0
Mercer Island, Emmanuel	668	391	3	161	156	0	5	1
Monroe, Our Saviour	33	33	0	22	39	0	0	0
Montesano, St. Mark	38	20	2	16	0	0	0	0
Mount Vernon, St. Paul	109	109	3	76	76	0	0	1
Oak Harbor, St. Stephen Episcopal	28	28	17	34	86	0	2	0
Olympia, St. Christopher	218	200	6	72	130	0	1	5
	Active	Communicants in Good		Average Sunday	Sunday	BAPTISMS 16 yrs	Under 16	Confirmed



	Members	Standing	Others	Attendance	Eucharists	and Older	years	or Rec'd
Olympia, St. John	905	890	50	299	154	3	13	0
Port Angeles, St. Andrew	229	223	0	91	199	1	1	5
Port Orchard, St. Bede	184	184	39	104	143	1	0	0
Port Townsend, St. Paul	299	280	10	98	106	0	2	0
Puyallup, Christ Church	341	341	0	131	181	0	3	0
Redmond, Holy Cross	722	490	47	197	0	1	8	0
Renton, St. Luke	164	110	19	76	87	0	4	0
Sammamish, Good Samaritan	381	368	10	104	110	1	7	0
Seattle, All Saints	61	59	2	32	52	1	0	0
Seattle, Ascension	286	271	13	102	99	0	0	3
Seattle, Christ Church	393	249	32	128	152	0	0	7
Seattle, Church of the Apostles	0	0	0	0	0	0	0	0
Seattle, Epiphany Parish	600	528	0	113	0	0	13	4
Seattle, St. Andrew	634	540	4	241	163	1	10	23
Seattle, St. Clement	308	0	0	63	56	0	9	1
Seattle, St. George (2007)	83	0	0	0	0	0	0	0
Seattle, St. John the Baptist	380	380	27	141	106	3	5	7
Seattle, St. Luke	129	129	0	80	84	1	1	0
Seattle, St. Mark's Cathedral	2,466	1,237	210	497	220	4	12	18
Seattle, St. Paul	247	324	61	166	102	1	4	19
Seattle, St. Peter	224	58	1	44	53	0	0	0
Seattle, St. Stephen	811	697	0	178	101	0	9	0
Seattle, Trinity Church	374	366	30	124	103	1	4	1
Seaview, St. Peter	42	37	0	26	51	0	1	0
Sedro-Woolley, St. James	56	56	0	24	51	0	0	0
Sequim, St. Luke	259	259	0	149	0	0	4	0
Shelton, St. David of Wales	254	211	3	48	95	0	2	0
Shoreline, St. David Emmanuel	60	49	2	31	97	1	1	0
Shoreline, St. Dunstan	247	246	22	102	100	2	2	8
Silverdale, St. Antony of Egypt	167	156	0	86	102	1	1	0
Snohomish, St. John	272	232	24	109	103	4	2	11
Snoqualmie, St. Clare of Assisi	76	76	7	38	52	0	5	3
South Bend, St. John	48	30	2	15	0	2	1	0
Tacoma, All Saints	100	100	18	62	102	0	1	0
Tacoma, Christ Church	211	192	0	103	112	0	2	7
Tacoma, Holy Family of Jesus	7	6	42	29	51	0	0	0
Tacoma, St. Andrew	206	197	16	109	105	0	1	1
Tacoma, St. Luke	488	389	0	188	102	3	18	25
Tacoma, St. Matthew	428	376	27	88	103	3	5	5
Tahuya, St. Nicholas	18	0	0	16	25	3	1	6
Vancouver, All Saints	56	47	6	37	50	1	2	1
Vancouver, Good Shepherd	723	692	156	354	154	4	6	0
Vancouver, St. Luke	557	352	3	168	155	3	0	0
Vashon Island, Holy Spirit	381	290	20	98	152	0	3	0
Washougal, St. Anne	90	80	4	44	51	1	1	4
Westport, St. Christopher	14	14	5	6	36	0	0	0
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Total 2008	31,004	22,519	1,476	9,787	8,221	79	359	295
Total 2007	<u>31,857</u>	<u>24,000</u>	<u>2,019</u>	<u>9,815</u>	<u>7,963</u>	<u>94</u>	<u>346</u>	<u>218</u>
Increase (Decrease)	(853)	(1,481)	(543)	(28)	258	(15)	13	77

Four congregations did not file reports

## Financial Statistics—Data Year 2008

*Year in parentheses is last year of filing if a report was not filed in 2008*

	REVENUE			EXPENSE			
	Plate & Pledge	Operating Revenue	Total Revenue	Operating Expense	To the Diocese	Outreach and Dev.	Total Expense
Aberdeen, St. Andrew	9,452	206,564	285,298	182,714	32,834	33,340	291,188
Allyn, St. Hugh of Lincoln	73,092	76,379	88,083	56,329	5,140	15,256	83,848
Anacortes, Christ Church	96,814	164,417	265,768	172,195	17,173	146,108	271,132
Auburn, St. Matthew	135,503	135,503	161,878	142,340	1,238	26,300	168,715
Bainbridge Island, Grace Church	483,534	490,691	757,401	507,375	65,106	77,857	560,057
Bainbridge Island, St. Barnabas	359,821	419,662	649,208	437,068	70,052	281,707	830,041
Battle Ground, Holy Spirit	44,159	93,226	102,888	104,449	16,545	6,887	104,449
Bellevue, All Saints	86,312	163,184	164,933	144,670	24,160	7,885	149,424
Bellevue, Holy Apostles	35,552	51,383	55,813	58,882	3,772	26,008	58,882
Bellevue, Resurrection	161,310	211,821	257,174	214,466	38,389	23,647	240,724
Bellevue, St. Margaret	672,175	895,997	1,062,693	978,139	98,388	111,433	1,053,202
Bellingham, St. Paul	504,423	567,833	614,289	602,604	107,810	39,615	631,207
Blaine, Christ Church	34,657	55,012	56,688	51,227	3,226	9,576	58,370
Bremerton, St. Paul	90,635	142,856	154,478	149,782	28,995	10,776	160,558
Burien, St. Elizabeth	108,121	190,641	199,949	203,357	23,722	41,837	243,309
Camano Island, St. Aidan	140,706	142,040	158,711	179,868	21,977	8,785	203,544
Castle Rock, St. Matthew	8,945	12,454	12,808	12,635	1,870	75	12,989
Cathlamet, St. James	20,563	21,051	21,478	21,907	3,690	0	22,706
Chehalis, St. Timothy	95,156	140,711	147,498	146,889	18,771	56,018	161,825
Darrington, Transfiguration (2004)	0	0	0	0	0	0	0
Eastsound/Orcas, Emmanuel	115,067	208,548	211,686	190,167	33,758	32,350	209,283
Edmonds, St. Alban	179,734	184,285	194,386	179,528	30,334	0	188,858
Edmonds, St. Hilda-St. Patrick	144,972	175,619	197,261	180,070	19,269	33,509	217,883
Elma, St. Luke	11,175	11,725	11,725	21,022	1,851	2,524	21,022
Everett, Trinity Church	329,129	381,214	576,080	380,936	58,872	98,661	474,639
Federal Way, Good Shepherd	222,436	249,038	303,444	263,274	44,033	58,180	327,505
Freeland, St. Augustine in-the-Woods	237,571	272,543	526,634	274,900	42,703	45,315	361,550
Friday Harbor, St. David	170,203	172,767	249,427	186,210	27,675	134,405	320,615
Gig Harbor, St. John	272,442	272,442	278,541	257,563	45,042	9,500	270,537
Hoodspoint, St. Germain	0	0	0	0	0	0	0
Issaquah, St. Michael & All Angels	203,575	208,528	515,425	197,762	33,669	8,198	205,960
Kenmore, Redeemer	246,167	252,647	256,527	254,967	42,835	8,305	257,947
Kent, St. Columba	133,388	196,897	231,366	202,197	29,331	27,726	235,607
Kent, St. James	433,481	447,794	485,900	463,119	62,812	0	501,225
Kingston, Faith Church	24,740	29,829	33,203	22,984	3,420	14,515	35,365
Kirkland, St. John	468,795	508,701	652,805	508,701	55,199	130,190	635,414
Lacey, St. Benedict	254,858	284,554	343,428	260,224	33,298	52,086	303,731
Lakewood, St. Joseph-St. John	61,835	88,180	95,215	89,478	4,735	13,854	100,140
Lakewood, St. Mary	542,350	592,235	716,654	652,576	73,020	181,297	781,317
Longview, St. Stephen	282,647	312,839	355,380	328,896	50,818	58,428	399,270
Lopez Island, Grace Church	96,668	97,380	128,659	100,776	8,000	20,852	114,118
Maple Valley, St. George	126,821	176,821	189,540	167,065	7,528	10,200	179,088
Marysville, St. Philip	84,175	138,175	138,175	108,497	17,331	28,516	138,175
Medina, St. Thomas	813,427	947,509	1,150,607	933,391	156,765	66,437	1,004,328
Mercer Island, Emmanuel	530,816	605,093	1,355,093	669,435	115,516	802,768	1,424,452
Monroe, Our Saviour	37,713	47,177	50,846	44,884	9,278	7,471	50,847
Montesano, St. Mark	18,848	23,942	34,965	21,891	2,869	44,661	62,367
Mount Vernon, St. Paul	150,327	167,316	192,727	183,490	30,754	28,020	212,786

	Plate & Pledge	Operating Revenue	Total Revenue	Operating Expense	To the Diocese	Outreach and Dev.	Total Expense
Oak Harbor, St. Stephen Episcopal	62,047	62,047	64,010	41,476	2,888	5,417	43,439
Olympia, St. Christopher	99,271	115,215	146,626	117,648	12,000	27,772	145,847
Olympia, St. John	380,827	401,109	435,500	407,955	78,104	46,777	460,395
Port Angeles, St. Andrew	141,142	158,651	209,411	143,692	14,600	94,653	241,271
Port Orchard, St. Bede	138,050	151,807	173,692	152,582	21,749	17,612	174,050
Port Townsend, St. Paul	210,606	219,637	242,740	220,171	21,939	24,454	231,708
Puyallup, Christ Church	233,305	234,815	248,877	253,219	33,611	13,276	266,187
Redmond, Holy Cross	428,012	428,012	918,391	425,277	42,524	166,311	595,608
Renton, St. Luke	122,434	206,385	221,536	208,136	29,160	15,881	221,377
Sammamish, Good Samaritan	194,102	230,364	382,335	244,576	21,283	273,593	518,742
Seattle, All Saints	47,018	77,822	104,909	89,307	5,658	40,630	104,148
Seattle, Ascension	269,790	276,465	419,609	291,674	49,429	151,133	442,949
Seattle, Christ Church	279,057	405,280	417,201	307,618	49,468	129,400	433,449
Seattle, Church of the Apostles	0	0	0	0	0	0	0
Seattle, Epiphany Parish	449,788	684,555	1,391,629	727,386	103,043	215,711	948,160
Seattle, St. Andrew	406,456	482,062	704,095	474,881	71,179	191,733	672,063
Seattle, St. Clement	101,386	105,349	105,424	144,000	25,856	46,133	185,908
Seattle, St. George (2007)	40,708	51,395	55,395	93,182	600	1,302	94,201
Seattle, St. John the Baptist	304,739	332,362	359,657	336,811	51,543	100,220	447,795
Seattle, St. Luke	241,932	274,040	324,237	291,751	0	63,890	340,495
Seattle, St. Mark's Cathedral	1,286,984	2,023,279	2,257,182	2,104,837	345,162	136,626	2,237,718
Seattle, St. Paul	298,777	318,207	499,845	306,254	47,494	972	311,233
Seattle, St. Peter	0	101,817	110,898	96,571	14,154	11,877	110,676
Seattle, St. Stephen	537,083	625,112	699,706	711,687	107,976	129,215	859,713
Seattle, Trinity Church	210,440	841,503	881,556	841,503	56,769	145,242	894,270
Seaview, St. Peter	30,119	117,467	120,916	103,667	19,140	13,498	119,291
Sedro-Woolley, St. James	48,343	49,305	52,976	49,250	8,085	3,140	52,390
Sequim, St. Luke	336,605	336,605	373,905	318,953	53,124	2,555	322,253
Shelton, St. David of Wales	127,414	153,236	192,256	177,173	2,784	55,293	233,665
Shoreline, St. David Emmanuel	54,672	68,082	74,916	72,887	13,172	1,092	73,667
Shoreline, St. Dunstan	242,056	268,476	281,972	260,018	48,165	18,863	283,061
Silverdale, St. Antony of Egypt	122,879	129,905	160,705	129,944	22,121	14,635	155,128
Snohomish, St. John	171,630	215,037	275,437	223,225	36,004	1,200	223,225
Snoqualmie, St. Clare of Assisi	64,400	75,244	84,919	79,937	2,100	1,995	82,728
South Bend, St. John	10,973	15,506	16,163	15,064	2,220	700	15,524
Tacoma, All Saints	77,424	93,926	94,251	96,044	15,200	2,302	98,164
Tacoma, Christ Church	218,226	283,724	344,701	289,684	36,575	80,283	366,646
Tacoma, Holy Family of Jesus	4,914	50,753	52,461	45,206	2,400	14,962	61,054
Tacoma, St. Andrew	206,965	226,940	233,265	214,697	35,378	22,035	235,957
Tacoma, St. Luke	246,529	257,147	361,688	261,366	38,115	30,066	280,084
Tacoma, St. Matthew	226,972	227,746	243,832	232,468	31,623	40,500	270,426
Tahuya, St. Nicholas	17,534	20,662	20,662	31,721	2,507	2,596	31,721
Vancouver, All Saints	52,302	87,437	93,915	90,893	13,942	0	93,033
Vancouver, Good Shepherd	680,283	680,821	871,518	668,289	104,627	79,520	871,518
Vancouver, St. Luke	272,996	312,953	408,871	376,212	42,373	60,574	460,279
Vashon Island, Holy Spirit	174,525	176,868	203,879	177,497	24,229	12,810	192,877
Washougal, St. Anne	106,696	107,698	113,776	118,674	18,228	19,330	136,700
Westport, St. Christopher	7,691	11,491	11,491	10,964	1,786	243	10,964
Total 2008	19,340,392	24,009,542	30,755,671	24,586,926	3,403,660	5,369,100	29,991,956
Total 2007	<u>18,821,993</u>	<u>22,891,518</u>	<u>35,650,577</u>	<u>22,508,800</u>	<u>3,063,839</u>	<u>4,605,853</u>	<u>26,956,751</u>
Increase (Decrease)	518,399	1,118,024	(4,894,906)	2,078,126	339,821	763,247	3,035,205
<i>Three congregations not reporting</i>							