

“Becoming the Diocese of Olympia”

Journal of the Diocese of Olympia

100th Annual Convention

October 29-30, 2010

SeaTac, Washington



DIOCESE OF
OLYMPIA

Episcopal Church in Western Washington

Journal of Proceedings

2010 Annual Convention

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Section 1

Minutes of the 100th Annual Diocesan Convention of the Diocese of Olympia
Hilton Seattle Airport, SeaTac, Washington

Friday, October 29, 2010

Call to Order, Welcome & Opening Worship

The 100th Convention of the Diocese of Olympia was called to order by the Rt. Rev. Greg H. Rickel, bishop diocesan; Rickel welcomed those gathered to the celebration of “Becoming the Diocese of Olympia”; opening worship followed.

Certification of Quorums

The Rev. Marda Steedman Sanborn, secretary of convention, declared she 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 100th 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. Marda Steedman Sanborn, secretary of convention; Mrs. K. Ann McCartney, parliamentarian/dispatch of business; and Ms. Judy Andrews, diocesan chancellor. He also acknowledged Mr. Duncan Bayne, diocesan vice chancellor, and Mr. Steve Faust, diocesan treasurer.

Parliamentarian

Bishop Rickel appointed Mrs. K. Ann McCartney as the parliamentarian for the 100th 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.

Appointments accepted

Bishop Rickel acknowledged the appointment of the following assistant chancellors: Jeffrey Helsdon, R. Thomas Olsen and Tom Platt.

Committee on Dispatch of Business

Bishop Rickel recognized Mrs. K. Ann McCartney, chair; McCartney reviewed items, including the rules for speaking from the convention floor and for submitting resolutions within the six-hour window.

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 10/E/5 and **moved** that seat and voice be granted to those listed. [Document, pg. 33]

Motion carried

Privilege granted

Collins moved that the requirements of Canon 2, section 4, be waived so that delegates from St. George’s Church, Seattle, have vote at this convention.

Motion carried

Privilege granted

Bishop Rickel recognized Mrs. K. Ann McCartney, chair; McCartney **moved** Dispatch of Business document 10/A/14 for acceptance. [Document, pg. 23]

Motion carried

Agenda adopted

Secretary of Convention

Bishop Rickel recognized Mrs. Joy Goodenough and Ms. Diane Stipp representing the Nominations Committee; the Committee **moved** the Rev. Marda Steedman Sanborn be elected Secretary of Convention.

Motion carried

Steedman Sanborn elected

Committee on Nominations

Goodenough and Stipp continued the report of the Committee. Convention members were referred to report 10/B/6 [Document pg. 24]. The Committee nominated the following persons for diocesan offices:

Nominations for Standing Committee

The Rev. Marilyn Cornwell, Church of the Ascension, Seattle
The Rev. James Thibodeaux, St. Peter's Church, Seattle
The Rev. Dennis Tierney, St. Barnabas' Church, Bainbridge Island
Mr. Jim Campbell, St. Mark's Church, Montesano
Mr. Edward L. Doll, Christ Church, Tacoma
Rebecca Clark, St. Matthew/San Mateo, Auburn (floor nomination)

Nominations closed, ballots prepared

Nominations for Diocesan Council

Deacon Norman Dennis Taylor, Komo Kulshan Cluster
The Rev. Jonathan Weldon, St. Paul's Church, Bellingham
Ms. Kara Hunt, St. Aidan's Church, Camano Island

Nominations closed, ballot prepared

Historiographer

Br. Carle Griffin, St. George's Church, Seattle

**Nominations closed
Griffin elected**

Treasurer

Mr. Steve Faust.

**Nominations closed
Faust elected**

Archivist and Records Manager

Ms. Diane Wells.

**Nominations closed
Wells elected**

Nominations for Cathedral Vestry

The Rev. Rebecca Kirkpatrick, St. Andrew's Church, Seattle, was nominated from the floor.

**Nominations closed
Kirkpatrick elected**

Bishop Rickel declared the floor open for nominations to the position of deputy to the General Convention.

Nominations for General Convention

The Rev. Bill Fulton, St. Antony's of Egypt Church, Silverdale
The Rev. JR Lander, St. Columba's Church, Kent
The Rev. Stephen Moore, All Saints' Church, Bellevue
The Rev. Kathleen Patton, St. Stephen's Church, Longview
The Rev. Hunt Priest, Emmanuel Church, Mercer Island
The Rev. Carla Robinson, All Saints' Church, Seattle
The Rev. Marda Steedman Sanborn, St. James' Church, Kent
The Rev. Peter Strimer, St. Andrew's Church, Seattle
The Rev. Nigel Taber-Hamilton, St. Augustine's in-the-Woods Church, Freeland
The Rev. James Thibodeaux, St. Peter's Church, Seattle
The Rev. Martin Yabroff, St. Andrew's Church, Tacoma
Ms. Sally Barnes, St. Matthew's Church, Castle Rock
Mr. Duncan Bayne, St. Mark's Cathedral, Seattle
Ms. Hisako Beasley, St. Mark's Cathedral, Seattle
Ms. Charlotte Brown, St. Joseph-St. John's Church, Lakewood
Mr. Jim Campbell, St. Mark's Church, Montesano

Ms. Katrina Hamilton, St. Columba's Church, Kent
Ms. Nancy Jacobs, St. Margaret's Church, Bellevue
Ms. Sandy McCloud, St. Mark's Cathedral, Seattle
Mr. Doug Oles, Church of the Redeemer, Kenmore

Nominations closed, ballots prepared

Introduction to voting procedures

First ballot

Bishop Rickel recognized Mr. Chuck Hamilton, elections official, to introduce the balloting system to be used in the 2010 elections. Bishop Rickel declared the polls open.

First ballot completed

Anniversary/History Video

Bishop Rickel recognized Diane Wells, archivist and records manager; Wells explained the difference between the celebration in 2003 of our 150th anniversary of the establishment of the Episcopal church in western Washington, and today's celebration in 2010 of the 100th anniversary of attaining diocesan status, when, on October 10, 1910, after 57 years of pioneer development, we were admitted into union with the General Convention. Several projects were undertaken for this celebration: 1) updating church histories originally published as *More than 100 Years of Ministry*, in a new publication *Becoming the Diocese of Olympia: the Congregations*; 2) reproduction of the portrait of the Rt. Rev. Frederick William Keator, first bishop diocesan; and production of a short video, *Becoming the Diocese of Olympia: 1910-2010*, providing a sense of where we've travelled from and what we are hopeful of becoming.

Anniversary video shown

Table Conversation

Bishop Rickel introduced the exercise to be completed in table groups, which included introductions, sharing about how each person came to be in the Episcopal Church and a summation of the number of years in the Episcopal Church represented at each table.

Constitution and Canons Committee

Bishop Rickel recognized Mr. Doug Oles, chair; Oles presented the report of the committee.

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

(Lay Members of Convention)

The 2009 Convention voted 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. Listing the categories of lay members, the existing 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

Motion carried in the clergy order

Motion carried in the lay order

Amendment to Article VII, Section 4 adopted on second reading

First vote on changes to Constitution

Based upon recommendations from a task force created at the direction of the 2009 Convention, the Committee recommends the following clarification to Article II:

Article II (Acceding to the National Constitution and Canons of the General Convention)

The Church in the Diocese of Olympia accedes to the Constitution and Canons for government of that branch of the Holy Catholic church known as the of the Protestant Episcopal Church in the United States of America, and recognizes the authority of the General Convention of the same.

Motion carried in the clergy order

Motion carried in the lay order

Amendment to Article II, adopted on first reading

Vote on changes to Canons

Pursuant to Canons 28 and 29, canons may 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.

Council Changes in Congregation Reporting.

Diocesan Council has suggested edits to Canons 7, 10 and 12. The Committee recommends that they be presented to Convention as follows:

Canon 7, Section 1:

- g. If any Parish or Mission fails to furnish the Diocesan office Secretary of Convention with its Annual Parochial Report

and NDI by ~~April~~^{February} 15 of any year, the Diocesan Council may fix the amount of its assessment.

- h. If any Parish or Mission believes that its ~~NDI~~^{net disposable income} for the ~~upcoming~~^{current} year has been miscalculated, it may present the grounds for such belief in writing to the Diocesan Council by ~~November~~^{February} 15 of ~~the current~~^{that} year; and the Council shall have the power to change the assessment.

Canon 10, Section 2:

Each Parish and Mission shall prepare and timely submit the annual report required by Canon 1.6.1 of the Canons of The Episcopal Church. A copy of that report shall be provided forward to the Diocesan Office, together with the congregation's Net Disposable Income, no later than March 15~~February~~ first of each year, ~~the annual report required under the Canons of the Episcopal Church.~~

Canon 12, Section 1(g):

The Diocese may from time to time provide checklists and/or forms that shall be used by Parishes and Missions in the review of their accounts and business records. All reports of audits or review pursuant to this Canon shall be filed with the Office of the Bishop not later than 30 days following the dates of such reports, and in any event not later than ~~June~~^{September} 15 of each year covering the financial reports of the previous calendar year.

Motion carried in the clergy order

Motion carried in the lay order

Amendment to Canons 7, 10 and 12 adopted

Canon Changes Relating to Personnel. The task force created at the direction of the 2009 Convention helped develop the following recommended changes:

Canon 12, Section 2:

All clergy actively serving ~~employed by~~ any Parish, Mission or other diocesan institution, whether stipendiary or non-stipendiary, shall be covered by written agreements specifying terms as to compensation, including any housing and utilities allowance, pension and insurance benefits, ~~and business and charitable expenses allowances, and continuing education and sabbatical expenses which are not inconsistent with the Constitution and Canons of the National Church and the Diocese.~~

Canon 23, Section 2:

The Commission shall be responsible for developing and recommending plans or action by the Bishop, Convention or Diocesan Council concerning the following:

- a. Compensation and employment guidelines applying to clergy actively serving~~employed~~ within the Diocese, including matters related to ~~stipend, allowances and employment~~ written agreements as set forth in Canon 12, Section ~~23~~ and 4.

- ...
- ... 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 stipendiary clergy employed by any Parish, Mission, or other diocesan institution, which

recommendation shall be presented at the fall Regional Ministry meetings and the annual Diocesan Convention.

Mike Morrissey, St. Bede's Church, Port Orchard, proposed a friendly amendment to Canon 23, Section 2, to change "employed" to "actively serving" and "employment agreements" to "written agreements"; accepted by the Committee.

Motion carried in the clergy order

Motion carried in the lay order

Amendment to Canons 12 and 23, including friendly amendment to Canon 23, adopted

The diocesan Personnel Commission recommended the following additional changes to Canon 23:

Canon 23, Section 1:

There shall be a Commission on Personnel consisting of eleven members appointed by the Bishop:

- a. Three members of the Commission shall be clergy canonically resident in the Diocese, ~~and shall include at least one rector and one vicar.~~
- b. Six members of the Commission shall be adult Communicants in Good Standing in the Diocese.
- ~~c.~~ In addition, ~~each year~~ the Bishop shall appoint two additional persons to the Commission ~~for a one year term~~, one clergy member of the Diocese nominated by the Clergy Association of the Diocese of Olympia, and one lay professional employed within the Diocese.
- ~~d.~~ All nine members shall serve three-year terms, ~~with one clergy and two lay persons being replaced each year, except that in each of the first two years, one clergy and two lay persons may be replaced or reappointed from before.~~ No member may serve more than two full successive terms.
- e. The ~~Chairman~~ of the Commission shall be ~~a lay person~~ selected by the Bishop, and shall be empowered to fill vacancies on the Commission subject to confirmation by the Bishop.

Motion carried in the clergy order

Motion carried in the lay order

Amendment to Canon 23, Section 1 adopted

Congregation Reporting on Real Property Holdings.

With input from the Budget and Finance Committee, the Committee recommends adding a new subpart (g) to Canon 12, Section 1. This subpart would help the diocese keep track of real estate holdings in the diocese and would facilitate providing advice for the proper management and protection of the same.

Canon 12, Section 1:

- g. The Bishop shall be notified as to all real property owned by the congregation or its affiliated entities.

Motion carried in the clergy order

Motion carried in the lay order

Amendment to Canon 12, Section 1 adopted

Clarification of Canon Requiring Standing Committee approval for sales of real property. It is recommended to clarify the first part of Canon 13, Section 1 as follows.

Canon 13, Section 1:

No Vestry, trustee, or other body with authority to hold, manage or administer real property for any Parish, Mission or other diocesan institution shall encumber, transfer or alienate the same or any part thereof (save for the refinancing of an existing loan for no more than its original amount) without the previous written consent of the Bishop, acting with the advice and consent of the Standing Committee of the Diocese, under such further regulations as may be prescribed by the Canons of this ~~d~~Diocese or the General Convention.

Motion carried in the clergy order

Motion carried in the lay order

Amendment to Canon 13, Section 1 adopted

Commission on Church Architecture. Proposed changes to Canon 21 withdrawn by the Committee.

Canon 26 Ecclesiastical Discipline

Resolved, That the 100th Convention of the Diocese of Olympia amend Canon 26 of the Canons of the Diocese, by deleting the existing Canon 26 and inserting therefore the following language:

Section 1

The ecclesiastical discipline of a priest or deacon shall be governed by Title IV of the Canons for the Government of The Episcopal Church.

Section 2

- a. There is hereby established a Court to be called a Disciplinary Board, consisting of nine (9) members, five (5) of whom shall be clergy canonically and geographically resident in the Diocese, and four (4) of whom shall be adult Communicants in Good Standing and geographically resident and domiciled in the Diocese. The members of the Disciplinary Board shall be nominated by the Bishop and the nominations ratified at the Diocesan Convention. Each member shall serve for a three (3)-year term; except, if a member is filling a vacancy, the term of such member shall be the unexpired term of the member being replaced. The terms of the members shall commence on the first (1st) day of the year following ratification, provided that, the terms of office of all members ratified in 2010 shall commence on July 1, 2011. The terms of office of the Board shall be staggered and arranged into three classes, with the first class of membership expiring on December 31, 2011, the second class on December 31, 2012, and the third class on December 31, 2013. No member shall be eligible for renomination for a year after the end of a third consecutive term. The Ecclesiastical Trial Court established under the prior canons, and its members, shall continue in office and authority until the effective date of the Revised Title IV, July 1, 2011.
- b. Vacancies on the Disciplinary Board shall be filled as follows:
 - (i) Upon the determination that a vacancy exists, the President of the Board shall notify the Bishop of the vacancy and request appointment of a replacement member of the same order as the member to be replaced.

- (ii) The Bishop, following consultation with the Standing Committee, shall appoint a replacement Board member who meets the same eligibility requirements as apply to ratified Board members. The appointment shall be ratified by Diocesan Council, unless within thirty (30) days before a meeting of the Diocesan Convention, in which event the appointee shall be presented to Diocesan Convention for ratification
 - (iii) With respect to a vacancy created for any reason other than pursuant to a challenge per Section 3, the term of any person selected as a replacement Board member shall be until the next annual Convention. With respect to a vacancy resulting from a challenge, the replacement Board member shall serve only in the proceedings for which the elected Board member is not serving as a result of the challenge.
- c. A Board member may be removed from office by the Bishop, following consultation with the Standing Committee, and with ratification by the Diocesan Council.

Section 3

In any proceeding under this Title, if any member of a Conference Panel or Hearing Panel shall become aware of a personal conflict of interest or undue bias, that member shall notify the President of the Board and request a replacement member of the Panel. Respondent, Respondent's Counsel and the Church Attorney shall have the right to challenge any member of a Panel for conflict of interest or undue bias by motion to the Panel for disqualification of the challenged member. The members of the Panel who are not the subjects of the challenge shall promptly consider the motion and determine whether the challenged Panel member shall be disqualified from participating in that proceeding. In the event that recusals or challenges reduce the number of qualified members below that number required to act in a particular matter, the Bishop may appoint a number of other persons sufficient to qualify the panel to act in the particular matter.

Section 4

Within sixty (60) days following the annual Convention, the Secretary of Convention shall convene the Board to elect a President from among its members to serve for the following calendar year, provided that, in the case of the initial ratification of members, the members shall meet and elect a President prior to July 1, 2011 to serve during the short year of 2011. Education and training in the requirements of Title IV should be conducted each year prior to the commencement of the terms of office of the Disciplinary Board.

Section 5

An Intake Officer or Officers shall be appointed from time to time by the Bishop, who shall serve at the pleasure of the Bishop. The Bishop may appoint one or more Intake Officers according to the needs of the Diocese. The Bishop shall publish the name(s) and contact information of the Intake Officer(s) throughout the Diocese.

Section 6

The Bishop shall appoint an Investigator in consultation with the President of the Board. The Investigator may, but need not be, a member of the church.

Section 7

The Bishop shall annually appoint an attorney or attorneys to serve as Church Attorney(s), subject to the approval of Diocesan

Convention, for the following calendar year. The person(s) so selected must be a member of the church and a duly licensed attorney, but need not reside within the Diocese. The Church Attorney may consult with the President of the Disciplinary Board. A Church Attorney may be removed from office by the Bishop for cause, acting in consultation with the Standing Committee.

Section 8

The Bishop may appoint an Advisor for the complaining party and an Advisor for the Respondent. Persons serving as Advisors shall hold no other appointed or elected position provided for under Title IV, and shall not include chancellors or vice chancellors of this diocese nor any person likely to be called as a witness in the proceeding. Parties should be advised in all cases that the appointed advisor is not intended to act as lawyer for any party and should not be so considered. A party is free to reject an advisor who has been offered and select their own, who may also be an attorney and act in that capacity.

Section 9

The Board shall appoint a Board Clerk to assist the Board with records management and administrative support. The Clerk may be a member of the Board.

Section 10

- a. The reasonable costs and expenses of the Board, the Intake Officer, the Investigator, the Church Attorney, the Board Clerk and the Pastoral Response Coordinator shall be the obligation of the Diocese, subject to such budgetary constraints as may be established by Diocesan Council.
- b. In the event of a final Order dismissing the complaint, or by provisions of an Accord approved by the Bishop, the reasonable defense fees and costs incurred by the Respondent may be paid or reimbursed by the Diocese, subject to such budgetary constraints as may be established by Diocesan Council.

Section 11

Records of active proceedings before the Board, including the period of any pending appeal, shall be preserved and maintained in the custody of the Clerk, if there be one, otherwise by the Diocesan offices.

Section 12

The Bishop shall make provision for the storage of records of all proceedings under this Title at the Diocese and the Archives of the Episcopal Church, as prescribed in Title IV of the General Canons.

Section 13

Any meeting required under these disciplinary canons, other than a hearing at which evidence may be taken or examined, may be conducted either in person or through telephonic or other electronic communications equipment by means of which all persons participating in the meeting can hear each other at the same time.

Section 14

The Disciplinary Board may in its discretion seek legal counsel as it deems appropriate or necessary, or request counsel for the parties to brief legal issues on which it may seek advice.

**Motion carried in the clergy order
Motion carried in the lay order
Replacement to Canon 26 adopted**

Bishop Appointments

Bishop Rickel appointed the Convention Committees and Commissions by reference to document 10/E/4 [Document pg. 32]. Bishop Rickel continued with the following appointments:

Board of Directors

The Rev. Ann Lukens, St. Michael & All Angels, Issaquah, re-appointed three year term; **Mr. Collum Liska**, St. Benedict's, Lacey, three year term.

Commission on Ministry

Mr. Karl Oles, Church of the Redeemer, Kenmore, three year term; **the Rev. Doyt Conn**, Epiphany Parish of Seattle, three year term; **the Rev. Gail Wheatley**, St. Andrew's, Pt. Angeles, three year term; **Ms. Roberta Newell**, St. Mary's, Lakewood, re-appointed three year term; three additional persons to be appointed at a later date.

Liturgy & Arts Commission

Mr. Jason Anderson, St. Michael & All Angels, Issaquah; **the Rev. Elizabeth Bloch**, St. Paul's, Pt. Townsend; **Ms. Susan Bloomfield**, St. Benedict's, Lacey; **the Rev. Carla Robinson**, All Saints, Seattle; and **the Rev. Steven Shaver**, St. Paul's, Seattle.

Commission on Church Architecture

The Rev. Janet Campbell; **Mr. Guy Falskow**, St. Stephen's, Seattle; **the Rev. Canon Robert Hayman**; **Mr. Kenneth Large**, Good Samaritan, Sammamish; **Mrs. Jeanette Moore**, St. Mark's Cathedral, Seattle; **Mr. Allen Moses**, Church of the Redeemer, Kenmore; **Mr. Frederick Pneuman**, St. Thomas, Medina; **Mr. Ralph Provencal**, St. Benedict, Lacey; **Mr. Nathan Thomas**, Grace Church, Bainbridge Island; two additional persons to be appointed at a later date.

Personnel Commission

The Rev. Kevin Pearson, St. Luke, Renton, re-appointed three year term.

Bishop Rickel acknowledged the new or reappointed/elected members of the Diocesan Council from regional ministries and program commissions. Willapa Regional Ministry—**The Rev. Jim Neal**, St. Hugh of Lincoln, Allyn; Holy C Regional Ministry—**Ms. Sandy McCloud**, St. Mark's Cathedral, Seattle (re-elected); Rainier Regional Ministry—**The Rev. Martin Yabroff**, St. Andrew, Tacoma (re-elected); Commission for Church in the World—**Mrs. Mary Pneuman**, St. Thomas, Medina.

Trial Court / Disciplinary Board

Bishop Rickel, noting that over the next year we will transition from a Trial Court to a new Disciplinary Board (based on the approved changes to Canon 26), nominated the following persons to be members of the Trial Court to serve from Convention until June 30, 2011, and the Disciplinary Board to serve varying terms beginning July 1, 2011:

Trial Court

Mr. Mac Brown, St. Mark's Cathedral, Seattle; **The Rev. Lex Breckinridge**, St. Thomas, Medina; **The Rev. Pat Taylor**, retired; and **The Rev. Tom Warne**, Church of the Good Shepherd, Vancouver; one to be appointed at a later date.

Disciplinary Board

Three year terms: **Ms. Candace Weatherby**, All Saints, Vancouver; **the Rev. Peter Strimer**, St. Andrew's, Seattle; and **the Rev. Jonathan Weldon**, St. Paul's, Bellingham. Two year terms: **Mr. Mac Brown**, St. Mark's Cathedral, Seattle; **the Rev. Tom Warne**, Church of the Good Shepherd, Vancouver; and **Mr. Karl Oles**, Church of the Redeemer, Kenmore. One year terms: **the Rev. Lex Breckinridge**, St. Thomas, Medina; and **the Rev. Pat Taylor**, retired; one to be appointed at a later date. Church Attorney: **Mr. Marvin L. Gray, Jr.**, Church of the Ascension, Seattle.

Appointments ratified

Committee on Resolutions

Mr. Duncan Bayne, chair, Resolutions Committee, presented and moved the following resolutions with committee recommendations of "do pass."

Resolution #1—2012 Diocesan Assessment Rate

Resolved, That this 100th Convention of the Diocese of Olympia approve the recommendation of the Diocesan Council that the 2012 diocesan assessment rate factor be set at 17.5% of the Net Disposable Income (NDI). [Document pg. 25]

Motion carried

Resolution #1 adopted

Resolution #2—Cost of Living Adjustment (COLA) for 2011

Resolved, That this 100th Convention of the Diocese of Olympia set the Cost of Living Adjustment for 2011 parochial clergy salary scale at 0%; that this does not preclude congregations from giving their clergy salary increases; and that the 5 year and 10 year mandated increases be observed. [Document pg. 25]

Motion carried

Resolution #2 adopted

Resolution #5—Camp and Conference Sunday

Resolved, That the 100th Convention of the Diocese of Olympia approve that, on an annual basis, at the discretion of the Bishop, a Sunday be designated "Camp and Conference Sunday" and that, on that Sunday, all congregations are asked to participate in educating their members about the facilities and capabilities of St. Andrew's House Retreat and Conference Center and Huston Camp and Conference Center, encouraging their members to support these ministries through usage, prayer, and a designated offering. [Document pg. 25]

Motion carried

Resolution #5 adopted

Courtesy Resolutions

BE IT RESOLVED, that the 100th 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, and various boards, commissions, committees and task forces. BE IT RESOLVED, that the 100th 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 100th 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 100th 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 100th Annual Convention of the Diocese of Olympia honors The Rt. Rev. Robert Cochrane and gives our thanks for the life, ministry, and message in our diocese, and the greater Church, and for Terry, his wife and companion on this earthly journey, who remains forever a part of our life in this diocese. BE IT RESOLVED, that the 100th Annual Convention of the Diocese of Olympia sends its love and best wishes to our Bishops Retired, Bavi Edna “Nedi” Rivera, and her husband, the Rev. Robert “Bob” Moore; Sanford “Sandy” Hampton, and his wife, Mari; Vincent Warner, and his wife Shen; and William Choi, and his wife Catherine; Cabbell “Cabby” Tennis, and his wife, Hyde; Craig Anderson and his wife, Lizbeth. BE IT RESOLVED, that the 100th Annual Convention of the Diocese of Olympia gives thanks for the life, ministry, and message of Carl Knirk, Canon for Planned Giving/Stewardship and Evangelism, and to his wife, Susan whom he so loved, and so do we. BE IT RESOLVED, that the 100th 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 100th Annual Convention of the Diocese of Olympia sends its greetings to yhe Rt. Rev. Martin Barahona, Bishop of El Salvador, and to all the clergy and people of the Diocese of El Salvador. BE IT RESOLVED, that the 100th 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 100th Annual Convention of the Diocese of Olympia sends its 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 100th Annual Convention of the Diocese of Olympia gives its love, thanks and gratitude for the Rev. Canon Jerry Shigaki, who has left a solid legacy and foundation for multicultural and ethnic ministries. BE IT RESOLVED, that the 100th Annual Convention of the Diocese of Olympia express its thanks and appreciation for the leadership of Mary Allen as President of the Standing Committee. BE IT RESOLVED, that the 100th Annual Convention of the Diocese of Olympia express its thanks to the Secretary of Convention, the Reverend Marda Steedman-Sanborn and to those who assisted

her in preparing for this Convention. BE IT RESOLVED, that the 100th 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 100th Annual Convention of the Diocese of Olympia thanks the facilitators of our Indaba group and especially the Rev. Melissa Skelton who led and guided this group. BE IT RESOLVED, that the 100th Annual Convention of the Diocese of Olympia thanks for the able work of our Chancellor Judith Andrews. BE IT RESOLVED, that the 100th Annual Convention of the Diocese of Olympia thanks all the staff of the SeaTac Hilton, for their care for us. BE IT RESOLVED, that the 100th 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 100th Annual Convention of the Diocese of Olympia recognizes and celebrates the 150th Anniversary of St. Paul, Pt. Townsend, the 100th Anniversary of Emmanuel, Mercer Island, the 100th Anniversary of St. Mark, Montesano and the 50th Anniversary of St. Christopher, Westport as a mission.** BE IT RESOLVED, that the 100th 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: the following is from last year: in particular the Commission for Liturgy and the Arts for creating our wonderful liturgies; Chair of Dispatch of Business, Ms. K Ann McCartney; and especially Ms. Dede Moore, Convention Coordinator, for their dedicated and effective work.

Motion carried Courtesy Resolutions adopted

Bishop Rickel shared greetings received from the bishops of Jerusalem and El Salvador.

Clergy and Staff Transitions

Bishop Rickel recognized clergy and staff who experienced transitions during the last year; specifically clergy new to the diocese – Lex Breckinridge, Kathleen Kingslight, Bonnie Malone, Jonathan Weldon, Pat Eustis, Stephanie Parker and Suzi Robertson; clergy who have retired from full-time ministry based on CPG information – Le Borders, Bob Chrisman, Colin Goode, Doug Pollock and Chris Steele; transitional deacons ordained – Sheila Crisp, Drew Foisie and Karen Haig; priests ordained – Elizabeth Easton, Shelly Fayette, ClayOla Gitane, Andrew Shirota and Eric Werts; deceased – Wallace Bristol, Bishop Robert Cochrane, Richard Kindle, Harry Wappler and Mr. Carl Knirk; new to the diocesan staff – Kerry Allman, Blaire Notrica and Josh Thomas.

Lutheran Public Policy

Bishop Rickel recognized Paul Benz; Benz brought greetings from the state-wide Council and presented on the current work of this group.

Report of the first ballot

Bishop Rickel called on Secretary Marda Steedman Sanborn for the report of the first ballot.

Diocesan Council

Simple majority (219) needed to elect.

Dennis Taylor	151
Jonathan Weldon	160
Kara Hunt	97

NO ELECTION

Standing Committee

Concurrence between orders (71 clergy/ 148 lay on this ballot) required to elect.

Clerical Order —

Marilyn Cornwell	67 clergy	118 lay
James Thibodeaux	23 clergy	83 lay
Dennis Tierney	42 clergy	78 lay

NO ELECTION

Lay Order —

Jim Campbell	66 clergy	172 lay
Edward Doll	30 clergy	64 lay
Rebecca Clark	38 clergy	40 lay

NO ELECTION

General Convention Deputy

Concurrence between orders (71 clergy/ 148 lay on this ballot) required to elect.

Clerical Order —

Bill Fulton	45 clergy	66 lay
JR Lander	47 clergy	88 lay
Stephen Moore	52 clergy	133 lay
Kathleen Patton	54 clergy	71 lay
Hunt Priest	54 clergy	116 lay
Carla Robinson	66 clergy	142 lay
Marda Steedman Sanborn	48 clergy	102 lay
Peter Strimer	90 clergy	156 lay
Nigel Taber-Hamilton	21 clergy	83 lay
James Thibodeaux	38 clergy	79 lay
Martin Yabroff	25 clergy	63 lay

STRIMER ELECTED

Lay Order—

Sally Barnes	17 clergy	70 lay
Duncan Bayne	61 clergy	124 lay
Hisako Beasley	80 clergy	136 lay
Charlotte Brown	59 clergy	119 lay
Jim Campbell	59 clergy	120 lay
Katrina Hamilton	106 clergy	210 lay
Nancy Jacobs	28 clergy	78 lay
Sandy McCloud	46 clergy	106 lay
Douglas Oles	73 clergy	125 lay

HAMILTON ELECTED

Second ballot

Bishop Rickel recognized Mr. Chuck Hamilton, elections official, to introduce the second ballot. Bishop Rickel declared the polls open.

Second ballot completed

Video #1

Bishop Rickel recognized Ms. Norah Joslyn, director of diocesan communications, for the introduction.

Stewardship & Planned Giving Video shown

Introduction to Exhibit Exploration & Indaba Conversations

Bishop Rickel recognized Mrs. Dede Moore, bishop's executive for governance, and the Rev. Melissa Skelton, canon for congregational development, to introduce Exhibit Exploration and the process for Indaba Conversations. Bishop Rickel declared the business session of Convention in recess until 8:30 AM Saturday morning.

Indaba Groups #1

Discussion Topic: *Stewardship & Development*

Study Passage: The earth is the Lord's and all that is in it, the world and those who live in it (Psalm 24:1). The biblical truth is that we don't "own" anything. At best, we are called to help God care for and distribute God's resources. We are all recipients of God's extravagant generosity and grace given freely. All that is given is pure gift. Stewardship is responding in love with our whole beings to the Source of the giver of gifts. (from The Rev. Laurel Johnston, Program Officer for Stewardship for the Episcopal Church Center, presentation at the 2010 Stewardship Conference). **Five Steps to Financial Discipleship** (Carl Knirk's "Five Steps") 1. Everything you have is a gift from God. 2. No one has everything, no one has nothing. 3. All you have you will lose. 4. While you are in possession of it, you, and only you, decide how to use it. 5. How you use everything that passes through your hands will determine the kind of person you are and will become—Gratitude begets Gratitude. "For where your treasure is, there will your heart be also." Matthew 6:21. **Study Questions:** What about these videos inspired you? With which parts did you identify? What are the attributes of a faithful steward? How are we called to respond?

Eucharist and Ordinations

Bishop Rickel presided and preached at the ordination to the diaconate for **Stephen Crippen** and **Robin Ringland**. The offering from the Eucharist was designated with half shared between the discretionary funds of the two new deacons and half going to projects in Haiti.

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

The Eucharist included the annual bishop's address to the convention. [Text, pg. 18]

Saturday, October 30, 2010

Call to Order / Morning Prayer

Bishop Rickel called the convention to order. Morning Prayer was celebrated.

Report of the second ballot

Bishop Rickel called on Secretary Marda Steedman Sanborn for the report of the second ballot.

Diocesan Council

Simple majority (222) needed to elect.

Dennis Taylor	148
Jonathan Weldon	216
Kara Hunt	46

NO ELECTION

Standing Committee

Concurrence between orders (67 clergy/ 156 lay on this ballot) required to elect.

Clerical Order —

Marilyn Cornwell	83 clergy	173 lay
James Thibodeaux	13 clergy	57 lay
Dennis Tierney	28 clergy	62 lay

CORNWELL ELECTED

Lay Order—

Jim Campbell	78 clergy	219 lay
Edward Doll	13 clergy	43 lay
Rebecca Clark	25 clergy	25 lay

CAMPBELL ELECTED

General Convention Deputy

Concurrence between orders (67 clergy/ 156 lay on this ballot) required to elect.

Clerical Order —

Bill Fulton	29 clergy	46 lay
JR Lander	34 clergy	72 lay
Stephen Moore	49 clergy	150 lay
Kathleen Patton	45 clergy	74 lay
Hunt Priest	61 clergy	151 lay
Carla Robinson	82 clergy	199 lay
Marda Steedman Sanborn	38 clergy	85 lay
Nigel Taber-Hamilton	8 clergy	39 lay
James Thibodeaux	15 clergy	41 lay
Martin Yabroff	11 clergy	32 lay

ROBINSON ELECTED

Lay Order—

Sally Barnes	7 clergy	32 lay
Duncan Bayne	49 clergy	136 lay
Hisako Beasley	89 clergy	199 lay
Charlotte Brown	45 clergy	94 lay
Jim Campbell	51 clergy	115 lay
Nancy Jacobs	16 clergy	38 lay
Sandy McCloud	22 clergy	79 lay
Douglas Oles	84 clergy	194 lay

BEASLEY & OLES ELECTED

Third ballot

Bishop Rickel recognized Mr. Chuck Hamilton, elections official, to explain the procedure for the third ballot. Bishop Rickel declared the polls open.

Third ballot completed

Bishop Rickel recognized Bishop Sandy Hampton, welcomed him home after his recent service in Oregon, and recognized the 22nd anniversary of his election as a bishop.

Indaba Groups #1 Wrap Up

Bishop Rickel recognized Chris Jillard to wrap up the stewardship and development discussion topic. Jillard talked about the congregations highlighted in the video and invited those with questions to contact the congregations directly. She noted hearing during the Indaba conversation about how transformative stewardship can be. The Commission for Stewardship and Planned Giving is available with resources, trainers and information to assist congregations with efforts in these areas.

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—**Congregations in Good Standing – Certification to Vote at 2011 Convention** with a Committee recommendation of “no opinion.”

Resolved, That the 100th convention of the Diocese of Olympia amend Canon 2 of the Canons of the Diocese of Olympia as follows: (1) Section 4 of Canon 2 be renumbered 4(a); and (2) A new Section 4(b) be added to read as follows: Commencing with the 2011 Diocesan Convention, the Secretary of Convention shall certify as eligible to vote only those lay delegates from Congregations in Good Standing and Congregations in Provisional Good Standing, as certified to the Secretary by the Office of the Bishop not less than forty-five (45) days before the scheduled convening of Convention. A Congregation in Good Standing shall be one which is current in all of its diocesan financial and reporting responsibilities, e.g., Parochial Report including net Disposable Income, Audit, Assessment, and loan responsibilities, if any. A Congregation in Provisional Good Standing is a congregation which has fallen into arrears in one or more of these corporate responsibilities, but has negotiated with the Office of the Bishop a mutually acceptable plan of remediation, and is current in its implementation of the agreed plan. [Document pg. 25]

Discussion: Mr. Jim Campbell spoke on behalf of the presenters noting that the resolutions were drafted in conversation with the bishop, after much discussion in all three governing bodies (Standing Committee, Board of Directors, Diocesan Council) and the Joint Finance Panel, and after listening to feedback from the regional ministry meetings. They are designed to put legs under the values identified at the 2009 convention on congregational responsibility. In response to a question from Mr. Chuck Foisie, St. James, Kent, Bayne clarified both resolutions apply to lay convention members only, not clergy. Opposed: the Rev. Chris Hoebmann, St. Matthew/San Mateo, Auburn; the Rev. Shelia Hunt-Witte, St. Paul, Pt. Townsend; Mr. Adam Breunig, St. Thomas, Medina; Ms. Judy Clogston, St. George, Seattle. In favor: Ms. Rose Power, St. Peter, Seaview; the Rev. Suzi Robertson, Good Samaritan, Sammamish; the Rev. Gail Wheatley, St. Andrew, Pt. Angeles; Mr. Joe McGuire, St. Bede, Pt. Orchard.

The Rev. Peter Strimer, St. Andrew, Seattle, **moved** to refer both resolutions to the Constitution and Canons Committee and other bodies as determined by the bishop for further work with a report to the 2011 convention. Discussion on referral: Mr. Duncan Bayne, as resolutions chair, advised the Constitution & Canons Committee was in the thick of drafting the resolutions; a sub-group worked with the Joint Finance Panel on the language; and he feels referral would be inappropriate and not particularly useful. In favor: Ms. Karen Younge, St. John, Kirkland; Mr. Roger Valdez, St. Mark's Cathedral, Seattle. Opposed: The Rev. Martin Yabroff, St. Andrew, Tacoma; the Rev. Chuck Atcheson, St. Stephen, Seattle.

Motion failed
Referral rejected

Continued discussion on main motion In favor: The Rev. Chris Jillard, St. Margaret, Bellevue; the Rev. Martin Yabroff, St. Andrew, Tacoma. Opposed: Ms. Dianne Aid, St. Matthew/San Mateo, Auburn. The Rev. Jonathan Weldon, St. Paul, Bellingham, called the question.

Motion carried
Question called
Vote on main motion carried
Resolution #3 adopted

Bayne placed on the floor Resolution #4—Congregations in Good Standing – Certification for Seat, Voice and vote at 2012 Convention with a Committee recommendation of “no opinion.”

Resolved, That the 100th convention of the Diocese of Olympia amend Article XVI of the Constitution of the Diocese of Olympia as follows: (1) The existing Article XVI be renumbered as Section 1, and (2) A new Section 2 be added reading as follows: Commencing with the 2012 Diocesan Convention, the Secretary of Convention shall certify as eligible for seat, voice and vote only those lay delegates from Congregations in Good Standing and Congregations in Provisional Good Standing, as certified to the Secretary by the Office of the Bishop not less than forty-five (45) days before the scheduled convening of Convention. A Congregation in Good Standing shall be one which is current in all of its diocesan financial and reporting responsibilities, e.g., Parochial Report including net Disposable Income, Audit, Assessment, and loan responsibilities, if any. A Congregation in Provisional Good Standing is a congregation which has fallen into arrears in one or more of these corporate responsibilities, but has negotiated with the Office of the Bishop a mutually acceptable plan of remediation, and is current in its implementation of the agreed plan. And be it further Resolved, that Section 2 of Article XVII of the Constitution of the Diocese of Olympia be deleted. [Document pg. 25]

Discussion Opposed: Ms. Mary Pacher, St. Dunstan, Shoreline; Mr. Randy Nevin, Good Samaritan, Sammamish; the Rev. Steven Shaver, St. Paul, Seattle. In favor: the Rev. Kendall Haynes, St. Mary, Lakewood; Mr. Pat Hogan, St. Timothy, Chehalis; the Rev. Jonathan Weldon, St. Paul, Bellingham.

Mr. Adam Breunig, St. Thomas, Medina, proposed an **amendment** to add an override clause; seconded.

Allowing time for the proposed amendment to be written, the convention moved on to other business.

Bishop Rickel returned the convention to Resolution #3, which required a vote by orders.

Resolution #3 carried in the clergy order
Resolution #3 carried in the lay order
Resolution #3 adopted

Report on Mutual Ministry Review

Bishop Rickel recognized Mary Allen, Standing Committee president; Allen reported on Bishop Rickel's most recent Mutual Ministry Review. Allen was thanked for her service on the Standing Committee.

Report from Mission to Seafarers

Bishop Rickel recognized Ken Hawkins, St. John, Kirkland; Hawkins reported on Mission to Seafarers current projects and activities.

Report from the Treasurer

Bishop Rickel recognized diocesan treasurer, Mr. Steve Faust, for his annual report. [Text pg. 21]

Action on the 2011 Budget

Bishop Rickel thanked Steve Faust for his work as treasurer. Steve commended to convention the 2011 operating budget and **moved** for its ratification. [Document pg. 83]

Motion carried
2011 Budget ratified

Bishop's Committee on the Environment

Bishop Rickel recognized Nancy McConnell, St. John, Snohomish; McConnell read the "Bishop's Committee on the Environment Kate Sullivan Award," presented to Ruth Mulligan. Bishop Rickel presented the award.

Committee on Resolutions

Proposed Breunig amendment to Resolution #4: After a decision of the Office of the Bishop to declare a congregation not in good standing, a congregation may identify five congregations that are in good standing to go to the Office of the Bishop, override the Office of the Bishop's decision, and give the congregation seat, voice and vote at the convention. *Mr. Adam Breunig* spoke to the proposed amendment. Discussion: *Mr. Jim Green*, Trinity, Everett, requested clarification on the mechanics of an override. Opposed: *Mr. Joe McGuire*, St. Bede, Pt. Orchard; *Ms. Mary Lyons*, St. Stephen, Longview; *the Rev. Martin Yabroff*, St. Andrew, Tacoma; *Mr. Don Gauthier*, St. James, Kent, called the question on the amendment.

Motion carried
Question called
Motion failed
Breunig Amendment rejected

Continued discussion on Resolution #4 Opposed: *the Rev. Peter Strimer*, St. Andrew, Seattle; *Ms. Clare Bungay*, St. Mary, Lakewood.

Mr. Lex Lindsey, Epiphany, Seattle, moved to **amend** the first sentence as follows: Commencing with the 2012 Diocesan Convention, the Secretary of Convention shall certify as eligible ~~for seat, voice and to~~ vote only those clergy and lay delegates from Congregations in Good Standing.... and spoke to the amendment.

Mr. Duncan Bayne provided a point of clarification noting that the right of clergy to vote is complicated as it appears in a positive form in both our constitution and canons and the national canons, and

would require additional study. *Lindsey* agreed to remove the reference to clergy in his proposed amendment. Discussion: In favor: *Ms. Karen Younge*, St. John, Kirkland. Opposed: *the Rev. Suzi Robertson*, Good Samaritan, Sammamish.

Mr. Doug Oles **moved** to refer the proposed amendment and resolution to the Constitution and Canons Committee for further work with a report to the 2011 convention.

Motion carried
Resolution #4 referred

Video #2

Bishop Rickel recognized the Rev. Melissa Skelton, canon for congregational development, for the introduction.

Congregational Development Video shown

Indaba Groups #2

Discussion Topic: *Congregational Development*

The working definition for "congregational development" in the Diocese of Olympia is: Congregational Development is the development of congregations of all sizes, locations and conditions into more faithful, healthy and effective communities of faith that are: focused on and faithful to their unique reason for being/primary task as congregations which are local expressions of the Body of Christ; Connected to and expressive of their unique ecclesial (in our case, Episcopal/Anglican) tradition, ethos and character; Self-renewing and responsive to the challenges and opportunities before them; and Sustainable or working toward greater sustainability in terms of a fit between the elements of their organizational life: vision for ministry, leadership, culture, size, property, finances, etc. **Study Questions:** What in the above congregational development definition most speaks to you in terms of what God is calling your congregation to work on in its own development? In thinking about your own congregation, what did you most connect with in the stories of Christ Church, Blaine, or St. Margaret's, Bellevue? What would you say (in a sentence or two) to a new person on a Sunday morning who wanted to know what your congregation is all about? (Hint: What could you say that is both true and expresses your unique and appealing identity or focus?)

Noonday prayers were followed by lunch and special presentations. Bishop Rickel invited forward members from St. John's Sudanese, Tukwila, who offered a musical gift to the convention.

Mission Station Certificates

Bishop Rickel presented Mission Station certificates to the following:

St. John's Sudanese, Tukwila	St. Germain, Hoodsport
Resurreccion, Mount Vernon	Beacon Hill Church Plant
Church of the Apostles, Fremont	

Bishop's Cross Presentation

Bishop Rickel awarded the Bishop's Cross to Dianne Aid, Third Order Society of St. Francis.

Bishop Rickel: A life-professed member of the Third Order Society of St. Francis, Dianne Aid lives her life following in the footsteps of St. Francis of Assisi with integrity and faithfulness. As a faithful Franciscan Dianne continually sets out, in the Name of Christ, to break down barriers between people and to seek equality for all, working against the ignorance, pride and prejudice that breed injustice or partiality of any kind. Her Franciscan understanding of poverty has led her deeply into a commitment to social justice for those marginalized and disenfranchised and the poorest of the poor, the new "lepers" in today's world, whom she has embraced with the same grace and enthusiasm as Francis kissing the leper. Dianne followed a call to serve immigrant families by welcoming them into the faith community of the Episcopal Church and then to stand by them and enter with them into the many difficult issues they face daily. In doing so Dianne has had to strenuously advocate for them so that they could truly be included in our faith community, by pressing for translators and translation equipment, a place at the table at vestry and bishop's committee meetings, and helping them find their own voice for advocacy efforts. She did not hesitate to be identified with the people she has served, in true Franciscan style, but has been included by them in their family and cultural celebrations and customs. Dianne has had the heart of an evangelist in the Franciscan aim "to make our Lord known and loved everywhere," and therefore worked to make the EFM (Education for Ministry) courses accessible and translatable to Spanish. Dianne made a conscious choice to be engaged in this ministry knowing that she would receive very little back financially for her own life support. This has not fazed her; she lives purposely in the Franciscan ideal of Holy Poverty, living simply. Her genuine love for the Purepecha people has led to greater involvement with community social service agencies and local government, as well as diocesan and national church involvement. Dianne also lives out her Franciscan rule of life through daily prayer and meditation, reading the daily office and studying the Holy Scriptures, and intentional reflection on how she is living her rule with her spiritual direction and Third Order chaplain. She has on many occasions spoken of how grateful and humbled she is to be entrusted with ministry in the Name of Jesus and to know that it makes a significant difference for many. For all of us, it surely has made a difference. For her faithfulness in word and deed, for her example in making our Lord known by living her life in his Way, I present the Bishop's Cross to Dianne Aid.

Bishop's Cross Presentation

Bishop Rickel awarded the Bishop's Cross to Kathryn Elaine Joehnke Hess, St. Paul's, Bremerton.

Bishop Rickel: Kathryn Elaine Joehnke Hess was born to Carl William Joehnke and Helen Elizabeth Riggs in Oregon City, Ore., on August 9, 1910 and was baptized in the Mother Church of the Episcopal Church of the West, St. Paul's in Oregon City. In these days of no denominational loyalty, Kathryn is one of those rare cradle Episcopalians. She grew up in a farming community in a suburb of Portland and attended Oregon State University in Corvallis. She married Ray Myron Hess on July 1, 1934 and they had two sons. The young family moved to Bremerton, Wash., in 1937 when Ray began a new job at the Puget Sound Naval Shipyard. Upon arriving in Bremerton Kathryn immediately sought out the local Episcopal Church, St. Paul's, and within a short time became active in the parish. She joined the Altar Guild in 1940 and has been an active member which she continues even today. During WW II Kathryn took a shift on the local tower on top of the local High School manning the radar watching for incoming planes. Her shift was 12 AM to 6 AM every Tuesday for the duration of the war. St. Paul's has had three homes in Bremerton. In its most recent incarnation on Callahan Drive, Kathryn was an active participant in actually painting

and pounding the nails in the lantern high above the altar area. And it was Kathryn who was the one responsible for the first sound system that was ever installed in the sanctuary in the newest church. Kathryn was an active member of two search committees, a vestry member, the ECW. She was one of the charter members of the Parish Prayer Chain and is still praying strong today for those in need. It has been Kathryn's faith that has informed her activism in the world. During the school year of 1966-67 she and her family housed the only African American school teacher in Kitsap County. The young man had recently graduated from college and had been a recognized football star. He was hired to teach sixth grade in the Central Kitsap School District sight unseen, but when the school district discovered that Ester Wilfong was black, he was instantly fired. The scandal hit the local, then the national papers and he was hired back the next day, but he had no place to live, because no one would rent to him. So it was the Hess family that took him in. Ester Wilfong eventually became the President of the Washington Education Association. Kathryn Hess is a charter member of the Kitsap County League of Women Voters, has a 45 year history with P.E.O. Sisterhood (Philanthropic Educational Organization) which offers scholarships for outstanding women in the country. Kathryn has contributed to the increased role of women within the Episcopal Church as well as our country. Kathryn and Ray were instrumental in starting the Silverdale Library. After the war ended the school district inherited all of the Quonset huts and out buildings that had been used by the military. Silverdale school district received a 16 x 16 building that was made into the village library. And it was there, for 20 years that Kathryn served as librarian, starting out at a whopping twenty five cents an hour. She retired from the library after Ray retired from the shipyard. After Ray had a heart attack, they decided that it was time to travel. They traveled all over Europe, Spain and Portugal, the South Pacific, Australia and New Zealand, and could even boast that they'd been in every state in the United States. Their married life together ended on a beautiful October afternoon in 1973. Kathryn had just led a huge women's book study group in town and when she returned, she and Ray sat outside in their favorite chairs enjoying the scenery and chatting about her experience. She shared a lovely prayer that had come from the book they'd read:

"We thank you for the place in which we dwell.

The love that unites us.

The peace accorded in this day.

We will be together wherever we are."

After sharing that loving conversation together, Ray said that he was going to go up the hill to get the mail. He never returned from his walk. He had a heart attack on the way back from the mailbox. At 100 years old, Kathryn continues to be active in her church. For filling her 100 years of life with persistent faith and steady leadership I present the Bishop's Cross to Kathryn Elaine Joehnke Hess.

Bishop's Cross Presentation

Bishop Rickel posthumously awarded the Bishop's Cross to Carl Knirk, St. Mark's Cathedral, Seattle and diocesan Canon for Planned Giving/Stewardship and Evangelism. The cross was presented to Susan Knirk.

Bishop Rickel: As stewardship and planned giving officer for more than 12 years Carl F. Knirk talked with thousands of people about life planning, often preaching on Matthew 24:42, "Watch therefore for you do not know on what day the Lord will come." On Saturday, May 29, 2010, he died suddenly at his home in Seattle. He was 65. At 6'4", he was known by many as a "gentle giant" and often donned a smile that made you smile. It was a smile that comes from recognizing one's life as an offering to the one who creates, redeems and sustains us all. Born July 5, 1944, in Marion, Ohio, Carl was a man of deep faith and integrity. His faith was integral to who he was and how he lived his life. It was part of his relationship with his family, and it was essential to his decisions about what he would do with his life. Carl was deeply committed to We Will Stand With You, and was instrumental not only in our diocese's

fundraising efforts but in the lives of the people of St. Paul's and their larger community. The week before his death, Carl sent St. Paul's a check for \$30,000, which fulfilled the \$500,000 pledge we made nearly five years earlier. In recent years he became a champion for the recovery and revitalization of the Gulf Coast, and he was saddened by the recent trauma to Louisiana's wetlands. Carl touched the lives of people wherever he went with his sincerity, humor and zest for life. He also was touched by those who he encountered, often visibly moved by shared moments of sorrow and joy. In 2010, Carl began a term as president of the Episcopal Network for Stewardship and previously served for several years as a TENS board member. He was a devoted and active member of St. Mark's Cathedral, Seattle, and the Cursillo movement, and he served as Camp Huston's summer camp director from 1975-1977. In his memory, the Carl F. Knirk Scholarship Fund has been established to provide scholarships, at the recommendation of the bishop, for people participating in disaster emergency response mission trips or attending TENS-sponsored workshops. If someone could be considered 'salt of the earth,' it certainly was Carl. We give thanks for this joyful saint of God who brightened our lives and led us in new and faithful ways in this church. There will never come an end to the good he has done for us and it is with a great deal of pleasure that I present the Bishop's Cross to someone who really "got it" **Canon Carl Knirk**.

Fellowship Reception

Bishop Sandy Hampton spoke of the founding and acceptance by the House of Bishops of a new religious order, the Fellowship of St. John Evangelist, which was founded on Whidbey Island 10 years ago; Bishop Hampton, as the official visitor to the order, read the certificate and formally accepted the Fellowship.

Recognition of Jerry Shigaki

Bishop Rickel thanked the Rev. Jerry Shigaki for his years of service as the Canon for Multi-Cultural Ministries and appointed him an honorary Canon of St. Mark's Cathedral.

Bishop Rickel also honored Mrs. Sherry Garman, longtime directress of the diocesan Altar Guild.

Admission of New Parish

Bishop Rickel recognized Mr. Jim Campbell and the Rev. Ray Sheldon for the report of the Committee on Admission of New Parishes. At the conclusion of the report, Bishop Rickel called for a vote on admission of Grace Church, Bainbridge Island, as a parish in union with the convention.

Motion carried

Grace Church, Bainbridge Island, accepted as a parish in union with the convention

Members of Grace Church processed forward to be received. A video, created by members of Grace Church was shown.

Indaba Groups #2 Wrap Up

Bishop Rickel recognized the Rev. Melissa Skelton to wrap up the congregational development topic. Skelton thanked the video participants from St. Margaret, Bellevue and Christ Church, Blaine. She added that the College is now two years old and graduating its first participants. For more information you may contact her or visit the College website.

Episcopal Relief and Development

Bishop Rickel recognized Chuck Hamilton, diocesan representative for Episcopal Relief & Development; Hamilton reported on ERDs current projects and rolled out the *Wine into Water* campaign.

Report of the third ballot

Bishop Rickel called on Secretary Marda Steedman Sanborn for the report of the third ballot.

Diocesan Council

Simple majority (206) needed to elect.

Dennis Taylor	99
Jonathan Weldon	256
Kara Hunt	16

WELDON ELECTED

General Convention Deputy

Plurality required to elect.

Clerical Order —

Bill Fulton	33
JR Lander	58
Stephen Moore	195
Kathleen Patton	93
Hunt Priest	238
Marda Steedman Sanborn	68
Nigel Taber-Hamilton	20
James Thibodeaux	25
Martin Yabroff	21

MOORE & PRIEST ELECTED

Lay Order —

Sally Barnes	12
Duncan Bayne	132
Charlotte Brown	50
Jim Campbell	130
Nancy Jacobs	16
Sandy McCloud	33

BAYNE ELECTED

Fourth ballot

Bishop Rickel recognized Mr. Chuck Hamilton, elections official, to explain the procedure for the fourth ballot to elect alternates to General Convention. Bishop Rickel declared the polls open.

Fourth ballot completed

Video #3

Bishop Rickel recognized Ms. Kathy Hamilton, canon for youth and young adults, for the introduction. Hamilton noted that this video represented Bishop Rickel's third focus area, concentrating on those 35 and under, presenting two ministries – of the many – Epiphany, Seattle, and Good Shepherd, Vancouver.

Ministry to those 35 & Under video shown

Indaba Groups #3

Discussion Topic: *Ministry to those 35 & Under*

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. **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, cannot discover how to reach, feed and attract people under 35 that we may well lose 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. **Study Questions:** What are the opportunities you see or your fears/anxieties around incorporating young people in the life of your church? What did you observe in the video that you might want to test at home? What help and resources might your church need in engaging and incorporating this age group?

Indaba Groups #3 Wrap Up

Bishop Rickel recognized Ms. Kathy Hamilton to wrap up discussion on ministry concentrating on those 35 and under. Hamilton thanked everyone for engaging in this conversation and noted that the Diocese of Olympia is active in including young people in the leadership of the church. She added that some years ago there were very few young people on the floor at these conventions; we have experienced an increase of our number of clergy under the age of 35, we now have regional youth delegates as well as our youth presence. Those under 35 were asked to stand and be recognized.

Report of the fourth ballot

Bishop Rickel called on Secretary Marda Steedman Sanborn for the report of the fourth ballot.

General Convention Alternates

Plurality required to elect.

Clerical Order –

Bill Fulton	180
JR Lander	250 (2 nd alternate)
Kathleen Patton	274 (1 st alternate)
Marda Steedman Sanborn	242 (3 rd alternate)
Nigel Taber-Hamilton	117
James Thibodeaux	206 (4 th alternate)
Martin Yabroff	158

**LANDER, PATTON, STEEDMAN SANBORN, &
THIBODEAUX ELECTED**

Lay Order –

Sally Barnes	222
Charlotte Brown	303 (2 nd alternate)
Jim Campbell	313 (1 st alternate)
Nancy Jacobs	239 (4 th alternate)
Sandy McCloud	287 (3 rd alternate)

BROWN, CAMPBELL, JACOBS, & MC CLOUD ELECTED

Canon 14/Article XVI Action

Bishop Rickel reported that St. George's Church, Seattle, had been designated an Aided Parish under Canon 14 of the Canons of the Diocese for more than four years and remained unable to meet all the financial obligations described in Section 3 of Canon 14. Vice Chancellor Duncan Bayne **moved** that the status of St. George's Church, Seattle, be changed from a parish to a mission of the Diocese.

Motion carried by the required two-thirds majority in each order (clergy and lay) voting separately
St. George's Church, Seattle changed from parish to mission status

Recognition of youth, pages, volunteers and diocesan staff

Bishop Rickel thanked the following groups for their dedication and hard work in putting together the 100th Convention of the Diocese of Olympia: voting and non-voting youth presence; youth and young adults working behind the scenes as pages; Chuck Hamilton, elections official; Kathy Hamilton, Page & youth presence wrangler; registration volunteers; Liturgy and Arts Commission for the liturgy; the musicians led by Jason Anderson; Deborah Hickey-Tiernan for creation of the mural and our environment; everyone for being present at this convention; and the entire Diocesan Staff.

Washington Association of Churches

Bishop Rickel recognized Alice Woldt, executive director of the Washington Association of Churches; Woldt shared the vision of the organization: to bring all Christians together to promote the common good in all of our communities, and reported on recent activities and projects.

St. Mark's Cathedral Constitution

Bishop Rickel recognized Mr. John Hoerster to present proposed changes to the Cathedral Constitution. At the conclusion of the presentation, Mr. Sean Horner, St. Mark's Cathedral, **moved** for acceptance of the proposed changes. *[Document pg. 34]*

**Motion carried
Cathedral Constitution changes adopted**

El Salvador Companion Diocese

Bishop Rickel recognized the Rev. Jo Beecher; Beecher talked about a potential companion diocese partnership between our diocese and the Diocese of El Salvador. Bishop Rickel will form an exploratory committee this year with the hope of having a formal resolution for convention 2011.

Final Announcements

Secretary Marda Steedman Sanborn acknowledged appreciation for Bishop Rickel and his leadership in

this diocese. She announced that the 2011 Convention will be October 21-22 at the Lynnwood Convention Center north of Seattle, and that the 2012 convention will be November 9-10 at the Hilton Seattle Airport, SeaTac.

Final Remarks

Bishop Rickel thanked those sitting at the head table, thanked Ms. Becky Morrill from St. Mark's Cathedral for putting together all our worship during this convention, and addressed his final remarks to the convention. Excerpts: We embark now on our next 100 years. We welcomed a new parish. We struggled over some items about how we stay connected and remain accountable. Sometimes it's not just what we do here, but how we do it. Three plus years in your midst you have taught me much and I am always inspired by you. Thank you.

He then announced, "the business of this convention having been completed, the 100th diocesan convention is adjourned sine die."

Evening Prayer & Commissioning Adjournment

Closing prayers, including the commissioning of all those elected during the convention were shared.

Section 2

Sermon, Convention Address – the Rt. Rev. Greg Rickel
100th Diocesan Convention

I am bit more into food right now than I care to admit, although my growing waistline seems to tell the story without words. I was told that the average new member of the House of Bishops gains at least 25 pounds and has some major medical crisis in the first five years. So far I have missed #2, but I'm getting very near fulfilling #1. I decided to tell you – be up front – so I can have about 600 of my closest friends holding me accountable over this next year, so when I stand before you then I might report a change, or at the very least a halt in growth, or be in trouble!

All of that to say, I like food. You all have some good food around this diocese, and I am not shy in partaking of it. There are some of you I could blame, but I will refrain from that tonight. Food provides a good metaphor for many things.

One of my favorite stories about food is from Linda Ellerbee, correspondent, talk show host, the 'so it goes' lady. I met her in seminary since one of my colleagues was great friends with her. She tells the story of once trying to make her mother's famous Squash casserole, making it after she had gone on a harangue with her family about eating all the processed food they ate. She followed what she thought was the recipe, but it didn't taste right and so she called her cousin in Texas, and when she went through all the ingredients, the cousin said,

"Well, Linda Jane, you left out the Cheez Whiz."

Cheez Whiz! Ellerbee says she thought she was joking, but she wasn't. Cheez Whiz. She raced to the store, finds an employee and she writes, "Excuse me, where in this store might one find Cheez Whiz?" She whispered in case he actually had taste buds.

"In the refrigerated cheese case. Where did you think?"

"But why?" she said, "This stuff has the shelf life of a jar of cobalt. There's nothing in it that needs refrigeration—certainly not cheese. Look at the label. Made with cheese food. What is that? Something they feed the cheese?"

"Lady, do you want it or not?"

She added the Cheez Whiz and, lo and behold, it tasted just like Mama's. As she said, "It tasted right even if it was wrong."

I had the best chicken wings I had ever tasted once and I asked what the secret sauce was and I was told grape jelly. It was true.

Bishop Bayne, our third Bishop of Olympia once wrote of being Anglican, "We like good Anglican books which have the theological consistency of a good, nourishing, French peasant soup, starting with a sound stock, then added to day by day with whatever happens to be left over – a dash of Platonism, some Aristotelian greens, a Calvinist bone or two, a Lutheran turnip, a spoonful of Kierkegaard, a pinch

of Temple, then brought to a quick boil with group dynamics, and pushed to the back of the stove to cool a bit! This is the kind of thinking we like to do, but it is infuriating to the orderly mind."

In a recent, excellent meeting with many from the multicultural and ethnic ministries in our diocese, I used a metaphor which I would share with you that our three focus areas, which remain important to me – congregational development, people 35 and under, and stewardship of all of our resources – are like meatballs in a stew. The meatballs sit in an amazing broth, which marinates all of them. This broth is our multicultural life, the gifts and skills we all bring to this endeavor. It probably has some Cheez Whiz in it, even if that grates against your sensibilities; the richness comes from our diversity and it is a reality we cannot, nor, I would say our faith calls us to make sure we do not, avoid or ignore.

You cannot imagine how many things I have been asked to make a part of this address. Were I actually to honor all of those requests, we would be until next Wednesday. And so I will disappoint some here. I see my task tonight as this, to honor our overarching call as the Body of Christ at this time and in this place, and to hopefully preach the Gospel. So as to do that, I promise that there will be a way for us to

address everything you asked and brought forth, and I must comment on what a good problem that is to have.

This convention has as its theme, *Becoming the Diocese of Olympia*, and it celebrates our 100th year as a diocese. We have a long history. In 1880 the Territory of Washington was separated from Oregon and established as a Missionary District by General Convention. Eventually separate districts in this state were made and Olympia looked much as it does now. The Rt. Rev. John A. Paddock was chosen as the first bishop. At that time there were within the District seven congregations, nine clergy, 212 communicants, and property valued at \$3,500.

By the very early 1900s the District had 33 clergy, 50 congregations, 5500 congregants, and property valued at \$750,000. The third bishop of the district was Frederic W. Keator. And he found it his task to move Olympia to become a diocese. He wrote a missive entitled, *The Missionary District of Olympia: Shall it become a diocese?*

He wrote of the difference between a missionary district and a diocese. "A missionary district is organized by the Church through the General Convention for those parts of our country where the church is weak, where the people are few in number and poor in resources. Just as soon as that section grows and develops and the Church becomes strong enough to get along without help, every dictate of honor, of manhood, and of loyalty require that it shall lay aside the leading strings of infancy, put forth its own strength, and begin to stand and walk alone. This it does by organizing as a diocese and asking

for admission to union with the General Convention."

The Canons of the Episcopal Church required that any district hoping to be made a diocese had to have a "satisfactory assurance of a suitable provision for the support of the Episcopate," something nearer and dearer to my heart these days. At that time, that meant about \$50,000. Bishop Keator had scrounged together about \$32,000 already, but there were some hitches. For one the Brown Fund, the national fund for which \$10,000 grants were given to districts wanting to become diocese, was running out of money. Keator even stated that there were only three grants left as far as he could tell, and he was certain Sacramento and Ashville were going to scarf these up, so we had to move with all due haste. True or not, it worked, and a campaign was launched to raise \$18,000 – a lot of money in those days. He cautioned that the clergy could not do this alone; it would require everyone and most especially the laity.

He ended this small pamphlet this way, "There is really nothing that the District can lose by the organization as a Diocese. On the other hand, there is much which it will gain. It will gain in the strength which comes from putting off childish ways of dependence, and the putting on the manly habits of self support and self control. It will gain in the efficiency which comes from uniting our people in a common work for the up-building of the Kingdom of God within our borders. It will gain in power and influence as it takes its place and assumes its share in the responsibility for the work of the church as a whole. And last, but

not least, it will gain by the saving of its good name, which is none other than the good name of this Northwest for the manly virtues of courage, energy, self-reliance, honesty, and loyalty."

In this he said, let this be our motto "We can if we will. We can, and we will."

And so they did, so many generations helped that to be true, worked so you and I could be here celebrating this day. If we are not careful, we can totally miss, and also take for granted, our pioneers. They rowed boats through the San Juan Islands, crossed rivers on horseback, went around and over mountains to set forth communities of faith. Of course, they often thought they had arrived as the first people, and the first spiritual presence. We know they were wrong, and we still have that to contend with today, and we should. They went out of their way, literally, so that we could be here.

Fred Jessett recently sent me this quote, made at about the same time this diocese forming, by Bishop Leigh R. Brewer, Bishop of Montana who addressed the following to his diocesan convention meeting in Bozeman, Montana in 1909. "The great burden and annoyance that I have is that the Church plans a little work as if it were to be done in our own strength, and as cheap as possible. We go home and set timidly about it as if we had overestimated our ability. Then we falter and hesitate. We begin to murmur, then to grumble, and finally [become] indifferent. The Church that prides itself on its historic continuity with the apostles who took the world in their embrace, and dared to live and die to save it, sighs and declines.

"We drop our parish net at the corner of a fine avenue and tie it to a splendid building, and a good

many of us come over on Sunday mornings, and a few on Sunday evenings, to see if any fish have been wise or foolish enough to come into our handsome net. And yet, but a block away, there is a great multitude of men to whom the heavens are brass, the earth a martyrdom, the church but a name, busy with nothing but hanging the millstone about the neck of human weakness that it may sink out of sight and die.

"I say that we fear to launch out into the deep of humanity and instead, go all our lives long coasting along the shore of opportunity, privilege and power. Someday soon the church will have to give an account. And I fear for it."

I think his fears may well have been warranted. In these days, we are called to "launch out in to the deep of humanity" in ways that are different, but no less daunting.

Two leaders in the Episcopal Church suggested some things in the past few weeks. First, the Rev. Tom Ehrich, who spoke to our clergy conference a few years ago recently posited in an essay, "Yes, we made mistakes," the following three mistakes. He stated "stubbornly keeping on is a death wish."

1. The belief that all we had to do was open our doors and the people would stream in. That generation did exist, but is no more.
2. We fixated on Sunday worship. We became a one-stop shop, and that produce has appealed to fewer and fewer people. We tweaked it, updated language, and music, but people still made other choices.
3. Staying put and becoming "destination churches" when our constituents moved away. We expected them to keep

driving back. We made half-hearted attempts to engage our new neighbors but didn't adapt because we didn't want to offend those who had moved out to the suburbs that we kept hoping would return.

We might say we didn't want to get Cheez Whiz into the vegetables. It is worth thinking about.

The second was our own Presiding Bishop, who this week cautioned our Executive Council – and we have heard this in the House of Bishops too – of being wary of, as she called it, "suicide by governance." This I very much believe.

She went on to suggest that every dying organism pays most attention to survival. Governance should exist to support and augment mission, it should never become our mission. This I believe is a huge problem, not just for "them" but for us too.

Again, Bishop Bayne once summed this up succinctly by saying, "Some will have to cease thinking of the Church as a memorial association for a deceased clergyman called Christ."

Along with our anniversary, we tonight, will ordain two new deacons. They are vocational deacons, called to this order, and only this order. It is so appropriate that they are ordained as we gather as a diocese, to symbolize their direct work with the Bishop, and also to symbolize and remind us of what we are called to do, and be, fed here, but working out there, and taking Christ to the world. I will, as is my custom, give them dish towels from my kitchen, from my home. I do this, giving them ordinary things, symbols of simple service, as reminders of their role as servant, and to remind them where their work is. It is,

besides the Bible, the only gift I will give them.

I say that deacons are called to go into the world, find trouble, and bring it back to the church. Surely there is a lot of trouble to find. We don't always want it finding its way back to our church, that might just be too messy, too much Cheez Whiz for us. But our Gospel has much to offer to those troubles, and must to compel us to engage them. These deacons remind us of all of that.

I know I can be a bit hard and blunt sometimes. I want to challenge us always to be better as I know we can be, as I know I can be. I do that, but tonight, I want to commend you, all of you. In my visits with you I find that, in your own way, and with your own talents, you are moving away from division and inside thinking and making the turn toward that which is our ultimate focus, those outside our fold. Sometimes it is frustrating, and you don't know what to do. I don't either. Maybe it is not what we do, but what and who we are that will make the difference.

I want to commend you for the way you have worked with this convention, in order that we might have it be shorter, but also efficient, and that we might be looking to the work of relationship and conversation instead of legislation as the way to solve our problems, but even more as a way to share who we are.

I have to tell you, very few people, not the President, not the Congress, not the greater Episcopal Church, really very few people are waiting with bated breath for our next declaration on whatever the topic might be. We seem to continue to deceive ourselves with that delusion.

What I do believe they are waiting for is an authentic church, an authentic, living, incarnate example of Christ. The truth is people out there are not very interested in the Church, but they are very interested in Jesus. They want to see what that 2 Corinthians word we hear tonight looks like, *For we do not proclaim ourselves; we proclaim Jesus Christ as Lord and ourselves as your slaves for Jesus' sake. For it is the God who said, 'Let light shine out of darkness', who has shone in our hearts to give the light of the knowledge of the glory of God in the face of Jesus Christ.*

Our theme this year is becoming a diocese. And the truth is, we are still becoming a diocese. We will most likely never be done with that. I think it is so appropriate that Grace

Church, Bainbridge Island will be made a parish at this 100th Convention, officially tomorrow, proving in yet another incarnational way we are still becoming.

So, let's be about that, as a diocese we will now be making the history that will be celebrated 100 years from now. What will they say about us? What stories will they tell? What will we gain from becoming a diocese?

Tonight, I will let the third bishop of our missionary district and the first bishop of this diocese of Olympia have the last word, "WE will gain in the strength which comes from putting off childish ways of dependence, and the putting on the manly habits of self support and self control. WE will gain in the efficiency which

comes from uniting our people in a common work for the up-building of the Kingdom of God within our borders. WE will gain in power and influence as WE take our place and assume our share in the responsibility for the work of the church as a whole. And last, but not least, WE will gain by the saving of our good name, which is none other than the good name of this Northwest for the manly virtues of courage, energy, self-reliance, honesty, and loyalty."

In this he said, let this be our motto "We can if we will. We can, and we will."

The Rt. Rev. Gregory Rickel
October 29, 2010
SeaTac, Washington

Treasurer's Report to Convention – 2010

Good Morning. I'm here today to report on the status of the Diocesan finances. I will talk about the audited results for 2009, recognizing that this seems a long time in the past, but that's just how the audit and convention schedules play off each other. I will say a few words about the projected year-end outcome for the 2010 Council budget, and report briefly on the three major funds overseen by the Board of Directors. As you recall, I'm sure, non-profit organizations generally use fund accounting, so funds need to be tracked, discussed and audited separately.

I will not discuss the 2009 Council budget in detail at this time, as you have had ample opportunity to review it in regional and pre-convention meetings in the run-up to the 2011 budget. It is worth remembering that

the Council budget for 2009 intentionally drew down about \$400,000 of excess reserves. Reserves in the 2010 and projected 2011 budget are now felt to be at a prudent level given the low volatility of our income and revenue lines. The 2009 Council budget ran over \$12,000 from plan. This is roughly three-hundredths of one percent, clearly a non-material variance, and no thumb screws need be unsheathed. A good job, indeed, by program departments and commissions. It is possible this late in the year to begin to have some confidence in year-end 2010 projections. I will go out on a limb and say that by early March when the books are finally closed, we will have a 7% shortfall in assessment revenue and a tiny positive expense variance,

meaning a contribution of less than \$25,000 to accumulated surplus.

Activities that are properly placed in the Operating Budget, but not shown in the Council budget (which is technically a management report) include (a) the Refugee Resettlement Office, working from offices in the lower level of St Peter, near Seattle's International District, (b) the Camp and Conference Center budgets, (c) the in-kind income and expense that represent the fair market value of Diocesan House considered as Class B office space, and (d) the value of a property in south Seattle that was leased to Habitat for Humanity for 75 years for \$1 per year and used as temporary housing for refugee families. Some of these show up on the balance sheet; other items show up on the income statement.

Collectively, they add nearly \$2,000,000 of additional revenue and expense – mostly as Camp and Conference Center items and as state and federal grants in the Refugee Resettlement Office. The in-kind entries for the rental value of both diocesan house and the Habitat for Humanity houses are non-cash transactions: that is to say that while they amount to about \$400,000 in accounting terms, no checks are sent or received. The next funds I will comment on are under the supervision of the Board of Directors.

The James F. Hodges Diocesan Investment Fund, known as the "DIF," is a pooled investment fund used to hold the endowment assets of the diocese and may be used by congregations to hold endowment assets and long-term reserve funds. The fund was established in 1951 and is managed by a separate committee of investment professionals reporting to the Board of Directors. The DIF year-end 2009 balance was \$42.6 million dollars, up from \$37 million the prior year, and about evenly split between diocesan endowments and restricted funds, and congregational funds. That is to say, the 2009 year-end value of diocesan endowments was about \$23,000,000. The fund is managed to provide current income and to retain the purchasing power of long-lived assets. The fund has slightly outperformed the S&P 500 index and the Barclay's bond index over the past five years, but as they say: past performance is not a predictor of future performance, principal can be lost,

funds are not insured and should not be invested if it is expected that the principal will need to be withdrawn within 3 to 5 years.

Bill Goodenough, the Board's representative for properties prepares a report each year for Convention detailing the balances of the Mission Development Fund and the Building Loan Fund. It is document 10/F/9 in your materials. As you can see, the Mission Development Fund has assets of just over \$1 million, all in the form of property purchased for the ultimate purpose of building a church on it. Nine of these properties already have churches on them: five congregations are servicing these loans, which are interest-free according to the terms of the fund, and four are unable to do so at the present time. The Building Loan Fund has loans outstanding of \$5,112,000, of which 16 are performing and four are non-performing. There is about \$650,000 which can be made available to congregations for improvement or repairs. Mr. Goodenough's report also details building loans approved in 2010 and lists the other actions taken by the Board of Directors since the last convention.

If anyone wishes to view the audited financial statements, which run to about 75 pages, I have them at table 4, and I'm glad to share and discuss them with you.

In sum, the Diocese – as an entity – is in a good position financially. We do not have large unfunded pension or health care obligations as some organizations do. We do not have

unmanageable deferred maintenance costs. We are able to bring about \$400,000 each year from our endowments into the council budget for salary and program support. We are not immune from the challenges that face the American and Northwest economy over the next decade, but we have the financial strength to survive. God grant us the grace to thrive.

My next and final piece of business is to recommend the 2011 Council budget to you for ratification. Before I do so, however, I want to make a point that I failed to make explicitly at any of the pre-convention meetings I attended this year. The assessment rate for 2011 has been set at 17.5%, a one-half of one percent reduction from the prior year. This may not sound like much when discussed as a percentage, but amounts to a 2.8% reduction in each congregation's contribution to diocesan work. It was just four years ago that the assessment rate was 20%. The assessment rate, expressed as a percentage, has fallen 2.5%. In cash terms, this is a *12.7% reduction of the amount collected on net disposable income*. So the Budget and Finance Committee and the entire Council and diocesan executive leadership have found ways to accomplish the work we have been given to do with less treasure, and that needs to be acknowledged. I move the ratification of the 2011 budget as presented in your convention material.

Mr. Steve Faust

Section 3

Reports to the 2010 Convention

Postulants and Candidates for Holy Orders (10/A/10)

Postulants – Priesthood: Edith Burkhalter, Christ Church, Seattle; Michael Carroccino, St. Paul, Bellingham; Jennifer Daugherty, Emmanuel, Mercer Is; Alfredo Feregrino, St. Mark, Seattle; John Forman, St. Paul, Seattle; Josh Hosler, St. Thomas, Medina; Alex Labal, St. Columba, Kent; Laura Murray, St. Paul, Bremerton; Jonathan Myers, COTA; Alisaabeth Newton, St. Paul, Seattle; John Powless; Catherine Reid, St. Paul, Seattle; Eliacin Rosario-Cruz, COTA; Jessie Smith, St. Andrew, Tacoma; Brenda Sol, Trinity, Seattle; Irene Tanabe; Andrew Varyu, COTA, Seattle; Craig Vocelka, St. Paul, Bremerton.

Candidates – Priesthood: Halcott Cater, Trinity, Seattle; Janet Loyd, Transfiguration, Darrington.

Transitional Deacon: Sheila Crisp, St. Benedict, Lacey; William Deng, Resurrection, Bellevue; Stephen Drew Foisie, St. Margaret, Bellevue; M. Karen Haig, Grace, Bainbridge Island.

Postulants – Diaconate: Mark Blindheim, St. Andrew, Seattle; David Culp Jr., Holy Spirit, Vashon; Doug Dahlgren, Christ Church, Tacoma; Carter Hawley, Redeemer, Kenmore; Laura Muglia, St. Mark, Seattle; Catherine Scheinder, St. John, Gig Harbor; Polly Shigaki, St. Peter, Seattle; Eric Stroo, All Saints, Bellevue.

Candidates – Diaconate: Stephen Crippen, St. Paul, Seattle; Paul Haggland Jr., St. Elizabeth, Buriem; Robin Ringland, St. Aidan, Camano Island.

Final Agenda (10/A/14)

Diocese of Olympia 100th Annual Convention

Friday-Saturday, October 29-30

Becoming the Diocese of Olympia!

Friday, October 29

Exhibits

10:30 am – on Exhibits open

Optional Workshops

Website Design 101: Best Practices in the Digital Age

The How-to Guide for Applying and Reporting on

Congregational Grants

So You Want a Deacon – Whoever that is

Ministry in Retirement Environments

Social Media and the Church

A Taste of the College for Congregational Development

Year Round Stewardship

Convention Business Session #1

1 pm Call to order & Welcome

Opening Worship

Quorums / Introduction of head table / Dispatch of Business report / Privilege Committee report / Nomination & election of Secretary / Appointment of assistant secretaries / Nominations / Ballot #1 / Anniversary presentation / Table conversation / Constitution & Canons report / Bishop appointments / Appointment of Trial Court & Disciplinary Board / Resolutions 1, 2, 5, courtesy / Clergy and staff transitions / Ballot #1 Report / Ballot #2 / Video #1 – Stewardship & Planned Giving / Announcements

Convention Exhibit Exploration #1

3:45 pm Break

Convention Indaba Conversation #1

4:15-5:30 pm Indaba Topic: Stewardship & Planned Giving

5:30-6:45 pm **Dinner break**

Convention Eucharist

7 pm Eucharist and ordinations / Bishop's Address

9:30 pm Reception for ordinands

10 pm **Compline**

Saturday, October 30

8 am – on Registration

8 am – on Exhibits open

8:30 am Clergy Spouse/Partner breakfast

9:30 am Clergy Spouse/Partner workshop

Convention Business Session #2

8:30 am **Morning Prayer**

Ballot #2 Report / Ballot #3 / Wrap up Indaba #1 / Resolutions 3 & 4 / Report on MMR / Mission to Seafarers / Treasurer's Report / Action on 2011 budget / Lutheran Public Policy / Bishop's Committee on the Environment 2010 Kate O'Sullivan award / Announcements / Video #2 – College for Congregational Development

10:20 am Break – move to breakout rooms

Convention Indaba Conversation #2

10:40 am Indaba Topic: College for Congregational Development

11:40 am Break – move to plenary hall

Convention Lunch

11:50 am Noonday prayers

Bishop's Cross presentations / Mission Station presentations / Reception of new Order / Special recognitions

Convention Business Session #3

1:00 pm Session #3—Convention business –
New Parish Admission / Wrap up Indaba #2 / Episcopal Relief & Development / Ballot #3 Report / Ballot #4 / Announcements / Video #3 – Ministry to those 35 & Under

Convention Exhibit Exploration #2

2:00 pm Break / Exhibit exploration time

Convention Indaba Conversation #3

2:30 pm Indaba Topic: Ministry to those 35 & Under

3:30 pm Break – move to plenary hall

3:40 pm Convention Business Session #4

Wrap up Indaba #3 / Ballot #4 report / Canon 14/Article XVI action / Recognitions / Washington Association of Churches / St. Mark's Cathedral Constitution / El Salvador Companion Diocese / Six-hour Resolutions / Final announcements / Bishop's final words

Closing prayers with commissioning

5 pm Adjournment

Nominations Committee Report to Convention – short form (10/B/6)

STANDING COMMITTEE CLERICAL ORDER

Marilyn Cornwell, Rector, Church of the Ascension, Seattle (Holy C). Diocesan: board of the Diocesan School of Ministry and Theology and Pastoral Care Committee. St. Mark's Cathedral: office of Stewardship and Development, oversight of the Holy Orders Committee, and Faith Formation. Currently: Dismantling Racism Training Team.

James Thibodeaux, Rector, St. Peter's Church, Seattle (Holy C). Ministry focused on (re)developing parish relations with King St. Cooperative Preschool, St. Mary's Foodbank, diocesan Refugee Resettlement Office, and Episcopal Asian-American Ministries. Diocesan: Episcopal Asian Ministries, Commission for Emerging Mission, College for Congregational Development, Resurgent Church Group. Advisory board for the Order of St. Francis. Three theological degrees.

Dennis Tierney, Rector, St. Barnabas' Church, Bainbridge Island (Peninsula). Currently: Diocesan School of Ministry and Theology board. Chair, working group developing standards for Episcopal schools in the diocese. Former diocese: chair, Faith Formation Board with responsibilities for all educational programs. Prior to ordained ministry: professor and administrator at the university level.

STANDING COMMITTEE LAY ORDER – VOTE FOR ONE (1)

Jim Campbell, St. Mark's Church, Montesano (Willapa). Congregation: evangelism, stewardship, vestry/bishop's committee, junior/senior warden, delegate/alternate, lay leader, worship leader, building expansion planning, treasurer, website/newsletter, licensed lay preacher. Diocesan: stewardship, mission strategy, Cursillo Secretariat, Diocesan Council, Budget & Finance Committee, Joint Finance Panel.

Edward L. Doll, Christ Church, Tacoma (Rainier). Experience: vestry, St. Luke's, La Crascenta, Cal.; vestry and senior warden, Church of the Resurrection, Bellevue; Training and Consulting Services; Congregation Consulting Network; trainer, College for Congregational Development; chairman of both the Parish Profile and Call committees at Christ Church, Tacoma; Eucharistic minister.

DIOCESAN COUNCIL – VOTE FOR ONE (1)

Deacon Norman Dennis Taylor, Komo Kulshan Cluster (Mt Baker). Congregation: deacon and Faith Community Nurse (parish nurse). Pre-ordination: St. Paul's, Mount Vernon vestry, treasurer, senior warden and delegate. Diocesan: diaconal formation team, Student Scholarship Committee, DSOMAT board, liaison for National Episcopal Health Ministries. Past president, Emergency Medical Services Commission of Skagit County.

The Rev. Jonathan Weldon, Rector, St. Paul's Church, Bellingham (Mt Baker). Experience: canon missionary, St. Paul's. Previous Diocese of Oregon: parish priest, canon to the ordinary. Interested in recovery and renewal of a missional theology and practice for the Episcopal Church, and in the recovery of the catechumenate as a way of forming Christians.

Ms. Kara Hunt, St. Aidan's Church, Camano Island (Sno Isle). Experience: Bishop's Committee, senior warden, Caring Connection, altar guild, Women of St. Aidan's, hospitality committee, graduate of Education for Ministry (EFM). Organized remodel committee and chaired committee for the congregation's 50th anniversary, "Golden Jubilee" in 2009. Facilitated a "Connect" class Lenten series.

GENERAL CONVENTION CLERICAL ORDER – VOTE FOR FOUR (4)

Bill Fulton, Vicar, St. Antony's of Egypt Church, Silverdale (Peninsula). Served three small parishes in the dioceses of Kansas, Oregon, and Olympia. Worked as executive director, Florence Habitat for Humanity to complement parish ministry. Served on diocesan commissions, councils, and committees, and finds relationships formed to be as productive as the meetings themselves.

JR Lander, Vicar, St. Columba's Church, Kent (Evergreen). Prior service: associate rector, St. Augustine's in-the-Woods, Freeland. Commission for Faith Formation rep to Diocesan Council. Chair, Committee for Youth Exchange and Mission. Led three pilgrimages of youth from our Diocese to our companion diocese, the Diocese of Jerusalem.

Stephen Moore, Vicar, All Saints' Church, Bellevue (Eastside). Deputy past four General Conventions, vice chair Constitution Committee, Dispatch of Business and Rules of Order committees; 2009 blog won national award. Twice elected to General Board of Examining Chaplains. Diocesan: Diocesan Council, taught ethics and history in DSOMAT, chaplain at Camp Huston for 19 summers, Committee on Constitution and Canons.

Kathleen Patton, Priest-in-charge, St. Stephen's Church, Longview (Columbia). Alternate deputy to the 2009 General Convention, served on the Presiding Bishop's Hospitality team to international observers. Convener, Commission on Ministry.

Hunt Priest, Rector, Emmanuel Church, Mercer Island (Eastside). Interested in finding ways for the Episcopal Church to claim its ministry in our increasingly secular culture. Previously served a growing parish in the Diocese of Atlanta; served on Commission for Congregational Development. Currently enrolled in our diocesan College for Congregational Development and on the board of Earth Ministry.

Carla Robinson, Vicar, All Saints' Church, Seattle (Holy C). Lay delegate, St. Mark's Cathedral, convention staffer/presenter (as a member of the Bishop's Staff). Helped draft and shepherd resolutions and sought and supported

candidates standing for election. As Secretary for Vocations gained valuable experience with the national Constitution and Canons.

Marda Steedman Sanborn, Rector, St. James' Church, Kent (Evergreen). Member of 2009 General Convention deputation. Current: Congregational Consulting Network, Secretary of Convention, Constitution and Canons Committee and Board of Directors. Past service: Commission on Ministry, Board of Examining Chaplains, taught at the Diocesan School of Ministry and Theology, numerous Cursillo and Kairos teams.

Peter Strimer, Rector, St. Andrew's Church, Seattle (Be Attitudes). Service record: deputy to the General Convention on four occasions, deputation chair 2009, chair 2009 Legislative Committee on Communication, House of Deputies Committee on the State of the Church. Past: chair Commission for the Church in the World, president and board Clergy Association of the Diocese of Olympia.

Nigel Taber-Hamilton, Rector, St. Augustine's in-the-Woods Church, Freeland (Sno Isle). Experience: ministry, liturgy, mission strategy, stewardship, evangelism, oversight and General Convention alternate. Currently Interfaith Officer, board Washington Association of Churches, St. Petersburg-Seattle Sister Churches. Service: stewardship consultant, EFM mentor, trainer Safeguarding God's Children, "reconciler" resource for congregations experiencing conflict. Finishing Doctor of Ministry degree.

James Thibodeaux, Rector, St. Peter's Church, Seattle (Holy C). Ministry focused on (re)developing parish relations with King St. Cooperative Preschool, St. Mary's Foodbank, diocesan Refugee Resettlement Office, and Episcopal Asian-American Ministries. Diocesan: Episcopal Asian Ministries, Commission for Emerging Mission, College for Congregational Development, Resurgent Church Group. Advisory board for the Order of St. Francis. Three theological degrees.

Martin Yabroff, Rector, St. Andrew's Church, Tacoma (Rainier). Experience: Current member Diocesan Council, Ecumenical Commission. Cursillo. Chaplain Daughters of the King. General Convention deputy (1991, 1997, 2003, 2006). Planted new congregation in California. Redevelopment experience in Indiana. Deep commitment to evangelism and bridge-building.

GENERAL CONVENTION LAY ORDER – VOTE FOR FOUR (4)

Sally Barnes, St. Matthew's Church, Castle Rock (Columbia). Experience: lector, music leader, vestry, Sunday school teacher, Evening Ministry leadership team, convention delegate. While at St. Andrew's, elected to Cathedral Chapter. Currently: Diocesan Council representing the Columbia Region. Interested in children and young adults' inclusion in parish life.

Duncan Bayne, St. Mark's Cathedral, Seattle (Holy C). Experience: Cradle Episcopalian parishioner St. Mark's since 1947, acolyte, vestry member, cook, intercessor, chalice bearer, choir, extensive committee experience. Diocesan: convention delegate, Diocesan Council, chair 1988 Episcopal Search Committee, vice chancellor since 1992, resolutions chair last four diocesan conventions. National Church experience: seven-time General Convention deputy, legislative Canons committee six times, 2000-2006 Standing Commission on Constitution and Canons, Title IV Task Force, secretary Title IV Task Force II, chair Title IV Task Force 2-Education.

Hisako Beasley, St. Mark's Cathedral, Seattle (Holy C). Experience: congregations – vestry, junior warden, convention delegate, EV, altar guild; diocesan – Jubilee officer, Commission for Ethnic Ministries, Commission for Church in the World; national – Executive Council, Standing Commission on Social Justice and Public Policy, Episcopal Asiamerica Ministry, Episcopal Urban Caucus, Board of Trustees Church Divinity School of the Pacific (Seminary). Four-time General Convention deputy, appointed to legislative committee at each convention.

Charlotte Brown, St. Joseph-St. John's Church, Lakewood/Steilacoom (Rainier). Lifelong Episcopalian. Currently: Diocesan Council representing the Multi-Cultural Commission, Grants committee. Made Cursillo 10 years ago, involved with Kairos Prison Ministries, served on the McNeil Island Board and more than 20 teams.

Jim Campbell, St. Mark's Church, Montesano (Willapa). Congregation: evangelism, stewardship, vestry/bishop's committee, junior/senior warden, delegate/alternate, lay leader, worship leader, building expansion planning, treasurer, website/newsletter, licensed lay preacher. Diocesan: stewardship, mission strategy, Cursillo Secretariat, Diocesan Council, Budget & Finance Committee, Joint Finance Panel.

Katrina Hamilton, St. Columba's Church, Kent (Evergreen). Worked with the high school and junior high youth conferences (HYC/JYC) as an attendee, staff member, co-convener, and on council. Peer Minister at Campus Crossroads Ministries. Attended 2006 General Convention as lay alternate, 2009 as deputy; wrote a blog about the experience called "Slouching towards Anaheim." Currently: Committee for Youth Exchange and Mission, Sunday school teacher.

Nancy Jacobs, St. Margaret's Church, Bellevue (Eastside). Diocesan: Standing Committee, St. Mark's Cathedral vestry, Diocesan Council, Budget and Finance Committee, Stewardship/Planned Giving Commission, Episcopal Charities Appeal Committee. Parish: Outreach Committee, Endowment Committee, senior high youth director, Search Committee. Former parish: senior warden, Search Committee.

Sandy McCloud, St. Mark's Cathedral, Seattle (Holy C). Diocesan: Diocesan Council, Grants Committee, Budget and Finance. Parish: worship leader, Habitat for Humanity volunteer, relief work in the Gulf Coast with Red Cross, HFH and the Diocese of Olympia. Congregation: vestry, finance and personnel committees, treasurer. Currently: 6-Day Youth Conferences staff, Camp Huston Committee, Cursillo. 2009 General Convention visitor and volunteer Indaba (table discussion) leader.

Douglas Oles, Church of the Redeemer, Kenmore (Be-attitudes). Parish: multiple positions, including several terms as senior warden. Diocesan: Diocesan Council, Joint Board, chair Committee on Constitution & Canons. 2009 General Convention lay deputy with hopes of serving on the national canons committee in 2012.

Resolutions Committee 2010 Report to Convention (10/D/3)

Diocese of Olympia
RESOLUTIONS COMMITTEE
2010 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. Mary Maxon**, *Emmanuel Church, Mercer Island*; **Mr. Ralph Provencal**, *St. Benedict's Church, Lacey*; **Mr. David Swim**, *St. John the Baptist's Church, Seattle*; and **the Rev. Richard Younge**, *St. Clement's Church, Seattle*.

Resolution #1 – 2012 Diocesan Assessment Rate. *Submitted by the Diocesan Council.*

Resolved, That this 100th Convention of the Diocese of Olympia approve the recommendation of the Diocesan Council that the 2012 diocesan assessment rate factor be set at 17.5% 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 2010 Convention sets the 2012 assessment rate. This Diocesan Council recommendation is consistent with its efforts to reduce diocesan expenses and its long-term commitment to pass any savings from these reductions on to the congregations. A .5% reduction in assessment rate (from 18% in 2011 to 17.5% in 2012) reflects an estimated reduction in assessment revenues of approximately \$105,000 (assuming equal 2010 NDI reported amounts as in 2009). It is the hope of the Diocesan Council that this projected decrease in revenues will be offset as the economy continues to improve and work continues on our goal to reduce the assessment payment shortfall. In addition, the 2011 diocesan budget reflects a lower National Church apportionment (based on formula approved at the 2009 General Convention) with a savings of almost \$95,000; the Diocesan Council is, in effect, passing this savings on to our congregations in 2012. Finally, our latest budget survey (completed earlier this year at regional meetings) indicated a firm desire for lowered assessments. We continue to see very stable assessment payments in 2010; at the end of July the assessment payment shortfall is about 8% (as it has been since the beginning of the year). Seventy-seven of 93 congregations have stayed current with assessment payments in this stressful economic climate, and Diocesan Council is thankful for these efforts. It is hoped this will continue and even improve as we complete the year – possibly coming in under the projected shortfall of 8%. Long term, Diocesan Council continues to consider changes to the assessment basis and/or rate; including a recent request to Bishop Rickel to establish a task force to work on this challenge. While the present assessment system has been in place since the late 1970s and was reviewed once in 1993 (Convention that year did not accept any of the proposed changes), this proposed review will be undertaken in conjunction with the current mission strategy and programs established for our Diocese. **Recommendation of the Resolutions Committee: DO PASS**

Resolution #2 – Cost of Living Adjustment (COLA) for 2011.

Submitted by the Personnel Commission of the Diocese of Olympia.

Resolved, That this 100th Convention of the Diocese of Olympia set the Cost of Living Adjustment for 2011 parochial clergy salary scale at 0%; that this does not preclude congregations from giving their clergy salary increases; and that the 5 year and 10 year mandated increases be observed. Explanation: As required by Canon 23, Sections 2 and 5, and Canon 12, Section 3,

the Personnel Commission, in June 2010, set the Cost of Living Adjustment (COLA) for 2011 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 April 2009 to April 2010, which showed only a slight increase in the cost of living of .30%. For information purposes the Commission on Personnel offers the existing clergy salary scale:

Commission on Personnel—2011 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 grade. *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.

3. If a congregation is moving toward a higher grade, that congregation would be wise to increase toward that new salary grade incrementally.

Recommendation of the Resolutions Committee: DO PASS

Resolution #3 – Congregations in Good Standing – Certification to vote at 2011 Convention. *Submitted by the Diocesan Council, Board of Directors, and Standing Committee*
Resolved, That the 100th Convention of the Diocese of Olympia amend Canon 2 of the Canons of the Diocese of Olympia as follows: (1) Section 4 of Canon 2 be renumbered 4(a); and (2) A new Section 4(b) be added to read as follows:

Commencing with the 2011 Diocesan Convention, the Secretary of Convention shall certify as eligible to vote only those lay delegates from Congregations in Good Standing and Congregations in Provisional Good Standing, as certified to the Secretary by the Office of the Bishop not less than forty-five (45) days before the scheduled convening of Convention. A Congregation in Good Standing shall be one which is current in all of its diocesan financial and reporting responsibilities, e.g., Parochial Report including Net Disposable Income, Audit, Assessment, and loan responsibilities, if any. A Congregation in Provisional Good Standing is a congregation which has fallen into arrears in one or more of these corporate responsibilities, but has negotiated with the Office of the Bishop a mutually acceptable plan of remediation, and is current in its implementation of the agreed plan.

Explanation: At the 2009 Convention, clergy and lay delegates assembled in Indaba groups to discuss Christian ethical values implicit in conducting diocesan business. They named covenant care, respect, commitment, honesty, transparency, responsibility and integrity. If a congregation were to compromise these values in its relationship with the diocese, clergy and delegates believed the first response should be sincere collaborative effort at remediation. However if a congregation chose not to enter into such collegial effort, then Christian respect and responsibility required diocesan leaders to take action. In response to Convention's consensus on this matter, last spring all three diocesan governing bodies (Council, Standing Committee, and Board of Directors) adopted a joint resolution defining Congregation in Good Standing, and Congregation in Provisional Good Standing, as stated in the resolution above; they further resolved that congregations holding neither status would be ineligible to apply to them for a diocesan grant, or permission to alienate property or apply for a commercial loan, or receive a building loan from the diocese, until the Office of the Bishop certified that the congregation had achieved Provisional Good Standing. In May Bishop Rickel wrote to all rectors, vicars and wardens advising them of the governing bodies' action, and affirming Congregation in Good Standing as the standard for our diocese. His letter was posted on the diocesan web site and presented to delegates during May and June Regional meetings. Bishop Rickel and Canon Anthony then developed a process for working with congregations to achieve Provisional Good Standing, and move on to Good Standing. Last spring the three governing bodies further resolved to continue the work begun by the 2009 Convention by putting this resolution before Convention in 2010. When the canon takes effect at the 2011 Convention, all congregations will have had Bishop Rickel's letter in hand for eighteen months, and have had the full support of his office in

meeting its expectations. **Recommendation of the Resolutions Committee: NO OPINION**

Resolution #4 – Congregations in Good Standing – Certification for Seat, Voice and Vote at 2012 Convention. *Submitted by the Diocesan Council, Board of Directors, and Standing Committee*

Resolved, that the 100th Convention of the Diocese of Olympia amend Article XVI of the Constitution of the Diocese of Olympia as follows: (1) The existing Article XVI be renumbered as Section 1, and (2) A new Section 2 be added reading as follows:

Commencing with the 2012 Diocesan Convention, the Secretary of Convention shall certify as eligible for seat, voice and vote only those lay delegates from Congregations in Good Standing and Congregations in Provisional Good Standing, as certified to the Secretary by the Office of the Bishop not less than forty-five (45) days before the scheduled convening of Convention. A Congregation in Good Standing shall be one which is current in all of its diocesan financial and reporting responsibilities, e.g., Parochial Report including Net Disposable Income, Audit, Assessment, and loan responsibilities, if any. A Congregation in Provisional Good Standing is a congregation which has fallen into arrears in one or more of these corporate responsibilities, but has negotiated with the Office of the Bishop a mutually acceptable plan of remediation, and is current in its implementation of the agreed plan.

And be it further Resolved, that Section 2 of Article XVII of the Constitution of the Diocese of Olympia be deleted. Explanation: At the 2009 Convention, clergy and lay delegates assembled in Indaba groups to discuss Christian ethical values implicit in conducting diocesan business. They named covenant care, respect, commitment, honesty, transparency, responsibility and integrity. If a congregation were to compromise these values in its relationship with the diocese, clergy and delegates believed the first response should be sincere collaborative effort at remediation. However if a congregation chose not to enter into such collegial effort, then Christian respect and responsibility required diocesan leaders to take action. In response to Convention's consensus on this matter, in the spring of 2010 all three diocesan governing bodies (Council, Standing Committee, and Board of Directors) adopted a joint resolution defining Congregation in Good Standing, and Congregation in Provisional Good Standing, as stated in the resolution above; they further resolved that congregations holding neither status would be ineligible to apply to them for a diocesan grant, or permission to alienate property or apply for a commercial loan, or receive a building loan from the diocese, until the Office of the Bishop certified that the congregation had been granted Provisional Good Standing. In May 2010 Bishop Rickel wrote to all rectors, vicars and wardens advising them of the governing bodies' action, and affirming Congregation in Good Standing as the standard for our diocese. His letter was posted on the diocesan web site and presented to delegates during May and June 2010 Regional meetings. Bishop Rickel and Canon Anthony prepared a process for working with congregations to achieve Provisional Good Standing, and move on to Good Standing. During spring 2010 the three governing bodies further resolved to continue the work begun by the 2009 Convention by putting this resolution before the 2010 Convention for first vote. When the new Constitution article takes effect at the 2012 Convention, all congregations will have had Bishop Rickel's

letter in hand for two and a half years, and have had the full support of his office in meeting its expectations. (The deleted Section 2 of Article XVII had singled out delinquency in assessment payment, and remained silent about other aspects of a congregation's relationship with the diocese.) **Recommendation of the Resolutions Committee:** NO OPINION

Resolution #5 – Camp and Conference Sunday *Submitted by the management and staff of St. Andrew's House Retreat and Conference Center, Huston Camp and Conference Center, St. Andrew's House Operations Committee, and Huston Center Operations Committee.*

Resolved, That the 100th Convention of the Diocese of Olympia approve that, on an annual basis, at the discretion of the Bishop, a Sunday be designated "Camp and Conference Sunday" and that, on that Sunday, all congregations are asked to participate in educating their members about the facilities and capabilities of St. Andrew's House Retreat and Conference Center and Huston Camp and Conference Center, encouraging their members to support these ministries through usage, prayer, and a designated offering. Explanation: The St. Andrew's House Retreat and Conference Center and Huston Camp and Conference Center are owned and operated by the Diocese of Olympia and provide sanctuaries where

the ministries of Christian formation, education and hospitality are focused. Lives have been changed, children have been nurtured, and many have deepened their relationship with Christ through the work at the two centers. The Camp Huston and St. Andrew's House ministries currently work to self-fund themselves and wish to raise awareness in the Diocese of their respective offerings. Increased awareness of these offerings and continuing and increasing use of their facilities will broaden their reach, extend their offerings to new individuals and groups, enable scholarships where they are needed and require progressively less financial support from outside sources. In any year, the Bishop may designate a 'Camp and Conference Sunday'. In advance of that date, St. Andrews House and Camp Huston will, together, prepare and transmit information packages to each congregation. It will be requested that, during announcements on that day, time be set aside to give summary information on the two centers, that their use be encouraged and that a percentage of the plate offering for that day, agreed by each congregation's vestry or bishop's committee, be sent to the Diocese as a contribution designated to support the activities at St. Andrews House and Camp Huston. The contributions will be divided evenly between the two centers. **Recommendation of the Resolutions Committee:** DO PASS

Courtesy Resolutions (10/D/4)

BE IT RESOLVED, that the 100th 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, and various boards, commissions, committees and task forces. **BE IT RESOLVED,** that the 100th 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 100th 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 100th 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 100th Annual Convention of the Diocese of Olympia honors The Rt. Rev. Robert Cochrane and gives our thanks for the life, ministry, and message in our diocese, and the greater Church, and for Terry, his wife and companion on this earthly journey, who remains forever a part of our life in this diocese. **BE IT RESOLVED,** that the 100th Annual Convention of the Diocese of Olympia sends its love and best wishes to our Bishops Retired, Bavi Edna "Nedi" Rivera, and her husband, the Rev. Robert "Bob" Moore; Sanford "Sandy" Hampton, and his wife, Mari; Vincent Warner, and his wife Shen; and William Choi, and

his wife Catherine; Cabbell "Cabby" Tennis, and his wife, Hyde; Craig Anderson and his wife, Lizbeth. **BE IT RESOLVED,** that the 100th Annual Convention of the Diocese of Olympia gives thanks for the life, ministry, and message of Carl Knirk, Canon for Planned Giving/Stewardship and Evangelism, and to his wife, Susan who he so loved, and so do we. **BE IT RESOLVED,** that the 100th 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 100th Annual Convention of the Diocese of Olympia sends its greetings to yhe Rt. Rev. Martin Barahona, Bishop of El Salvador, and to all the clergy and people of the Diocese of El Salvador. **BE IT RESOLVED,** that the 100th 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 100th Annual Convention of the Diocese of Olympia sends its 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 100th Annual Convention of the Diocese of Olympia gives its love, thanks and gratitude for the Rev. Canon Jerry Shigaki, who has left a solid legacy and foundation for multicultural and ethnic ministries. **BE IT RESOLVED,** that the 100th Annual Convention of the Diocese of Olympia express its thanks and appreciation for the leadership of Mary Allen as President of the Standing Committee. **BE IT RESOLVED,** that the 100th Annual Convention of the Diocese of Olympia express its

thanks to the Secretary of Convention, the Reverend Marda Steedman-Sanborn and to those who assisted her in preparing for this Convention. **BE IT RESOLVED**, that the 100th 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 100th Annual Convention of the Diocese of Olympia thanks the facilitators of our Indaba group and especially the Rev. Melissa Skelton who led and guided this group. **BE IT RESOLVED**, that the 100th Annual Convention of the Diocese of Olympia thanks for the able work of our Chancellor Judith Andrews. **BE IT RESOLVED**, that the 100th Annual Convention of the Diocese of Olympia thanks all the staff of the SeaTac Hilton, for their care for us. **BE IT RESOLVED**, that the 100th 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 100th Annual Convention of the Diocese of Olympia recognizes and celebrates the 150th Anniversary of St. Paul, Pt. Townsend, the 100th Anniversary of Emmanuel, Mercer Island, the 100th Anniversary of St. Mark, Montesano and the 50th Anniversary of St. Christopher, Westport as a mission. **BE IT RESOLVED**, that the 100th 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 Commission for Liturgy and the Arts for creating our wonderful liturgies; Chair of Dispatch of Business, Ms. K Ann McCartney; and especially Ms. Dede Moore, Convention Coordinator, for their dedicated and effective work.

Committee on Constitution and Canons Report to 2010 Annual Diocesan Convention (10/E/1)

At its three meetings this year, our Committee considered clarifications to several canons and provided input to others with respect to resolutions proposing amendments to the Diocesan Constitution or Canons. The following are changes that the Committee recommends for passage at Convention:

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

(Lay Members of Convention)

The 2009 Convention voted 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.

Listing the categories of lay members, the existing 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.

First Vote on Changes to Constitution

Based upon recommendations from a task force created at the direction of the 2009 Convention, the Committee recommends the following clarification to Article II:

Article II: ~~Acceding to the National Constitution and Canons of the General Convention~~

The Church in the Diocese of Olympia accedes to the Constitution and Canons for government of that branch of the Holy Catholic Church known as the of the Protestant Episcopal Church in the United States of America, and recognizes the authority of the General Convention of the same.

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.

Council Changes in Congregation Reporting. *Diocesan Council has suggested edits to Canons 7, 10 and 12. The Committee recommends that they be presented to Convention as follows:*

Canon 7, Section 1:

- g. If any Parish or Mission fails to furnish the ~~Diocesan office Secretary of Convention with its Annual Parochial Report and NDI by April/February 15~~ of any year, the Diocesan Council may fix the amount of its assessment.
- h. If any Parish or Mission believes that its ~~NDI net disposable income~~ for the ~~upcoming current~~ year has been miscalculated, it may present the grounds for such belief in writing to the Diocesan Council by ~~November/February 15 of the current that~~ year; and the Council shall have the power to change the assessment.

Canon 10, Section 2:

Each Parish and Mission shall prepare and timely submit the annual report required by Canon 1.6.1 of the Canons of The Episcopal Church. A copy of that report shall be provided forward to the Diocesan Office, together with the congregation's Net Disposal Income, no later than ~~March 15/February first~~ of each year, ~~the annual report required under the Canons of the Episcopal Church.~~

Canon 12, Section 1(g):

The Diocese may from time to time provide checklists and/or forms that shall be used by Parishes and Missions in the review

of their accounts and business records. All reports of audits or review pursuant to this Canon shall be filed with the Office of the Bishop not later than 30 days following the dates of such reports, and in any event not later than ~~June~~September 15 of each year covering the financial reports of the previous calendar year.

Canon Changes Relating to Personnel. The task force created at the direction of the 2009 Convention helped develop the following recommended changes:

Canon 12, Section 2:

All clergy ~~actively serving employed by~~ any Parish, Mission or other diocesan institution, ~~whether stipendiary or non-stipendiary,~~ shall be covered by written agreements specifying terms as to compensation, including any housing and utilities allowance, pension and insurance benefits, ~~and business~~ and charitable ~~expenses allowances, and continuing education and sabbatical expenses which are not inconsistent with the Constitution and Canons of the National Church and the Diocese.~~

Canon 23, Section 2:

The Commission shall be responsible for developing and recommending plans or action by the Bishop, Convention or Diocesan Council concerning the following:

- a. Compensation and employment guidelines applying to clergy actively serving ~~employed~~ within the Diocese, including matters related to ~~stipend, allowances and employment~~ written agreements as set forth in Canon 12, Section ~~23 and 4.~~

...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 stipendiary clergy employed by any parish, Mission, or other diocesan institution, which recommendation shall be presented at the fall Regional Ministry meetings and the annual Diocesan Convention.

The diocesan Personnel Commission recommended the following additional changes to Canon 23:

Canon 23, Section 1:

There shall be a Commission on Personnel consisting of eleven members appointed by the Bishop:

- a. Three members of the Commission shall be clergy canonically resident in the Diocese, ~~and shall include at least one rector and one vicar.~~
- b. Six members of the Commission shall be adult Communicants in Good Standing in the Diocese.
- ~~cd.~~ In addition, ~~each year~~ the Bishop shall appoint two additional persons to the Commission ~~for a one year term,~~ one clergy member of the Diocese nominated by the Clergy Association of the Diocese of Olympia, and one lay professional employed within the Diocese.
- ~~de.~~ All~~Nine~~ members shall serve three-year terms, ~~with~~ one clergy and two lay persons being replaced each year, ~~except that in each of the first two years, one clergy and~~

~~two lay persons may be replaced or reappointed from before.~~ No member may serve more than two full successive terms.

- e. The Chair~~man~~ of the Commission shall be a lay person selected by the Bishop, and shall be empowered to fill vacancies on the Commission subject to confirmation by the Bishop

Congregation Reporting on Real Property Holdings:

With input from the Budget and Finance Committee, the Committee recommends adding a new subpart (g) to Canon 12, Section 1. This subpart would help the Diocese keep track of real estate holdings in the Diocese and would facilitate providing advice for the proper management and protection of the same.

- g. The Bishop shall be notified as to all real property owned by the congregation or its affiliated entities.

Clarification of Canon Requiring Standing Committee approval for sales of real property:

It is recommended to clarify the first part of Canon 13, Section 1 as follows:

No Vestry, trustee, or other body with authority to hold, manage or administer real property for any Parish, Mission or other diocesan institution shall encumber, transfer or alienate the same or any part thereof (save for the refinancing of an existing loan for no more than its original amount) without the previous written consent of the Bishop, acting with the advice and consent of the Standing Committee of the Diocese, under such further regulations as may be prescribed by the Canons of this ~~ed~~Diocese or the General Convention.

Canon 21 - Commission on Church Architecture:

In response to input, and in the interest of clarifying the role of the Commission on Church Architecture, the Committee recommends the following changes to Canon 21:

Section 2:

~~It shall be the duty of e~~Every Mission ~~shall~~to lay before this Commission the project plans ~~for of~~ any new church, chapel, or other church building ~~or and for any substantial of proposed change thereto.~~ The Mission shall respond substantively to any technical concerns that the Commission identifies in writing within one calendar month after its receipt of the plans in any existent church, chapel, or other church building, and no such building may be erected without the approval in writing of such Commission.

Section 3:

~~It shall be the duty of e~~Every Parish, ~~by its rector, wardens and vestrymen, to shall~~ lay before this Commission the project plans ~~for of~~ any new church, chapel, or other parish building, and for any substantial or of proposed change thereto. The Parish shall consider in good faith all technical concerns that the Commission may identify s in any such existent building, for their counsel and advice, which counsel and advice shall be given in writing within one calendar month after its~~the~~ receipt of such plans.

Faithfully submitted, COMMITTEE ON CONSTITUTION & CANONS: Douglas Oles, Chair; Judith L. Andrews, Chancellor; Duncan Bayne, Vice Chancellor; Donna R. McNamara; Dede Moore, Diocesan Staff; The Reverend Stephen Moore; The Reverend John Schaeffer; The Reverend Marda Steedman Sanborn.

Commission on Personnel—Report to the 100th Convention (10/E/2)

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 June 2010, met and voted to recommend no (0%) Cost of Living Adjustment (COLA) in 2011 for the parochial clergy salary scale. 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 April 2009 to April 2010, which showed only a slight increase in the cost of living of .3%. Advisories were added to the resolution that "this does not preclude the congregations from giving their clergy salary increases and that the 5 – year and 10 – year mandated increases be observed," and, "if a congregation is moving toward a higher grade, that congregation would be wise to increase toward that new salary grade incrementally." In 2010, the Commission moved to approve and recommend changes to Canon 23, regarding Commission term guidelines and term rotation. Current Canon states a requirement of three clergy, one being a vicar, and one a rector. We suggest three clergy, dropping the stipulation that one must be a Rector, and one must be a Vicar. Where it presently states "Six members of the Commission shall be confirmed adult Communicants in Good Standing in the Diocese"; and "one member is nominated by the Clergy Association of the Diocese of Olympia and one lay professional employed in the diocese, and that these two members are appointed to the commission for one-year term"; our recommendation is that all terms will be for three years. The Canon presently states that the Chair of the Commission shall be a lay person. We suggest that the Chair be of any order. These changes to Canon 23 are suggested because one-year terms make for inconsistency on the Commission that meets 3-4 times per year and restricting who can be Chair requires those gifts to be present in one order. We believe these changes reflect our evolution to a place of honor and respect of all orders of ministry.

This year, the commission began working out the details of our participation in the Denominational Health Plan in accordance with the resolution passed at the 2009 General Convention which requires the diocese to be enrolled in the Medical Insurance Trust affiliated/operated by the Church Pension Group by the end of 2012. Our goal is that by December 31 of 2010 we will have everyone signed up and then, through 2011, the Commission will iron out the issues related to the requirement of parity between lay and ordained persons. *This year the Commission has been made up of Carol Pollock St. John, Gig Harbor, The Rev. Kevin Pearson, (Acting) Chair (St. Luke's, Renton), Linda Beardslee (St. George's, Maple Valley), Elisabeth Demmon, (St. Antony of Egypt, Silverdale), Cindy Miller (St. Luke's, Tacoma), The Rev. Paul Collins, CADO Rep. (Trinity, Seattle), The Rev. Jonathon Weldon (St. Paul's, Bellingham), and The Rev. Bill Fulton (St. Anthony's, Silverdale), Cheryl Middleton, (St. Mark's, Seattle), Linda Bruen, (Good Samaritan, Sammamish).* Gail Lee has completed her work on the Commission and we thank her for her expertise and faithful service. *Respectfully submitted, Kevin Pearson, Acting Chair.*

Canon 26 – Ecclesiastical Discipline (10/E/3)

Resolved, that the 100th Convention of the Diocese of Olympia amend Canon 26 of the Canons of the Diocese, by deleting the existing Canon 26 and inserting therefore the following language:

Section 1.

The ecclesiastical discipline of a priest or deacon shall be governed by Title IV of the Canons for the Government of The Episcopal Church.

Section 2.

(a) There is hereby established a Court to be called a Disciplinary Board, consisting of nine (9) members, five (5) of whom shall be clergy canonically and geographically resident in the Diocese, and four (4) of whom shall be adult Communicants in Good Standing and geographically resident and domiciled in the Diocese. The members of the Disciplinary Board shall be nominated by the Bishop and the nominations ratified at the Diocesan Convention. Each member shall serve for a three (3)-year term; except, if a member is filling a vacancy, the term of such member shall be the unexpired term of the member being replaced. The terms of the members shall commence on the first (1st) day of the year following ratification, provided that, the terms of office of all members ratified in 2010 shall commence on July 1, 2011. The terms of office of the Board shall be staggered and arranged into three classes, with the first class of membership expiring on December 31, 2011, the second class on December 31, 2012, and the third class on

December 31, 2013. No member shall be eligible for renomination for a year after the end of a third consecutive term. The Ecclesiastical Trial Court established under the prior canons, and its members, shall continue in office and authority until the effective date of the Revised Title IV, July 1, 2011.

- (b) Vacancies on the Disciplinary Board shall be filled as follows:
- (i) Upon the determination that a vacancy exists, the President of the Board shall notify the Bishop of the vacancy and request appointment of a replacement member of the same order as the member to be replaced.
 - (ii) The Bishop, following consultation with the Standing Committee, shall appoint a replacement Board member who meets the same eligibility requirements as apply to ratified Board members. The appointment shall be ratified by Diocesan Council, unless within thirty (30) days before a meeting of the Diocesan Convention, in which event the appointee shall be presented to Diocesan Convention for ratification
 - (iii) With respect to a vacancy created for any reason other than pursuant to a challenge per Section 3, the term of any person selected as a replacement Board member shall be until the next annual Convention. With respect to a

vacancy resulting from a challenge, the replacement Board member shall serve only in the proceedings for which the elected Board member is not serving as a result of the challenge.

- (c) A Board member may be removed from office by the Bishop, following consultation with the Standing Committee, and with ratification by the Diocesan Council.

Section 3.

In any proceeding under this Title, if any member of a Conference Panel or Hearing Panel shall become aware of a personal conflict of interest or undue bias, that member shall notify the President of the Board and request a replacement member of the Panel. Respondent, Respondent's Counsel and the Church Attorney shall have the right to challenge any member of a Panel for conflict of interest or undue bias by motion to the Panel for disqualification of the challenged member. The members of the Panel who are not the subjects of the challenge shall promptly consider the motion and determine whether the challenged Panel member shall be disqualified from participating in that proceeding. In the event that recusals or challenges reduce the number of qualified members below that number required to act in a particular matter, the Bishop may appoint a number of other persons sufficient to qualify the panel to act in the particular matter.

Section 4.

Within sixty (60) days following the annual Convention, the Secretary of Convention shall convene the Board to elect a President from among its members to serve for the following calendar year, provided that, in the case of the initial ratification of members, the members shall meet and elect a President prior to July 1, 2011 to serve during the short year of 2011. Education and training in the requirements of Title IV should be conducted each year prior to the commencement of the terms of office of the Disciplinary Board.

Section 5.

An Intake Officer or Officers shall be appointed from time to time by the Bishop, who shall serve at the pleasure of the Bishop. The Bishop may appoint one or more Intake Officers according to the needs of the Diocese. The Bishop shall publish the name(s) and contact information of the Intake Officer(s) throughout the Diocese.

Section 6.

The Bishop shall appoint an Investigator in consultation with the President of the Board. The Investigator may, but need not be, a member of the church.

Section 7.

The Bishop shall annually appoint an attorney or attorneys to serve as Church Attorney(s), subject to the approval of Diocesan Convention, for the following calendar year. The person(s) so selected must be a member of the church and a duly licensed attorney, but need not reside within the Diocese. The Church Attorney may consult with the President of the Disciplinary Board. A Church Attorney may be removed from office by the Bishop for cause, acting in consultation with the Standing Committee.

Section 8.

The Bishop may appoint an Advisor for the complaining party and an Advisor for the Respondent. Persons serving as Advisors shall hold no other appointed or elected position provided for under Title IV, and shall not include chancellors or vice chancellors of this diocese nor any person likely to be called as a witness in the proceeding. Parties should be advised in all cases that the appointed advisor is not intended to act as lawyer for any party and should not be so considered. A party is free to reject an advisor who has been offered and select their own, who may also be an attorney and act in that capacity.

Section 9.

The Board shall appoint a Board Clerk to assist the Board with records management and administrative support. The Clerk may be a member of the Board.

Section 10.

- (a) The reasonable costs and expenses of the Board, the Intake Officer, the Investigator, the Church Attorney, the Board Clerk and the Pastoral Response Coordinator shall be the obligation of the Diocese, subject to such budgetary constraints as may be established by Diocesan Council.
- (b) In the event of a final Order dismissing the complaint, or by provisions of an Accord approved by the Bishop, the reasonable defense fees and costs incurred by the Respondent may be paid or reimbursed by the Diocese, subject to such budgetary constraints as may be established by Diocesan Council.

Section 11.

Records of active proceedings before the Board, including the period of any pending appeal, shall be preserved and maintained in the custody of the Clerk, if there be one, otherwise by the Diocesan offices.

Section 12.

The Bishop shall make provision for the storage of records of all proceedings under this Title at the Diocese and the Archives of the Episcopal Church, as prescribed in Title IV of the General Canons.

Section 13.

Any meeting required under these disciplinary canons, other than a hearing at which evidence may be taken or examined, may be conducted either in person or through telephonic or other electronic communications equipment by means of which all persons participating in the meeting can hear each other at the same time.

Section 14.

The Disciplinary Board may in its discretion seek legal counsel as it deems appropriate or necessary, or request counsel for the parties to brief legal issues on which it may seek advice.

Explanation. The 2009 General Convention adopted a total rewrite of the National Canon for Discipline of Clergy (Title IV). This requires a rewrite of part of our diocesan canons, to create newly required offices such as the Disciplinary Board and Intake Officer. The proposed canon is the result of efforts by the diocesan Constitution and Canons Committee, and its adoption will allow this convention to approve persons who will be in place in the new positions by July 1, 2011, the effective date for the new Title IV.

2010 Convention Committees (10/E/4)

Constitution & Canons Committee

Ms. Judith Andrews, *Diocesan Chancellor*
Mr. Duncan Bayne, *Diocesan Vice Chancellor*
Ms. Dede Moore, *Bishop's Executive for Governance*
Ms. Donna McNamara, *St. John the Baptist, Seattle (Holy C)*
The Rev. Stephen Moore, *All Saints, Bellevue (Eastside)*
*Mr. Douglas Oles, *Redeemer, Kenmore (Be-Attitudes)*
The Rev. John G. Schaeffer
The Rev. Marda Steedman Sanborn, *Secretary of Conv.*

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. Mary Maxon, *Emmanuel, Mercer Island (Eastside)*
Mr. Ralph Provencal, *St. Benedict, Lacey (Willapa)*
Mr. David Swim, *St. John the Baptist, Seattle (Holy C)*
The Rev. Richard Younge, *St. Clement, Seattle (Holy C)*

Nominations Committee

The Rev. Rilla Barrett, *St. Paul, Mt. Vernon (Mt. Baker)*
Ms. Hisako Beasley, *St. Mark's Cathedral, Seattle (Holy C)*
The Rev. Bonnie Campbell, *St. Mark, Montesano (Willapa)*
Ms. Sue Clary, *St. Luke, Sequim (Peninsula)*
Mrs. Joy Goodenough, *Ascension, Seattle (Holy C)*
Mrs. Jan Hanson, *St. Stephen, Longview (Columbia)*
Ms. Tisha Helmer, *St. James, Kent (Evergreen)*
Ms. Jeannie Jackson, *Good Samaritan, Sammamish (Eastside)*
Ms. Nancy Jacobs, *St. Margaret, Bellevue (Eastside)*
The Rev. Stephen Moore, *All Saints, Bellevue (Eastside)*
Mr. Dale Ramerman, *Christ Church, Anacortes (Mt. Baker)*
Ms. Diane Stipp, *St. Stephen, Seattle (Be Attitudes)*
Ms. Pam Tinsley, *St. Luke, Tacoma (Rainier)*
Dr. Leann Torgerson-Harrison, *Trinity, Everett (Sno-Isle)*

Insurance Committee

Mr. Gerald Coe, *St. Mark's Cathedral, 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*

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 Personnel

Ms. Linda Beardslee, *St. George, Maple Valley*
Ms. Linda Bruen, *Good Samaritan, Sammamish*
The Rev. Paul Collins, *Trinity, Seattle*
Ms. Elisabeth Demmon, *St. Antony, Silverdale*
The Rev. William Fulton, *St. Antony, Silverdale*
Ms. Cheryl Middleton, *St. Mark's Cathedral, Seattle*
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*

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*
Becky Clark, *St. Matthew, Auburn*
The Rev. Arienne Davison, *Grace, Bainbridge Island*
Mr. William Demmon, *St. Antony, Silverdale*
The Rev. Peter DeVeau, *St. John the Baptist, Seattle*
The Rev. Canon John Fergusson, *Redeemer, Kenmore*
The Rev. Kim Forman, *TCM Missioner*
The Rev. Gen Grewell, *St. Benedict, Lacey*
Ms. Roberta Newell, *St. Mary, Lakewood*
The Rev. Joan Niemann, *St. Luke, Elma*
Mr. Blaire Notrica, *Secretary for Vocations*
The Rev. Kathleen Patton, *St. Stephen, Longview*
Mr. Cleveland Riley, *St. Augustine's, Freeland*
The Rev. Kate Wesch, *Epiphany, Seattle*
The Rev. Philip Wong, *Holy Apostles, Bellevue*

Report of the Committee on Privilege (10/E/5)

The Committee on Privilege recommends that the following persons be given the privilege of voice or seat and voice at the 100th 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)

Diocesan Staff members who are not members of Convention: Ms. Tiffany Brannon, Executive Assistant to the Bishop; Ms. Dede Moore, Bishop's Executive for Governance; Mrs. Kathleen Hamilton, Canon for Youth and Young Adults; Mr. Bill Goodenough, Representative for Property; Mrs. Norah Joslyn, Director of Diocesan Communications.

Mission Stations: Salvador Morales & Florentina Bautista, Resurreccion, Mt. Vernon; Eric Mason & Eliacin Rosario-Cruz, COTA;

Lual Deng & Bul R. Nyoup, St. John's Sudanese; Matt Hornyak & Chuck Smith, St. Germain, Hoodsport.

Others who are not members of Convention: Ms. K. Ann McCartney, Dispatch of Business & Parliamentarian.

Those presenting reports to this Convention (voice only during time of report): Mr. Jason Anderson & Ms. Susan Bloomfield, convention musicians; Mrs. Joy Goodenough & Ms. Diane Stipp, Nominations Committee; Mr. Chuck Hamilton, elections/Episcopal Relief & Development; Mr. Ken Hawkins, Mission to Seafarers; Mr. John Hoerster, St. Mark's Cathedral; Ms. Becky Morrill, Liturgy & Arts Commission; Ms. Nancy McConnell, Bishop's Committee on the Environment; Mr. Ralph Provencal, Church Architecture; Ms. Alice Woldt, Washington Association of Churches.

Diocesan Youth Presence: Troy Accos, St. Paul, Bremerton; Denaya Blalock, St. Columba, Kent; Lily Moodey, St. Thomas, Medina; Ellie Sawyer, St. Luke, Tacoma; Donovan Weston-Smart, St. Benedict, Lacey.

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

Adams, Richard	Kolbet, Paul	Smith, Robin
Ayers, Phillip	Lindsey, Barrett K.	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	Weber-Johnson, Jered
Deng Deng, William	McKee, Helen (Louise)	Westpfahl, Carol
Easton, Elizabeth L	Miller, A. Scott	Whitfield, Ann
Elkins, Donald	Moore, David	Williams, Robert H.
Friedrich, James	Paolozzi, Joann	Wilton, G.W Paul
Gitane, ClayOla	Robertson, Patricia	Wolfe, Eugene
Hammond, Constance	Rouffy, Edward	
Keller, Patterson	Ruder, John	

Clergy licensed in the Diocese of Olympia, if present:

Allaire, Nancy	Greenwood, Don	Middleton, Dick
Armstrong, Pamela	Harper, Helen	Miller, Donald
Barnett, Webster	Harris, Carl	Minter, Russell D.
Bethell, James	Helsel, Verle	Ortung, Thomas
Beveridge, Robert	Holly, F.E.	Ostertag, Ed
Bird, Julie	Hubbard, Winfield	Powers, Robert
Bourne-Raiswell, Margaret	Hubbard, John	Rodman, Reginald
Brown, Marilynn	Jimenez-Mesenbring, Maria	Rohrer, Jane
Brown, Robert	Kirking, Kerry	Shaver, Stephen
Callahan, Carol	Kreis, Sandra	Shippen, Sallie
Dexter, Raymond	Larive, Armand	Tudor, William
Echols, Beth	Larson, L. John	Van Eenwyk, John
Edwards, Nancy	Marie, Christine	Watson, Stennis
Elliott, James	Maxwell, William	Whitmore, Charles
Gallagher, Robert	McMurtry, Herbert	Williams, Henry
Gillett, Richard	Mesenbring, David	

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

Cathedral Constitution (10/E/6)

St. Mark's Cathedral – October 14, 2010

Dear 2010 Convention Delegates: In 2002 the Chapter and Vestry of St. Mark's Cathedral and that year's Convention Delegates approved a new governance structure for the Cathedral. The new structure was adopted with the understanding that there would be an ongoing evaluation process overseen by the Vestry to assure that the structure was effective and to adjust it if and as appropriate. As the result of an extensive evaluation over the past two years, the Vestry adopted a resolution dated May 25, 2010 proposing changes to the Cathedral Constitution. The proposed 2010 Constitution allows the Cathedral to adjust its governance structure as its needs change from time to time, but only within parameters approved by Diocesan Convention. In addition, several changes have been made to eliminate ambiguities and clarify certain technical matters. Attached are (1) the proposed 2010 Constitution, (2) a summary of the changes from the 2002 Constitution, (3) a redline comparison of the 2010 and 2002 Constitutions, and (4) the Vestry's May 25, 2010 resolution explaining the background, approving the revised Constitution, and consenting to its adoption at Convention. The proposed 2010 Constitution has been reviewed by the Diocesan Chancellor and the Constitution and Canons Committee and has been approved by Bishop Rickel, and thus is ready to be considered for adoption at this year's Convention. On behalf of the Cathedral Vestry and with Bishop Rickel's consent and support, I respectfully request that the Convention Delegates adopt the attached 2010 Cathedral Constitution. Faithfully, John Hoerster, Chancellor

CONSTITUTION OF THE CATHEDRAL of the DIOCESE OF OLYMPIA

Whereas, St. Mark's Church of Seattle is designated and declared by the Constitution of the Diocese of Olympia to be the Cathedral Church of the Diocese, and Whereas, a close relationship between the Cathedral and the Diocese is mutually beneficial, now therefore By the authority of the Bishop of Olympia; of St. Mark's Cathedral Parish; and of the Convention of the Diocese of Olympia, this Constitution is adopted, replacing any and all former Constitutions, effective upon approval of the said three parties.

ARTICLE ONE

Section I. The corporation named "St. Mark's Cathedral Parish" and situated in the City of Seattle and the State of Washington, hereby declares its adherence to the Doctrine, Discipline and Worship of the Protestant Episcopal Church in the United States of America, and conforms to its Constitution and Canons and also to those of the Diocese of Olympia, or of any Diocese of which the City of Seattle may be territorially a part.

ARTICLE TWO

Section I. Pursuant to Article V of the Constitution of the Diocese of Olympia wherein "St. Mark's Church of Seattle is designated and declared to be the Cathedral Church of the Diocese, and official seat of the Bishop of the same," the Cathedral Chapter is hereby abolished and the Cathedral shall instead be governed by a Vestry composed and selected as provided in Article Three.

ARTICLE THREE

Section I. The Vestry of St. Mark's Cathedral shall have fourteen to twenty-three members, consisting of the Dean of St. Mark's *ex officio*, the Bishop of Olympia *ex officio*, nine to twelve members representing the parish of St. Mark's, three to six members representing the Diocese of Olympia, and zero to three members representing the wider community. Within these limits, the Bylaws of St. Mark's Cathedral Parish may fix or change the number of parish representatives, diocesan representatives, community representatives, if any, and total members, provided that any amendment to the Bylaws to increase the number of diocesan representatives to more than three shall require the prior consent of the Bishop and the Diocesan Council.

Section 2. The Vestry shall be selected as follows:

- a. Nine to twelve members shall be elected /Tom among parishioners at St. Mark's who are Communicants in Good Standing, three or four to be elected at each annual meeting of the parish. The terms of parish representatives shall commence at the first meeting of the Vestry following their election at the annual parish meeting and shall continue for three years and until their successors are elected and qualified.
- b. Three to six members shall be elected by the Diocesan Convention, one or two to be elected at each annual convention of the Diocese of Olympia. These members shall be Communicants in Good Standing at their congregations of record within the Diocese, or a member of the clergy in good standing canonically resident in the Diocese. No more than one member of the clergy may be a diocesan representative on the Vestry at anyone time. A diocesan representative must not be eligible to serve as a parish representative. The term of office of a diocesan representative shall commence at the first meeting of the Vestry following the annual meeting of St. Mark's in the next year after she is elected at Diocesan Convention and shall continue for three years and until his or her successor, having been elected at Diocesan Convention, becomes qualified to serve at the first meeting of the Vestry following the next year's annual meeting of St. Mark's.
- c. The Vestry may annually appoint one community representative to a three year term, whose appointment shall be announced at the annual meeting of St. Mark's. A person so appointed shall be a person of demonstrated qualities of dedicated commitment to a faith community, leadership and vision, and responsiveness to the needs, concerns, and hopes of the world as to mark them as a

desirable candidate for service on the Vestry. Beginning in 2013, a community representative must not be eligible to serve as a parish representative.

- d. In the event of ambiguity in the timing of election or selection of Vestry members, it is the intent that all Vestry terms of the same class year commence and expire at the **same time**.
- e. In the event of a resignation or vacancy occurring prior to the end of a full three year term, the Vestry may fill a vacancy in its own membership (1) for the unexpired term of a parish representative or community representative, or (2) for the unexpired term of a diocesan representative from nominees named by the Bishop.

Section 3. A nominating committee shall be appointed each year at least six months prior to the annual meeting of the Diocesan Convention. The Vestry shall appoint eight persons from the parish of St. Mark's to serve on the nominating committee, and may also appoint two persons from the outside community. The Bishop, with the advice and consent of the Vestry, shall appoint two persons from the Diocese to serve on the nominating committee. The Dean shall also serve on the committee.

- a. For persons to be elected as parish representatives, the nominating committee shall present to the annual meeting of St. Mark's a list of nominees the number of which shall be at least twice as many as there are positions for parish representatives to be filled. Nominations from the floor shall also be called for prior to balloting.
- b. For persons to be elected at the annual Diocesan Convention, the nominating committee shall timely present to the nominations committee of the Diocese at least one nominee for each position to be filled. Nominations from the floor shall also be called for prior to balloting.

- c. For community representatives, if any, the nominating committee shall present to the Vestry at least one nominee for each position to be filled.

Section 4. There shall be one senior warden, who shall be chosen by the Dean from among parish representatives on the Vestry. There shall be one or more junior wardens, at least one of which shall be selected from among parish representatives on the Vestry. All junior wardens shall be selected by vote of the Vestry.

Section 5. At any Vestry meeting, the Dean shall preside unless *s/he* delegates this responsibility to a warden and may vote to break a tie. The Bishop may designate one representative each year to attend meetings as needed in the Bishop's stead. The Bishop may elect whether to have the rights to move motions and vote, and the Bishop's Representative shall have the same rights as the Bishop elects. Neither the Dean, nor the Bishop, nor the Bishop's representative shall be counted in determining the presence of a quorum or in determining how many votes are required to pass any measure, except that if the Bishop has elected to vote, the Bishop or Bishop's representative shall be counted in determining how many votes are required to pass any measure considered during a Vestry meeting at which either of them is present.

Section 6. In the event of a vacancy in the office of Dean, the Bishop shall act as Dean until the office is filled. After consultation with the Vestry, the Bishop may appoint a member of the clergy to serve as priest-in-charge. The priest-in-charge shall exercise the duties of Dean and Rector, subject to the authority of the Bishop.

ARTICLE FOUR

Section I. Amendments to this Constitution may be made by the Diocesan Convention. No amendment shall be proposed to a Diocesan Convention without the prior consent of the Bishop of Olympia and of St. Mark's Cathedral Parish. All amendments, unless otherwise provided, shall take effect immediately upon adjournment of the meeting of Convention at which they are adopted.

CHANGES MADE IN 2010 CATHEDRAL CONSTITUTION AS COMPARED TO 2002 CONSTITUTION

The 2002 Constitution provided that the Vestry would consist of 17 members: nine parishioners, three diocesan representatives, three community representatives, the Dean, and the Bishop. The 2010 Constitution provides that the Vestry will consist of fourteen to twenty-three members: nine to twelve parishioners, three to six diocesan representatives, zero to three community representatives, the Dean, and the Bishop. Within these limits, the Bylaws of St. Mark's Cathedral Parish may fix or change the composition of the Vestry, provided that any increase above three diocesan representatives requires the consent of

the Bishop and the Diocesan Council. Beginning in 2012, a community representative must not be eligible to serve as a parish representative.

The 2002 Constitution provided that the term of new Vestry members would commence at the first regular Vestry meeting held in the month following the annual parish meeting at which elections for Vestry occur. The 2010 Constitution provides that service of Vestry members will commence at the first meeting of the Vestry following the annual parish meeting.

The 2002 Constitution provided that the Vestry would fill any vacancy of a parish representative from nominees

named by the Dean and that the Dean would fill the vacancy of a community representative with Vestry advice and consent. The 2010 Constitution provides that the Vestry will fill vacancies of parish or community representatives.

The 2002 Constitution provided that the Dean, with the advice and consent of the Vestry, would appoint six parishioners and two persons from the outside community and the Bishop would appoint two persons from the Diocese to serve on a nominating committee. The 2010 Constitution provides that the Vestry will appoint eight parishioners to the nominating

committee and may appoint two persons from the outside community. Both the 2002 and 2010 Constitutions provide that the Dean serves on the committee and that the Bishop, with the advice and consent of the Vestry, appoints two persons from the Diocese to serve on the committee.

The 2002 Constitution provided that, for persons to be elected at the Diocesan Convention, the nominating committee would present at least two nominees for each position. The 2010 Constitution provides that the nominating committee will present at least one nominee for each position to be elected at the Diocesan Convention and for each community the Vestry, the Bishop may appoint a member of the clergy to serve as priest-in-charge, who shall exercise the duties of Dean and Rector, subject to the authority of the Bishop.

representative position. Both the 2002 and the 2010 Constitutions provide that, for parish representatives, the nominating committee will present at least two nominees for each position.

The 2002 Constitution provided that the Dean and Vestry would have the rights to move resolutions and to vote. In order to conform to canonical requirements, the 2010 Constitution provides that the Dean shall preside at Vestry meetings unless s/he designates this responsibility to a warden and may vote to break a tie. The 2010 Constitution also provides that the Bishop may designate a representative to attend meetings as needed in the Bishop's stead, that the Bishop may

elect whether to have the rights to move motions and vote, and that the Bishop's Representative shall have the same rights as the Bishop elects; neither the Dean, nor the Bishop, nor the Bishop's representative shall be counted in determining how many votes are required to pass any measure, except that if the Bishop has elected to vote, the Bishop or Bishop's representative shall be counted if either of them is present.

Both the 2002 and the 2010 Constitution provide that in the event of a vacancy in the office of Dean, the Bishop shall act as Dean until the office is filled. The 2010 Constitution adds a provision that, after consultation with

SAINT MARK'S CATHEDRAL PARISH VESTRY RESOLUTION (#10-GO-04)

HISTORY: In the summer of 2002 the Chapter and Vestry of St. Mark's Cathedral approved a new governance structure for the Cathedral and in November 2002 a Constitution incorporating the new structure was approved at Diocesan Convention, following which the Vestry adopted new Bylaws implementing the structure. This new structure for Cathedral governance eliminated the Chapter and changed the composition of the Vestry from fifteen parishioners and the Dean to nine parishioners, three diocesan representatives, three community representatives, the Dean, and the Bishop. It was anticipated when the new structure was adopted that there would be an ongoing evaluation process overseen by the Vestry to assure that the governance structure is effective and to adjust it if and as appropriate. The Governance Committee of the Vestry has undertaken such an assessment over the past two years and is recommending that certain changes be made to the structure. These changes require amending the Constitution at Diocesan Convention, and such an amendment cannot be considered without the prior consent of the Bishop and Vestry. The Governance Committee and Vestry have concluded that the Cathedral's governance needs vary over time. For example, there may be times when having community representatives on the Vestry would be very valuable and other times when having additional parish representatives instead would be more effective. And, it is good for the Vestry to be able to make adjustments to the governance structure from time to time without the need for approval by Diocesan Convention so long as the changes fall within parameters that have been approved by Diocesan Convention. The attached May 20, 2010 draft Constitution allows the Cathedral to adjust its governance structure as its needs change from time to time, but only within parameters approved by Diocesan Convention.

BE IT RESOLVED BY THE VESTRY OF SAINT MARK'S CATHEDRAL PARISH:

The Vestry hereby approves the attached May 20, 2010 draft Constitution, consents to its adoption at the 2010 Diocesan Convention, authorizes the Canon Missioner, Senior Warden and Chancellor to convey the draft Constitution to the Bishop for his consent, and if such consent is obtained, to work with appropriate diocesan employees, committees and officers so that the draft Constitution may be considered for adoption at the 2010 Diocesan Convention.

ADOPTED by the Vestry of Saint Mark's Cathedral Parish this 25th day of May, 2010. Philip J. Haas, Senior Warden. Attested by me this 25th day of May 2010. Virginia D. Lenker, Clerk.

Audits Outstanding (10/E/7)

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 2009 audit as of October 18, 2010. PARISHES: Kenmore, Redeemer; Kirkland, St. John; Mt. Vernon, St. Paul; Puyallup, Christ Church; Seattle, St. Clement; Seattle, St. George; Seattle, St. Mark's Cathedral; Shelton, St. David; Tacoma, St. Mary; Vashon, Holy Spirit. MISSIONS: Castle Rock, St. Matthew; Olympia, St. Christopher; Sedro Woolley, St. James.

Diocesan Council Report to Convention 2010 (10/F/1)

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 seven times: December (24-hour retreat), January, March, April, June (hosted in the Rainier region at St. Mary’s, Lakewood), August (joint meeting with the Regional Ministry Leadership team), and September (hosted in the Mt. Baker region at St. Paul’s, Bellingham). At the **December** retreat (held at Huston Camp & Conference Center in Gold Bar) DC members joined members of the Standing Committee and Board of Directors for a presentation by the Joint Finance Panel, a rousing game of Governing Bodies Jeopardy, and presentation by diocesan chancellor, Judy Andrews. Actions:

- *The September 24, 2009, minutes were accepted as written.*
- *Recorded, for IRS purposes, the housing allowances for the following clergy: Joan Anthony, Kim Forman, Sam Lee, Andrea McMillin, Greg Rickel, Nedi Rivera, Mary Shehane and Jerry Shigaki.*
- *Authorized the accounting office to write off all outstanding 2009 assessment balances (for accounting purposes only).*
- *In thanksgiving for the unrestricted legacy gift of \$15,000 received from the estate of Walter Corbett, and upon recommendation of the Canon for Planned Giving/Stewardship and Bishop Rickel, distributed the \$7,500 available to the Diocesan Council as follows: \$5,000 to Mission Investment Fund of the ELCA, to pay toward our remaining \$30,000 commitment (originally \$100,000) to pay off the loan to purchase COTA’s building in Fremont and \$2,500 to the Global Youth Movement at Epiphany Parish, Seattle.*
- *Approved the format of 15-000 (Index for Processes and Procedures Policies).*
- *Adopted policy number 42G-003 (Granting Relief for Prior Year’s Un-paid Assessment) as amended.*
- *Established a 2010 budget line item for the new Archdeacon, within the Canon to the Ordinary budget area, in the amount of \$3,100; funds drawn from the unrestricted reserve.*

In **January** the DC met new Internet Strategist, Kerry Allman, heard an update on the bishop’s activities, reviewed the year-end financial statements and 2011 budget process, reviewed requests for assessment relief, heard reports from sub-committees/task forces, commissions and visitations. Actions:

- *Accepted the minutes of the December 4-5, 2009, meeting as written.*
- *Approved assessment relief for the following congregations in the following amounts:*

Congregation	Years of assessment arrearage	Amount to be relieved
St. Columba, Kent	2008	\$5,852
St. Dunstan, Seattle	2001, 2002, 2005	\$31,831
St. Christopher, Olympia	2008	\$7,777

- *Instructed the board to instruct the DIF to vote yes on two proposed resolutions.*

In **March** reports were heard from Bishop Rickel, the Canon to the Ordinary, and Budget and Finance. Actions:

- *Accepted the minutes of the January 22, 2010, meeting as amended.*
- *Set a policy that requests for expense reimbursement be submitted within 60 days of expenditure, and no later than the first working day in January (for the end of the budget year) and that if not received in this timely manner they will not be reimbursed.*

The DC gathered in **April** at the Diocesan House. DC members heard reports from the bishop and canon to the ordinary, and update on the budget process, as well as reports from regional ministries, sub-committees and task forces. Actions:

- *Accepted the minutes of the March 11, 2010, meeting as written.*
- *Recorded, for IRS purposes, a housing allowance for Patti Sells.*
- *Approved \$42,500 from several designated areas to the office of the Internet Strategist.*
- *Approved the Congregation in Good Standing resolutions as presented by the Joint Finance Panel and amended.*
- *Approved recommendations for changes to the diocesan constitution and canons.*

In **June**, members of the DC were hosted by St. Mary’s, Lakewood, in the Rainier region. A major agenda item was presentations by and conversation with members from the churches in the Rainier Regional Ministry. In addition the DC spent time reflecting on Carl Knirk’s life and ministry, heard news and announcements from the bishop, a report from the canon to the ordinary, visitation reports, as well as reports from sub-committees and task groups. Actions:

- *Accepted the minutes of the April 22, 2010, meeting as written.*
- *Recorded, for IRS purposes, a housing allowance for Pat Eustis.*
- *Granted \$14,904 from the unrestricted operating fund balance to St. Peter’s, Seaview.*
- *Transferred \$4,467 from the unrestricted operating fund balance to St. Andrew’s House deferred maintenance account.*
- *Adopted the spring draft of the 2011 Diocese of Olympia operating budget.*

The DC gathered in **August** at the Diocesan House. Members of the Regional Ministry Leadership Team joined DC members to plan the fall Pre-Convention Gatherings. In addition, DC members heard from the bishop on his recent activities, received a report from the Trends task force, approved a 2011 meeting schedule, and heard updates from commissions and visitations. Actions:

- *Accepted the June 5, 2010, minutes as written.*
- *Adopted the 2011 budget fall draft and approved forwarding for ratification at the fall convention.*
- *Approved sending a resolution to convention setting the 2012 assessment rate at 17.5%.*
- *Relieved prior years’ unpaid assessment for St. Andrew’s, Pt. Angeles, St. Clare’s, Snoqualmie, and Good Samaritan, Sammamish.*

- Authorized re-designation of the funds previously authorized for upgrading Diocesan House lighting to be used for the purpose of repairing diocesan House drainage system.
- Authorized funding for the proposed new website and database in the amount of \$45,000.

In **September**, the Diocesan Council was hosted in the Mt. Baker region at St. Paul's in Bellingham, and spent time in conversation with members of the Mt. Baker Regional Ministry. In addition, DC members heard a report from the bishop, an update on congregations in transition, visitation reports, and a convention update. Members completing terms were recognized. Actions:

- Accepted the minutes of the August 26, 2010, meeting as written.
- Approved the 2011 grants to congregations.
- Set the membership of the Joint Finance Panel at no fewer than five members, two of which are Diocesan Council members, with the chair appointed by the bishop.

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

Commission for Evangelism (10/F/2)

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:** 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 2010 are listed below. With the sad passing of Carl Knirk, Canon for Planned Giving, Stewardship and Evangelism, on May 29, 2010, the work will continue as able with the support of the Commission, and diocesan staff. With the exception of the proposed regional workshops, the workshops listed under goal 5 have taken place or are on schedule.

GOALS & OBJECTIVES FOR THE COMMISSION FOR EVANGELISM 2010

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 2010 in support of that mission.

1. Goal: Provide financial support and friend-raising and fundraising 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 *Provided some financial support for COTA Episcopal Village Event that took place June 10 – 12 at St. David of Wales.*
- Continue efforts to raise funds from some potential major givers for a partnership campaign with COTA to raise \$25,000 toward fulfilling our \$100,000 commitment to help them purchase the building, raise additional funding for their capital need debt with the Mission Investment Fund of ELCA. *Fulfilled \$100,000 Commitment by end of May, 2010.*

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.

- Complete the content for the next Pastoral Care Workshop II with the objective of contributing to the development of personal interface skills in the pastoral care setting.
- Pilot this workshop before the end of the year
- Issue a second edition of a diocesan pastoral care newsletter
- Host a booth on pastoral care activities at the diocesan convention
- Pursue the idea of a recognition program for pastoral care leaders, based on training provided by the DSOMAT or its successor

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 *This is ongoing.*
- Work on a feature article in Voice on the TV Eucharist and more visible link from our website to Eucharist website: <http://www.tveucharist.org>
- Work with IS staff person to see if we can video stream the TV Eucharist and make it available on our website *These were not completed.*

4. Goal: Lend initial support in a variety of ways to support emerging and specialized ministries the commission has expressed a desire to partner with that are connected to the Diocese of Olympia.

- Work with Jon Meyers and diocesan staff to support the Beacon Hill Church Plant, bring together clergy from the Greater Seattle area on January 13 to learn about this effort, look at ways to support and enhance their funding
- Work with Andrea McMillin Stockburger and the emerging Western Washington University Campus Ministry with funding, development of partnerships, grants and connections
- Review other opportunities during the year of potential emerging and specialized ministries the commission may partner with. *Initiated a pilot project this year sponsored by the Evangelism commission to lend financial and staff support in a variety of ways to support emerging and specialized ministries. RFP's were sent out early in the Spring and the selection committee met April 22, 2010 to review the applications received. Grants were awarded to Santa Isabel \$1,000; Beacon Hill Church Plant, \$2,000 and Underhill House of Prayer, \$2,000.*

5. Provide Evangelism training opportunities for at least 300 members of the diocese through diocesan wide training activities during 2010

- Offer workshops regionally in partnership with regional ministries and congregations who will promote the workshops, 3 or 4 times across the diocese. Partnership with stewardship, ethnic ministries, youth and young adults *This work is temporarily suspended due to the passing of Carl Knirk.*
- Partner with Clergy Association of Diocese of Olympia (CADO) to promote the April 21 talk with Phyllis Tickle, author of *The Great Emergence* at St. Andrew's, Seattle, author of the *Great Emergence* *This was a well attended and successful event.*
- Look at possibility of workshop with Rob Voyle on "asset mapping", and Reggie McNeal (author of *Missional Renaissance*) as diocesan wide offering *Reggie McNeal has been booked for Saturday, Nov. 13, 2010 at St. Mary's Lakewood.*
- Partner with CFEM in support and underwriting of a jointly sponsored workshop or series that is mission focused with new

ideas for the emerging church *A successful workshop was held at COTA on November 14, 2009, at Church of the Apostles.*

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. *This practice continues.*
- 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." *With God's help we will!*

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; Bob Champoux, St. Margaret's, Bellevue; The Rev. Jerry Shigaki; Julia and Bill Findley, St. Paul's, Bellingham; The Rev. Canon Joan Anthony; Eric Stroo, All Saints, Bellevue; Jon Myers, Beacon Hill Church Plant; The Rev. Christie Demura, St. Margaret's, Bellevue; Sharon Pethers, Adm. Asst.*

Commission for Planned Giving/Stewardship (10/F/3)

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:** Sharon Pethers, Administrative Assistant; Chair of the Commission, Maryellen Young, St. Alban's, Edmonds; Commission Representative to Diocesan Council, Joe McGuire, St. Bede's, Port Orchard; The Commission sets and reviews goals and objectives annually. A copy of the goals for 2010 are attached at the end of this report. With the sad passing of Carl Knirk, Canon for Planned Giving, Stewardship and Evangelism, on May 29, 2010, we honor his memory and spirit with his own words: *"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, 2010, nearly 1600 individuals have received first hand resources, teaching, or preaching from the stewardship/planned giving program. With the help of our Commission Chair and members, the work will continue on a more scaled back level during the interim. Legacy work within many of the congregations are continuing strong and moving forward with their plans as well. The Bishop's Society has grown to 1,393 members as of Convention, 2010. 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. One Hundred and

Sixteen members and guests enjoyed a BBQ this past August with Bishop Rickel at diocesan house.

The diocesan planned giving website is well into its second year, at: Ecwwgift.org. This website had 15,000 hits in 2009 and in 2010 we've had 17,000 already as of Convention. 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. We hope to continue to bring relevant and inspiring content; therefore, if you have a story to share about Legacy Giving, we would welcome contributions. For our annual diocesan

stewardship program, Nathan Dungan brought his acclaimed "Financial Sanity" Training, drew 37 attendees, and was hosted by St. St. Margaret's, Bellevue. On the eve of the workshop, the commission hosted a dinner and informal meeting with Nathan along with Bishop Rickel, where invaluable information was shared and gained. In July we organized and coordinated a luncheon, facilitated by Bishop Rickel at Mirabella. It was attended by over 20 Episcopalian residents. The office for Planned Giving/Stewardship continues to provide congregations with resources and consulting to the greatest extent possible.

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 \$68,689 to 28 ministries in Western Washington. Donations may now be made electronically, on line, year round. Go to 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 \$500,000 reaching our commitment of half a million dollars to St. Paul's Church and School. On January 22, 2010, the diocese hosted a "Happy

Trails/BBQ Buffet 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 was held at St. Columba's Episcopal Church, Kent. Nedi had been involved since meeting Fr. Will Hood, and she loved the idea of a farewell dinner to raise this money. We had a live auction of 5 items, and a raise the paddle for individuals and congregations to make a final gift to reach our goal in four years time. By the last week in May, we were able to reach our goal, sending St. Paul's, New Orleans the remainder of our pledge. 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 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, Mission to Seafarers 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 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.

We Will Stand With You Campaign (10/F/4)

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 were received.

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.

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.

On January 22, 2010, the diocese hosted a "Happy Trails/BBQ- Buffet 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 was held at St. Columba's Episcopal Church, Kent. Nedi had been involved since meeting Fr. Will Hood, and she loved the idea of a farewell dinner to raise this money. We had a live auction of 5 items, including a cruise from Holland America and a dinner cooked by New Orleans chef, Mark Uddo, and a raise the paddle for individuals and congregations to make a final gift to reach our goal in four years time. By the last week in May, we were able to reach our goal, sending St. Paul's, New Orleans the remainder of our pledge.

We are told the money we gave 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. The diocese is currently organizing another mission trip November 7 – 14, 2010.

Episcopal Charities Appeal Report (10/F/5)

Episcopal Charities Appeal was formed by Diocesan Convention in 1987 to provide a corporate means to respond to local human needs in our diocese. All ECA supported ministries must have an Episcopal connection either on the board or with support from an Episcopal congregation. ECA distributed \$68,689 in June, 2010 to 28 ministries across Western Washington. Since 1988 over \$2 million dollars has been given by congregations and individuals in our diocese. We accept grant applications from ministries in mid – December which are deliberated on by ECA committee members in January. Following is a list of this year's ministries and their grant amounts:

Ministry	City	Amount	Ministry	City	Amount
Associated Ministries	Tacoma	\$ 2,143	La Iglesia Santa Isabel	Burien	1,342
Babies in Need	Vancouver	2,000	MANNA	Port Angeles	2,381
Congregations for the Homeless	Bellevue	2,728	Matthew House	Monroe	2,435
Epis. Crossroads Campus Ministry	Seattle	2,401	Mediation & Settlement Center	Montesano	2,793
Fort Vancouver Seafarer's Center	Vancouver	1,425	Mission to Seafarers	Seattle	3,487
Gourmet Grub	Seattle	3,795	Northwest Harvest South	Vancouver	2,381
Harmony Hill	Union	2,373	Refugee Resettlement Office	Seattle	2,425
Helping Hand	Langley	2,493	Sanctuary Art Center	Seattle	2,000
HFJ Community Services	Tacoma	2,000	Skagit Valley Friendship House	Mt. Vernon	2,000
HomeStep	Seattle	4,373	St. James Family Center	Cathlamet	4,922
Jackson Street Food Bank	Tacoma	1,030	St. James Outreach Program	Kent	2,856
KAIROS Prison Ministry of WA	Bellevue	3,067	St. Matthew/San Mateo	Auburn	1,609
Kitsap Co HIV Aids Foundation	Silverdale	2,000	VIMO	Port Angeles	2,218
La Iglesia Epis. de la Resurreccion	Mt. Vernon	3,233	ECA Endowment Fund		75
			Total Distributions		\$ 68,689

Meeting basic needs – \$19,140 (28%)

Housing/Homeless – \$12,168 (18%)

Children/Youth/Families – \$20,684 (30%)

Promoting physical or spiritual health and independence – \$26,790 (39%)

THANKSGIVING OFFERING – Diocesan Convention passed a Canon in 1989 asking that all congregations take a special offering for ECA around Thanksgiving. About one third of our congregations faithfully do so, some chose to do it at a different time of the year. All congregations are encouraged to participate. The Planned Giving/Stewardship office can offer donation envelopes, brochures, and sample

announcements for bulletins and newsletter to tell the ECA story and promote this Thanksgiving Offering. We encourage all congregations to take part in this offering.

ECA ENDOWMENT FUND: The ECA endowment fund was created several years ago from part of one major gift ECA received. The original balance of \$20,000 has grown to \$25,000 and the committee has no plans to spend

any of the endowment until we reach a substantially larger principal amount. Several members of the Bishop's Society (our diocesan recognition society for anyone who has made arrangements for a legacy gift upon their death) have named ECA for a legacy gift. If you would like assistance with wording on how to make this part of your will or estate plans, contact the diocesan planned giving/stewardship office at 1-800-488-4978 or visit the diocesan website: www.ecww.org.

MEMORIAL GIVING/ACKNOWLEDGEMENT FOR ECA. Anyone can make a gift to ECA in memory of a

birthday, anniversary, loss of a loved one, etc. Visit our website or call the planned giving/stewardship office for assistance. Acknowledgements of all memorial gifts will be sent to the family, relatives, loved ones that you wish.

ELECTRONIC GIVING. Giving via credit cards, debit cards, or directly from you checking account is now available through our diocesan website: www.ecww.org. All gifts are acknowledged promptly with a thank you letter that also serves as a tax receipt.

Report of the Commission for Multicultural Ministries (10/F/6)

The Commission for Multicultural 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 2009-2010 highlights of **Ministries of the Commission for Multicultural Ministries**:

Circle of Color Discernment Group

This spirit filled group continues to meet on an ongoing basis for discernment and mutual support. People of color in the ordination process include: four postulants to the priesthood, a transitional deacon, and one postulant to the diaconate. Hopefully one individual of color will attend the upcoming BACAN.

Clergy of Color Support Group

Periodic gatherings are held to provide spiritual and personal support. Clergy of color, in partnership with Anglo clergy, continue to work diligently in lifting up ethnic ministries.

Multi-Cultural Clergy Support Group A strong core of Anglo clergy have been very involved in supporting multicultural ministry. They meet on a regular basis to discuss strategies, offer words of encouragement, and develop and implement action plans.

Church visitations The Multicultural Ministry staff continues to visit churches 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.

African-American Ministry The committee continues to sponsor a

diocesan wide Absalom Jones event and Black Nativity. In 2009, the Right Rev. Nedi Rivera was honored for her work and dedication in lifting up ethnic ministries in the Diocese of Olympia. Three curates of color have been awarded grants.

Anti-Racism Training Team Foundational in the development of multicultural congregations has been the facilitation of anti-racism workshops. Offerings include: anti-racism training, Sacred Conversations on Race, and Radical Hospitality seminars.

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. The food bank and other outreach activities are a model for Pierce County.

Chinese Ministry Our Chinese congregation, Holy Apostles, is in a period of transition with the retirement of their Vicar on December 31, 2010. 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 appears to be strong.

First Nation's Ministry This ministry continues to be visible throughout the

diocese. Several workshops focusing on First Nation's people were held throughout the year, such as: the Pow Wow Etiquette Workshop, and "Internalized Oppression". A number of individuals attended the Native Ministries Consortium Summer Session at the Vancouver School of Theology. It was outstanding. The feast of David Oakerhater was celebrated at St. Joseph/St. John, Lakewood and Faith Episcopal Church, Kingston.

Hispanic Ministry The six Hispanic ministries received grants totaling \$13,106 from the Commission for Multicultural Ministry. They are becoming integral part of the life of the diocese. This ministry has the potential for tremendous growth, with the steady influx of Hispanics moving to western Washington. A new Hispanic ministry is being developed at St. Andrew's, Aberdeen. 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. It is hoped that one day they will become a mission in the diocese of Olympia.

Staff Members: Commission for Multicultural Ministries – The Rev. Andrew Shirota; Missioner for Multicultural Ministries – The Rev. Canon Jerry Shigaki; Administrative Assistant – The Rev. Sue Reid; Commission Representative to Diocesan Council – Charlotte Brown; Commission Members: Dianne Aid, The Rev. John Allen, Hisako Beasley, The Rev. Josephine Beecher, The Rev. Sara Carlson, Rebecca Clark, The Rev. Arienne Davison, Abraham Deng, Elsie Dennis-Dofelmier, Alfredo Feregrino, Charles Hubbard, Torres Hui, Heather Kmitta, The Rev. Anna Maria Korathu, The Rev. Sam Lee, Francisco Lopez, The Rev. Ed Lovelady, Atem Mabior, The Rev. Constance Moorehead, Justin Okot, The Rev. Sue Reid, Cleveland Riley, The Rev. Carla Robinson, Eliacin Rosario-Cruz, Polly Shigaki, Susan Tait, The Rev. Patricia Taylor, The Rev. Stephen Tellari, and The Rev. Philip Wong.

The College for Congregational Development: Report to Diocesan Convention (10/F/7)

The College for Congregational Development, a diocesan-wide program to train clergy and laity in organization and congregational development, is now in its second year. Designed to deepen and advance the Bishop's priority on congregational development, the College is a comprehensive training program that focuses on creating knowledgeable and skilled practitioners who are equipped to strengthen the health, the effectiveness and the faithfulness of their congregations. To this end, the College seeks to enhance participants' knowledge and skills on the individual level, on the group or team level and at the level of the whole system. More information is on the College's website at www.cdcollege.org

The College offers two different formats for its training: four weekends each year over two years or an eight-day intensive session for two summers. Participants work on a range of knowledge and skill development. Some of the areas that the College covers are: basic models of congregational and organizational life, change processes, leadership formation especially as related to self awareness and self-differentiation, conflict management and trust development, culture, organizational structures, power and politics, and the issues of identity, Episcopal ethos and marketing. Participants complete readings, homework and two back home projects.

To date, 42 congregations have sent 130 participants to the College. Of these, 32 congregations and 110 participants were from the Diocese of Olympia while 10 congregations and 20 participants were from 4 other dioceses (the Dioceses of Spokane, British Columbia, New Westminster and Arkansas).

The College conducts both a "mid-point check-in" half way through each year as well as a written assessment at the end of each

year. Participant assessments of the College have been consistently high, with the overwhelming majority of those completing the assessment rating their overall satisfaction with their experience of the College at a "4" or a "5" on a 5-point scale.

The following trainers were instrumental in the success of the College over these last two years: Lucy Brand, Alissa Newton, Sue Clary, Morrie Hauge, Helen Rogers, Ed Doll, Tom Cashman, Stephen Crippen, and Canon for Congregational Development and Director of the College, Melissa Skelton.

To note, the College's strong reputation has led to a partnership among six Southern dioceses (the Dioceses of Alabama, East Carolina, Tennessee, Mississippi, Arkansas, and Upper South Carolina) who in the summer of 2010, hosted a "Cooperative College for Congregational Development" at the Gray Center in the Diocese of Mississippi. Results in this training were similar to those in the Diocese of Olympia, with the overwhelming majority of participants highly satisfied with the program.

Diocesan Council Grants Sub-Committee October 2010: Report to Diocesan Convention (10/F/8)

In 2010 the Diocesan Council Grants Sub-Committee:

- Continued to refine the grant inquiry, proposal, award and reporting processes
- Enhanced diocesan web site information for inquires, support, FAQ's and forms
- Improved communication with lay and clergy members
- Implemented a grant reporting process to document accountability for awards
- Developed a convention workshop required for current and potential grantees: *How-to Guide for Applying and Reporting on Congregational Grants*

At its September 11, 2010 meeting, the Diocesan Council approved the following 24 congregational grants for 2011. These grants are tentative, based on the final approval of the 2011 diocesan budget at Diocesan Convention. A total of not more than \$358,700 will be awarded to 24 congregations, with a small fund held in reserve for congregations based upon further work and planning. These grants represent support for the congregational grant program. Funds are 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 was the process? Congregations that wanted to receive grants first submitted an *Intent to Apply* application to the Diocesan Council Grants Sub-Committee. The form included a brief summary of the proposed project, and limited financial and church attendance data. Based upon the application, those in line with the priorities listed above were invited to submit full grant applications, and given feedback about their proposed projects. The full application included more detailed information about the proposed project, congregation finances, attendance, and area demographics.

In evaluating grant applications, the Grants Sub-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
4. Congregation's status with diocesan assessments and loans

Many of the grants are one-year grants. 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 a grant is awarded, congregations must file annual or semi-annual reports to the Grants Committee of the Diocesan council based on their level of funding. Reporting includes detailed accountability of funds used and what their impact is in their congregation and/or the surrounding community or neighborhood.

Congregations interested in apply for grants for 2012 should watch for grant application information in early 2011. You will find process details as well as the Intent to Apply, Application and Report forms, on the diocesan website home page under the "2012 Congregational Grants" link.

2011 Congregational Grant Funding, Approved by Diocesan Council September 11, 2010

\$5,000 and Under	Amount		Multi-Year	
Christ Church – Blaine	\$ 2,000		All Saints – Seattle	50,000
Episcopal Crossroads	3,000		Church of the Apostles (COTA) – Seattle	25,000
Faith – Kingston	5,000		Church of the Holy Spirit – Battle Ground	62,000
Our Savior – Monroe	3,500		Grace – Bainbridge Island	30,000
St. Hilda St. Patrick – Edmonds	2,600		St. Aidan – Camano Island	4,800
St. Mark/All Saints Choir & School	5,000		St. Antony of Egypt – Silverdale	5,000
St. Matthew – Castle Rock	2,000		St. Bede – Port Orchard	10,000
Subtotal	<u>\$ 23,100</u>		St. Columba – Kent	5,000
			St. George – Maple Valley	50,000
Over \$5,000			St. Joseph St. John – Lakewood	10,800
Komo Kulshan Cluster	6,000		St. Margaret – Bellevue	5,000
St. Christopher – Olympia	12,000		Subtotal	<u>\$ 257,600</u>
St. Clare – Snoqualmie	30,000			
St. Paul – Bremerton	20,000		GRAND TOTAL	<u>\$ 358,700</u>
St. Paul – Seattle	10,000			
Subtotal	<u>\$ 78,000</u>			

Report of the Board of Directors (10/F/9)

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 9/30/10	\$1,008,872
5 non-interest bearing loans	\$397,859
4 not serviced	\$557,615
Available funds	\$53,398

Building Loan Fund (BLF)

Assets as of 9/30/10	\$5,112,306
18 interest, 3 non-interest bearing loans	\$4,146,894
4 of 18 loans - non-performing	(Totaling \$1,697,429)
Interest in arrears	\$ 64,423
Available funds	\$900,989

Loans Made October 2009-September 2010:

- *Good Shepherd, Vancouver* - \$200,000 bridge loan, for purchase of an adjacent property; loan to be repaid in eight months.
- *St. Michael and All Angels, Issaquah* - \$250,000 loan, for a building project; loan to be repaid in three years, upon completion of a capital campaign.
- *St. James, Kent* - \$70,000 loan, for cost of replacing boiler; loan to be repaid in three years.

Significant Actions Taken October 2009-September 2010 (Detailed actions are available from the Board upon request):

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| <ul style="list-style-type: none"> • Authorized up to \$3,000 from the Hodges Fund to purchase translation equipment for diocesan meetings. • Approved the write-off from the Mission Development Fund loans for Orchards property (\$86,678.98) and Whatcom property (\$15,881.30). • Approved the transfer of portable unit from St. Francis, Mill Creek to St. Clare, Snoqualmie with cost of transport borne by St. Clare. • Acknowledged Standing Committee authorization of sale of development rights to St. Andrew’s Housing Group to build 41-unit affordable housing structure on St. Margaret, Bellevue property for \$1,353,000. • Approved adoption of the Articles of Incorporation as revised. • Approved the suggested amendments to the By-Laws and adopted the By-Laws as amended. | <ul style="list-style-type: none"> • Concurred with the bishop’s opinion and approved a summary judgment be filed in the McArthur v. Diocese of Olympia, Inc./St. George, Seattle case. • Approved expenditure of no more than \$6,000 from funds requested to St. Columba, Kent for the purchase of a 1903 Steinway grand piano. • Recommended to St. Columba, Kent to put money from a \$100,000 bequest into CDs rather than Diocesan Investment Fund, for easier access. • Authorized the Rev. Dr. Marda Steedman Sanborn to replace the retiring Rev. John Schaeffer on the bank, real property and James F. Hodges diocesan investment corporate resolutions. • Approved new signers for various diocesan bank accounts. |
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- Authorized Don Mullins to seek reconsideration for attorney's fees in the McArthur v. Diocese of Olympia, Inc./St. George, Seattle lawsuit.
- Approved the 2010 Building Loan Fund rate at 3.5% for both missions and parishes.
- Approved an easement agreement initiated by an action by McArthur v. Diocese of Olympia, Inc./St. George, Seattle in King County Superior Court alleging a cause of action for an implied easement of necessity; and have been directed to enter an easement agreement pursuant to an order dated November 13, 2009 signed by the Honorable Regina Cahan.
- Authorized signers on St. Andrew's House's bank account due to change in staff.
- Approved a savings account for the Refugee Resettlement Office through Numerica Credit Union in Spokane, pending review and approval of loan agreement and contract by the chancellor; authorized signers on this account.
- Authorized up to \$5,400 from Hodges account to re-upholster three leather chairs that originally belonged to Dr. Hodges and are used in Diocesan House.
- Approved redemption of \$1,077.47 from the Mabel Wilson Charitable Trust for St. Paul, Bellingham to use as payment for carpet cleaning and protection of main church building.
- Authorized archivist Diane Wells to work with Yearwood Studios to produce, matte and frame a new portrait of Bishop Nedi Rivera, with a spending limit of \$4,000.
- Authorized redemption of \$31,304 in 2010 from St. Peter, Seaview's Diocesan Investment Fund account for Diocesan Council to provide a grant that will enable them to pay the assessment in full. From that, \$13,274 for payment of utilization fees in accordance to an agreement with a Presbyterian congregation, until 2016 if needed.
- Gave realtor 45 days to sell St. Catherine, Enumclaw property for \$299,000; if no sale, then accept the offer from Gateway Ministries dba Good Shepherd Broadcasting, Inc. for purchase price of \$280,000, pending improvements required.
- Authorized \$1,600 to be spent on painting the garage doors of the bishop's house, applying sealant and replacement of light fixture in kitchen.
- Agreed to maintain the relationship with Charles Wright Academy on present terms.
- Approved the finance plan Christ Church, Anacortes has set up regarding the purchase of the Red Door Thrift Shop; authorized the treasurer of the diocese to sign.
- Approved resolution defining congregations in good standing and congregations in provisional good standing.
- Approved the use of all available excess appreciation from the Horn Endowment Fund for the construction of the director's house at Huston Camp and Conference Center.
- Approved a loan from 2010 Horn Income not to exceed \$18,000 for the remainder needed for construction of director's house at Huston Camp and Conference Center, as well as new refrigeration equipment.

- Approved \$4,500 from the rental income from St. Francis, Mill Creek to pay for the demolition of a contaminated and collapsing trailer on the property.
- Approved \$30,000 from the Sam Brown estate for St. Paul, New Orleans, to complete the commitment made to them by the Diocese of Olympia; approved \$28,477.33 to Mission Investment Fund, ELCA Chicago, to complete the diocese's commitment to pay off the Church of the Apostles, Fremont loan to purchase building.
- Forgave \$143,000 past due interest on Good Samaritan, Sammamish mortgage loan and to use a recent gift to pay down the principal on the mortgage; sewer project funding will remain the same.
- Approved \$2,000 per quarter be paid from the Hodges account to the Small Business Association (SBA) loan used for chimney repair at Diocesan House.
- Approved new signers again for diocesan bank accounts, due to unexpected loss of one of the signers.
- Authorized a \$20,000 transfer from the Sam Brown bequest to a new Diocesan Investment Fund account, titled Carl F Knirk Memorial Scholarship Fund.
- Authorized Christ Church, Anacortes as agent for the Diocese of Olympia, to pay the debt owed a parishioner.
- Approved a two year lease agreement between Living Again Worldwide Ministry and the Diocese of Olympia (rental of St. Francis, Mill Creek).
- Authorized Bill Goodenough to work with St. Bede, Pt. Orchard to get bids to bring the church facility into compliance with 1998 Conditional Use Permit, including completion of permitting for proposed addition.
- Encouraged St. Bede, Pt. Orchard to continue looking at expansion on their current site.
- Authorized the monthly payments from the sale of St. Catherine, Enumclaw be put into the Thanksgiving and Memorial Fund in the Diocesan Investment Fund.
- Accepted the proposal from Fox Plumbing and Heating to replace Diocesan House existing boiler; funding comes from the Hodges account.
- Authorized redemption of \$500,000 from Episcopal Endowment #2 in the Diocesan Investment Fund for use of potential legal fees regarding Poulsbo and Oak Harbor property issues.
- Approved the consolidation of the Devik, Jessett and McDonald Diocesan Investment Fund accounts into the Curtis scholarship account; approved transfer of the Pruden account to the Theological Education fund; St. Bernard's Chapel to the Thanksgiving and Memorial Fund.
- Approved the listing for the Orchards property be set at \$1.5 million.
- Authorized the Joint Finance Panel to represent the Board in working with Constitutions and Canons to propose to 2010 convention canons (or articles) requiring that a congregation be in good standing or provisional good standing for its delegates to have a seat, voice and vote.
- Supported Bishop Greg Rickel in his pastoral duty to inform the congregants of St. James, Sedro Woolley that

services and any other gatherings cease to take place in their facility, deemed unsafe by a structural engineer.

- Authorized \$30,000 from Sam Brown bequest be divided equally between CDSP, Virginia Theological Seminary and Seminary of the Southwest.

Members of the 2010 Board of Directors: the Rt. Rev. Gregory Rickel, president; Mr. Bill Bain, vice president, Emmanuel, Mercer Island; the Rev. Dr. Marda Steedman Sanborn, 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; Ms. Patricia McGuire, St. Bede, Pt. Orchard; Mr. John Rolfe, St. Mark's, Seattle; and the Rev. Ray Sheldon, Faith, Kingston, Mr. Rick Adams, Emmanuel, Mercer Island. Submitted by Bill Goodenough, Board of Directors Representative for Property.

- Approved a joint use agreement between Good Samaritan, Sammamish/Diocese of Olympia, Inc and Integrated Value Education Academy.
- Approved driveway repair project at St. Andrew's House.

Faith Formation (10/E/11)

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. Margaret, Bellevue. The Spring conference was held at St. James, Kent and Fall found us at St. Andrew, Port Angeles. The theme for each of the weekends was supported through speakers, 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. Columba, Kent and last Fall we were at St. Benedict, Lacey. 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 Circle of Life." The youth, 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. Bishop Rickel, Rev Ken Grabinski, Rev Cynthia Espeseth, Rev Hunt Priest and Rev Marda Steedman Sanborn provided clergy support during the week.

Committee for Youth Exchange & Mission Successfully recruited youth and raised funds for a Pilgrimage to the Holy Land. Chaperones Rev JR Lander, Rev Rebecca Kirkpatrick and Irene Smith led a group of young people through a youth course at St. George's College in Jerusalem visiting many historic and holy sites. Bishop Rickel accompanied the group.

Young Adult Ministry Several events were offered this year for young adults. A Christmas gathering with live music and a Pub Trivia Night were held at the Diocesan House in Seattle. The Young Adults hosted our Diocesan Council for a summer barbecue. The Young Adult Committee continues to explore new options.

Episcopal Crossroads Campus Ministry Episcopal Crossroads had another growing year. During the 2009-2010 academic year, we had new students attending worship almost every week. We had approximately an 8% increase in attendance. There has been an increase in the number of students using the building. Multiple student bands use the building as a rehearsal space. We have continued to develop our peer minister team. The

students plan all the programming for the year. Several movie nights, managed by student leaders, were very successful. We had a music jam night that was an exciting opportunity for students, who would not normally attend a campus ministry event, come and see what we are about. We offered a silent retreat for students that was crafted and led by students. A Spring quarter barbecue with over 80 attendees was very successful. We had several service projects including feeding Tent City. Young Adults events including barbecues and pub nights were fun opportunities for students to connect.

Western Washington University The Episcopal Campus Ministry in Bellingham is entering its third year. With support from the diocese, we have established a consistent presence at WWU campus. Our focus has been to create a community of worship, study, and service. Our programs reflect this, with weekly worship and study in small groups, and regular service opportunities in the Bellingham community, such as working at the Bellingham Food Bank Farm and running in the Race for the Cure. This academic year we are increasing our connection with St. Paul's Bellingham by inviting families to host students for the year, and providing rides to church. Our chaplain, Rev. Andrea McMillin, is working to increase our network with other campus ministries, particularly focusing on the Methodist, UCC, and Lutheran groups. Our mission is to serve all campus communities in Bellingham, and as such we started noonday prayers on the Bellingham Technical College campus in collaboration with a St. Paul's member who is on faculty there.

Church and Regional Support The Commission has 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. 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 Seven young people from around the Diocese were given seat, voice and vote as "Regional Youth Presence" on the floor at Convention 2009. They participated in table discussions and brought a younger viewpoint to critical issues. An additional six 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.

Diocesan Resource Center 2009 (10/F/12)

Physically located in the old ballroom at Diocesan House in Seattle, the focus of the Diocesan Resource Center is more and more turning outward to the support the information needs of our congregations. Selected books and video materials have been chosen for such disparate groups as the Warden's conferences, patronal day celebrations and a women's retreat weekend; bibliographies have been provided for other occasions such as the Ordained Ministry Day in the spring and an end-of-life workshop. "Bookmobile" visits continue to be available.

The Resource Center collection is constantly growing, in fact bursting at the seams. We have around 8750 books, plus videos and DVDs. We work with the Total Common Ministry congregations, and the College for Congregational Development, providing copies of material on their reading lists. 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.. 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. Curriculum for the *Education for Ministry (EfM)* program resides in the Resource Center, and Sue Tait is the coordinator for the Diocese, arranging three trainings annually.

The most dramatic change in the past year was the addition of our online catalog. After many months of exploring various vendors we chose BookSystems, Inc. to handle our automation needs. Based in Huntsville, Alabama, Book Systems works especially with school libraries, small or midsize public libraries and is used by other Resource Centers as well. They are hosting our system, which means that maintenance and daily backup service is provided from a remote server. We were able to convert our records electronically, and eventually will have the entire collection bar-coded for better inventory and checkout control. A dedicated computer catalog now sits atop the card catalog pictured above, and of course people may search from their homes, offices, or on electronic devices with internet access.

The book collection is available online by logging on to the Diocesan website (www.ecww.org) and selecting the "quick links" box from the home page. The online catalog is the second in the list that will result. Users may search by author, title or subject, and can create booklists in their online "book bag". Currently, the next step is an email to the Resource Center asking for material (resource@ecww.org).

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 stewardship, 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. 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 making optimum use of our automation possibilities and maintaining and deepening relationships with parishes, regions and commissions.

Faithfully, Sue Tait, Librarian, Diocesan Resource Center, Diocese of Olympia

Report of the Archivist and Records Manager (10/F/13)

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



One hundred years ago on October 10, 1910, at General Convention meeting in Cincinnati, Ohio, the Missionary District of Olympia was granted diocesan status and would, from then on, be known as the Diocese of Olympia. This was the beginning of a new era in the life of the Church in Western Washington.

Called to mission in the Oregon Territory in the mid-nineteenth century, a few hardy Episcopal missionaries took on the challenge of spreading the Gospel and growing the Church in this vast and remote corner of the country. However, by 1910, the original four congregations: St. Luke's, Vancouver; St. John's, Olympia; St. Paul's, Port Townsend; and Trinity Parish, Seattle had increased to 45. Today we have 106 congregations; each with its own story as a parish, mission, developing congregation or emerging church and each with a story that is part of the on-going history of the Diocese of Olympia.

This year we will celebrate our 100th anniversary as a diocese at our 100th annual diocesan convention. To commemorate the occasion the Archives has sponsored two history projects and I have spent a good percentage of my time this year in their development.

The first of the two projects is a video for viewing at this year's centennial convention entitled: *Becoming the Diocese of Olympia, 1910-2010*. It is a brief overview of the first 100 years of diocesan history. I wrote the original script (9 pages, 5000 words) which was ably edited to its present length by Mindy Chambers and Norah Joslyn and I provided images from the Archives for the video which was designed by Paul Peck. The video begins with the words of our first bishop diocesan, the Rt. Rev. Frederic W. Keator, standing at a "new beginning of

our Church life" and closes with thoughts from our current and 8th bishop diocesan, the Rt. Rev. Gregory H. Rickel as he also looks to the future.

The second project follows this report. Entitled, *Becoming the Diocese of Olympia: The Congregations*, this compendium updates, supplements and expands on the congregational histories found in the book, *More Than 100 Years of Ministry, The Episcopal Church in Western Washington*, published in 1989.

Last February, diocesan Communications Director Norah Joslyn and I wrote and distributed a survey (electronically or via US mail) to all congregations in the diocese asking each congregation to answer eight specific questions and to provide two current photos/images of their church. The survey is appended to this report.

Based on the information supplied in the surveys – and on research I conducted – I edited and revised the histories originally written for the 1989 publication. Historiographer, Br. Carle Griffin, OCP, wrote the introduction. I then sent the textual material along with the images to diocesan Publications Coordinator Greg Hester who did an excellent job of laying out the materials and designing the final format for inclusion on this CD.

The history of the Diocese of Olympia and its congregations is a fascinating study in faith, hard work and determination and it is my hope that these two projects have contributed to a broader understanding of how the diocese came to be and of its vision for the future as it continues to become the Diocese of Olympia.

My thanks to all who participated in making these two projects a reality. *Respectfully submitted by, Diane Wells, CA, Archivist and Records Manager*

Report of Diocesan Historiographer (10/F/14)

During the 2009 – 2010 year, your Historiographer:

- Gave presentations on the history of the diocese.
- Drafted a chronology for a comprehensive history of the diocese.
- Continued writing the first draft of a comprehensive history.
- Researched the financial history of the diocese
- Wrote an introduction to congregational histories for the 100th anniversary of the creation of the diocese (1910 – 2010).

I will continue making presentations to interested congregations. *Br. Carle Griffin, OCP*

Section 4

Leadership Lists

Congregations of the Diocese of Olympia

Parishes

Aberdeen, St. Andrew (1890)
Auburn, St. Matthew (1896)
Bainbridge Island, Grace Church (2010)
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. 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)
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)
Seattle, St. George (Parish 1954/Mission 2010)
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)
Port Gamble, St. Paul (1931)
Rockport, St. Martin-St. Francis (1952)

Mission Stations

Hoodsport, St. Germain (1976/Mission Station 2010)
Tukwila, St. John's Sudanese (2010)
Fremont, Church of the Apostles – COTA (2010)
Mount Vernon, Resurreccion (2010)
Seattle, Beacon Hill Church Plant (2010)

Diocesan Canonically Resident Clergy – October 2010 (10/A/5)

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

001	Forbes, William	058	Stewart, Ralph R.	115	Alkins, David S.
002	Forbes Jr., Charles A.	059	Rankin, Edward H.	116	Steedman-Sanborn, Marda
003	Adams, Richard C.	060	Walker, John F.	117	Paolozzi, Joann
004	Garlichs, Richard W.	061	Johns III, Norman S.	118	Lueckert, Diana M.
005	Leche, Edward D.	062	Sell-Lee, William	119	Dietel, Robert G.
006	Schaeffer, John G.	063	Biever, Robert	120	Moore, Stephen E.
007	Huston, John A.	064	Fowler Jr., Stanley G.	121	Smith, Kevin C.
008	Hunter, Charles W.	065	Bethea, Robert L.	122	Williams, Robert L.
009	Winn, J. Barrie	066	Halbrook, Thomas R.	123	Trelease, Murray L.
010	Jordan, Alan	067	Bogel, Marianne	124	Martin, Irene
011	Maddux, Donald J.	068	Smith, Don L.	125	Dierick, Frances L.
012	Snyder, Kenneth M.	069	Fergueson, John F.	126	Gunderson, Gretchen A.
013	Luethe, Robin L.	070	Lane, John C.	127	Kindle, Charles R.
014	Carpenter, George W.	071	Mikel, Joseph F.	128	Wright, Scot R.
015	Nakayama, Timothy	072	Pyrne, Carla V.	129	Dills, R. Scott
016	Seaman, Henry F.	073	Besheer, Kimbrough A.	130	Francis, Mary Jane
017	Radcliffe, Ernest	074	Snow, Peter D.	131	O'Shea, Susan
018	Storm, David A.	075	Ludden, Carol P.	132	Cleveland, Jennifer B.
019	Carney, Joseph P.	076	Sonnesyn, Roger	133	Gould, Mary D.
020	Johnson Jr., William C.	077	French, Richard C.	134	Lukens, Ann Pierson
021	Tomter, Patrick A.	078	Berge, William Clarke	135	Murray, Vincent D.
022	Gorsuch, John P.	079	Taylor, Patricia L.	136	Scott, Richard H.
023	Bigford, Jack N.	080	McCulloch, Kent T.	137	Bigelow, Thomas S.
024	Pearson, J. Norris	081	Williams Jr., Hollis R.	138	Hayman, Robert F.
025	Smith, Homer H.	082	Nemes, John D.	139	Ensor, A. Jeanne
026	Tench, Jack M.	083	Dement, Thomas E.	140	McCaw, Mary Ann
027	Stewart, Daniel R.	084	Nichols, Robert	141	Brelsford, Diane
028	Burnett, William M.	085	Ford, R. Lawrence	142	Loneragan, W. Gerald
029	Bond, L. Wayne	086	Waring, William D.	143	Minifie, Thomas
030	Christie, Robert L.	087	Carskadden, Ralph	144	Harper, William
031	Scovell, Dean H.	088	Lewis, Margaret K.	145	Shehane, Mary K.
032	Peterson Jr., Phillip	089	Keller, Patterson	146	Kolbet, Paul R.
033	Dunning, David	090	Rietmann, Paul D.	147	Campbell, Anne
034	Ethelston, Geoffrey F.	091	Richards, Fitzroy I.	148	Bartels, Judith T.
035	Ross, H. Stewart	092	Reynolds, Alan D.	149	Bayles, Richard
036	Wolfe, V. Eugene	093	Hickey-Tiernan, Joseph	150	Brown, Lawrence Edward
037	Sherman, Guy C.	094	Astleford, Elise	151	Hammond, Blaine R.
038	Fast, Todd H.	095	Steig, Terrance	152	Mullins, Judith P.
039	Rhodes, Robert W.	096	Jessett, Frederick E.	153	Ruder, John Williams
040	Blundell, James	097	Moore, Robin A.	154	Craighead, J. Thomas
041	Parker, Allan C.	098	Bell, John R.	155	Anthony, Joan M.
042	Rogers, Henry S.	099	Davis, M. Fletcher	156	Strimer, Peter
043	Collins, Paul M.	100	Creighton, Susan	157	DeVeau, Peter J.
044	Wilson, George S.	101	Stanton, Barclay R.	158	Arnold-Boyd, Annette
045	Grabinski, Kenneth	102	Phinney, James	159	Best, Stephen
046	Wilton, G.W.	103	DeVine, Whitney Jones	160	Korathu, Anna Maria
047	Clark, D. Corbet	104	Mackay III, Donald	161	Lee, Samuel
048	Snodgrass, Marilyn S.	105	Miller, A. Scott	162	Moorehead, Constance
049	McDaniel, G. Judith	106	Ridge III, Charles D.	163	Peters, Gregory
050	Davis, West R.	107	Woods, James E.	164	Simonsen, Douglas
051	Sterling, Edward A.	108	Hauge, Morris	165	Miller, Mark
052	Gehrig, Stephen J.	109	Hanna, Gerald B.	166	Dunn, Robert E.
053	Zimmerman, Curtis	110	Carmichael, M. Jean	167	Kinney, Kathleen
054	Lambert, John P.	111	Thompson, John K.	168	MacKay, Wray
055	Knowles, Walter R.	112	Pollock, Douglas S.	169	Pratt, Jennifer
056	Lindsey, Barrett K.	113	Porter, Gerald W.	170	Stiles, Linda
057	Garratt, Stephen R.	114	Van Zanten, Peter E.	171	Miller, Judith J.

172	Walker, Randolph D.	227	Glenn, Katherine Merrell	282	Dogaru, Vickie
173	Conklin, Daniel G.	228	Younge, Richard	283	McCauley, Shana
174	Trytten, Patricia S.	229	Steele, Chris C.	284	Saunderson, Ann
175	Cole, Dennis C.	230	Campbell, Janet	285	Anderson, Mary Petty
176	Forman, Bernard (Kim)	231	Seeger, Elisabeth A.	286	Hopkins, Vivian
177	Prestegard, JoAnn	232	Beecher, Josephine C.	287	Newland, Benjamin
178	Wolford, Rachael	233	Haase, Sylvia Anne	288	Wesch, Kate
179	Helgeson, Gail M.	234	Logan, Christie Larson	289	Lobdell, Gary
180	Williams, Robert H.	235	Neal, James Frederick	290	Carver, Robert C.
181	Whitfield, Ann	236	Brentnall, Burden	291	Yabroff, Martin I.
182	Endicott, Rachel Faith	237	Goode, Colin	292	Brock, Charles F.
183	Fageol, Suzanne A.	238	Tyree-Cuevas, Susan	293	Davison, Arienne S.L.
184	Brill, Steven G.	239	Boyle, George Anne	294	Tierney, Dennis S.
185	Avery, Joyce M.	240	Deng Deng, William	295	Niemann, Joan
186	McMeekin, Dorothy N.	241	Mulvey, Dorian	296	Lander, James R.
187	Irving, Anthony T.	242	Hosea, Beverly	297	Carlson, Constance
188	Spina, Frank A.	243	James, David	298	Campbell, Boneta
189	Rhoads, Robert L.	244	Johnston, Zula	299	Leech, John
190	Taylor, Robert V.	245	Baker, Patricia	300	Kirkpatrick, Rebecca
191	Price, David L.	246	Grout, Earl L.	301	Johnson, June
192	Gott, Jayne	247	Marshall, David	302	Fowler, Dan
193	Grewell, Genevieve M.	248	Taber-Hamilton, Rachel	303	Warne, W. Tom
194	McConnell, Joyce	249	Weller, Edith	304	Fulton, William
195	Novak, Margaret A.	250	Ackermann, John	305	DeShaw, Glen
196	Shigaki, Jerry M.	251	Morrissey, Michael	306	Priest, Hunt
197	Westpfahl, Carol E.	252	McMillin, Andrea	307	Thibodeaux, James
198	Wong, Philip	253	Sells, Jeffrey	308	Jillard, Christina
199	Green, Richard	254	Sells, Patricia	309	Yearwood, Kirtley
200	Patton, Kathleen	255	Mack, Allan E.	310	Robinson, Carla
201	Wesen, Vicki	256	Borders, LeRoy	311	Waldie, Nan
202	Perry, Lawrence S.	257	Santman, Linda	312	Torvend, Samuel
203	Taber-Hamilton, Nigel	258	Cochran, Elizabeth Jane	313	Wheatley, Gail
204	Harlacher, Carol	259	Streiff, Suzanne	314	Morrison, Mikel
205	Roddam, John W.R.	260	Bloch, Elizabeth	315	Shirota, Andrew
206	Longwood, David P.	261	Maynard, Jane F.	316	Weber-Johnson, Jered
207	Heller, Jan C.	262	Kalunian, J. Peter	317	Barrett, Rilla
208	Jackson, E. Michael	263	Moore, Bridget	318	Fayette, Shelley
209	Amburgey, Cristina G.	264	Garman, Gerald R.	319	Ward, Karen
210	Espeseth, Cynthia A.	265	Sheldon, Raymond S.	320	McClain, Rebecca
211	Taylor, N. Dennis	266	Stroup, Susan L.	321	Tellari, Steve
212	Eichner, James	267	Ballinger, Kathryn E.	322	Wright, Brian
213	Armer, Susan C.	268	Allen, Mary L.	323	Lolcama, Terri
214	Barber, Grethe	269	Reid, M. Sue	324	Pierce, Karen
215	Wills, Clark E.	270	Atcheson, Charles B.	325	Breckinridge, Alexander
216	Allen, John M.	271	Skelton, Melissa	326	Wertz, Eric
217	Buhrer, Richard	272	Carlson, Sara	327	Crisp, Sheila
218	Dean, Susan Chanda	273	Lewis, Philip	328	Foisie, Stephen Drew
219	Moon, Mary Louise	274	MacKenzie, Mary	329	Haig, Martha Karen
220	Morris, Cecelia Gilman	275	Scott, Rebecca	330	Kingslight, Kathleen
221	Poirier, Esther Holley	276	Smith, Jacqueline	331	Chrisman, Robert
222	Rozendaal, Jay Calvin	277	Smith, Robin	332	Weldon, Jonathan
223	Maier, Andrea R.	278	Moore, David	333	Malone, Bonnie
224	Demura, Christine A.	279	Heathcock, Deborah	334	Eustis, Pat
225	Tiederman, Nancy Coppel	280	Pearson, Kevin	335	Parker, Stephanie
226	McQueen, Dale L.	281	Cornwell, Marilyn		

Lay Delegates & Alternates as of October 16, 2010 (10/A/6)

Be-Attitudes Region

Kenmore, Redeemer Emily Austin, Ginny Ferguson, Debi Laughlin, Bill McGlenn, Douglas Oles, Karl Oles, Donald Bentley, Lee Darrow

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

Seattle, St. Andrew Susan Chloupek, Elizabeth Denison, Mark Hartinger, Mike Hicks, Keri Lee, Ross TenEyck, Denise Hartinger, Becky More, Mark Wensnahan

Seattle, St. George No delegation for 2010

Seattle, St. Luke No delegation for 2010

Seattle, St. Stephen Julie Coryell, Tom Faber, Darlene Franz, Peggy Habegger, Bill Montgomery, Mary Ellen Sandberg, Roy Sandberg, Ron Wendling, Tom Boyns, Lisa Clausen, Guy Falskow, Greg Finger, Terry Gudger, Mary Fran Hopkins, Robin Hopkins, Diane Stipp

Shoreline, St. David Emmanuel Edith Byington, Hayden Street, Maureen Lyons

Shoreline, St. Dunstan Joan Baker, Peter Esselman, Dawn Miller, Mike Servais, Dixie Buol, Mary Pacher

Columbia Region

Battle Ground, Holy Spirit Janice Bradley, Ron Ridnour, Jan Schweizer

Castle Rock, St. Matthew Julie Holt, Ken Holt, Jere Cochran, Michelle Whitten

Cathlamet, St. James Betsy Nelson, Michael Nunes, Joan Wren

Chehalis, St. Timothy Pat Hogan, Bonnie Jean Kay, Sonja Burton, Dave Johnson

Longview, St. Stephen John Freeman, Diane Glase, Marlene Norman, Joel Rupley, Jack Thomas, Linda Thomas, Alan Brunk, Jane Brunk, Dave Hanson, Jan Hanson, Buddy Patten, Chere Weiss

Vancouver, All Saints Dan Haase, Suzanne Philbrook, Rob Ash

Vancouver, Good Shepherd Sheila Ford, Jim Kribs, Diane Lyngholm, Roger Lyngholm, Paul Mayhew, Doreen Miller, Sandi St. Claire, Don Weir, Chuck Bristol, Sandy Bristol, Rick Thomas, Jane Whitfield

Vancouver, St. Luke Nancy Denny, Bob Hiltz, Lee Wilson, Jessica Wilson, Ebie Mountford

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

Eastside Episcopal Churches

Bellevue, All Saints Sarah McMenomy, Eric Stroo, Fred Williams, Judy Williams

Bellevue, Resurrection Clyde Bell, Patricia Campbell, Vee Drummond, Virginia Hofmeister

Bellevue, Holy Apostles No delegation for 2010

Bellevue, St. Margaret Missy Couch, Judy Davis, Mary Feltrup, Nancy Jacobs, Peter Moore, Betsy Rosenzweig, Jeanie Totten, Linda Voigt, Margaret Dawson, Carlyn Forrest, Dave Hoffman, Rick Jillard, Sherril Nossium

Issaquah, St. Michael & All Angels Mike Kaufmann, Priscilla Kaufmann, Carolyn Lukens, Mark Shaffer, Bruce Follansbee, Jack Smith, Pat Smith, Marilyn Taylor

Kirkland, St. John Becky DeShaw, Ted Ederer, Kristin Gulley, Bill Hughes, Earl Payne, Karen Sjostrom, Jon Vicklund, Karen Younge, Pam Reilly

Medina, St. Thomas Laurie Anderson, Fred Coleman, Randal Fisher, Carol Howie, Marilee McCriston, Keith Moulton, Joseph Murashie, Fred Pneuman, Mary Pneuman, JoAnn Rendall, Shelby Scovel, Bob Simeone, Roger Ahroon, Mary Friedlander, Rose Magee, Edward Rozanek

Mercer Island, Emmanuel Anne Affleck, Stacy Dimmich, Edward Dobbyn, Kris Dobbyn, Mark Hall, Cindy Hershberger, John Way, Peggy Way, Pat Angell, Bo Darling, Patricia Darling, Emmett Maloof, Sandy Maloof, Jim Radcliffe, Mary Radcliffe

Redmond, Holy Cross Laura Gregg, Scott Hildebrand, Karen Smith, Martin Smith

Sammamish, Good Samaritan Michele Bartel, Colin Elder, Jeannie Jackson, Randy Nevin, Betty Gest, Pat Norris

Snoqualmie, St. Clare Ken Van Dine, Amy Workman

Evergreen Region

Auburn, St. Matthew/San Mateo Dianne Aid, Armando Caraveo, Elsie Dennis-Dofelmier, Helen Shultz-Kamadulski, Nadine Baxter, Tom Sernka

Burien, St. Elizabeth Jeanette Hoerd, Patti McGowan, Bunny Frisvold, Carol Little

Federal Way, Good Shepherd Shelley Armer, Preston Johnson, Scott Armer, Edie Hitchcock

Kent, St. Columba Rod Blalock, Karen Francisco, Mary McClennan, David Wagner

Kent, St. James Dave Brumbaugh, Laura Brustad, Donald Gauthier, Tovi Harris, Sandra Lai, Jim Maher, Liz Reed, Tom Zimmer, Val Brustad, Garth Fisher, Chuck Folsie, Tisha Helmer, Dave Paisley, Tina Shafer, Marybeth Sipe, Mary Beth Westbrook

Maple Valley, St. George Lavonne Beede, Ralph Beede, Jim Goddard, Sheri Verburg

Renton, St. Luke Tom Bakan, Sally Cummings, Daniel Crayne, Charles Smith

Tukwila, St. John Sudanese (non-voting Mission Station) Deng Lual, Bul R. Nyoup

Holy C Region

Seattle, All Saints John Palmer, Ellen Rossen, Becky Cox, Chuck Cox

Seattle, Ascension Marie Cain, Jim Crouch, Carol Lumb, Jim Miller, Carol Batchelder, Joy Goodenough, Tom Reeder, Carol Voelker

Seattle, Epiphany Parish Ed Emerson, Margot Hill, Tim Hill, Margie Kates, Peter Melin, Michael Simmons, Phillip Stoller, Hunter Wessells, Lex Lindsey, Peggy Wilton

Seattle, St. Clement Ted Barber, Deena Fuller, Bruce Johnson, Edith Younge, Eleanor Goodall, Timothy Helming

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

Seattle, St. Mark Cathedral Hisako Beasley, Amelia Canaday, Chris Christensen, Mark Gaaserud, Carol Green, Sean Homer, Susan Knirk, Marshall McReal, John Selberg, Roger Valdez, Helen Folsom, Liz Gruchala-Gilbert, Paul Johns, Sandy McCloud, Jacquelyn Miller, Dan Niven, Tim O'Sullivan, Chris Rigos, Andy Valaas, Nancy Valaas

Seattle, St. Paul Sharon Cumberland, Robin Jones, Alissa Newton, Michael Zubitis, Kate Rickard, Christopher Wagner

Seattle, St. Peter Mel Asato, Jessie Thompson, Martin Powell, Ye-Ting Woo

Seattle, Trinity Church Jo Baim, Britta Lisa Gess, John Steers, Barbara Vann, Mary Cutting, Cindy Johnson-Garnett, Kurt Lucks, Carl McNabb

Seattle, COTA Church of the Apostles (non-voting Mission Station) Eric Mason, Eliacin Rosario-Cruz

Mt. Baker Region

Anacortes, Christ Church Sandi Davidson, Guy Davidson, Cal Lloyd, Janice Lloyd

Bellingham, St. Paul Jim Beckwith, Roger Emerson, Julia Findley, Lindsay Knight, Ryan Knight, Gary Lampman, Marian Lampman, Debbie McMeel, Ed McMeel, Linda Telfer, Jessa Parrish, Joshua Parrish

Blaine, Christ Church Colleen Gilliam, Mary Rankin, Zachary Fairbairn

Eastsound/Orcas Island, Emmanuel Chris Kenady, Fritz Kraetzer, Bronwen Jones, Scott Jones

Friday Harbor, St. David Sara Waterbury, Amy Wynn, Dick Weisbrod, Rita Weisbrod

Lopez Island, Grace Church Jim Montgomery, Kathy Montgomery

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

Oak Harbor, St. Stephen Rick Chapman, Michele Chapman, Shirley Viall, TK Wegg

Sedro Woolley, St. James Joleen Sloniker, Barbara Tasker-Mueller, Judy Baker, Jean Swift

Mt. Vernon, Resurreccion (non-voting Mission Station) Salvador Morales, Florentina Bautista

Peninsula Region

Bainbridge Island, Grace Demi Allen, Jim Beug, Ruth Blaney-Matthews, Eric Matthews, John Sinclair, Lynn Sinclair, Don Warkentin, Dallas Young, Julie Shryock, Dick Shryock

Bainbridge Island, St. Barnabas Brian Andvik, Laura Carroll, Carol Gregory, Gregg Miller, Mike Scott, Brien Neill, Jerry Carlin, Paul Holzman, Kathy Neill

Bremerton, St. Paul Georgeann Falotico, Ann Horn, Richard Horn, Rick Seelhoff, James Accos, Luz Accos

Gig Harbor, St. John Marjorie Anderson, Mike Brokaw, Linda Broun, Kassi Lyon

Kingston, Faith Church Betty Haney, Bob Hodges, James Drummond, Judy Drummond

Pt. Angeles, St. Andrew Paul Hansen, Gary Heaton, Betty Marshall, Angela Reynolds, Paul Crawford, Ann Wood, Doug Wood

Pt. Orchard, St. Bede Mary-Francis Jones, Steve Wiltz, Jim Fraser, Frances Scott

Pt. Townsend, St. Paul Polly Fish, Sheila Hunt-Witte, Barbara Minchin, Franz Witte, Kenneth Evans, Kitty Evans

Sequim, St. Luke Lynn Cain, John Junell, Karen Junell, Rob Onnen, Sue Clary, Carolyn Hempel, Peter Loeb

Silverdale, St. Antony of Egypt Bill Demmon, Maggie Scott, Norman Andrews, Tovi Andrews

Tahuya, St. Nicholas No delegation for 2010

Vashon Island, Holy Spirit Debbie Butler, Doug Clarke, Dick Clow, Nancy Peregrine, Lydia Butler, Bill Carr, Muriel Watts, Mark Yelken

Rainier Region

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

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

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

Tacoma, All Saints No delegation for 2010

Tacoma, Christ Church Frances Blair, Doug Dahlgren, Dennis Johnson, Barbara Williams

Tacoma, Holy Family of Jesus Samanda Yun, Robert Yuong, Rong By, Tula Habb

Tacoma, St. Andrew Jeffery Boyce, Bill Brice, Linda Brice, Reberta Skinner, Sean Moody, Pamela Rhodes

Tacoma, St. Luke Memorial Jean Sampson, Bill Sampson, Erika Sharpe, Roger Sharpe, Steve Field, D'Arcy Figuracion

Tacoma, St. Matthew Terry Elofson, Leanne Kennedy, Aaron Loudenback, Tom Peterson, Pamela Reed, Alex Ringstand

Sno-Isle Region

Camano Island, St. Aidan Stanley Fear, Jackie Humes-Fear, Frank Hunt, Kara Hunt, Kathleen DuBois

Darrington, Transfiguration Janet Loyd

Edmonds, St. Alban Emily Bee, Philip McClelland, Sid Rathburn, Sarah Sweeney

Edmonds, St. Hilda-St. Patrick Chris Kelley, Valerie Kelley, Loretta Matson, Michael Rader, Bernie Johnson, Nancy Smith

Everett, Trinity Church Julie Amdal, Don Campbell, Jonathan Dewdney, James Greene, Evelyn Beard, David Kosar, Brian Wheeler

Freeland, St. Augustine in the Woods Diana Klein, Bert Speir, Connie Williams, Tom Williams, Diane Schwarzmann, Stephen Schwarzmann

Marysville, St. Philip Peggy James, Mike Wray, Emily Wade, Fred Wade

Monroe, Our Saviour Burr Hosley, Aleen Ryan, Lisa Hutchinson, Bill Wade

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

Willapa Region

Aberdeen, St. Andrew Hal Gunn, Carol McQueen, Annette, Pinckney, Bob Preble, Gail Rolfe, Bob Woodcock

Allyn, St. Hugh of Lincoln Lee Gidlof, Linda Niles, Karen Kennedy Sheak

Elma, St. Luke Donna Hallock, Robin Nunez, Libby Nemes, Joan Niemann

Lacey, St. Benedict Gary Grewell, Lee Irving, Collie Liska, Martha Liska, Tom Buckley, Janice Chandler, Ralph Provencal, Nancy Zabel

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

Olympia, St. Christopher Bettina Binder, Irene Degler, Annette Edwards, Mike Swigert

Olympia, St. John Troy Atwell, Daren Chidester, Hope Duncan, Ted Focke, Vicki Focke, Linda Madison, Kathleen McKinney, Jens-Dieter Stahmer, Catherine Atwell, Janice Jackson, Barbara Roder, John Twelves, Jim Zabel

Seaview, St. Peter George Power, Rose Power, Tom Trotta, Jan Worell

Shelton, St. David of Wales Marian Eveleth, Norman Eveleth, Judy Ogden, William Schaal

South Bend, St. John Patricia Neve

Westport, St. Christopher Julie Dickson, Kris Stein

Hoodsport, St. Germain (non-voting Mission Station) Matt Hornyak, Chuck Smith

Officers of the Convention

The Right Reverend Gregory Rickel, Bishop
The Reverent 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

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)
The Rev. John Allen (2013)
Mr. Bob Jacobs (2013)

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. Dr. Marda Steedman Sanborn, 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
Ms. Patricia McGuire, St. Bede, Pt. Orchard

Mr. John Rolfe, St. Mark's Cathedral, Seattle
The Rev. Ray Sheldon, Faith, Kingston
Mr. Rick Adams, Emmanuel, Mercer Island

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; **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; **Congregation Development**—The Rev. Canon Melissa Skelton, canon for congregational development; **Diocesan School of Ministry & Theology/Faith Nexus**—Shannon Jergenson, administrative assistant; **Evangelism**—Ms. Sharon Pethers, administrative assistant; **Faith Formation**—Ms. Kathy Hamilton, canon for youth & young adults; Shannon Jergenson, project manager; **Governance**—Mrs. Dede Moore, bishop's executive for governance & convention; Mr. Bill Goodenough, board property rep; **Human Resources**—Ms. Sharon Pethers; **Insurance**—Ms. Carrie Rohlik, insurance administrator; **Internet Strategy**—Mr. Kerry Allman, internet strategist; **Maintenance**—Mr. Mark Swanson, custodian; **Multicultural Ministries**—The Rev. Jerry Shigaki, canon for multicultural ministries; Mrs. Elsie Dennis, administrative assistant; **Planned Giving/Stewardship**—Ms. Sharon Pethers, administrative assistant; **Print Shop**—Mr. Richard (Ky) Chen, print shop coordinator; **Reception/Support Services**—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; Ms. Paster Soong, accountant; Ms. Carrie Rohlik, finance assistant; **Vocations**—Mr. Blaire Notrica, secretary.

Diocesan Council

Elected by Convention Mr. Jordan Rickard (2012); 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. Sally Farrell (Eastside, 2012); Mr. Don Little (Peninsula, 2012); Ms. Sandy McCloud (Holy C, 2010); the Rev. Andrea McMillin (Mt. Baker, 2012); Ms. Lucy Von Heesen (Evergreen, 2011); Mr. Robert Wheeler (Sno-Isle, 2012); and the Rev. Martin Yabroff (Rainier, 2010).

Appointed by Program Commissions Ms. Charlotte Brown (Multicultural Ministries, 2011); Ms. Rebecca Crimmins (Church in the World, 2012); the Rev. Susan Dean (Evangelism, 2010); the Rev. JR Lander (Faith Formation, 2011); and Mr. Joe McGuire (Stewardship/Planned Giving, 2012).

Other voting members The Rt. Rev. Greg Rickel.

Non-voting members/Staff Ms. Judith Andrews, The Rev. Joan Anthony; Mr. Steve Faust; Ms. Kathy Hamilton; Ms. Norah Joslyn; Ms. Dede Moore; the Rev. Jerry Shigaki; the Rev. Melissa Skelton; and Ms. Christine Smith-Clark.

Section 5

Finances & Statistics

Diocese of Olympia, Inc Financial Statements December 31, 2009

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying statements of financial position of the Diocese of Olympia, Inc. as of December 31, 2009 and 2008, and the related statements of activities and cash flows (all on the Episcopal Church Basis of accounting) 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 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, 2009 and 2008, 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, May 20, 2010

STATEMENTS OF FINANCIAL POSITION – EPISCOPAL CHURCH BASIS

December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
ASSETS		
Cash and cash equivalents	\$ 819,507	\$ 714,006
Certificates of deposit	416,250	798,250
Investments	42,616,067	37,121,360
Related party loans receivable	671,549	662,748
Interest and DIF income/principal receivable	308,177	280,671
Restricted funds	83,750	83,750
Other assets	83,502	83,797
Property	<u>24,328,679</u>	<u>23,859,516</u>
Total assets	<u>\$ 69,327,481</u>	<u>\$ 63,604,098</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Distributions and other payables	\$ 135,388	\$ 264,199
Cash and investments held in trust for congregations and other institutions	23,818,779	20,674,809
Loans payable	<u>440,837</u>	<u>670,604</u>
Total liabilities	24,395,004	21,609,612
Net assets		
Unrestricted	27,883,822	26,919,972
Temporarily restricted	1,359,758	1,282,467
Permanently restricted	<u>15,688,897</u>	<u>13,792,047</u>
Total net assets	<u>44,932,477</u>	<u>41,994,486</u>
Total liabilities and net assets	<u>\$ 69,327,481</u>	<u>\$ 63,604,098</u>

STATEMENT OF ACTIVITIES – EPISCOPAL CHURCH BASIS

For the Year Ended December 31, 2009

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support and Revenue				
Contributions	\$ 538,616	\$ 11,124	\$ -	\$ 549,740
Bequest	8,347	7,041		15,388
Loan interest	73,239			73,239
Other investment income	118,480	78,004	38,365	234,849
Realized and unrealized gain on investments	364,871	16,099	1,858,485	2,239,455
Net assets released from program restrictions	<u>34,977</u>	<u>(34,977)</u>	-	-
Total support and revenue	1,138,530	77,291	1,896,850	3,112,671

Expenses and Disbursements				
Ministry and transfers	108,898			108,898
Trustee obligations	<u>65,782</u>	-	-	<u>65,782</u>
Total expenses and disbursements	<u>174,680</u>	-	-	<u>174,680</u>
Change in net assets	963,850	77,291	1,896,850	2,937,991
Net assets, beginning of year	<u>26,919,972</u>	<u>1,282,467</u>	<u>13,792,047</u>	<u>41,994,486</u>
Net assets, end of year	<u>\$ 27,883,822</u>	<u>\$ 1,359,758</u>	<u>\$ 15,688,897</u>	<u>\$ 44,932,477</u>

STATEMENT OF ACTIVITIES – EPISCOPAL CHURCH BASIS
For the Year Ended December 31, 2008

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support and Revenue				
Contributions	\$ 313,439	\$ 3,500	\$ 641	\$ 317,580
Bequest	200,000			200,000
Loan interest	114,330			114,330
Other investment income	122,187	77,613	27,680	227,480
Realized and 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 and revenue	191,959	(86,570)	(3,710,225)	(3,604,836)
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 and disbursements	<u>301,530</u>	-	-	<u>301,530</u>
Change in net assets	(109,571)	(86,570)	(3,710,225)	(3,906,366)
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>\$ 26,919,972</u>	<u>\$ 1,282,467</u>	<u>\$ 13,792,047</u>	<u>\$ 41,994,486</u>

STATEMENTS OF CASH FLOWS – EPISCOPAL CHURCH BASIS
For the Years Ended December 31, 2009 and 2008

	2009	2008
Cash Flows From Operating Activities		
Change in net assets	\$ 2,937,991	\$ (3,906,366)
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Losses (gains) on investments	(2,239,455)	4,464,226
Increase in allowance for doubtful accounts		43,511
Contributed loan payments and real estate	(245,749)	(72,681)
Change in operating assets and liabilities		
Interest receivable	(27,506)	63,668
Other assets	295	13,045
Distributions and other payable	<u>(128,811)</u>	<u>(37,641)</u>
Net cash flows from operating activities	296,765	567,762
Cash Flows From Investing Activities		
Net proceeds from (purchase of) investments	100,433	(810,685)
Loan collections	7,181	8,038
Purchase of real estate	<u>(469,163)</u>	<u>(782,884)</u>
Net cash flows from investing activities	(361,549)	(1,585,531)
Cash Flows From Financing Activity		
Change in cash and investments held in trust for congregations and other institutions	<u>170,285</u>	<u>302,307</u>
Change in cash and cash equivalents	105,501	(715,462)
Cash and cash equivalents, beginning of year	<u>714,006</u>	<u>1,429,468</u>
Cash and cash equivalents, end of year	<u>\$ 819,507</u>	<u>\$ 714,006</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 operations of the missions and parishes of the Diocese are not included in these financial statements, as they are managed under local control. 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 ("the Combined Funds"). Each of these three funds (the DIF, the Trust Accounts, and the Combined Funds) issues separate audited financial statements. 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 held 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 set annually at the One-Year Treasury Constant Maturities Index rounded up to the nearest eighth of a point plus 3% for parishes and 1.5% for missions, and effective for 2009, the rate cannot be less than 3.5% for parishes and missions. For 2009, the rates were set at 3.5% for parishes and 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. **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** 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, revision of the *Manual of Business Methods in Church Affairs*. The Episcopal Church has adopted accounting standards which require 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 required capitalizing 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 its assets. 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 the cost basis of 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 2009 or 2008. 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:

	<u>2009</u>	<u>2008</u>
Land	\$ 3,075,972	\$ 2,880,972
Building/improvements	20,195,894	20,166,731
Bishop housing	<u>811,813</u>	<u>811,813</u>
	24,083,679	23,859,516
Assets held for sale	<u>245,000</u>	-
	<u>\$ 24,328,679</u>	<u>\$ 23,859,516</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 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 restricted by donor are reported as increases 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 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 prioritize 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 the 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, \$309,837 serves as collateral for a loan to a bank (see Note 5) at December 31, 2009. 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, 2009 and 2008, investments consisted of:

	<u>2009</u>	<u>2008</u>
Common stocks (including equity mutual funds)	\$ 27,935,189	\$ 22,811,504
U.S. Government debt securities	12,324,582	11,319,841
Money market funds	<u>2,356,296</u>	<u>2,990,015</u>
	<u>\$ 42,616,067</u>	<u>\$ 37,121,360</u>

No single investment represents more than 10% of total investments. All investments are held in the DIF discussed earlier. **Loans Receivable** 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, 2009 and 2008, was

\$155,515 for loans receivable and \$48,100 for interest receivable. Interest receivable has been accrued to December 31, 2009 and 2008. 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 consist of:

	<u>2009</u>	<u>2008</u>
DIF balances	\$ 20,559,966	\$ 17,767,953
Trust account balances	3,258,813	2,906,856
	<u>\$ 23,818,779</u>	<u>\$ 20,674,809</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. **Subsequent Events** The Diocese has evaluated subsequent events through the date these financial statements were available to be issued, which was on May 20, 2010.

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>2009</u>	<u>2008</u>
Building Loan Fund	\$ 3,606,440	\$ 3,422,693
Mission Development Fund	402,499	516,828
Trust Accounts	<u>1,012,847</u>	<u>1,028,829</u>
	<u>\$ 5,021,786</u>	<u>\$ 4,968,350</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 Trustees of the Trust Accounts have interpreted the State of Washington Uniform Prudent Management of Institutional Funds Act ("UPMIFA") 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 and accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund, and (c) unrealized gains and losses within the permanent endowment. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Trustees consider the following factors in making a determination to appropriate or accumulate donor-restricted funds:

- The duration and preservation of the endowment fund
- The purposes of the Trust Accounts and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation or deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Trust Accounts
- The investment policies of the Trust Accounts

Endowment net assets consisted of the following at:

	<u>December 31, 2009</u>			<u>Total</u>
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	
Donor-restricted endowment funds	\$ -	\$ 1,359,758	\$ 15,688,897	\$ 17,048,655
Board-designated quasi-endowment funds	<u>1,748,633</u>	-	-	<u>1,748,633</u>
Total funds	<u>\$ 1,748,633</u>	<u>\$ 1,359,758</u>	<u>\$ 15,688,897</u>	<u>\$ 18,797,288</u>

	<u>December 31, 2008</u>			<u>Total</u>
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</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>

Changes in endowment net assets are as follows for the years ended:

	<u>December 31, 2009</u>			<u>Total</u>
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	
Endowment Net Assets, beginning of year	\$ 1,372,037	\$ 1,282,467	\$ 13,792,047	\$ 16,446,551
Investment return:				
Investment income		78,004	38,365	116,369
Net depreciation (realized and unrealized)	<u>364,871</u>	<u>16,099</u>	<u>1,858,485</u>	<u>2,239,455</u>
Total investment return	1,736,908	1,376,570	15,688,897	18,802,375
Contributions		11,124		11,124
Bequests		7,041		7,041

Appropriation of endowment assets for expenditure		(34,977)		(34,977)
Other	<u>11,725</u>	-	-	<u>11,725</u>
Endowment net assets, end of year	<u>\$ 1,748,633</u>	<u>\$ 1,359,758</u>	<u>\$ 15,688,897</u>	<u>\$ 18,797,288</u>

	<u>December 31, 2008</u>			
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently 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>(18,095)</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>

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 Trustees, 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, 2009 or 2008. 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 or UPMIFA requires the Trust Accounts to retain as a fund of perpetual duration. 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, 2009 or 2008.

Note 4. Loans Receivable Loans receivable consist of the following:

	<u>2009</u>	<u>2008</u>
Former Bishop	\$ 23,637	\$ 23,663
Good Shepherd, Vancouver Parishes	49,382	49,382
Auburn, St. Matthew's	155,515	155,515
Kent, St. James	13,553	22,001
Redmond, Holy Cross	81,023	99,314
Seattle, St. Andrew	40,000	
Seattle, St. John	117,380	139,874
Seattle, St. John	130,000	130,000
Shelton, St. David	42,461	47,656
Vancouver, Good Shepherd	117,542	119,504
Vancouver, Good Shepherd	37,593	
Vancouver, Good Shepherd	<u>18,978</u>	<u>31,354</u>
	827,064	818,263
Less allowance for doubtful loans	<u>(155,515)</u>	<u>(155,515)</u>
	<u>\$ 671,549</u>	<u>\$ 662,748</u>

Note 5. Loans Payable

	<u>2009</u>	<u>2008</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.	\$ 309,837	\$ 314,604
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.	131,000	141,000
Grace Church Bond Loans. Paid in full in 2009.	-	<u>215,000</u>
	<u>\$ 440,837</u>	<u>\$ 670,604</u>

The schedule of debt maturity principal is as follows at December 31:

Year Ending	Bank Loan	Battle Ground	Total
2010	\$ 309,837	\$ 20,000	\$ 329,837
2011		19,000	19,000
2012		20,000	20,000
2013		27,000	27,000
2014		21,000	21,000
Thereafter		<u>24,000</u>	<u>24,000</u>
	<u>\$ 309,837</u>	<u>\$ 131,000</u>	<u>\$ 440,837</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.

Note 8. Prior Period Adjustment In 2008, loans to Anacortes, Christ Church ("Anacortes"), were classified as loans to parishes; however, in 2009, it was determined that Anacortes is a mission and this error is corrected in these financial statements. The financial statements for the year ended December 31, 2008, have been restated to correctly report the advances under loans to Anacortes as loans to missions. Loans to missions are eliminated, and related advances, net of repayments, are recorded as grant expense. This restatement on the 2008 financial statements was as follows:

	<u>Originally Reported</u>	<u>Change</u>	<u>As Restated</u>
Statement of Financial Position			
Parish loans receivable	\$ 737,748	\$ (75,000)	\$ 662,748
Unrestricted net assets	26,994,972	(75,000)	26,919,972
Statement of activities			
Contributions	392,580	(75,000)	317,580
Change in net assets	(3,831,366)	(75,000)	(3,906,366)

There was no effect on unrestricted net assets at December 31, 2007, as no advances under loans were made to Anacortes until 2008.

Diocese of Olympia – Operating Fund December 31, 2009

INDEPENDENT AUDITORS' 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, 2009 and 2008, 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 – Operating Fund as of December 31, 2009 and 2008, and the changes in its net assets and its cash flows for the years then ended, in conformity with the accounting principles general 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 2009 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, May 20, 2010

STATEMENTS OF FINANCIAL POSITION

December 31, 2009 and 2008

ASSETS	<u>2009</u>	<u>2008</u>
Current Assets		
Cash and cash equivalents	\$ 1,080,201	\$ 1,302,360
Certificates of deposit	200,000	380,000
Short-term investments	1,030	34,568
Diocesan Investment Fund receivable	35,716	72,270
Accounts receivable	240,329	209,193
Contributions receivable, current portion	24,577	33,477
Loans receivable, current portion	97,846	91,360
Prepaid expenses	<u>48,714</u>	<u>7,062</u>
Total current assets	1,728,413	2,130,290
Loans Receivable, net of current portion	87,634	83,765

Furniture and Equipment, at cost, net	-	5,301
Prepaid Rent	<u>197,875</u>	<u>200,827</u>
Total assets	<u>\$ 2,013,922</u>	<u>\$ 2,420,183</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 58,778	\$ 60,253
Accrued payroll expenses	112,637	127,600
Camp Huston/St. Andrew's House deposits	102,242	72,445
Grants payable	151,213	128,243
Other payables	<u>2,082</u>	<u>2,596</u>
Total current liabilities	426,952	391,137
Post-Retirement Payable	<u>655,000</u>	<u>660,000</u>
Total liabilities	1,081,952	1,051,137
Net Assets		
Unrestricted	350,982	838,250
Temporarily restricted	<u>580,988</u>	<u>530,796</u>
Total net assets	<u>931,970</u>	<u>1,369,046</u>
Total liabilities and net assets	<u>\$ 2,013,922</u>	<u>\$ 2,420,183</u>

STATEMENTS OF ACTIVITIES

For the Years Ended December 31, 2009 and 2008

	2009			2008		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenue						
Assessments	\$ 3,543,108	\$ -	\$ 3,543,108	\$ 3,417,960	\$ -	\$ 3,417,960
Contributions	92,660	140,242	232,902	190,167	151,751	341,918
Bequest -				62,493		62,493
In-kind contribution of facility use	213,421		213,421	213,421		213,421
Transfer from Diocesan Investment Fund	442,970	80,529	523,499	534,033	114,981	649,014
Interest income	37,350		37,350	67,658		67,658
Fees and tuition	869,421		869,421	895,609		895,609
Grants	470,638	50,262	520,900	490,149	9,000	499,149
Miscellaneous	51,215	23,232	74,447	71,211	7,171	78,382
Net assets released from restrictions	<u>244,073</u>	<u>(244,073)</u>	-	<u>339,938</u>	<u>(339,938)</u>	=
Total support and revenue	5,964,856	50,192	6,015,048	6,282,639	(57,035)	6,225,604
Expenses						
Program services	5,631,134		5,631,134	5,433,524		5,433,524
Management and general	763,361		763,361	791,565		791,565
Fundraising	<u>57,629</u>		<u>57,629</u>	<u>44,903</u>		<u>44,903</u>
Total expenses	<u>6,452,124</u>	-	<u>6,452,124</u>	<u>6,269,992</u>	-	<u>6,269,992</u>
Change in net assets	<u>(487,268)</u>	<u>50,192</u>	<u>(437,076)</u>	<u>12,647</u>	<u>(57,035)</u>	<u>(44,388)</u>
Net Assets, beginning 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>
Net Assets, end of year	<u>\$ 350,982</u>	<u>\$ 580,988</u>	<u>\$ 931,970</u>	<u>\$ 838,250</u>	<u>\$ 530,796</u>	<u>\$ 1,369,046</u>

STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2009 and 2008

	2009	2008
Cash Flows from Operating Activities		
Change in net assets	\$ (437,076)	\$ (44,388)
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Depreciation	5,301	8,185
Decrease (increase) in operating assets		
Diocesan Investment Fund receivable	36,554	99,677
Accounts receivable	(31,136)	(57,469)
Contributions receivable	8,900	12,265
Prepaid expenses	(41,652)	13,432
Property contribution receivable	2,952	2,953
Increase (decrease) in operating liabilities		
Accounts payable	(1,475)	23,111
Accrued payroll expenses	(14,963)	14,181
Camp Huston/St. Andrew's House deposits	29,797	1,432
Grants payable	56,508	(39,268)
Other payables	(514)	(57,334)
Post-retirement payable	<u>(5,000)</u>	<u>50,000</u>
Cash flows from operating activities	(391,804)	26,777

Cash Flows from Investing Activities		
Sale (purchase) of certificates of deposit	180,000	(380,000)
Issuance of loans receivable	(78,190)	(70,215)
Proceeds from payments on loans receivable	67,835	121,300
Cash flows from investing activities	<u>169,645</u>	<u>(328,915)</u>
Net change in cash	(222,159)	(302,138)
Cash, beginning of year	1,302,360	1,604,498
Cash, end of year	<u>\$ 1,080,201</u>	<u>\$ 1,302,360</u>

NOTES TO FINANCIAL STATEMENTS

Note 1. Organization 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 Fund, the Real Estate Fund, 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 accounting 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. **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 \$157,827 and \$177,733 at December 31, 2009 and 2008, 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:

	<u>2009</u>	<u>2008</u>
Refugee loans	\$ 309,081	\$ 255,569
Ethnic ministries	66,479	78,735
Native American (ERD) program	16,188	16,584
Scholarships	30,408	29,681
Huston Center/Camp, care, maintenance & development	26,369	44,906
Episcopal Charities Appeal	46,796	32,005
Theological education	22,872	11,986
Other programs	<u>62,795</u>	<u>61,330</u>
	<u>\$ 580,988</u>	<u>\$ 530,796</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 prioritize 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 the 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 held four certificates of deposit at December 31, 2009 and 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 at December 31, 2009 or 2008. The Operating Fund has active refugee and employment programs supported predominantly by contracts with the state and the federal 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 58% and 50% of accounts receivable were due from two organizations at December 31, 2009 and 2008,

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 furniture and equipment costs in excess of \$5,000. Furniture and equipment is depreciated on the straight-line basis over its estimated useful life of 5 to 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 the cash basis, because the Diocesan Council regularly grants assessment relief for unpaid amounts from prior years. Assessments from one parish represented 10% of total assessments in both 2009 and 2008. **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 financials statements have been reclassified to conform to the current year presentation. **Subsequent Events** The Operating Fund has evaluated subsequent events through the date these financial statements were available to be issued, which was on May 20, 2010.

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 \$729,574 and \$736,512 in support of the Episcopal Church for the years ended December 31, 2009 and 2008, 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 Statements of Activities at its current market rental value of \$213,421 for both of the years ended December 31, 2009 and 2008. The Board of the Diocese makes annual discretionary transfers of earnings to the Operating Fund. Income from this source for the years ended December 31, 2009 and 2008, was \$523,499 and \$649,014, respectively, and is called Transfer from Diocesan Investment Fund in the Statements of Activities.

Note 3. Prepaid Rent In 2003, the Diocese 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 is being expensed on a straight-line basis over the life of the lease. As of December 31, 2009 and 2008, the prepaid rent balance was \$197,875 and \$200,828, respectively. Rent expense recognized for each of 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 2009 and 2008 were made as follows:

	<u>2009</u>	<u>2008</u>
Clergy	\$ 110,858	\$ 103,088
Lay employees	93,804	86,419
	<u>\$ 204,662</u>	<u>\$ 189,507</u>

The Lay Employee Plan guarantees no specific benefit, so no unfunded liability exists. 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 health insurance coverage for retired clergy and lay employees and their spouses who are over the age of 65, who meet eligibility requirements of five years full time employment immediately prior to retirement age 59 1/2 or over. All lay 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. 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. Health insurance expense and related contribution information is summarized as follows:

	<u>2009</u>	<u>2008</u>
Benefit cost	\$ 45,289	\$ 40,624
Change in expense resulting from a change in the minimum liability	<u>(5,000)</u>	<u>50,000</u>
Total expense	<u>\$ 40,289</u>	<u>\$ 90,624</u>
Diocese contribution to the plan and benefits paid	<u>\$ 45,289</u>	<u>\$ 40,624</u>

The Diocese expects to contribute between \$40,000 and \$50,000 per year to the plan in future years to pay benefits. The Operating Fund has an actuarial valuation prepared for future health insurance coverage which results in a liability for the benefit obligations of \$655,000 and \$660,000 at December 31, 2009 and 2008, respectively, using a discount rate of 5% (as there are no plan assets).

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

STATEMENT OF BUDGETED REVENUE AND EXPENDITURES COMPARED TO ACTUAL
For the Year Ended December 31, 2009
UNAUDITED

	2009 <u>Budget</u>	2009 <u>Actual</u>	Total Budget <u>Variance</u>
Revenue			
Assessments	\$ 3,736,000	\$ 3,543,143	\$ (192,857)
Contributions	3,000	4,460	1,460
Investments (Unrestricted)	96,063	398,236	302,173
Investments (Restricted)	422,420	98,698	(323,722)
Interest income	43,300	29,343	(13,957)
Fees and tuition	854,334	919,625	65,291
Bequest transfers	25,789	25,789	-
Miscellaneous	<u>46,387</u>	<u>43,294</u>	<u>(3,093)</u>
Total revenue	5,227,293	5,062,588	(164,705)
Expenses			
Office of the Bishop	406,660	410,050	(3,390)
Assistant Bishop	197,248	152,629	44,619
Communications	329,713	310,679	19,034
Governing Bodies	204,321	189,183	15,138
Diocesan House	301,651	274,569	27,082
Archives	53,469	53,499	(30)
St. Mark's Cathedral	102,500	102,500	-
St. Andrew's House	208,600	211,285	(2,685)
Huston Center	553,332	631,820	(78,488)
St. Bernard's Chapel	1,156	-	1,156
Evangelism	78,000	78,000	-
Evangelism Training	42,200	42,201	(1)
Ethnic Ministries	227,289	218,417	8,872
Congregation/Ministry Development	116,010	124,251	(8,241)
Faith Development Program	179,387	161,951	17,436
Resource Center	143,462	108,096	35,366
Medicare Supplement	158,859	78,438	80,421
Stewardship & Development	206,061	205,270	791
Treasurer's Office	302,277	294,539	7,738
National Church Apportionment	686,074	686,074	-
General Convention Deputies	12,667	12,667	-
Province VIII	23,500	23,500	-
Lambeth Conference	4,000	4,000	-
Ecumenical & Interfaith	22,000	20,001	1,999
Multi-Cultural Concerns	104,179	100,248	3,931
Missioners	26,049	26,044	5
Commission on Developing Congregations	<u>1,071,628</u>	<u>970,696</u>	<u>100,932</u>
Total expense	<u>5,762,292</u>	<u>5,490,607</u>	<u>271,685</u>
Change in net assets	<u>\$ (534,999)</u>	<u>\$ (428,019)</u>	<u>\$ 106,980</u>

NOTE TO SUPPLEMENTAL STATEMENT

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 Statements of Activities in the basic financial statements.

Diocese of Olympia, Inc – Trust Accounts December 31, 2009

INDEPENDENT AUDITORS' REPORT

Diocesan Council, Diocese of Olympia, Inc. – Trust Accounts, Seattle, Washington

We have audited the accompanying statements of financial position of the Diocese of Olympia, Inc. – Trust Accounts ("Trust Accounts") as of December 31, 2009 and 2008, and the related statements of activities and cash flows (all on the Episcopal Church Basis of Accounting) for the years then ended. These financial statements are the responsibility of the Trust Accounts' 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. 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 the Diocese of Olympia, Inc. – Trust Accounts as of December 31, 2009 and 2008, 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 LLP, May 20, 2010

STATEMENTS OF FINANCIAL POSITION – EPISCOPAL CHURCH BASIS

December 31, 2009 and 2008

ASSETS	<u>2009</u>	<u>2008</u>
Current Assets		
Cash and cash equivalents	\$ 124,044	\$ 260,355
Certificate of deposit	416,250	416,250
Investments	<u>22,099,742</u>	<u>19,294,711</u>
Total current assets	22,640,036	19,971,316
Non-Current Assets		
Bishop residence	811,813	811,813
Related party loans receivable	1,085,866	1,101,874
Restricted funds	83,750	83,750
Other	<u>83,502</u>	<u>83,797</u>
Total non-current assets	2,064,931	2,081,234
Total assets	<u>\$ 24,704,967</u>	<u>\$ 22,052,550</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Payable to Diocesan Investment Fund	\$ 33,250	\$ 66,233
Cash held in trust for congregations	16,322	124,845
Investments held in trust for congregations and other institutions	<u>3,242,491</u>	<u>2,782,011</u>
Total current liabilities	3,292,063	2,973,089
Net Assets		
Unrestricted	4,364,249	4,004,947
Temporarily restricted	1,359,758	1,282,467
Permanently restricted	<u>15,688,897</u>	<u>13,792,047</u>
Total net assets	<u>21,412,904</u>	<u>19,079,461</u>
Total liabilities and net assets	<u>\$ 24,704,967</u>	<u>\$ 22,052,550</u>

STATEMENTS OF ACTIVITIES – EPISCOPAL CHURCH BASIS

For the Years Ended December 31, 2009 and 2008

	<u>2009</u>				<u>2008</u>			
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Support and Revenue								
Contributions	\$ 1,500	\$ 11,124	\$ -	\$ 12,624	\$ 26,448	\$ 3,500	\$ 641	\$ 30,589
Bequests	8,347	7,041		15,388				
Other investment income	47,755	78,004	38,365	164,124	53,427	77,613	27,680	158,720
Realized and unrealized gain (loss) on investments	364,871	16,099	1,858,485	2,239,455	(696,861)	(28,819)	(3,738,546)	(4,464,226)
Net assets released from program restrictions	<u>34,977</u>	<u>(34,977)</u>		-	<u>138,864</u>	<u>(138,864)</u>		=
Total support and revenue	457,450	77,291	1,896,850	2,431,591	(478,122)	(86,570)	(3,710,225)	(4,274,917)
Expenses and Transfers	<u>98,148</u>			<u>98,148</u>	<u>186,872</u>			<u>186,872</u>
Change in Net Assets	359,302	77,291	1,896,850	2,333,443	(664,994)	(86,570)	(3,710,225)	(4,461,789)
Net Assets, beginning of year	<u>4,004,947</u>	<u>1,282,467</u>	<u>13,792,047</u>	<u>19,079,461</u>	<u>4,669,941</u>	<u>1,369,037</u>	<u>17,502,272</u>	<u>23,541,250</u>
Net Assets, end of year	<u>\$ 4,364,249</u>	<u>\$ 1,359,758</u>	<u>\$ 15,688,897</u>	<u>\$ 21,412,904</u>	<u>\$ 4,004,947</u>	<u>\$ 1,282,467</u>	<u>\$ 13,792,047</u>	<u>\$ 19,079,461</u>

STATEMENTS OF CASH FLOWS – EPISCOPAL CHURCH BASIS

For the Years Ended December 31, 2009 and 2008

	2009	2008
Cash Flows from Operating Activities		
Change in net assets	\$ 2,333,443	\$ (4,461,789)
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Net realized and unrealized losses (gains) on investments	(2,239,455)	4,464,226
Bad debt expense		35,360

Change in operating assets and liabilities		
Other assets	295	13,045
Payable to Diocesan Investment Fund	<u>(32,983)</u>	<u>(33,529)</u>
Net cash flows from operating activities	61,300	17,313
Cash Flows from Investing Activities		
Proceeds from sale of investments	51,551	220,791
Purchase of investments (including reinvested dividends)	(238,121)	(301,883)
Principal payments received on loans	<u>16,008</u>	<u>38,629</u>
Net cash flows from investing activities	<u>(170,562)</u>	<u>(42,463)</u>
Cash Flows from Financing Activities		
Increase (decrease) in cash held in trust for congregations	(108,523)	111,440
Change in investments held in trust for congregations and other institutions	<u>81,474</u>	<u>(67,317)</u>
Net cash flows from financing activities	<u>(27,049)</u>	<u>44,123</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(136,311)</u>	<u>18,973</u>
Cash and Cash Equivalents, beginning of year	<u>260,355</u>	<u>241,382</u>
Cash and Cash Equivalents, end of year	<u>\$ 124,044</u>	<u>\$ 260,355</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 churches 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 DIF is a pool of investments owned in part by the Trust Accounts and by other Episcopal entities. The fund groupings known as the Building Loan Fund ("the BLF"), the Real Estate Fund, the Mission Development Fund ("the MDF"), and the DIF issue their own financial statements. The BLF, the Real Estate Fund, and the MDF do not invest in the Trust Accounts (or vice-versa), but, as noted above, the Trust Accounts invest in the DIF. If the Trust Accounts make a loan to an institute of the Diocese for the purchase of property, the property is recorded within the Real Estate Fund. No other transactions occur regularly between the BLF, MDF, Real Estate Fund, and the Trust Accounts. The Diocese of Olympia – Operating Fund ("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. Unrestricted earnings on investments held by the Trust Accounts are transferred to the Operating Fund in order to fund general operations of the Diocese. 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 accounting standards which require 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 are 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 prioritize 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 the purpose of the statements 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, 2009, and held the same certificate of deposit at December 31, 2008. The certificate of deposit has an original maturity exceeding three months and of the total balance, \$309,837 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 Receivable** Receivables are stated at the amount management expects to collect from outstanding balances. The Trust Accounts use the allowance method for recognizing bad debts. When determining an appropriate allowance, management considers such things as the age of the receivable, the credit history of the creditor, and the assets collateralizing the loan. 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, 2009 or 2008. The Trust Accounts have not imputed interest on related party loans that do not bear interest as the terms are generally undefined, the imputed interest would not generally be material, and the amounts are due from 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. **Subsequent Events** The Trust has evaluated subsequent events through the date these financial statements were available to be issued, which was on May 20, 2010.

Note 2. Endowments 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 Trustees of the Trust Accounts have interpreted the State of Washington Uniform Prudent Management of Institutional Funds Act ("UPMIFA") 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 and accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund, and (c) unrealized gains and losses within the permanent endowment. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Trustees consider the following factors in making a determination to appropriate or accumulate donor-restricted funds:

- The duration and preservation of the endowment fund
- The purposes of the Trust Accounts and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation or deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Trust Accounts
- The investment policies of the Trust Accounts

Endowment net assets consisted of the following at:

	<u>December 31, 2009</u>			
	<u>Unrestricted</u>	Temporarily <u>Restricted</u>	Permanently <u>Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ -	\$ 1,359,758	\$ 15,688,897	\$ 17,048,655
Board-designated quasi-endowment funds	<u>1,808,596</u>	-	-	<u>1,808,596</u>
Total funds	<u>\$ 1,808,596</u>	<u>\$ 1,359,785</u>	<u>\$ 15,688,897</u>	<u>\$ 18,857,251</u>

	<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>1,438,186</u>	-	-	<u>1,438,186</u>
Total funds	<u>\$ 1,438,186</u>	<u>\$ 1,282,467</u>	<u>\$ 13,792,047</u>	<u>\$ 16,512,700</u>

Changes in endowment net assets are as follows for the years ended:

	<u>December 31, 2009</u>			
	<u>Unrestricted</u>	Temporarily <u>Restricted</u>	Permanently <u>Restricted</u>	<u>Total</u>
Endowment Net Assets, beginning of year	\$ 1,438,186	\$ 1,282,467	\$ 13,792,047	\$ 16,512,700
Investment return:				
Investment income	-	78,004	38,365	116,369
Net depreciation (realized and unrealized)	<u>364,871</u>	<u>16,099</u>	<u>1,858,485</u>	<u>2,239,455</u>
Total investment return	1,803,057	1,376,570	15,688,897	18,868,524
Contributions		11,124		11,124
Bequests		7,041		7,041
Appropriation of endowment assets for expenditure and transfers into endowment	<u>5,539</u>	-	-	<u>5,539</u>
Endowment net assets, end of year	<u>\$ 1,808,596</u>	<u>\$ 1,359,758</u>	<u>\$ 15,688,897</u>	<u>\$ 18,857,251</u>

	<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	\$ 1,957,208	\$ 1,369,037	\$ 17,502,272	\$ 20,828,517
Investment return:				
Investment income	-	112,651	27,680	140,331
Net depreciation (realized and unrealized)	<u>(696,861)</u>	<u>(28,819)</u>	<u>(3,738,546)</u>	<u>(4,464,226)</u>
Total investment return	1,260,347	1,452,869	13,791,406	16,504,622
Contributions		3,500	641	4,141
Bequests				
Appropriation of endowment assets for expenditure and transfers into endowment	<u>177,839</u>	<u>(173,902)</u>	-	<u>3,937</u>
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>

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 Trustees, 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, 2009 or 2008. 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 or UPMIFA requires the Trust Accounts to retain as a fund of perpetual duration. 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, 2009 or 2008.

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	2009	2008
Bishop	Secured by residence / Equity position, no current payment			
	Subordinate to primary mortgage	8%	\$ 23,637	\$ 23,663
Cathlamet	No maturity date set	0%	150,000	150,000
St. Columba, Des Moines	Land at St. Columba's / No maturity date set	0%	318,847	318,847
DIF	Paid in full in 2009	0%		3,974
Battle Ground	15 year amortization at BLF mission rate due 2017	3.5%	69,000	69,000
Good Shepherd, Vanc	On interest waiver; to be repaid after BLF loan repaid	0%	49,382	49,382
St. Hilda/St. Patrick	15 year amortization at BLF mission rate	0%	475,000	475,000
DIF	Diocesan house roof loan; paid in full in 2009	5%	-	<u>12,008</u>
			<u>\$ 1,085,866</u>	<u>\$ 1,101,874</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 2009 and 2008 is as follows:

	2009	2008
Fair market value, beginning of year	\$ 19,294,711	\$ 24,424,863
Reinvestment of dividends	116,637	98,865
Purchases	121,484	203,018
Redemptions	<u>(51,551)</u>	<u>(220,791)</u>
Total	19,481,281	24,505,955
Less: Fair market value, end of year	<u>(22,099,742)</u>	<u>(19,294,711)</u>
Increase (decrease) in market value	<u>\$ 2,618,461</u>	<u>\$ (5,211,244)</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, 2009, the DIF was approximately 5% cash equivalents, 29% U.S. Government debt securities, and 66% common stocks (including equity mutual funds) listed on major exchanges. 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:

	2009	2008
Cash held in trust for congregations		
Bond Trustee accounts	\$ 16,322	\$ 124,845
Securities and investments held in trust for congregations and other institutions		
Annie Wright School	324,739	285,958
Bainbridge, St. Barnabas' – Hodges Endowment	774,219	681,764
Charles G. McDonald Scholarship Fund	16,156	14,227
Hoodsport, St. Germaine	73,620	-
Kent, St. James – Arney Memorial	50,137	44,149
Kent, St. James' – Endowment	39,697	34,956
Lord Scholarship Fund	23,420	19,793
Seattle, St. Mark's – Hodges Endowment	1,131,364	996,256
Seaview, St. Peter's – Johnson Bequest	350,203	310,902
St. Paul's, Palm Desert, CA – Hodges Endowment	148,635	130,885

Bellingham, Mabel Wilson Trust	299,555	253,165
Tod Prichard, Allyn	<u>10,746</u>	<u>9,956</u>
Total securities for congregations & institutions	<u>3,242,491</u>	<u>2,782,011</u>
Total liabilities to congregations and other institutions	<u>\$ 3,258,813</u>	<u>\$ 2,906,856</u>

Note 6. Schedule of Net Assets

	December 31, 2009			Total
	<u>Unrestricted</u>	Temporarily <u>Restricted</u>	Permanently <u>Restricted</u>	
Other assets held in trust for Diocese				
Campaign - unrestricted	\$ (37,055)	\$ 1,148,903	\$ -	\$ 1,111,848
Diocesan School of Theology		15,833		15,833
Episcopal Residence Loan	119,000			119,000
Hodges Income Account		25,562		25,562
Huston Discretionary Account, Horn Trust		9,496		9,496
Planned Giving Gifts		11,570		11,570
Ruth and Jacques Hayes Memorial Trust		6,482		6,482
Snoqualmie, St. Bernard's Chapel	==	<u>2,134</u>	==	<u>2,134</u>
Total other assets held in trust for Diocese	81,945	1,219,980	-	1,301,925
Primarily securities and investments held in trust for Diocese				
Bishop Curtis Camp Scholarship			73,379	73,379
Bishop Suffragan Endowment			36,760	36,760
Canon Jessett Memorial			14,264	14,264
Centennial Project	277			277
Christenson Bequest			282,572	282,572
Clapp Trust			1,055,615	1,055,615
Clergy Emergency Fund			440,320	440,320
College Work Endowment			328,818	328,818
David Devik Memorial			10,286	10,286
Dean Search Reserve	8,852			8,852
Diocesan Working Capital Trust Fund			496,828	496,828
Emergency/Temporary Help	6,186			6,186
Episcopal Charities Appeal		33,474		33,474
Episcopal House Fund	857,357			857,357
Episcopal Search Reserve	188,227			188,227
Episcopate Endowment Fund #1			4,646,555	4,646,555
Episcopate Endowment Fund #2	2,509,645			2,509,645
Grace L. Philips Memorial Fund	515,919			515,919
Hansen Fund 3,586 3,586				
Hayes Trust (Held by Wells Fargo Bank)			28,530	28,530
Hodges Endowment for Diocese			2,156,324	2,156,324
Horn Memorial for Camp Huston			1,326,542	1,326,542
Human Need Endowment			226,382	226,382
James McConnell Scholarship Fund			17,669	17,669
Jean Young Memorial		14,252		14,252
Mission Ministry Endowment			958,204	958,204
Pruden Fund			22,894	22,894
Refugee Program Reserves		32,508		32,508
S. Eston Collins Memorial Scholarship			11,912	11,912
Sophie Henry Trust			2,630,566	2,630,566
St. Andrew's House Endowment		59,544		59,544
St. Bernard's Chapel Fund: Moffett			34,238	34,238
Thanksgiving and Memorial Fund	195,841			195,841
Theological Education Fund	==	==	<u>886,653</u>	<u>886,653</u>
Total securities and investments held for Diocese	<u>4,282,304</u>	<u>139,778</u>	<u>15,688,897</u>	<u>20,110,979</u>
Total Net Assets	<u>\$ 4,364,249</u>	<u>\$ 1,359,758</u>	<u>\$ 15,688,897</u>	<u>\$ 21,412,904</u>

	December 31, 2008			Total
	<u>Unrestricted</u>	Temporarily <u>Restricted</u>	Permanently <u>Restricted</u>	
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 and Jacques Hayes Memorial Trust		7,627		7,627
Snoqualmie, St. Bernard's Chapel	--	<u>2,135</u>	--	<u>2,135</u>
Total other assets held in trust for Diocese	130,825	1,172,403	-	1,303,228
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 and Memorial Fund	164,998			164,998
Theological Education Fund	--	--	<u>780,769</u>	<u>780,769</u>
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>

**Diocese of Olympia, Inc. – Building Loan Fund, Mission Development Fund and Real Estate Fund December 31, 2009
INDEPENDENT AUDITORS' REPORT**

Diocesan Council, Diocese of Olympia, Inc., Building Loan Fund, Mission Development Fund, and Real Estate Fund, Seattle, Washington
We have audited the accompanying statements of financial position of the Diocese of Olympia, Inc. – Building Loan Fund, Mission Development Fund, and Real Estate Fund as of December 31, 2009 and 2008, and the related statements of activities and cash flows (all on the Episcopal Church Basis of Accounting) for the years then ended. These financial statements are the responsibility of the Funds' 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. 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 the Diocese of Olympia, Inc. – Building Loan Fund, Mission Development Fund, and Real Estate Fund as of December 31, 2009 and 2008, and the changes in their net assets and their 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 LLP, May 20, 2010

**STATEMENTS OF FINANCIAL POSITION – EPISCOPAL CHURCH BASIS
December 31, 2009 and 2008**

ASSETS	<u>2009</u>	<u>2008</u>
Cash and cash equivalents	\$ 695,463	\$ 453,651
Certificates of deposit		382,000

Receivables		
Parish loans receivable, net	598,530	589,703
Interest receivable, net	<u>162,398</u>	<u>141,401</u>
Total receivables	760,928	731,104
Property		
Real estate	<u>23,516,866</u>	<u>23,047,703</u>
Total assets	<u>\$ 24,973,257</u>	<u>\$ 24,614,458</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Related party loans	\$ 1,012,847	\$ 1,028,829
Loans - unrelated parties	<u>440,837</u>	<u>670,604</u>
Total liabilities	1,453,684	1,699,433
Unrestricted net assets	<u>23,519,573</u>	<u>22,915,025</u>
Total liabilities and net assets	<u>\$ 24,973,257</u>	<u>\$ 24,614,458</u>

STATEMENTS OF ACTIVITIES – EPISCOPAL CHURCH BASIS
For the Years Ended December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Support and Revenue		
Interest (building loans)	\$ 68,117	\$ 106,173
Interest (Bolling loans)	5,122	8,157
Bank interest	4,943	24,680
Bequest		200,000
Contributions	307,352	252,602
Contributed loan payments and other	<u>229,764</u>	<u>34,389</u>
Total support and revenue	615,298	626,001
Expenses		
Corporate/canonically required	10,750	3,823
Grant expense		58,604
Bad debt expense	--	<u>8,151</u>
Total expenses	<u>10,750</u>	<u>70,578</u>
Change in unrestricted net assets	<u>604,548</u>	<u>555,423</u>
Unrestricted net assets, beginning of year	<u>22,915,025</u>	<u>22,359,602</u>
Unrestricted net assets, end of year	<u>\$ 23,519,573</u>	<u>\$ 22,915,025</u>

STATEMENTS OF CASH FLOWS – EPISCOPAL CHURCH BASIS
For the Years Ended December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Cash Flows From Operating Activities		
Change in net assets	\$ 604,548	\$ 555,423
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Increase in allowance for doubtful accounts		8,151
Contributed loan payments and real estate	(245,749)	(72,681)
Increase in interest receivable	<u>(20,997)</u>	<u>(29,853)</u>
Net cash flows from operating activities	337,802	461,040
Cash Flows From Investing Activities		
Parish loan advances	(8,827)	(30,591)
Sales (purchases) of certificates of deposit	382,000	(382,000)
Purchases of real estate	<u>(469,163)</u>	<u>(782,884)</u>
Net cash flows from investing activities	<u>(95,990)</u>	<u>(1,195,475)</u>
Net change in cash and cash equivalents	<u>241,812</u>	<u>(734,435)</u>
Cash and cash equivalents, beginning of year	453,651	1,188,086
Cash and cash equivalents, end of year	<u>\$ 695,463</u>	<u>\$ 453,651</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 churches in Western Washington. The Diocese of Olympia, Inc. – Building Loan Fund, Mission Development Fund, and Real Estate Fund ("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 nearest eighth of a point plus 3% for parishes and 1.5% for missions, and effective for 2009, the rate cannot be less than 3.5% for parishes or missions. For 2009, the rates were set at 3.5% for parishes and 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. **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, and 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 accounting standards which require net assets to be shown as unrestricted, temporarily restricted, or permanently restricted. Inter-fund activity has been eliminated. The January 1, 1995, revised accounting principles of the Episcopal Church required capitalizing 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 the cost basis of 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 2009 or 2008. 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:

	<u>2009</u>	<u>2008</u>
Land	\$ 3,075,972	\$ 2,880,972
Buildings/improvements	<u>20,195,894</u>	<u>20,166,731</u>
	23,271,866	23,047,703
Building and land held for sale	<u>245,000</u>	--
	<u>\$ 23,516,866</u>	<u>\$ 23,047,703</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 the 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 prioritize 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. **Cash and Cash Equivalents** For the 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 occasionally has cash in excess of federally insured limits with its bank. **Certificates of Deposit** The Diocese held four certificates of deposit at December 31, 2008, with original maturities exceeding three months. The certificates of deposit had a carrying value that approximated fair value and were 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, 2009 and 2008, was \$155,515 for loans receivable and \$48,100 for interest receivable. Interest receivable has been accrued to December 31, 2009 and 2008. At the Board's discretion, in some instances, interest is not charged on construction loans. **Related Party Loans** The Funds have generally 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. **Taxes** The Diocese is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code. **Reclassification** Certain amounts from the prior year have been reclassified in order to conform to the current year presentation. **Subsequent Events** The Trust has evaluated subsequent events through the date these financial statements were available to be issued, which was on May 20, 2010.

Note 2. Loans Receivable Loans receivable consist of the following:

Parishes	<u>2009</u>	<u>2008</u>
Auburn, St. Matthew's	\$ 155,515	\$ 155,515
Kent, St. James	13,553	22,001
Redmond, Holy Cross	81,023	99,314
Seattle, St. Andrew	40,000	-
Seattle, St. John	117,380	139,874
Seattle, St. John	130,000	130,000
Shelton, St. David	42,461	47,656
Vancouver, Good Shepherd	117,542	119,504

Vancouver, Good Shepherd	37,593	-
Vancouver, Good Shepherd	<u>18,978</u>	<u>31,354</u>
	754,045	745,218
Less allowance for doubtful loans	<u>(155,515)</u>	<u>(155,515)</u>
	<u>\$ 598,530</u>	<u>\$ 589,703</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).

	<u>2009</u>	<u>2008</u>
Missions		
Allyn, St. Hugh's	\$ 14,919	\$ 31,552
Anacortes, Christ Church	214,680	75,000
Cathlamet, St. James'	143,499	121,119
Des Moines, St. Columba's	938,715	938,715
Lacey, St. Benedict's		22,652
Meadowdale, St. Hilda's-St. Patrick's	440,129	442,529
Monroe, Our Savior		10,666
Redmond, Good Samaritan	570,352	570,352
Redmond, Good Samaritan	862,742	817,813
Snoqualmie, St. Clare's	42,248	50,233
Steilacoom, St. Jos/St. John	68,237	74,319
Vancouver, All Saints'	262,176	267,743
Washougal, St. Anne	<u>48,743</u>	<u>--</u>
	<u>\$ 3,606,440</u>	<u>\$ 3,422,693</u>

Note 3. Combination As previously stated, inter-entity loans are eliminated in combination. Loans eliminated can be summarized as follows:

	<u>2009</u>	<u>2008</u>
BLF to Real Estate Fund	\$ 3,606,440	\$ 3,422,693
MDF to Real Estate Fund	<u>402,499</u>	<u>516,828</u>
	<u>\$ 4,008,939</u>	<u>\$ 3,939,521</u>

Note 4. Related Party Loans As described in Note 1, the Trust Accounts are other Diocese funds that are not included in these financial statements. The Trust Accounts have made loans to the Funds as follows:

Loan to	Comment/Payment/Maturity	Rate	2009 Total	2008 Total
Cathlamet	No maturity date set	0%	\$ 150,000	\$ 150,000
St. Columba, Des Moines	Land at St. Columba's / No maturity date set	0%	318,847	318,847
Battle Ground	15 year amortization at BLF mission rate due 2017	3.5%	69,000	69,000
St. Hilda/St. Patrick	On interest waiver, then 15 year amortization at BLF mission rate	0%	475,000	475,000
DIF	Diocesan house roof loan; paid in full in 2009	5%	-	12,008
DIF	Paid in full in 2009	5%	-	<u>3,974</u>
			<u>\$ 1,012,847</u>	<u>\$ 1,028,829</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>2009</u>	<u>2008</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% secured by real property and a certificate Of deposit held at the Trust Accounts. Due in full June 2010.	\$ 309,837	\$ 314,604
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.	131,000	141,000
Grace Church Bond Loans. Paid in full in 2009.	<u>--</u>	<u>215,000</u>
	<u>\$ 440,837</u>	<u>\$ 670,604</u>

The schedule of debt maturity principal is as follows at December 31:

Year Ended	<u>Bank Loan</u>	<u>Battle Ground</u>	<u>Total</u>
2010	\$ 390,837	\$ 20,000	\$ 329,837
2011		19,000	19,000
2012		20,000	20,000
2013		27,000	27,000
2014		21,000	21,000
Thereafter	<u>--</u>	<u>24,000</u>	<u>24,000</u>
	<u>\$ 309,837</u>	<u>\$ 131,000</u>	<u>\$ 440,837</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.

Note 7. Prior Period Adjustment In 2008, loans to Anacortes, Christ Church ("Anacortes"), were classified as loans to parishes; however, in 2009, it was determined that Anacortes is a mission and this error is corrected in these financial statements. The financial statements for the year ended December 31, 2008, have been restated to correctly report the advances under loans to Anacortes as loans to missions. Loans to missions are eliminated and related advances, net of repayments, are recorded as grant expense. The effect of this restatement on the 2008 financial statements was as follows:

	<u>Originally Reported</u>	<u>Change</u>	<u>As Restated</u>
Statement of Financial Position			
Parish loans receivable	\$ 664,703	\$ (75,000)	\$ 589,703
Unrestricted net assets	22,990,025	(75,000)	22,915,025
Statement of activities			
Contributions	327,602	(75,000)	252,602
Change in net assets	630,423	(75,000)	555,423

There was no effect on unrestricted net assets at December 31, 2007, as no advances under loans were made to Anacortes until 2008.

Diocese of Olympia, Inc. – The James F. Hodges Diocesan Investment Fund December 31, 2009

INDEPENDENT AUDITORS' REPORT

Diocese of Olympia, Inc., The James F. Hodges Diocesan Investment Fund, Olympia, Washington

We have audited the statements of assets and liabilities of the Diocese of Olympia, Inc. – The James F. Hodges Diocesan Investment Fund as of December 31, 2009 and 2008, 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 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. - The James F. Hodges Diocesan Investment Fund as of December 31, 2009 and 2008, and the results of its operations and changes in its net assets for the years then ended, in conformity with 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 schedules of investments as of December 31, 2009 and 2008, 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 audits 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.

Peterson Sullivan LLP, February 23, 2010

STATEMENTS OF ASSETS AND LIABILITIES

December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
ASSETS		
Investment income receivable	\$ 145,779	\$ 139,270
Investments (at market value):		
Equity securities	27,935,189	22,811,504
Bonds, notes, and other	12,324,582	11,319,841
Cash equivalents	<u>2,356,296</u>	<u>2,990,015</u>
Total investments	<u>42,616,067</u>	<u>37,121,360</u>
Total assets	42,761,846	37,260,630
LIABILITIES		
Distributions payable	<u>102,138</u>	<u>197,966</u>
Net assets	<u>\$ 42,659,708</u>	<u>\$ 37,062,664</u>

STATEMENTS OF OPERATIONS

For the Years Ended December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Investment income		
Dividends and interest	\$ 1,181,412	\$ 1,525,780
Securities lending and other income	<u>290,767</u>	<u>66,733</u>
Total investment income	1,472,179	1,592,513
Expenses		
Agency fee	52,592	31,487
Accounting fee	5,000	5,000
Audit	6,645	6,000
Board miscellaneous expense	1,113	1,170
Printing and postage	<u>432</u>	<u>423</u>
Total expenses	<u>65,782</u>	<u>44,080</u>
Excess investment income over expenses	1,406,397	1,548,433
Realized gain (loss) and unrealized investment change		
Net investment gain (loss) realized	(457,406)	809,110
Net unrealized investment change	<u>5,670,546</u>	<u>(10,830,959)</u>
Net gain (loss) on investments	<u>5,213,140</u>	<u>(10,021,849)</u>
Change in net assets resulting from operations	<u>\$ 6,619,537</u>	<u>\$ (8,473,416)</u>

STATEMENTS OF CHANGES IN NET ASSETS
For the Years Ended December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Change in net assets resulting from operations	\$ 6,619,537	\$ (8,473,416)
Distributions paid to shareholders	(1,590,454)	(1,568,504)
Capital share transactions		
Proceeds from shareholder purchases and dividends reinvested	1,074,373	1,748,306
Shareholder redemptions	<u>(506,412)</u>	<u>(1,388,959)</u>
Increase in net assets resulting from capital share transactions	<u>567,961</u>	<u>359,347</u>
Total increase (decrease) in net assets	5,597,044	(9,682,573)
Net assets, beginning of year	<u>37,062,664</u>	<u>46,745,237</u>
Net assets, end of year	<u>\$ 42,659,708</u>	<u>\$ 37,062,664</u>

SCHEDULE OF INVESTMENTS

December 31, 2009

<u>Equity Securities</u>	<u>Number of Shares</u>	<u>Fair Value</u>
Air Products and Chemicals, Inc.	7,300	\$ 591,738
Apple Inc.	2,000	421,464
Automatic Data Processing	11,000	471,020
Avery Dennison Corp	10,000	364,900
Becton Dickinson & Co	6,000	473,160
Berkshire Hathaway Inc. Class B	150	492,900
Boeing Company	10,000	541,300
Chevron Corp	13,200	1,016,268
Chubb Corporation	5,900	290,162
Cisco Systems, Inc.	34,400	823,536
Conagra Foods, Inc.	24,500	564,725
Costco Wholesale, Inc.	17,000	1,005,890
Eli Lilly & Co	11,400	407,094
Emerson Electric	15,800	673,080
Enterprise Products Partners LP	17,600	552,816
Exxon Mobil Corp	13,222	901,608
General Dynamics Corp	7,400	504,458
General Electric	25,400	384,302
Google Inc.	525	325,490
HJ Heinz Co	8,400	359,184
Intel Corp	16,300	332,520
International Business Machines	7,100	929,390
Johnson & Johnson	11,200	721,392
Johnson Controls, Inc.	27,000	735,480
JP Morgan Chase & Co	15,000	625,050
Mack Cali Realty Corp	15,000	518,550
McGraw-Hill Cos Inc.	8,000	268,080
Medtronic, Inc.	10,000	439,800
Microsoft	35,800	1,091,184
Nationwide Health Properties, Inc.	12,000	422,160
Novartis	8,600	468,098
Paccar, Inc.	24,750	897,683
Pfizer, Inc.	31,778	578,042
Procter & Gamble Co	13,600	824,568
Qualcomm Inc.	8,200	379,332
Southern Co	20,000	666,400
Staples, Inc.	32,250	793,028
Sysco Corp	18,500	516,890
United Technologies	13,000	902,330
Vanguard Developed Markets Index	279,578	2,664,381
V F Corporation	5,800	424,792
Verizon Communications, Inc.	23,000	761,990
Wells Fargo & Co	7,000	188,930
3M Co	7,500	<u>620,025</u>
Total equity securities		<u>\$ 27,935,189</u>

<u>BONDS, NOTES, AND OTHER</u>	<u>Rate of Interest</u>	<u>Maturity</u>	<u>Face Value</u>	<u>Fair Value</u>
Federal Home Loan Bank Debenture	4.375	6/14/19	\$ 1,000,000	\$ 988,130
Federal Home Loan Bank Debenture	4.625	6/12/15	1,000,000	1,073,750
Federal Home Loan Mortgage Corporation Medium Term Notes	3.500	8/18/14	1,000,000	1,008,020
Federal Home Loan Mortgage Corporation Medium Term Notes	4.150	9/9/16	1,000,000	999,900

U.S. Treasury Inflation Protected Securities	3.375	1/15/12	1,217,420	1,302,067
U.S. Treasury Inflation Protected Securities	2.000	1/15/14	1,754,880	1,855,786
U.S. Treasury Notes	4.125	8/15/10	1,500,000	1,535,100
U.S. Treasury Notes	5.000	8/15/11	1,500,000	1,599,375
Vanguard Intermediate Term Grade Admiral Shares	Variable	1/4/10	124,477	1,197,466
Vanguard Short Term Investment Grade	Variable	1/4/10	72,237	764,988
Total Bonds, Notes, and Other				<u>\$ 12,324,582</u>
CASH EQUIVALENTS				
First America Prime Obligation Fund	Variable	n/a	\$ 2,356,296	<u>\$ 2,356,296</u>
Total cash equivalents				<u>\$ 2,356,296</u>

SCHEDULE OF INVESTMENTS

December 31, 2008

<u>Equity Securities</u>	<u>Number of Shares</u>	<u>Fair Value</u>
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
Bank of America 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 Electric1	5,800	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
JP Morgan 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 Limited	22,000	403,040
United Technologies	13,000	696,800
Vanguard Developed Markets 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>

<u>BONDS, NOTES, AND OTHER</u>	<u>Rate of Interest</u>	<u>Maturity</u>	<u>Face Value</u>	<u>Fair Value</u>
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>
CASH EQUIVALENTS				
First America Prime Obligation Fund	Variable	n/a	\$ 2,990,015	<u>\$ 2,990,015</u>
Total cash equivalents				<u>\$ 2,990,015</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 4). 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 Diocese which collects funds for purchases in the current month and then remits the 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, 2009 and 2008, the Diocese held \$33,247 and \$66,370 in funds for purchase in January 2010 and 2009, 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. Subsequent Events The Fund has evaluated subsequent events through the date these financial statements were available to be issued, which was on February 23, 2010.

Note 4. 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. The fair value of all investments was determined using Level 1 observable inputs (quoted prices in active markets for identical assets), within the fair value hierarchy using quoted market rates.

Note 5. Unrealized Appreciation Unrealized appreciation on investments was as follows at December 31, 2009:

	Cost	Market	Unrealized Appreciation
Equity securities	\$ 22,275,754	\$ 27,935,189	\$ 5,659,435
Bonds, notes and other	11,711,640	12,324,582	612,942
Cash equivalents	<u>2,356,296</u>	<u>2,356,296</u>	<u>-</u>
	<u>\$ 36,343,690</u>	<u>\$ 42,616,067</u>	<u>\$ 6,272,377</u>

Unrealized appreciation on investments was as follows at December 31, 2008:

	Cost	Market	Unrealized Appreciation
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>-</u>
	<u>\$ 36,519,529</u>	<u>\$ 37,121,360</u>	<u>\$ 601,831</u>

Note 6. Shareholders The Fund's investment pool activity is as follows:

	Number of Shares	Per Share Value
Shares outstanding December 31, 2007	255,977.454	<u>\$ 182.614</u>
Shares purchased and dividends reinvested	10,147.418	
Shares redeemed	<u>(8,203.917)</u>	
Shares outstanding December 31, 2008	257,920.955	<u>\$ 143.698</u>
Shares purchased and dividends reinvested	7,379.542	
Shares redeemed	<u>(3,610.877)</u>	
Shares outstanding December 31, 2009	<u>261,689.620</u>	<u>\$ 163.016</u>

Note 7. Related Party Transaction The Fund is charged \$5,000 per year for the common expenses paid by the Diocese.

Note 8. 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 2009

Year in parentheses is last year of filing if a report was not filed in 2009

	Active Members	Communicants in Good Standing	Others	Average Sunday Attendance	Sunday Eucharists	BAPTISMS		Confirmed or Rec'd
						16 yrs and Older	Under 16 years	
Aberdeen, St. Andrew	381	369	1	136	110	5	14	0
Allyn, St. Hugh of Lincoln	92	92	0	52	0	0	2	4
Anacortes, Christ Church	102	102	0	63	64	0	3	0
Auburn, St. Matthew	256	0	0	102	88	0	5	18
Bainbridge Island, Grace Church	1,187	0	0	250	108	6	0	0
Bainbridge Island, St. Barnabas	439	439	65	132	510	0	10	0
Battle Ground, Holy Spirit	112	108	2	50	52	0	3	0
Bellevue, All Saints	31	31	0	19	52	0	0	0
Bellevue, Holy Apostles	75	36	3	29	0	0	0	0
Bellevue, Resurrection	171	120	31	74	104	3	0	0
Bellevue, St. Margaret	734	693	60	288	148	2	9	9
Bellingham, St. Paul	1,063	1,063	0	279	156	3	7	9
Blaine, Christ Church	57	51	5	39	48	0	4	2
Bremerton, St. Paul	278	160	24	67	104	0	1	0
Burien, St. Elizabeth	193	193	9	51	105	1	1	4
Camano Island, St. Aidan	228	228	0	106	79	0	2	0
Castle Rock, St. Matthew	52	40	0	13	52	0	0	0
Cathlamet, St. James	42	42	5	21	52	2	0	0
Chehalis, St. Timothy	157	157	7	55	66	3	0	2
Darrington, Transfiguration	13	13	1	12	42	0	0	0
Eastsound/Orcas, Emmanuel	189	139	9	89	93	0	3	2
Edmonds, St. Alban	212	181	4	86	103	0	2	0
Edmonds, St. Hilda-St. Patrick	233	233	1	93	96	1	3	3
Elma, St. Luke	47	47	2	13	43	0	0	0
Everett, Trinity Church	404	364	49	174	154	8	4	4
Federal Way, Good Shepherd	158	116	13	79	105	4	1	5
Freeland, St. Augustine in-the-Woods	168	190	45	140	108	1	4	0
Friday Harbor, St. David	113	112	36	68	103	0	0	2
Gig Harbor, St. John	652	527	2	157	110	12	2	0
Hoodspport, St. Germain	0	0	0	0	0	0	0	0
Issaquah, St. Michael & All Angels	319	215	25	111	102	0	4	0
Kenmore, Redeemer	676	354	25	118	97	2	1	7
Kent, St. Columba	118	118	8	63	68	0	4	0
Kent, St. James	837	623	14	195	105	0	8	7
Kingston, Faith Church	69	57	12	27	53	0	1	0
Kirkland, St. John	680	565	0	210	104	1	6	0
Lacey, St. Benedict	328	228	28	135	11	0	0	2
Lakewood, St. Joseph-St. John	68	59	11	30	56	1	4	0
Lakewood, St. Mary	669	293	35	371	123	0	10	4
Longview, St. Stephen	444	426	4	118	97	0	3	7
Lopez Island, Grace Church	169	162	0	60	51	0	1	0
Maple Valley, St. George	143	143	2	89	0	0	1	0
Marysville, St. Phillip	127	100	5	40	52	2	0	0
Medina, St. Thomas	1,914	1,661	0	298	119	2	28	1
Mercer Island, Emmanuel	675	398	3	161	158	0	2	4
Monroe, Our Saviour	49	42	7	31	52	0	0	0
Montesano, St. Mark	40	31	4	18	46	1	1	5
Mount Vernon, St. Paul	108	107	3	70	82	0	3	0
Oak Harbor, St. Stephen Episcopal	27	27	6	28	86	0	0	0
Olympia, St. Christopher	218	204	0	66	123	1	6	7
Olympia, St. John	459	459	0	228	156	1	3	41

	Active Members	Communicants in Good Standing	Others	Average Sunday Attendance	Sunday Eucharists	BAPTISMS		Confirmed or Rec'd
						16 yrs and Older	Under 16 years	
Port Angeles, St. Andrew	205	188	0	103	148	0	7	0
Port Orchard, St. Bede	185	185	45	101	104	0	7	3
Port Townsend, St. Paul	305	283	12	107	105	0	1	4
Puyallup, Christ Church (2008)	341	341	0	131	181	0	3	0
Redmond, Holy Cross	781	533	45	191	106	0	7	0
Renton, St. Luke	168	97	19	75	93	1	5	5
Sammamish, Good Samaritan	79	48	239	71	110	1	6	1
Seattle, All Saints	59	49	2	31	52	0	0	1
Seattle, Ascension	266	249	10	108	103	0	6	0
Seattle, Christ Church	397	251	34	133	141	0	5	5
Seattle, Epiphany Parish	620	564	0	197	86	2	16	0
Seattle, St. Andrew	647	532	0	238	155	1	14	4
Seattle, St. Clement	77	77	9	60	52	0	0	0
Seattle, St. George	73	73	7	30	95	1	0	0
Seattle, St. John the Baptist	352	352	14	125	107	0	5	0
Seattle, St. Luke	104	100	0	78	86	0	2	0
Seattle, St. Mark's Cathedral	2,514	1,283	210	473	217	3	18	17
Seattle, St. Paul	275	275	81	179	120	3	1	4
Seattle, St. Peter	226	67	5	48	54	1	2	0
Seattle, St. Stephen	644	546	0	168	98	0	1	10
Seattle, Trinity Church	380	380	20	122	105	1	11	1
Seaview, St. Peter	43	38	0	28	52	0	0	0
Sedro-Woolley, St. James	57	57	0	23	52	0	0	1
Sequim, St. Luke	279	279	0	160	0	1	0	11
Shelton, St. David of Wales	250	120	4	45	99	0	8	0
Shoreline, St. David Emmanuel	59	48	2	29	80	0	1	0
Shoreline, St. Dunstan	259	257	1	109	98	0	3	0
Silverdale, St. Antony of Egypt	169	153	5	84	104	0	1	0
Snohomish, St. John	276	206	8	108	102	1	2	5
Snoqualmie, St. Clare of Assisi	91	63	4	47	0	0	0	4
South Bend, St. John	49	36	0	15	36	0	2	0
Tacoma, All Saints	103	103	20	59	97	0	2	0
Tacoma, Christ Church	227	194	8	100	105	1	0	8
Tacoma, Holy Family of Jesus	8	7	44	38	51	0	1	0
Tacoma, St. Andrew	214	205	9	105	106	0	4	2
Tacoma, St. Luke	490	377	1	176	100	2	11	0
Tacoma, St. Matthew	197	182	5	80	103	1	8	0
Tahuya, St. Nicholas	18	18	0	18	29	0	0	0
Vancouver, All Saints	61	54	6	37	52	1	0	5
Vancouver, Good Shepherd	724	703	124	354	157	6	16	15
Vancouver, St. Luke	386	329	11	173	152	1	7	9
Vashon Island, Holy Spirit	350	270	20	82	148	0	0	4
Washougal, St. Anne	89	79	0	44	53	0	0	0
Westport, St. Christopher	14	14	4	7	39	0	0	0
Total 2009	29,087	22,383	1,594	9,894	8,729	90	349	268
Total 2008	31,004	22,519	1,476	9,787	8,221	79	359	295
Increase (Decrease)	(1,917)	(136)	118	107	508	11	(10)	(27)

Two congregations not reporting

Financial Statistics—Data Year 2009

Year in parentheses is last year of filing if a report was not filed in 2009

	REVENUE			EXPENSE			
	Plate & Pledge	Operating Revenue	Total Revenue	Operating Expense	To the Diocese	Outreach and Dev.	Total Expense
Aberdeen, St. Andrew	175,224	206,023	318,338	188,695	28,634	15,305	312,715
Allyn, St. Hugh of Lincoln	63,359	66,698	99,032	50,464	6,315	32,195	96,566
Anacortes, Christ Church	101,022	122,449	305,802	131,032	21,163	111,049	274,812
Auburn, St. Matthew	129,516	129,516	160,045	133,234	177	0	133,234
Bainbridge Island, Grace Church	463,200	499,238	703,457	520,148	74,400	103,739	574,502
Bainbridge Island, St. Barnabas	349,566	412,611	559,158	411,895	70,131	130,989	551,644
Battle Ground, Holy Spirit	42,115	110,574	112,524	110,634	12,697	14,261	113,625
Bellevue, All Saints	62,045	107,456	108,966	130,922	22,885	5,124	131,674
Bellevue, Holy Apostles	26,332	32,108	32,273	42,435	3,780	1,100	42,615
Bellevue, Resurrection	162,812	212,065	231,198	212,065	37,148	31,633	245,364
Bellevue, St. Margaret	624,605	931,931	935,674	1,120,256	110,431	25,711	1,123,756
Bellingham, St. Paul	535,987	592,987	792,697	601,943	62,467	36,624	626,730
Blaine, Christ Church	39,136	52,500	87,665	57,778	8,142	5,607	71,054
Bremerton, St. Paul	97,245	164,615	173,701	176,910	33,829	27,789	201,738
Burien, St. Elizabeth	98,917	165,168	177,060	173,958	27,085	12,252	198,102
Camano Island, St. Aidan	133,754	141,528	162,357	142,385	17,566	9,349	161,644
Castle Rock, St. Matthew	10,497	15,014	15,014	12,842	2,210	1,147	12,842
Cathlamet, St. James	21,522	22,518	22,980	20,198	4,133	5,284	25,944
Chehalis, St. Timothy	94,266	128,608	137,014	127,337	21,196	24,018	135,923
Darrington, Transfiguration	11,655	12,985	13,560	11,941	35	333	12,581
Eastsound/Orcas, Emmanuel	136,673	212,559	227,611	230,636	32,881	24,534	232,053
Edmonds, St. Alban	166,346	171,195	175,826	160,567	30,839	500	165,198
Edmonds, St. Hilda-St. Patrick	149,935	172,715	183,491	183,509	26,230	18,197	202,116
Elma, St. Luke	0	0	0	0	0	0	0
Everett, Trinity Church	290,985	361,061	410,164	385,990	65,601	228,261	615,248
Federal Way, Good Shepherd	226,713	240,258	292,254	242,115	46,464	50,566	292,339
Freeland, St. Augustine in-the-Woods	261,181	280,314	671,831	262,540	42,124	111,608	373,648
Friday Harbor, St. David	174,107	180,557	270,618	174,769	29,959	55,378	225,513
Gig Harbor, St. John	297,276	297,276	301,680	287,703	46,229	10,427	300,964
Hoodspport, St. Germain	0	0	0	0	0	0	0
Issaquah, St. Michael & All Angels	205,617	211,844	360,326	213,871	37,356	18,232	232,023
Kenmore, Redeemer	254,764	266,744	279,138	276,190	41,817	25,897	296,266
Kent, St. Columba	134,979	198,443	305,252	200,451	35,412	14,221	221,745
Kent, St. James	438,162	463,488	491,008	500,492	72,597	0	528,012
Kingston, Faith Church	26,615	37,633	39,982	32,486	3,570	6,454	36,962
Kirkland, St. John	526,387	566,693	584,957	543,555	55,199	6,600	551,248
Lacey, St. Benedict	244,605	289,498	301,168	289,498	32,546	16,855	301,168
Lakewood, St. Joseph-St. John	80,807	112,077	121,929	112,269	18,055	26,100	138,241
Lakewood, St. Mary	526,656	562,807	583,426	627,449	77,638	61,748	652,020
Longview, St. Stephen	283,802	320,876	377,369	339,688	62,641	27,960	382,685
Lopez Island, Grace Church	97,113	97,358	114,749	108,918	17,780	13,178	125,634
Maple Valley, St. George	109,052	160,920	178,005	122,247	18,690	15,028	134,480
Marysville, St. Philip	62,683	123,501	125,947	23,415	22,370	6,129	28,499
Medina, St. Thomas	870,686	973,670	1,126,145	990,701	162,750	76,382	1,069,333
Mercer Island, Emmanuel	627,754	667,511	718,051	598,112	97,266	98,376	643,087
Monroe, Our Saviour	40,408	64,390	69,193	68,410	10,602	610	73,213
Montesano, St. Mark	18,995	24,132	25,139	22,307	3,628	4,697	23,189
Mount Vernon, St. Paul	143,641	163,179	186,668	162,465	24,562	16,627	182,210
Oak Harbor, St. Stephen Episcopal	64,793	65,456	65,751	56,908	7,771	6,444	57,203

	REVENUE			EXPENSE			
	Plate & Pledge	Operating Revenue	Total Revenue	Operating Expense	To the Diocese	Outreach and Dev.	Total Expense
Olympia, St. Christopher	106,341	117,211	129,436	117,831	22,849	7,687	124,979
Olympia, St. John	399,469	424,630	449,546	391,957	76,675	12,180	408,006
Port Angeles, St. Andrew	154,073	200,303	273,197	203,861	27,581	8,538	215,279
Port Orchard, St. Bede	153,940	180,367	205,693	180,367	24,921	21,409	206,493
Port Townsend, St. Paul	237,756	242,858	260,485	258,199	33,813	62,016	312,615
Puyallup, Christ Church (2008)	233,305	234,815	248,877	253,219	33,611	13,276	266,187
Redmond, Holy Cross	407,425	407,425	856,371	438,531	47,425	207,171	649,702
Renton, St. Luke	120,896	203,018	261,339	194,447	28,033	21,618	216,471
Sammamish, Good Samaritan	152,461	183,161	408,740	197,359	2,616	216,588	414,441
Seattle, All Saints	57,807	106,959	107,519	115,019	15,884	2,355	117,539
Seattle, Ascension	254,039	261,024	439,446	281,257	52,410	87,866	368,863
Seattle, Christ Church	297,611	395,798	411,020	338,530	49,294	61,274	398,461
Seattle, Epiphany Parish	557,644	894,817	1,974,089	789,495	100,630	89,655	901,020
Seattle, St. Andrew	418,669	488,238	840,666	494,171	73,977	319,237	831,738
Seattle, St. Clement	126,957	135,836	149,179	152,647	24,486	25,298	180,737
Seattle, St. George	48,881	69,881	70,981	69,331	1,200	1,748	72,079
Seattle, St. John the Baptist	261,472	289,706	397,780	299,974	55,095	47,464	354,064
Seattle, St. Luke	238,697	256,512	302,115	287,402	0	50,834	354,230
Seattle, St. Mark's Cathedral	1,188,737	1,766,747	2,325,851	1,861,670	394,980	223,908	2,109,598
Seattle, St. Paul	311,455	355,671	465,819	347,837	52,007	99,492	446,899
Seattle, St. Peter	80,376	90,914	105,148	96,364	14,118	366	103,727
Seattle, St. Stephen	473,074	600,031	676,985	693,870	105,675	135,567	838,235
Seattle, Trinity Church	239,492	868,388	4,640,789	868,388	80,583	237,350	969,716
Seaview, St. Peter	25,519	31,324	45,599	43,468	0	14,275	57,743
Sedro-Woolley, St. James	48,522	48,522	66,402	52,739	8,916	15,267	68,006
Sequim, St. Luke	288,654	314,620	346,120	314,620	50,081	217,217	531,120
Shelton, St. David of Wales	133,072	160,037	223,903	157,262	1,500	58,056	216,478
Shoreline, St. David Emmanuel	52,402	69,520	80,956	66,325	13,455	10,046	84,122
Shoreline, St. Dunstan	256,261	280,877	294,857	307,897	45,690	28,708	340,644
Silverdale, St. Antony of Egypt	135,962	157,225	164,279	161,868	23,140	2,564	167,103
Snohomish, St. John	178,293	223,970	233,389	238,844	37,143	1,200	245,104
Snoqualmie, St. Clare of Assisi	72,827	144,432	158,163	115,003	20,764	28,528	144,066
South Bend, St. John	10,465	15,554	16,166	15,147	1,697	525	15,517
Tacoma, All Saints	79,448	97,569	97,888	95,365	16,449	2,470	98,014
Tacoma, Christ Church	220,732	306,403	401,971	306,285	53,345	36,051	331,964
Tacoma, Holy Family of Jesus	6,754	52,819	71,729	55,183	2,400	3,181	58,681
Tacoma, St. Andrew	217,122	237,327	245,258	244,249	33,521	23,415	250,182
Tacoma, St. Luke	265,111	280,104	289,250	279,278	47,821	50,881	322,659
Tacoma, St. Matthew	173,767	175,548	240,248	174,587	0	56,755	231,908
Tahuya, St. Nicholas	18,218	23,191	23,191	26,309	2,220	2,000	27,309
Vancouver, All Saints	60,346	91,595	107,963	80,074	9,253	24,706	106,251
Vancouver, Good Shepherd	656,452	661,561	912,601	640,387	109,918	87,330	911,601
Vancouver, St. Luke	267,770	319,783	355,788	343,318	56,270	17,778	368,932
Vashon Island, Holy Spirit	158,996	163,111	166,453	155,363	28,342	12,558	167,921
Washougal, St. Anne	109,149	127,171	188,631	127,166	19,007	57,444	184,247
Westport, St. Christopher	8,181	9,786	9,786	10,085	1,584	359	10,085
Total 2009	19,668,110	24,179,106	34,477,855	24,536,881	3,587,380	4,238,729	28,932,098
Total 2008	19,340,392	24,009,542	30,755,671	24,586,926	3,403,660	5,369,100	29,991,956
Increase (Decrease)	327,718	169,564	3,722,184	(50,045)	183,720	(1,130,371)	(1,059,858)

Three congregations not reporting

Letter from Bishop Rickel

Dear Ones,

By its very nature, a budget can be a rather boring thing – to look at, to discuss, to work with, and even more to follow! I am so thankful for those among us who have the calling to do just this. I wish especially to thank Chris Smith-Clark, Canon for Finance, Jim Campbell, chair of our Budget and Finance Committee, and all the members of this group who worked long, sometimes anguishing, hours on this finished product. In the midst of it all they remained hopeful and excited about the future of this diocese, and that was inspiring to me. I must say I feel the same. Without a doubt, there are reductions in this budget that some will not like. Hardly any area received everything requested. But I want to encourage you to look around the Church and, if you do, you will see how very well we have managed this economic downturn. It has actually been nothing short of amazing and everyone in this diocese, especially those working diligently at the local level, is part of that stability.

Yes, we will be called to look at, and do, some things differently but this should not come as a surprise. I went back to look at the incarnation of this letter in the past two years. In those, I spoke of what was most likely coming in the years ahead. To be quite frank, it has not been as bad as we might have thought, but much of the change we expected, and knew would be needed, has been realized. We knew this day would come. Still, it is one thing to talk about it and quite another to actually live in those circumstances. I realize that, but in this budget we have maintained the ministry of our focus areas, with special emphasis on funds that actually go to the local level. We have tried to be fair and balanced in the total expenses so that the three focus areas of congregational development, people 35 and under, and stewardship of all our resources remain strong. In addition, although some cuts were made in multicultural ministries, the actual expenses in this area remain at a level slightly above that of the congregational development program area, with local investment directly to multicultural congregations untouched.

While a budget is a marker for today, it also must be a roadmap for the future. I think this budget is just that. It continues the trend of moving us toward more local investment, while streamlining our diocesan operations to be most effective in what has been a difficult time financially around our country. Although employee benefits may incur increases, our staff will once again not receive any increases over this next year. Yet, with all of that, I witness a staff that is dedicated and enriched by the work God has called us all to do. I am honored to work alongside them.

This year we say goodbye to Canon Jerry Shigaki, who has announced his resignation effective at the end of 2010. Jerry has led a transformation in us. He would be the first to say there is much more work to be done, and I am committed to continuing that work. We owe him a tremendous debt of gratitude for his ministry. We will celebrate his contributions in the days to come but I, here, want to simply say to him, thank you. I hope you will

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Expense projections	Pg. 9-14
Narrative	Pg. 15-21
Explanation of changes	Pg. 22

Letter from Bishop Rickel, continued

take the opportunity to do the same in the days ahead. I also invite your prayers that we can help Jerry find his next calling – and that it be in our midst.

I also want to thank Dede Moore, who had an interesting personal roller coaster of her own this past year. We are so happy to have her back, healthy, and thriving. She does so much with this budget process as well and I am grateful for her.

The challenges of our time, in both Church and society, will continue, but that ongoing challenge provides us with the blessed opportunity to stay engaged with one another, to listen, to grow, to change, all the while following still the One who invites us to new life. Personally, I remain so blessed to be in ministry with all of you and I thank you for your faithfulness during this exciting time in our life together.

Faithfully,

A handwritten signature in blue ink, appearing to read "Greg Rickel". The signature is fluid and cursive, with the first name "Greg" being more prominent than the last name "Rickel".

The Rt. Rev. Gregory Rickel
Bishop of Olympia

Letter from the Diocesan Council

Dear Convention members,

We present for your review and ratification the approved final 2011 Operating Budget for the Diocese of Olympia. This budget is essentially the same as the spring draft that was available for review and comment at the spring regional meetings; it includes some minor cleanup and removal of text color/shading previously used for emphasis to show changes from the first draft.

This is a balanced 2011 Budget with revenues and expenses of \$4,349,300, a slight 0.8% increase from 2010. It includes a slight decrease in total salary and benefit expenses of 2.6%. (From 2007 to 2011 total salary/benefit expenses as a % of the total expense budget have been reduced from 44.2% to 38.6%.)

On page 22 you will find a chart showing significant expense changes (in dollar amount) from the 2010 Budget. During our ongoing economic conditions, Council continues to monitor revenues, and, if necessary, to adjust both revenue and expense line items.

The 2011 Budget is not the end; it continues our transition to a new model of being a diocesan resource for all our congregations. We are already starting development of the 2012 Budget by looking at long term goals and priorities. 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 (page 4) and continue to provide feedback through the Budget and Finance Committee members attending each Gathering. While changes will not be made to this document – it is the final document that will be offered for ratification 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.

Our goal in this budget process continues to be to provide transparency and more opportunity for input during development of each budget by delegations, clergy, congregations and regions. We thank you for your participation in this important process.

Your Diocesan Council,

The Rt. Rev. Greg Rickel, *Bishop Diocesan*; **the Rev. Chuck Atcheson, *Be Attitudes Regional Ministry*; Ms. Sally Barnes, *Columbia Regional Ministry*; Ms. Charlotte Brown, *Commission for Multi-cultural Ministries*; **Mr. Jim Campbell (chair, Budget & Finance Committee) *Willapa Regional Ministry*; Ms. Rebecca Crimmins, *Commission for the Church in the World*; the Rev. Susan Dean, *Commission for Evangelism*; Ms. Sally Farrell, *Eastside Episcopal Churches*; the Rev. JR Lander, *Commission for Faith Formation*; Mr. Don Little, *Peninsula Regional Ministry*; Ms. Sandy McCloud, *Holy C Regional Ministry*; **Mr. Joe McGuire, *Commission for Planned Giving/Stewardship*; the Rev. Andrea McMillin, *Mt. Baker Regional Ministry*; Mr. Jordan Rickard, *At-large*; the Rev. Jeff Sells, *At-large*; Ms. Lucy Von Heesen, *Evergreen Regional Ministry*; **Mr. Bob Wheeler, *Sno-Isle Regional Ministry*; the Rev. Martin Yabroff, *Rainier Regional Ministry*; and the Rev. Richard Younge, *At-large*. Additional members of the Budget & Finance Committee who are not Diocesan Council members: **Mr. Steve Faust, Diocesan Treasurer. **Mr. Bill Brice, St. Andrew, Tacoma; and **Mr. Bill Montgomery, St. Stephen, Seattle.

***denotes Budget & Finance Committee member*

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:

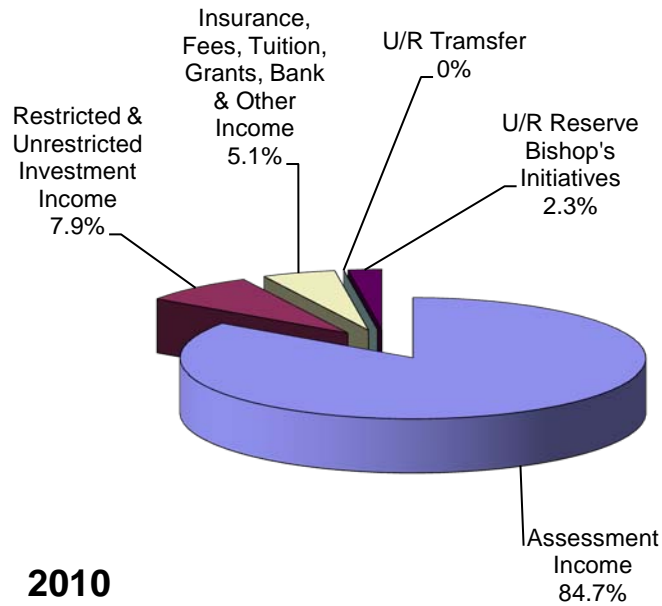
Congregational development – We believe that developing healthy congregations is central to that call. To that end, we have a clear strategy and ethos of development and health in all our congregations, no matter what the size or context. We assist congregations in facilitating clear expectations and 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

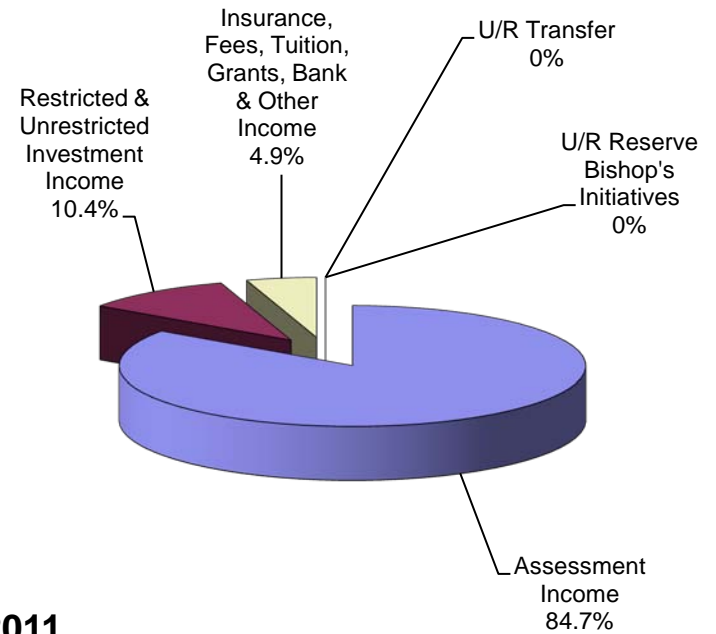
Total Assessment Income	\$	3,652,000
Restricted & Unrestricted Investment Income	\$	340,992
Insurance, Fees, Tuition, Grants, Bank, & Other Income	\$	219,468
Unrestricted Reserve	\$	-
Unrestricted Reserve Bishop's Initiatives	\$	100,000
	\$	4,312,460



2010

Revenue Forecast 2011

Total Assessment Income	\$	3,684,000
Restricted & Unrestricted Investment Income	\$	454,080
Insurance, Fees, Tuition, Grants, Bank, & Other Income	\$	211,220
Unrestricted Reserve	\$	-
Unrestricted Reserve Bishop's Initiatives	\$	-
	\$	4,349,300



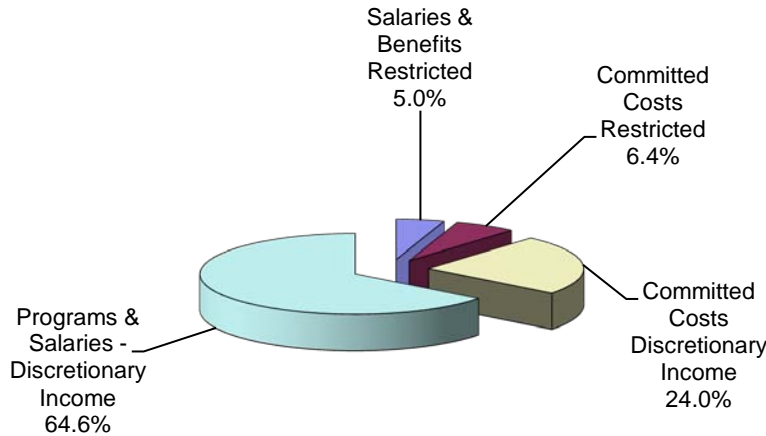
2011

Expenses

2010 Approved Expenses

Salaries & Benefits Restricted	\$	216,112
Committed Costs Restricted	\$	277,802
Committed Costs Discretionary Income	\$	1,033,897
Programs & Salaries Discretionary Income	\$	2,784,649
	\$	4,312,460

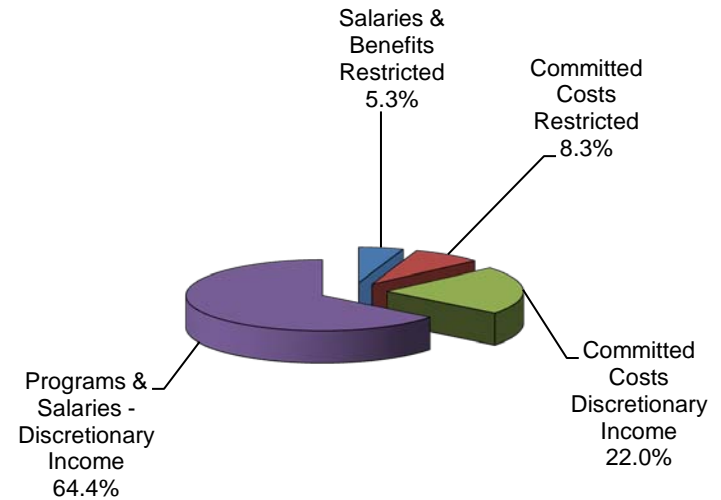
2010



2011 Expenses Fall Final

Salaries & Benefits Restricted	\$	230,456
Committed Costs Restricted	\$	361,103
Committed Costs Discretionary Income	\$	955,110
Programs & Salaries Discretionary Income	\$	2,802,631
	\$	4,349,300

2011



Salaries & Benefits (restricted) --diocesan and suffragan bishops, partial funding of printer and finance personnel.

Committed Costs (restricted) --various expenses paid for by restricted investment income.

Committed Costs (discretionary income) --National Church apportionment, St. Mark's Partnership, Province VIII assessment, Millenium Development Goals, Standing Committee, Commission on Ministry, legal & audit costs, Diocesan Council, Board of Directors, Convention, property/liability insurance, and Medicare supplement.

Program Areas & Salaries (discretionary income) --most program expenses & diocesan staff positions are paid for by unrestricted income.

Revenue Assumptions

Line/Reference	Description	2011 Estimate Fall -- Final	% increase/ decrease from 2010 Budget	2011 Estimate Spring	2011 Estimate Winter	2010 Approved Budget	2009 Actual	2008 Actual
1	Assessments: 20% rate -- 2004-06; 18% rate--2007 & on	3,950,000	0.00%	3,950,000	3,950,000	3,950,000	3,461,396	3,340,126
2	Less Non-Pay Shortfall (Projected): 8%--2010 & 2011	-316,000	0.00%	-316,000	-316,000	-316,000		
3	NDI Inkind Grants Back	0	-100.00%	0	0	-32,000		
4	Prior Years' Assessments	50,000	0.00%	50,000	50,000	50,000	86,207	77,884
5	Total Assessment Income	3,684,000	0.88%	3,684,000	3,684,000	3,652,000	3,547,603	3,418,010
	Unrestricted Investment Income							
6	Hodges	2,500	0.00%	2,500	2,500	2,500	2,500	3,750
7	Henry	78,917	36.28%	78,917	78,917	57,910	90,439	98,343
8	Thanksgiving	11,560	315.83%	11,560	11,560	2,780	6,474	4,725
9	Total Unrestricted Income	92,977	47.14%	92,977	92,977	63,190	99,413	106,818
	Restricted Investment Income							
10	Christiansen (line 146)	8,477	36.29%	8,477	8,477	6,220	9,715	10,564
11	Clapp (line 68)	31,668	36.27%	31,668	31,668	23,239	36,292	39,464
12	Clergy Emergency (line 145)	13,210	36.28%	13,210	13,210	9,693	15,138	16,461
13	College Work (line 82)	9,865	36.28%	9,865	9,865	7,239	11,305	12,292
14	Episcopate Endowment #1 (line 132, 136)	139,396	36.27%	139,396	139,396	102,291	159,748	173,711
15	Episcopate Endowment #2 (line 136, 147, 148, 177)	68,000	12.41%	68,000	68,000	60,491	69,092	76,012
16	McDonald (Huston scholarships)	-	0.00%	-	-	0	140	-83
17	Mission Ministry Fund (line 57)	35,000	66.49%	35,000	35,000	21,022	29,641	25,538
18	Phillips Fund	15,477	36.48%	15,477	15,477	11,340	17,677	19,951
19	Pruden Fund (clergy residency fund) (line 67)	687	36.31%	687	687	504	787	855
20	St. Bernard's Chapel (line 195)	1,027	36.21%	1,027	1,027	754	1,177	1,280
21	Theological Education (line 144)	26,600	36.28%	26,600	26,600	19,519	30,483	33,147
22	Working Capital Trust	4,905	-53.52%	4,905	4,905	10,553	0	2,254
23	Human Need Endowment (line 129)	6,791	37.55%	6,791	6,791	4,937	6,662	9,500
24	Total Restricted Income	361,103	29.99%	361,103	361,103	277,802	387,857	420,946

Revenue Assumptions

Line/Reference	Description	2011 Estimate Fall -- Final	% increase/ decrease from 2010 Budget	2011 Estimate Spring	2011 Estimate Winter	2010 Approved Budget	2009 Actual	2008 Actual
Other Income								
25	Bank and Other Income	10,000	-50.00%	10,000	28,000	20,000	29,588	47,605
26	Transfers and Grants	-	0.00%	-	-	-	25,790	0
27	Transfers - Ethnic Ministries	-	0.00%	-	-	-	0	
28	Insurance Administration (line 160, 163)	35,000	40.00%	35,000	35,000	25,000	25,000	45,500
29	Total Other Income	45,000	0.00%	45,000	63,000	45,000	80,378	93,105
Fees, Tuitions, and Reimbursements								
30	Print Shop (line 107, 110)	24,000	14.29%	24,000	24,000	21,000	23,967	28,395
31	Printer 20% (Cathedral) (line 107)	-	0.00%	-	-	-	6,605	12,644
32	DSOMAT/Adult Education (line 79)	2,100	-76.67%	2,100	2,100	9,000	9,600	9,150
33	Youth Events (line 81)	17,000	-29.17%	17,000	17,000	24,000	17,725	23,225
34	Emerging Mission (line 85)	5,000	150.00%	5,000	5,000	2,000	0	0
35	Multi-cultural Ministry (line 97)	20,000	100.00%	20,000	20,000	10,000	0	0
36	Evangelism (line 72)	1,000	-66.67%	1,000	1,000	3,000	0	0
37	Governance (line 173)	20,000	2.56%	20,000	20,000	19,500	30,208	0
38	College for Congregational Develop. (line 60)	57,120	24.75%	57,120	57,120	45,788	47,057	0
39	Diocese of Eastern Oregon (line 150, 151)	-	-100.00%	-	-	25,680	38,500	0
40	Grant and DIF Administration (line 158, 159)	20,000	37.93%	20,000	20,000	14,500	13,345	10,500
41	Total Fees, Tuitions, etc.	166,220	-4.73%	166,220	166,220	174,468	187,007	83,914
Unrestricted Reserve								
42	Transfer from (to) Unrestricted Reserve		0.00%			-	-	-
43	Transfer from (to) U/R for Bishop's Initiatives*	-	-100.00%	-	-	100,000	-	-
44	Total Revenues Projected/Used:	4,349,300	0.85%	4,349,300	4,367,300	4,312,460	4,302,258	4,122,793
45	**Unrestricted Reserve balance (end of year)	250,982		250,982	250,982	250,982	350,982	838,250

Expenses

Line/Reference	Description	2011 Requests Fall -- Final	% increase/ decrease from 2010 Budget	2011 Requests Spring	2011 Requests Winter	2010 Approved Budget	2009 Actual	2008 Actual
Supporting the Broader Church								
<i>Wider Church Covenants</i>								
46	Nat'l Church Apportionment	599,110	-13.76%	599,110	599,110	694,679	686,074	693,184
47	St. Mark's Cathedral Partnership	75,000	0.00%	75,000	75,000	75,000	100,000	100,000
48	Province VIII Assessment	10,000	-33.33%	10,000	15,000	15,000	23,500	23,328
49	WA Assoc of Churches	10,000	-50.00%	10,000	20,000	20,000	20,000	20,000
50	Ecumenical and Interfaith	250	0.00%	250	250	250	1	-
51	Total Supporting the Broader Church	694,360	-13.74%	694,360	709,360	804,929	829,575	836,512
Empowering Congregations								
<i>Program for Ministry</i>								
• Congregational Development								
52	Canon for Cong. Development (50% FTE) compensation package	45,000	0.00%	45,000	45,000	45,000	45,000	-
53	Assistant (25%FTE) salary	10,000	0.00%	10,000	10,000	10,000	5,183	-
54	Total Benefits for above positions	4,830	0.00%	4,830	4,830	4,830	5,392	-
55	Grants to Congregations (includes \$25k reserve)	370,000	13.15%	370,000	470,000	327,000	327,000	252,207
56	Grants from U/R Bequests (matches bequests received each year)**	-		-	-	-	25,789	
57	NDI Inkind Grant Backs	-	0.00%	-		(moved to Revenue)	-	
58 Line 17	Bishop Directed Grants **	35,000	66.49%	35,000	35,000	21,022	40,000	89,439
59	Congregation Consulting Network	8,500	750.00%	8,500	8,500	1,000	3,308	
60	Canon for Cong. Dev. General Office	6,500	0.00%	6,500	6,500	6,500	4,998	
61 Line 38	College for Congregational Development *	115,900	36.35%	115,900	128,900	85,000	60,370	
62	Subtotal	595,730	19.06%	595,730	708,730	500,352	517,040	341,646
• Supporting Congregations								
63	Total Common Missioner (50% FTE) salary	40,000	0.00%	40,000	40,000	40,000	19,799	
64	Total Benefits for above position	728	0.00%	728	728	728	145	
65	Total Common Ministry Program	6,650	-43.16%	6,650	6,650	11,700	6,100	-
66	Clergy Residency Program -	106,000	92.73%	106,000	156,000	55,000	-	
67	Support for Congregations --	63,500	25.87%	63,500	63,500	50,450	37,973	88,028
68 Line 19	Clergy Residency **	687	36.31%	687	687	504		660
69 Line 11	Bond Support Grant - Battle Ground **	23,239	0.00%	23,239	23,239	23,239	27,536	24,620
70	Subtotal	240,804	32.59%	240,804	290,804	181,621	91,553	113,308

Expenses

Line/Reference	Description	2011 Requests Fall -- Final	% increase/ decrease from 2010 Budget	2011 Requests Spring	2011 Requests Winter	2010 Approved Budget	2009 Actual	2008 Actual
	• Evangelism and Growth							
71	TV Eucharist	16,000	0.00%	16,000	16,000	16,000	16,000	16,000
72	COTA salary support	10,000	-33.33%	10,000	10,000	15,000	15,000	15,000
73	Line 36 Evangelism Program -- *	27,500	39.59%	27,500	27,500	19,700	27,201	23,621
74	Subtotal	53,500	5.52%	53,500	53,500	50,700	58,201	54,621
	• Faith Formation							
75	Canon for Youth & Young Adults salary	60,646	0.00%	60,646	60,646	60,646	62,465	60,646
76	Director of Diocesan Resource Center salary (50% FTE)	18,620	0.00%	18,620	18,620	18,620	19,550	21,723
77	Faith Nexus Navigator, salary (50% FTE)	-	0.00%	(in Compensation Reserve Line 185)			28,675	48,776
78	Project Coordinator salary (75% FTE)	29,791	0.00%	29,791	29,791	29,791	31,281	29,791
79	Total Benefits for above positions	42,966	0.00%	42,966	42,966	42,966	59,290	55,799
80	Line 32 Faith Formation -- Adult Resources*	40,000	8.70%	40,000	43,640	36,800	33,403	32,886
81	New Distance Learning/Meeting Package	0	-100.00%	0	16,000	0		
82	Line 33 Faith Formation -- Youth & Young Adults*	43,000	-18.41%	43,000	46,700	52,700	35,397	40,379
83	Line 13 College Work/UW *	65,000	25.00%	65,000	65,000	52,000	52,000	50,000
84	College Work/Bellingham WWU	40,000	14.29%	40,000	50,000	35,000	10,000	0
85	Subtotal	340,023	3.50%	340,023	373,363	328,523	332,061	340,000
	• Emerging Mission							
86	Line 34 Emerging Mission *	30,000	0.00%	30,000	45,000	30,000	20,000	0
87	Subtotal	30,000	0.00%	30,000	45,000	30,000	20,000	0
	• Multi-Cultural Ministries							
88	Canon for Multi-Cultural Ministries salary (50% FTE in 2010)	15,000	-56.62%	15,000	34,579	34,579	71,232	69,158
89	Administrative Assistant salary (50% FTE)	22,289	0.00%	22,289	22,289	22,289	22,645	35,945
90	Total Benefits for above positions	14,000	-29.83%	14,000	19,952	19,952	25,762	30,179
91	African American Committee	-	-	-	3,000	3,000	3,000	944
92	Anti-Racism Training Team	-	-	-	9,000	9,000	8,410	8,666
93	Cambodian - Holy Family of Jesus	46,000	0.00%	46,000	46,000	46,000	46,000	45,600
94	Chinese Ministry - Holy Apostles	-	-	-	5,000	5,000	5,000	4,446
95	Resurrecion-Mt Vernon (moved from Grants to Congregations)	30,000	-9.09%	30,000	30,000	33,000	33,000	33,000
96	First Nations Committee	-	-	-	3,500	3,500	3,501	2,105
97	Indo-Hispanic Ministry Committee	-	-	-	16,000	16,000	16,000	13,521
98	Sudanese Committee	-	-	-	1,500	1,500	1,500	709
99	Line 35 Commission for Multi-Cultural Ministries *	-	-	-	10,000	10,000	16,172	16,802
100	Lines 91-92, 94, 96-99 (2011) requests reduced by \$8000 in final budget	40,000	-16.67%	40,000				
101	Subtotal	167,289	-17.92%	167,289	200,820	203,820	252,222	261,075

* partially funded by restricted funds

**fully funded by restricted funds

Expenses

Line/Reference	Description	2011 Requests Fall -- Final	% increase/ decrease from 2010 Budget	2011 Requests Spring	2011 Requests Winter	2010 Approved Budget	2009 Actual	2008 Actual
	• Stewardship and Planned Giving							
102	Canon for Planned Giving/Stewardship/Evangelism salary	80,862	0.00%	80,862	80,862	80,862	83,288	80,862
103	Administrative Assistant salary (86% FTE in 2010)	32,090	0.00%	32,090	32,090	32,090	33,696	31,287
104	Total Benefits for above positions	42,912	0.00%	42,912	42,912	42,912	42,633	37,553
105	S & PG Program --	43,600	17.58%	43,600	43,600	37,080	44,785	45,426
106	Subtotal	199,464	3.38%	199,464	199,464	192,944	204,402	195,128
	• Communications							
107	Director of Diocesan Communications salary	55,327	0.00%	55,327	55,327	55,327	56,987	55,327
108	Publications Coordinator salary (40% FTE in 2010/2011)	26,000	0.00%	26,000	26,000	26,000	37,492	41,163
109	Information Systems Coordinator		0.00%	(moved to line 138)				53,199
110	Line 30, 31 Print Shop Coordinator salary * (84% FTE in 2010/2011)	37,793	0.00%	37,793	37,793	37,793	55,268	52,906
111	Total Benefits for above positions	47,394	0.00%	47,394	47,394	47,394	45,724	57,164
112	Communications Program --	84,575	0.68%	84,575	84,575	84,000	110,915	98,390
113	Line 30 Print Shop **	12,000	-40.00%	12,000	12,000	20,000	8,383	18,892
114	Subtotal	263,089	-2.74%	263,089	263,089	270,514	314,769	377,041
	• Bishop's Initiatives							
115	Bishop's Initiatives	30,000	-54.11%	30,000	150,000	65,375	299,730	0
116	Subtotal	30,000	-54.11%	30,000	150,000	65,375	299,730	0
117	Total Empowering Congregations	1,919,899	5.27%	1,919,899	2,284,770	1,823,849	2,089,978	1,682,819
	Specialized Ministries/Church in the World							
118	Commission for Church in the World Program --	8,640			9,000	9,081	18,899	22,578
119	Bishop's Committee for the Environment	6,902			7,350	7,125	9,982	11,839
120	Walk in Love: Response to AIDS	2,817			3,000	3,000	2,500	2,000
121	Committee on Alcohol and Substance	3,334			3,550	3,075	2,500	1,272
122	Bishop's Committee for Israel/Palestine	9,391			10,000	9,375	12,488	10,038
123	Jubilee Ministry Network	1,127			1,200	1,200	1,500	1,125
124	Committee for Economic Justice	1,878			2,000	1,875	2,500	749
125	Greater Seattle Cares	3,874			4,125	3,750	0	
126	Integrity Puget Sound	1,409			1,500	1,125	0	
127	Refugee Resettlement	8,099			8,625	8,625	7,200	6,000
128	St. James Family Center	1,056			1,125	1,125	1,500	1,500
129	The Mission to Seafarers	4,695			5,000	3,000	2,800	2,800
130	Earth Ministries	1,878			2,000	2,000	0	

Expenses

Line/Reference	Description	2011 Requests Fall -- Final	% increase/ decrease from 2010 Budget	2011 Requests Spring	2011 Requests Winter	2010 Approved Budget	2009 Actual	2008 Actual
131	Global Mission	-	-		-	300	0	
132	<i>Lines 118-131 (2011) requests reduced by \$3375 in final budget</i>		0.81%	55,100				
133	Line 23 Emergency Assistance Grants **	6,791	37.55%	6,791	6,791	4,937	6,900	9,500
134	Millennium Development Goals	33,550	19.96%	33,550	33,550	27,968	23,569	26,681
135	Total Specialized Ministries	95,441	9.00%	95,441	98,816	87,561	92,338	96,082
	Canonical and Corporate Expenses							
	• Diocesan Bishop's Office							
136	Line 14 The Bishop's salary **	127,630	0.00%	127,630	127,630	127,630	131,127	131,127
137	Executive Assist to the Bishop salary	56,000	0.00%	56,000	56,000	56,000	56,679	51,784
138	Internet Strategist salary	60,000	0.00%	60,000	60,000	60,000	54,795	
139	Secretary for Vocations salary (40% FTE)	20,280	0.00%	20,280	20,280	20,280	7,605	
140	Line 14, 15 Total Benefits for above positions *	76,980	7.00%	76,980	76,980	71,947	84,989	62,398
141	Bishop's Office Program	75,000	0.00%	75,000	75,000	75,000	81,243	66,138
142	Commission on Ministry	10,000	0.00%	10,000	10,000	10,000	9,579	
143	Ministry Discernment	8,000	0.00%	8,000	8,000	8,000	7,414	
144	New IT Consultations	26,100	100.00%	26,100	26,100	-		
145	New IT General Office	39,000	100.00%	39,000	39,000	-		
146	New Diaconal Formation	3,600	100.00%	3,600	3,600	-		
147	Office of the Archdean - General	6,695	115.97%	6,695	6,695	3,100		
148	Line 21 Theological Education **	26,600	36.28%	26,600	26,600	19,519	19,597	55,918
149	Line 12 Clergy Emergency Grants **	13,210	36.28%	13,210	13,210	9,693	22,301	12,062
150	Line 10 Christiansen Grants **	8,477	36.29%	8,477	8,477	6,220	9,514	16,151
151	Line 15 Lambeth Conference Reserve **	2,500	0.00%	2,500	2,500	2,500	4,000	4,000
152	Line 15 Bishop Search Reserve **	10,000	0.00%	10,000	20,000	10,000	20,000	10,000
153	Subtotal	570,072	18.79%	570,072	580,072	479,889	508,843	409,578
	• Bishops Suffragan's Office							
154	Line 39 Bishops Suffragan's salary * (S&B January 2010)	-	-100.00%	-	-	9,500	114,000	114,000
155	Line 39 Total Benefits * included above	-	-100.00%	-	-	2,658	31,421	31,135
156	Bishop Suffragan Program --	-	-100.00%	-	-	19,500	29,715	43,899
157	Subtotal	0	-100.00%	0	0	31,658	175,136	189,034

* partially funded by restricted funds

**fully funded by restricted funds

Expenses

Line/Reference	Description	2011 Requests Fall -- Final	% increase/ decrease from 2010 Budget	2011 Requests Spring	2011 Requests Winter	2010 Approved Budget	2009 Actual	2008 Actual
	• Canon to the Ordinary's Office							
158	Canon to the Ordinary salary	85,000	0.00%	85,000	85,000	85,000	82,400	79,402
159	Total Benefits for above position	27,951	0.00%	27,951	27,951	27,951	26,967	26,111
160	Canon to the Ordinary Program --	26,400	-12.29%	26,400	26,400	30,100	50,302	32,080
161	Subtotal	139,351	-2.59%	139,351	139,351	143,051	159,669	137,593
	• Treasurer's Office							
162 Line 40	Canon for Finance salary *	71,286	0.00%	71,286	71,286	71,286	73,425	71,286
163 Line 40	Accounting Manager salary *	55,000	0.00%	55,000	55,000	55,000	56,650	55,000
164 Line 28	Insurance & Finance Assistant salary *	37,145	0.00%	37,145	37,145	37,145	38,942	35,945
165	Total Benefits for above positions	48,685	0.00%	48,685	48,685	48,685	48,755	46,910
166	Treasurer's Office Program --	24,000	10.22%	24,000	24,000	21,775	18,962	17,338
167 Line 28	Insurance General **	2,600	0.00%	2,600	2,600	2,600	1,665	2,374
168	Subtotal	238,716	0.94%	238,716	238,716	236,491	238,399	228,853
	• Archives							
169	Archivist & Records Manager salary (60% FTE)	25,535	0.00%	25,535	25,535	25,535	26,812	25,535
170	Total Benefits	16,878	0.00%	16,878	16,878	16,878	16,611	16,095
171	Archives & Records Management Program --	9,500	18.75%	9,500	9,500	8,000	10,076	9,309
172	Subtotal	51,913	2.98%	51,913	51,913	50,413	53,499	50,939
	• Diocesan Governance							
173	Bishop's Executive for Governance & Conv. salary (75% FTE)	41,125	25.00%	41,125	41,125	32,900	42,359	41,125
174	Total Benefits	12,371	0.00%	12,371	12,371	12,371	13,704	13,328
175	Governing Bodies (reserve transfer)	-	-	-	-	0		0
176	Governance-Legal, Audit	63,450	6.64%	63,450	63,450	59,500	51,914	49,927
177 Line 37	Governance Program *	89,300	-1.11%	89,300	99,300	90,300	87,426	53,409
178	Representative for Property	24,000	0.00%	24,000	24,000	24,000	24,000	24,000
179	Subtotal	230,246	5.10%	230,246	240,246	219,071	219,403	181,789
180	• Other Governance Program --	14,000	4.48%	14,000	15,000	13,400	12,920	11,667
181 Line 15	Cathedral Dean Search Reserve **	2,500	0.00%	2,500	2,500	2,500	2,500	2,500
182	Subtotal	16,500	3.77%	16,500	17,500	15,900	15,420	14,167
	• Property and Liability Insurance							
183	Property/Liability Insurance Premium	65,000	8.33%	65,000	65,000	60,000	55,590	55,466
184	Subtotal	65,000	8.33%	65,000	65,000	60,000	55,590	55,466

Expenses

Line/Reference	Description	2011 Requests Fall -- Final	% increase/ decrease from 2010 Budget	2011 Requests Spring	2011 Requests Winter	2010 Approved Budget	2009 Actual	2008 Actual
	• Benefits							
185	Compensation/Benefits Reserves (med ins changes/staff changes/unallocate	94,626	-20.61%	94,626	121,000	119,195	33,149	8,772
186	Unemployment Reserve	15,500	0.00%	15,500	15,500	15,500		
187	Medicare Supplement	42,000	0.00%	42,000	42,000	42,000	45,289	40,624
188	Subtotal	152,126	-13.90%	152,126	178,500	176,695	78,438	49,396
189	Total Canonical/Corporate Expenses	1,463,924	3.59%	1,463,924	1,511,298	1,413,168	1,504,397	1,316,815
	Trustee Expenses							
	• Diocesan House							
190	Receptionist salary	29,108	0.00%	29,108	29,108	29,108	30,564	29,108
191	Total Benefits for above positions	11,167	0.00%	11,167	11,167	11,167	11,110	31,207
192	Maintenance services	25,524	0.00%	25,524	25,524	25,524	59,938	35,293
193	Casual Labor	2,000	0.00%	2,000	2,000	2,000	2,163	1,654
194	Diocesan House General	26,850	3.67%	26,850	26,850	25,900	32,834	34,599
195	Plant Services General	75,000	-4.46%	75,000	75,000	78,500	64,245	69,930
196	Subtotal	169,649	-1.48%	169,649	169,649	172,199	200,854	201,791
	• Other Trustee Expenses							
197	St. Andrew's House Deferred Maintenance	5,000	-50.00%	5,000	10,000	10,000	0	0
198	St. Andrew's House Operating Budget ministry support	0	100.00%	0	14,000	0	0	0
199 Line 20	St. Bernard's Chapel **	1,027	36.21%	1,027	1,027	754	0	0
200	Subtotal	6,027	-43.96%	6,027	25,027	10,754	0	0
201	Total Trustee Expenses	175,676	-3.98%	175,676	194,676	182,953	200,854	201,791
202	TOTAL EXPENSES	4,349,300	0.85%	4,349,300	4,798,920	4,312,460	4,717,142	4,134,019
203	TOTAL REVENUES	4,349,300	0.85%	4,349,300	4,367,300	4,312,460	4,302,258	4,122,793
204	Net Surplus or (Deficit)	-		-	(431,620)	-	(414,884)	(11,226)

*** NOTE for 2009: The expected deficit for the 2009 budget year was \$400,000, which included \$300,000 for Bishop's Initiatives drawn from the U/R reserve

Narrative for program requests

Wider Church Covenants (line 46-51)

Includes support for our shared ministry through the asking for the *National Church (46)* (based on a formula approved by the triennial General Convention of the Episcopal Church), support for *Province VIII (48)* (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 (49)* (our faith-based state public policy education & advocacy network), our partnership with *St. Mark's Cathedral (47)*, and *ecumenical work (50)* in western Washington State.

Congregational Development (line 52-62)

The *College for Congregational Development (CCD) (61)* provides core training in congregational and organizational development aimed to provide clergy and lay leaders with the understanding and skills needed to develop congregations into healthier, more robust communities of faith grounded in Christian faith and practice within a living Anglican/Episcopal tradition; the College estimates \$57,120 in revenue from fees and registrations. Staff includes a half-time *Canon for Congregational Development (52)* and a 25%time *assistant (53)*. *Grants to Congregations (55)* provide funds to congregations in several areas: *Grants for growth* provide support to congregations in growing areas and are expected to continue for a number of years on a declining basis. Grants to congregations who have *historically received grants* will continue with specific steps identified to enable each to become financially independent. A *reserve* for special situations that may arise during the year will be administered by the Bishop Diocesan and Canon to the Ordinary. Members of the *Congregation Consulting Network (59)* act as trainers for the CCD and consult with congregations on a variety of topics. *General Office (60)* supports the work of this department. *Grants from unrestricted bequests (56)* will appear in prior year actual only when unrestricted bequests are received and dispersed in a given year. *Bishop-directed grants (58)* is fully funded by restricted income and is used by the bishop for special grants to ministries and congregations.

Supporting Congregations (line 63-70)

Congregations and the support of ministry through people, dollars and resources is the primary goal of this area. Activities and programs are under the oversight of the Canon to the Ordinary (line 158-161). The Total Common Ministry (TCM) program is designed to provide the sacraments and congregational life for those congregations that cannot afford fulltime or near fulltime seminary-trained clergy. The congregations have taken their life into their own hands, using the gifts and skills given by God to members of the congregation. Staff includes one TCM missionary – *TCM Missioner (63)* (50% FTE). *TCM program (65)* provides support for the TCM Missioner and participants including attendance at national meetings, travel around the diocese, and professional fees for Circle Modules. *Clergy Residency Program (66)* is a program in which the Diocese partners with a congregation to place a newly-graduated seminarian. Congregations are chosen by the Bishop to mentor and train newly-ordained priests. The congregation pays ½ of the cost and the diocesan budget pays ½ of the cost; this is envisioned as a two year program. *Clergy Residency (68)* and *Bond Support Battle Ground (69)* are fully funded by restricted income. *Support for Congregations (67)* includes a variety of support programs for congregations:

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| <ul style="list-style-type: none"> • Support for congregations in transition as well as support for interims and priests-in-charge. • Leadership development training for congregation leaders. • A one-day conference for congregation junior and senior wardens. • Misconduct consulting and settlement. | <ul style="list-style-type: none"> • MissionInsite—a demographic program available for free use by congregations and/or individuals. • Mediation and meeting expenses related to congregations in conflict. • Sponsorship of and support for clergy days. • Mandated abuse and misconduct prevention training for clergy and congregations. |
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Evangelism & Growth (line 71-74)

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. More than half of the evangelism budget supports two line items: one is the long-standing *TV Eucharist (71)* on KONG cable television, which uses Episcopal and Lutheran clergy and lay leaders with studio and taping donated by KING TV. The other is continued salary support for the pastor of *COTA (Church of the Apostles) (72)* in Fremont (reduced from \$15,000 to \$10,000 in 2011), a joint Lutheran/ Episcopal emerging congregation that continues to grow but which is saddled with considerable debt from purchase and renovation of a facility to live into their vision and mission. *Evangelism program (73)* anticipates \$1,000 in revenue and supports the following:

- Regional workshops with training for hospitality, evangelism, welcoming, telling our story; in partnership with regions and other diocesan commissions.
- Bring in nationally known speaker(s) on the cutting edge of how the church is changing and adapting, similar to Phyllis Tickel and Reggie McNeal who will visit in 2010.
- A new initiative started in 2010 to lend financial and staff support in a variety of ways to support emerging and specialized ministries the commission has expressed a desire to partner with that are connected to the Diocese of Olympia.
- Pastoral Care Committee pilot workshop with the objective of contributing to the development of personal care interface skills and a pastoral care newsletter.

Faith Formation (line 75-85)

The Faith Formation program offers training, education, consultation and resources for congregations with specific programs for children, youth, young adults, and adults. The DSOMAT (the Diocesan School for Ministry and Theology) is on hiatus and the vision and ministry of this program is under review. Funds for a half-time Dean (renamed Faith Nexus Navigator in 2010) are included in the Compensation/Benefits Reserve (185). Staff includes a fulltime *Canon for Youth and Young Adults (75)*, a three-quarter time *Project Coordinator (78)* and a halftime *Director of Diocesan Resource Center (76)*. *Faith Formation—Adult Resources (80)* anticipates revenues from fees & tuition of \$2,100, and includes funds to:

- Update curriculums and resources in the Diocesan Resource Center for Sunday school teachers.
- Provide for distance learning beginning fall 2010 with the possibility of regional distance learning centers.
- Train Sunday school teachers and children's education leaders.
- Support the DSOMAT Dean's site visits to congregations and ecumenical work.
- Maintain the quality programs offered through the DSOMAT to educate adults in the faith and to equip them to live out their baptismal ministries through a variety of classes and workshops and through ministry trainings for worship leaders and Eucharistic visitors.
- Pay yearly fees for use of the EFM (Education for Ministry) program, a theological education program for the laity from the School of Theology of the University of the South (Sewanee, Tenn.).
- Provide funds for the annual Ministry Resource Day featuring 50+ workshops each year.
- Support the Diocesan Resource Center, which provides educational resources to aid and support the spiritual and ministerial growth of the people and congregations of the diocese.
- Support the general office budgets for the Faith Nexus Navigator and Director of Diocesan Resource Center.

Faith Formation—Youth and Young adults (82) targets youth, young adults and the leaders who work with and for them, anticipates revenues from fees of \$17,000, and includes:

- HYC (high school), JYC (junior high) and 6-Day youth conferences.
- Youth leadership training programs.
- Young adult ministry workshops, retreats and regional gatherings.
- A revamp of the music ministry.
- Update of conference training materials.
- Workshops at Ministry Resource Day.
- Support services and youth presence at our diocesan convention.
- Support of the office of Faith Formation and work of the Canon for Youth & Young Adults.

College Work/UW (83) supports Canterbury Campus Ministry at the University of Washington serving the spiritual, faith needs and concerns of college and university students through worship, service, community, evangelism, leadership development and spiritual discernment; some funds for this line item are provided through restricted investment income. *College Work/Bellingham (84)* provides for a new campus ministry placing a missionary at the University of Western Washington, Bellingham, who will work with those aged 35 and under. The focus is on innovative worship geared to a new generation, individual discernment of call and mission, spirituality, study of the bible and church teachings, environmental activism, and outreach. This budget will ensure a dedicated space and staff for this program. *Distance Learning/Meeting Package (New, 81)* would provide funds to set up learning centers in various parts of the diocese so that adult education may be offered via distance learning channels (this item is not funded in the final draft of the 2011 budget).

Emerging Mission (line 86-87)

The goal of this *Ministry (86)* is to support congregations in evangelical outreach in the emerging culture and among emerging generations, to develop and oversee a Pioneer Missioner program in the diocese matching 35 and under aged missionaries with innovative, mission-focused internship opportunities, to provide emerging mission consultation services to congregations and peer learning opportunities for diocesan clergy and lay leaders in emerging church and mission, to investigate and seek grant funding for a diocesan curacy program for under 35 aged priests, and to aid in the spiritual formation and missional deployment of younger adults around the Baptismal Covenant and Five Marks of Mission (from the ACC); the ministry area anticipates revenue of \$5,000 from grants.

Multi-Cultural Ministries (line 88-101)

The Commission for Multi-Cultural Ministries and the Canon for Multi-Cultural 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 Commission anticipates \$20,000 in revenue. Currently 10 ministries of color are supported: five Hispanic, three Asian-American and two Sudanese. It also supports four congregations that are developing into multi-cultural parishes. Staff include a one-quarter time *Canon for Multi-Cultural Ministries (88)* and a halftime *Administrative Assistant (89)*. *African-American Ministry (91)* encourages the involvement of African-American people in the total life of the Church, sponsors the curacy for color ministry, and brings African-Americans together to celebrate their rich heritage and to establish bridges of understanding with the larger community. Goals of the *Anti-Racism Training Team (92)* are to increase awareness and consciousness about the sin of racism, to encourage congregations to take intentional steps to include persons of color in the life of the church, and to encourage the recruitment, training and employment of clergy and lay leaders of color. The *Cambodian Ministry (93)*, Holy Family of Jesus, Tacoma, provides spiritual nourishment, addresses the social needs of the surrounding community and supports the activities of the Korean Cultural Service Center. The *Chinese Ministry (94)*, Holy Apostles, Bellevue, provides numerous ministries within the congregation and within the greater Chinese community becoming a church without borders rather than merely an ethnic ministry and serving as a bridge between several languages and cultures. The mission of the *First Nations Committee (96)* is to encourage an appreciation of the presence of peoples of the First Nations, their spirituality and their ministry within the Diocese of Olympia. Work of the *Indo-Hispanic Ministry (97)* includes congregational development, formation and training for ministry, integration of this community into the broader diocesan structure and work, community building, facilitation of ministry development, and grants to Hispanic congregations. The *Sudanese Ministry (98)* supports two worshipping communities. The *Commission (99)* provides coordination and support for all multi-cultural ministries.

Stewardship and Planned Giving (line 102-106)

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 and development of a theology of giving in

gratitude for all that God has given us. Staff include a fulltime *Canon (102)* and 86%-time *Administrative Assistant (103)*. Goals of the *S&PG Program (105)* are to:

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| <ul style="list-style-type: none"> • Conduct stewardship-focused workshops with motivational tools and resources to improve year-round stewardship, annual campaigns, capital giving and legacy giving. • Support diocesan-wide campaigns including <i>We Will Stand With You</i>, <i>Episcopal Charities Appeal</i>, the <i>Student Scholarship Committee Appeal</i>, and other special appeals. • Focus the diocesan stewardship message around abundance and grateful, joyful giving by | <ul style="list-style-type: none"> providing teaching tools, training, homilies, and resources to congregations. • Introduce local legacy societies and the ministry of planned giving to at least five congregations. • Implement a new diocesan planned giving website with new resources and up-to-date marketing information for congregations and donors on how to leave legacy gifts for funding future mission and ministry. |
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Communications (line 107-114)

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. Funding includes one fulltime *Director of Diocesan Communications (107)*, and one parttime *Publications Coordinator (108)* staff in the communications department as well as a part-time *Print Shop Coordinator (110)*; a portion of the Print Shop Coordinator salary is reimbursed through restricted income. *Communications Program (112)* provides resources to:

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| <ul style="list-style-type: none"> • Provide consultation services for congregations and diocesan ministries. • Produce the FYI leadership newsletter, <i>Across the Diocese</i> e-mail newsletter and the annual <i>Diocesan Directory</i> (electronic version). • In collaboration with the Internet Strategist, provide continual update of and content for the diocesan website. • Manage public relations for the Office of the Bishop. | <ul style="list-style-type: none"> • Produce four print issues of the <i>Episcopal Voice</i> diocesan magazine and eight issues of the <i>Episcopal Voice</i> electronic newsletter, both of which include news and features from the wider Episcopal Church and Anglican Communion. • Investigate and implement a comprehensive audit of diocesan communications. • Expand use of electronic communications. • Increase the number of <i>Small and Simple Grants</i> to congregations. |
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The *Print Shop (113)* is fully funded by restricted income and provides in-house printing services for all diocesan departments, programs and ministries.

Bishop's Initiatives (line 115-116)

Past funding for the *Bishop's Initiatives (115)* line item in 2009 and 2010 from the unrestricted operating reserve has been used by the bishop to enable congregations to move forward with special projects that support their ministry and growth. Additional funding in this line item as part of the basic budget will continue this work.

Specialized Ministries/Church in the World (line 118-135)

The work of these ministries of justice and mercy are coordinated through the *Commission for the Church in the World (118)*; resources support diocesan and affiliated programs. The *Millennium Development Goals (134)* (MDGs) (adopted at the 2005 convention) designates 0.7% of the annual diocesan unrestricted budget to fund international relief and development programs. The *Bishop's Committee for the Environment (119)* promotes projects like the Earth Charter and Genesis Covenant. *Walk in Love: Episcopal Church Response to AIDS (120)* assists congregations with information and materials to respond to AIDS locally and internationally. The *Committee on Alcohol and Substance Abuse (CASA) (121)*, our diocesan response to the challenge of substance abuse in our communities, provides curriculum, training and consultation. The *Bishop's Committee for Israel/Palestine (122)*, by means of education, advocacy and prayer, supports our brothers and sisters in the Diocese of Jerusalem. The *Jubilee Ministry Network (123)* links the nine Centers in our diocese involved in advocacy, outreach, direct service and evangelism. *Economic Justice (124)* partners with church and community-based economic justice efforts providing education and support. *Greater Seattle Cares (125)* serves as a bridge

between residents of Tent City³ and local communities to provide for daily needs of residents. Meal services at Lambert House are provided through *Integrity/Puget Sound* (126). The Individual Development Account Program through the *Refugee Resettlement Office* (127) supports businesses created by the Jump Start Loan Fund. *St. James Family Center* (128) provides quality licensed childcare for children ages 5-12. The *Mission to Seafarers* (129) offers pastoral and material support to the workers on the many sailing vessels that visit Seattle as a port of call. *Earth Ministries* (130) provides a grant to bring the voice of the diocese to environmental issues being decided in the Washington State legislature and to support the involvement of Episcopalians in advocacy in Olympia. *Emergency Assistance Grants* (133) uses restricted funds to provide emergency grants in the area of human need.

Diocesan Bishop's Office (line 136-153)

The office of the Diocesan Bishop oversees the pastoral, administrative and programmatic work of the diocese. Staff includes a fulltime *Bishop Diocesan* (136) (fully funded by endowment income) a fulltime *Executive Assistant to the Bishop* (137), a fulltime *Internet Strategist* (new, 138), and a part-time *Secretary for Vocations* (139). Three reserve funds are built through yearly transfers from restricted funds (once at an agreed level the item reverts to \$0 until funds are expended): the *Lambeth Conference* (151) for attendance at the conference of bishops convened by the Archbishop of Canterbury every ten years; the *Consecration Reserve* (currently \$0) for the consecration of the next bishop diocesan; and the *Bishop Search* (152) for the next time it is necessary to call a new bishop diocesan. The *Commission on Ministry* (142), previously funded through the office of the Bishop Suffragan, carries out canonical obligations and assists the bishop in implementation of Title III of the national canons, in determination of present and future opportunities and needs for the ministry of baptized persons, and in design and oversight of the ongoing process for recruitment, discernment, formation for ministry, and assessment of readiness for ministry. *Ministry Discernment* (143), previously funded through the office of the Bishop Suffragan, supports the larger work of discernment for ministry, the support of those in the process toward ordination, the evaluation of those in the process, and the preparation for and celebrations of ordinations. *IT Consultations* (new, 144) provides funds for the Internet Strategist to work with congregations on technology, Internet and social networking opportunities. *IT General Office* (new, 145), supports the work of the Internet Strategist. *Diaconal Formation* (new, 146) and *Office of the Archdeacon – General* (147), supports the work of our volunteer Archdeacon. *Bishop's Office Program* (141) includes:

- The *Standing Committee* serves as a counsel of advice to the bishop as described in national and diocesan canons.
- *Pastoral Care of Clergy* funds the chaplains to the retired clergy, spouses and widows, remembrances at times of illness and celebration, and gatherings of retired clergy.
- Support for the work of the bishop diocesan locally, nationally and internationally.
- *Clergy Spouses and Partners* connects this group through communication and events.
- *Diaconal Presence* reimburses travel expenses for deacons who accompany bishops on visitations.
- *Episcopal Assistance* pays the honorarium and travel expenses on those occasions when the diocesan bishop invites another bishop to function for a particular reason on his behalf.

Theological Education Grants (148), *Clergy Emergency Grants* (149), and *Christiansen Grants* (150), are three restricted items fully funded by restricted income and administered by the Office of the Bishop according to the stipulations of each fund.

Bishop Suffragan's Office (line 154-157)

With the retirement of Bishop Suffragan Nedi Rivera this office is unfunded in 2011.

Canon to the Ordinary's Office (line 158-161)

The office of the Canon to the Ordinary assists the bishop in diocesan ministry and carries out the decisions and vision of the bishop. A fulltime *Canon to the Ordinary* (158) works with congregations in transition and congregations in conflict or with challenges, and also coordinates deployment and misconduct case management. A focus is to encourage and support clergy and leaders in congregations and to represent the values and vision of

the bishop diocesan. Program funds under oversight of this office appear in the Supporting Congregations (line 63-70) area of this budget document. *Canon to the Ordinary Program (160)* supports the work of this office.

Treasurer's Office (line 162-168)

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. In addition, this office audits the annual NDI reports from congregations, files state tax forms, and processes financial transactions and prepares reports for federal, state and local government grants. The diocesan medical, dental, property and liability insurances are also the responsibility of this office. The office trains and serves as a resource to congregation treasurers. Support is also provided to the Board of Directors and the board representative. Staff includes three fulltime positions (*Canon for Finance (162)*, *Accounting Manager (163)*, *Insurance and Finance Assistant (164)*) and a volunteer treasurer. Income is generated by this department. *Treasurer's Office Program (166)* and *Insurance General (167)* support the work of this department.

Archives and Records Management (line 169-172)

This is a canonically required program. The *Archivist and Records Manager (169)* (a part time, 60% position) 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 for making it available through written works, oral presentations, participating in professional forums and other mediums of communication. The mission of the *Archives & Records Management Program (171)* is to:

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| <ul style="list-style-type: none"> • Preserve the historical record. • Support the current ministry and community life of the diocese. • Serve the informational and records management needs of the diocese — including compliance with administrative, fiscal and legal requirements. | <ul style="list-style-type: none"> • Identify, collect, preserve and make available records of enduring value. • Aid congregations, ministries and institutions in the preservation and care of records through written guides, workshops and consultations. |
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Diocesan Governance (line 173-179)

This office provides support for the boards, committees, councils and events that provide overall leadership of the diocese, and anticipates \$20,000 in convention revenue. The budget process, work with regional ministry leadership and the work of the Committee on Constitution and Canons is also coordinated through this office. Staff includes a part-time (75%) *Bishop's Executive for Governance and Convention (173)*. A contracted *Representative for Property (178)* oversees the physical needs of the diocese's physical assets, represents the board in all property matters involving mission congregations, makes recommendations to the board regarding loan requests from mission congregations, advises the bishop on the financial viability of loans from outside sources requested by parish congregations and assists the bishop in making recommendations to the Standing Committee. *Governance—Legal, Audit (176)* provides funds 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. *Governance Program (177)* includes:

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| <ul style="list-style-type: none"> • The <i>Convention and Pre-Convention Gatherings</i> provide worship and fellowship opportunities for elected delegates and clergy from every congregation; members also discuss issues and resolutions and elect to diocesan offices. • The <i>Diocesan Council</i> is the convention-in-recess and as such is responsible for the programs and budget of the diocese. • <i>Commission on Church Architecture</i> provides advice and resources for congregations and institutions involved with building/construction projects. | <ul style="list-style-type: none"> • The <i>Board of Directors</i> manages the funds and real estate held by the diocesan corporation. • The <i>Liturgy and Arts Commission</i> is a resource for the bishop and diocese in all matters regarding worship, liturgy, music and the arts; members plan the worship for the annual convention and provide leadership through workshops. • Support for the <i>Personnel Commission</i> including increased funding for consulting and printing. • Administrative costs for the <i>Insurance Committee</i>. • General support for the Governance office. |
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Other Governance Program (line 180-182)

Other Governance Program (180) funds the production and distribution costs for the *Journal of Convention* and the diocesan *Constitution and Canons*. In addition, it includes a pool fund to cover *volunteer mileage* for programs and departments and the *General Convention Reserve*, which provides funds to send our deputation (eight deputies and two alternates – one in each of the lay and clergy order) to each triennial General Convention – the national church convention. The 2011 budget continues the three-year accrual for the 2012 General Convention. *Cathedral Dean Search Reserve (181)* is fully funded by restricted income and intended to be the diocesan contribution to the next Dean search at St. Mark's Cathedral.

Property & Liability Insurance (line 183-184)

Provides funding for the cost of property and liability coverage for the Liability, Directors and Officers, and non-owned auto for the diocesan corporation.

Benefits (line 185-188)

Compensation/Benefits Reserves (185) provides for the likelihood of an increase in insurance premiums for diocesan staff, particularly as we move to a mandated national insurance plan in 2011, as well as COLA salary increases; in 2011 this line item also includes unallocated salaries. *Medicare Supplement (187)* covers the majority of the cost of Medicare supplement policies for retired diocesan staff. *Unemployment Reserve (new, 186)* provides a reserve to cover unemployment costs (self-funded) for laid-off diocesan staff in accordance with 2008 convention action.

Diocesan House (line 190-196)

Diocesan House provides space and services to the staff of the Office of the Bishop, committees, commissions and organizations. The *Receptionist (190)* answers and directs calls, greets visitors, orders supplies, coordinates meeting space, arranges for equipment maintenance, prepares and distributes mail and provides miscellaneous clerical support. *Maintenance Services (192)* provides for a part-time staff person to maintain and repair Diocesan House and grounds. *Casual Labor (193)* provides funds to hire additional occasional assistance with repair and maintenance projects. *Diocesan House General (194)* provides funds to purchase office supplies for the Office of the Bishop, covers the phone bills, photocopier and fax machine contracts, and general office support for the receptionist. *Plant Services General (195)* funds Diocesan House maintenance, cleaning, security, upkeep of the yard and surrounding environment, custodial supplies, hospitality and kitchen supplies, gas, heat, electricity, and recycling.

St. Andrew's House (line 197-198)

St. Andrew's House on Hood Canal is a gathering space for retreats and workshops for congregations and organizations from across the diocese. The majority of funding for the approximately \$225,000 budget is generated through fees and reimbursements. For 2011 the facility has asked for a \$10,000 subsidy for deferred maintenance (reduced to \$5,000 in final budget), as well as additional ministry support in the amount of \$14,000 to allow SAH to re-assert itself into new markets and continue the trend of occupancy increases. Council has reduced the amount for operating support to \$0 and is asking SAH to work toward self sufficiency in all aspects, operating and maintenance over a period of years. The next Council annual retreat is to be held at SAH in December 2010, for the first time in many years.

Explanation of Changes 2010 to 2011 Final

Line/Reference	Description	Increase/ Decrease from 2010 Budget	2011 Budget Fall Final Draft	2010 Budget	Comments
46	Nat'l Church Apportionment	(95,569)	599,110	694,679	1% drop in national assessment rate as well as a deduction for increase in congregation grants in 2009.
48	Province VIII Assessment	(5,000)	10,000	15,000	Program under evaluation.
49	WA Assoc of Churches	(10,000)	10,000	20,000	Organization finances unclear and being evaluated.
55	Grants to Congregations (includes \$25k reserve)	43,000	370,000	327,000	Increased emphasis, despite less diocesan revenues available in 2010.
58 Line 17	Bishop Directed Grants **	13,978	35,000	21,022	Tied to restricted investment funds.
59	Congregation Consulting Network	7,500	8,500	1,000	Increased emphasis.
61 Line 38	College for Congregational Development *	30,900	115,900	85,000	Increased emphasis and continued improvement.
65	Total Common Ministry Program	(5,050)	6,650	11,700	Based on prior year's actual expenses.
66	Clergy Residency Program -	51,000	106,000	55,000	Increased emphasis to build up new program started in 2010.
67	Support for Congregations --	13,050	63,500	50,450	Increased emphasis.
72	COTA salary support	(5,000)	10,000	15,000	Reduced as congregation becomes more self sufficient.
73 Line 36	Evangelism Program -- *	7,800	27,500	19,700	Increased emphasis.
79 Line 31	Faith Formation -- Adult Resources* (includes MRD)	3,200	40,000	36,800	Increased emphasis.
82 Line 33	Faith Formation -- Youth & Young Adults*	(9,700)	43,000	52,700	Reduced to balance budget; Bishop will work to make up difference
83 Line 13	College Work/UW *	13,000	65,000	52,000	Increased emphasis.
84	College Work/Bellingham WWU	5,000	40,000	35,000	Increased emphasis to build up new ministry.
88	Canon for Multi-Cultural Ministries salary (50% FTE in 2010)	(19,579)	15,000	34,579	New model being implemented
90	Total Benefits for Canon for Multi-Cultural Ministries	(5,952)	14,000	19,952	New model being implemented
100	Ethnic Ministries Program Areas	(8,000)	40,000	48,000	Programs being evaluated.
105	S & PG Program --	6,520	43,600	37,080	Increased emphasis.
113 Line 30	Print Shop **	(8,000)	12,000	20,000	Program being phased out over time.
115	Bishop's Initiatives	(35,375)	30,000	65,375	Transition from use of unrestricted reserves to use of budget revenue
134	Millennium Development Goals	5,582	33,550	27,968	Based on size of overall budget (two years prior); larger in 2009 than 2008.
144 New	IT Consultations	26,100	26,100	-	New Internet Strategist consultations with congregations
145 New	IT General Office	39,000	39,000	-	Support for new Internet Strategist position
146 New	Diaconal Formation	3,600	3,600	-	New funding for diaconal formation program
147	Office of the Archdean - General	3,595	6,695	3,100	New (volunteer) position; new general program expenses
160	Canon to the Ordinary Program --	(3,700)	26,400	30,100	Based on prior year's actual expenses.
166	Treasurer's Office Program --	2,225	24,000	21,775	Slight increase for expected expenses
171	Archives & Records Management Program --	1,500	9,500	8,000	Slight increase for expected expenses
173	Bishop's Executive for Governance & Conv. salary (75% FTE)	8,225	41,125	32,900	Position was less than 75%FTE in 2010 based on employee medical condition
176	Governance-Legal, Audit	3,950	63,450	59,500	Slight increase for expected expenses
183	Property/Liability Insurance Premium	5,000	65,000	60,000	Slight increase for expected expenses
185	Compensation/Benefits Reserves (med ins changes/staff changes/unallocate)	(24,569)	94,626	119,195	Funds for DSOMAT position and potential increases in employee benefits
197	St. Andrew's House Deferred Maintenance	(5,000)	5,000	10,000	Support work on SAH deferred maintenance at reduced level