

***JOURNAL OF THE 38th ANNUAL MEETING OF
THE CONVENTION
THE EPISCOPAL DIOCESE OF HAWAI'I***



St. Andrew's Cathedral
Hilton Waikiki/Prince Kuhio
Honolulu, Hawai'i
October 20-21, 2006

JOURNAL OF THE 38th ANNUAL MEETING OF THE CONVENTION
THE EPISCOPAL CHURCH IN HAWAII

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Section I
Organization of the Episcopal Church and
Diocese of Hawai‘i Directory

ORGANIZATION OF THE EPISCOPAL CHURCH

Presiding Bishop	The Most Reverend Frank T. Griswold
Presiding Bishop-Elect	The Right Reverend Katharine Jefferts Schori
Episcopal Church Center Office	815 Second Avenue New York, New York 10017
The Presiding Bishop's Official Seat	National Cathedral of St. Peter and St. Paul Washington, D.C.
Province VIII President	The Right Reverend Harry Bainbridge

DIOCESE OF HAWAII DIRECTORY

(Province VIII)

Bishop	The Right Reverend Richard S.O. Chang
Canon to the Ordinary	The Rev. Canon Robert L. Fitzpatrick
Treasurer	Mr. Peter Pereira
Communications	The Rev. Liz Beasley
Chancellor	John A. Lockwood, Esq.
Vice Chancellor	Walter Beh II, Esq.
Deputy Vice Chancellors	Kevin Herring, Esq. Ray Kamikawa, Esq. Reid Nakamura, Esq. Wayne S. Yoshigai, Esq.
Hawaiian Church Chronicle Editor	The Rev. Liz Beasley
Historiographer	Mr. Stuart Ching
Registrar	Ms. Jan Horimoto
Episcopal Church Women	Ms. Louise Aloy
Head, St. Andrew's Priory	Ms. Marilyn Matsunaga
Episcopal Camp and Conference Center at Mokule`ia	68-729 Farrington Highway, Waialua HI 96791
Telephone	(808) 637-6241
Fax	(808) 637-5505
Website	www.campmokuleia.org
Office of the Bishop	229 Queen Emma Square, Honolulu HI 96813
Telephone	(808) 536-7776
Fax	(808) 538-7194
Diocesan Website	www.episcopalhawaii.org

STANDING COMMITTEE

(Expiration of Term)

Mr. John Decker, President

The Rev. Carol Arney	2006	Mrs. Mary Schulz	2006
The Rev. Liz Zivanov	2007	Mr. John Decker	2007
The Rev. Mary Lindquist	2008	Mr. Keane Akao	2008
The Rev. Morley Frech	2009	Mr. Chandler Rowe	2009

DIOCESAN COUNCIL

(Expiration of Term)

The Right Rev. Richard S.O. Chang, President

The Rev. William H. Allport II, Vice President

Mr. Peter C. Pereira, Treasurer

The Rev. Robert "Moki" Hino, Secretary

The Rev. Anthony Litwinski, Assistant Treasurer

Mr. William Watkins, Assistant Secretary

**Congregational Transformation
And Evangelism Department**

Mr. John Hawkins, Chair	2008
The Rev. Randy Albano	2006
Mr. Doug Edson	2006
Ms. Judi Greer	2008
Dr. Rhoda Hackler	2006
The Rev. Moki Hino	2008
Ms. Leslie Isaki	2006
Mr. Lot Lau	2007
The Rev. Anthony Litwinski	2008
Mr. Willis Moore	2006
Mr. William Watkins	2007

Resource Development Department

The Rev. Anthony Litwinski, Chair	2008
The Rev. William Allport	2007
Mr. Ferdinand Cajigal	2008
Mr. Judi Greer	2008
Ms. Cecilia Fordham	2007
Mr. William Lucas	2006

**Justice, Peace and Partnerships
Department**

Ms. Nancy Rowe, Chair	2006
The Rev. Teresa Bowden	2007
Mr. Ferdinand Cajigal	2008
Ms. Cecilia Fordham	2007
Mr. Richard Gerage	2006
Ms. Yvonne Kaiahua	2008
The Rev. Mary Koppel	2008
Mr. Duane Leach	2006
Mr. Pete Peterson	2007
Mr. Nelson Secretario	2007

Youth and Young Adults Department

The Rev. Hollis Wright, Chair	2006
The Rev. William Allport	2007
Mr. John Bernhard	2007
Ms. Amanda Doty	2008
Ms. Cynthia Foltz	2007
Mr. William Lucas	2006
Ms. Betty O'Brien	2008

Section II
Journal of Proceedings

JOURNAL OF PROCEEDINGS

Friday, October 20, 2006

WELCOME AND CALL TO ORDER: Following the Eucharist, Bishop Chang welcomed the clergy, delegates, and guests and called the Annual Meeting to order at 10:05 a.m. in St. Andrew's Cathedral.

The Bishop asked that all cell phones, pagers and other electronic devices be turned off.

QUORUM REPORT FROM THE CREDENTIALS COMMITTEE: Bishop Chang, President, called on the Chair of the Credentials Committee, Ms. Sandy Souza, for a quorum report. Ms. Souza reported that 27 of the 81 canonically resident and domiciled clergy constitute a quorum in the clerical order, and that 79 of the 156 lay delegates constitutes a quorum in the lay order. There being 68 clergy and 150 lay delegates registered, a quorum is established and present in each order for the transaction of business.

Bishop Chang declared the Convention duly constituted and open and ready for business.

Report from the Credentials Committee regarding congregations that had not paid their assessments in full by January 15, 2006. Ms. Souza presented the following motion, and moved its adoption:

BE IT RESOLVED, that the members of the lay delegation from Trinity-By-The Sea, such church now having paid in full its assessment for the fiscal year 2005, be admitted to seats and votes in this Annual Meeting of the Convention.

The motion, having been made on behalf of the Committee and requiring no second, carried by voice vote with the Rev. Morley Frech, Rector of Trinity-By-The-Sea, abstaining.

Ms. Souza reported that, with the delegates from Trinity-By-The Sea now being duly seated, the revised lay quorum is 81 of the 161 lay delegates, with 155 lay delegates present.

Report from the Credentials Committee regarding congregations that had not paid their assessments in full by January 15, 2006 and still have not done so. Ms. Souza presented the following motion, and moved its adoption:

BE IT RESOLVED, as recommended by the Diocesan Council, that the members of the lay delegations from Christ Memorial and Calvary be admitted to seats and votes in this Annual Meeting of the Convention.

The motion, having been made on behalf of the Committee and requiring no second, carried by voice vote.

Ms. Souza reported that, with the delegates from Christ Memorial and Calvary now duly seated, the revised lay quorum is 83 of the 164 lay delegates, with 162 lay delegates present.

INTRODUCTION OF GUESTS: Bishop Chang introduced the following guests who were presented with lei:

Guests:

The Rt. Rev. Edmond L. Browning, Retired

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Retiring and Departing Clergy:

The Rev. Tancredo Pastores and Elena Pastores, Resurrection and St. Columba's Episcopal Churches
The Rev. John Turner, St. Jude's Episcopal Church
The Rev. Susan Champion, St. Andrew's Priory School
The Rev. Peter Champion, Emmanuel Episcopal Church
The Rev. Morley Frech, Trinity-By-The-Sea Episcopal Church

Clergy New to the Diocese:

The Rev. William Miller, St. Michael and All Angels Episcopal Church
The Rev. Rick Vinson, Church of the Holy Nativity

Clergy Ordained since the last Annual Meeting

The Rev. Robert "Moki" Hino
The Rev. Craig Dolack
The Rev. David Gierlach and Ida Gierlach

Licensed/Visiting Clergy

The Rev. Richard Shields

The Convention also recognized and welcomed the Rt. Rev. Richard S.O. Chang, Mrs. Dee Chang, Mrs. Flora Chang, and Jack Lockwood, Chancellor. Bishop Chang received the Bishop's Lei, made especially for him by Eva Kum of St. Philip's Episcopal Church. Bishop Browning's lei was also the Bishop's Lei designed by Eva Kum. All of the lei presented were gifts from Eva Kum.

REPORT OF THE CREDENTIALS COMMITTEE: Ms. Souza presented a motion granting seat and voice to the following:

Licensed Clergy

The Rev. William Albinger
The Rev. Karen Perkins
The Rev. Sandy Honnold
The Rev. Joseph Pummill
The Rev. Richard Shields

Lay Members of Diocesan Council who are not Delegates

Ms. Cecilia Fordham Mr. Willis Moore
Ms. Rhoda Hackler Mr. Nelson Secretario

Lay Members of Standing Committee who are not Delegates:

Mr. Keane Akao Mr. Chandler Rowe

Chair of the Compensation Review Committee:

Mr. Austin Nako

The motion, having been made on behalf of the Committee and requiring no second, carried by voice vote.

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ANNOUNCEMENT OF APPOINTMENTS TO COMMITTEES OF THE CONVENTION: The President called on the Rev. Cn. Timothy Sexton, Chair of the Committee on the Dispatch of Business. Canon Sexton announced the appointments to the Committees of the Convention as printed in the Convention Information Booklet, and moved their acceptance. The motion, having been made on behalf of the Committee and requiring no second, carried by voice vote. **(Refer to Attachment A)**

ADOPTION OF THE AGENDA: Canon Sexton moved the adoption of the agenda as circulated. The motion, having been made on behalf of the Committee and requiring no second, carried by voice vote. **(Refer to Attachment B)**

THE AMENDMENT OF SECTION 1 OF ARTICLE XI OF THE CONSTITUTION OF THE DIOCESE OF HAWAII – RESOLUTION #4: The President called on Mr. Wayne Yoshigai, Chair of the Committee on Constitution and Canons, who moved adoption of Resolution No. 4 as presented. The motion, having been made on behalf of the Committee, required no second. A revision to the Constitution requires a 2/3 majority vote in each order and the concurrence of the Bishop. The motion carried unanimously in both orders. The Bishop concurred. Resolution #4 passed second reading. **(Refer to Attachment C)**

ADOPTION OF SPECIAL ORDERS OF BUSINESS: The President called on the Rev. Cn. Timothy Sexton, Chair of the Dispatch of Business Committee, who, on behalf of the committee, moved adoption of Special Order of Business for the Election of the Fifth Bishop of the Diocese of Hawai'i. Motion carried. The President provided an explanation of the election process. After each ballot a hymn will be sung, scripture read and a prayer will be offered, followed by silence until the report of the ballot results by the Elections Committee.

RECEIPT OF NOMINATIONS FOR ELECTION AS FIFTH BISHOP OF THE DIOCESE OF HAWAII: The President called on Dr. John Decker, President of the Standing Committee. Dr. Decker placed the candidates in nomination:

On behalf of the Standing Committee of the Diocese of Hawai'i, and in full confidence of the continuing guidance of the Holy Spirit, I place in nomination for election as the Fifth Bishop of Hawai'i:

The Rev. Canon Howard Anderson, PhD., President and Warden of Cathedral College of Washington National Cathedral;

The Rev. Canon Kathleen Cullinane, Associate Dean and Canon Missioner, Christ Church Cathedral, Indianapolis, Indiana;

The Rev. Canon Robert L. Fitzpatrick, Canon to the Ordinary, Office of the Bishop of Hawai'i;

The Rev. Dr. David C. Moore, Priest-in-Charge, St. Margaret's Church, Bellevue, Washington;

The Rev. David Y. Ota, Rector, St. Ambrose Church, Foster City, California; and

The Rev. Dr. Joy Rogers, Rector, St. Thomas Episcopal Church, Battle Creek Michigan.

The Rev. David Ota was nominated by petition. The other nominees were nominated by the Search Committee.

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The President reminded the members that only those who are registered delegates may be seated in the center section of the Cathedral. Seating assignments are printed in the Information Booklet.

FIRST BALLOT FOR ELECTION AS FIFTH BISHOP OF THE DIOCESE OF HAWAII: The President called on Ms. Lani Kaaihue, Chair of the Elections Committee. Ms. Kaaihue described the procedures for voting using the machine-counted ballots and introduced the floor tellers, ballot counters, and floor wardens:

Tellers for the Elections:

The Rev. David Baar	Ms. Alice Freitas
Ms. Lorna Johns	Mr. Brent Mizutani
Ms. Louise Aloy	Ms. Gloria Cajigal
Ms. Melanie Holt	Ms. Miliaulani Landgraf

Ballot Counters:

Ms. Nancy Minuth	Mr. Ernesto Pasalo
Ms. Tiani Santiago	Ms. Lee Carson
Ms Julie Simonton	Mr. Amado Yoro

Floor Wardens:

Ms. Pamela McCoy	Mr. Wayne Akana
Ms. Tessie Quebral	Mr. Dan Nelson
Ms. Diane Melvin	

At 10:43 a.m., the Chair instructed the members to begin voting. At 10:58 a.m., the President announced that the polls were closed. The ballots were collected and taken to a separate room to be counted.

REPORT ON THE FIRST BALLOT: The President called on Ms Lani Kaaihue, Chair of the Elections Committee, to report the results of the first ballot. The results were as follows:

	Clergy	Laity
Number of Votes Cast	68	161
Necessary for Election	35	82
The Rev. Howard Anderson received	19	58
The Rev. Kathleen Cullinane received	13	25
The Rev. Robert Fitzpatrick received	23	51
The Rev. David Moore received	2	6
The Rev. David Ota received	5	6
The Rev. Joy Rogers received	3	8
Spoiled ballots	3	7

SECOND BALLOT FOR ELECTION AS FIFTH BISHOP OF THE DIOCESE OF HAWAII: The President called on Ms. Lani Kaaihue, Chair of the Elections Committee. Ms. Kaaihue reminded the members of the procedures for voting.

The President announced that a representative of the Rev. Joy Rogers had withdrawn her name from consideration. At 11:47 a.m., the Chair instructed the members to begin voting. At 11:56 a.m., the President announced that the polls were closed. The ballots were collected and taken to a separate room to be counted.

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ANNOUNCEMENTS: The members were reminded that exhibits are on display in Davies Hall. Exhibits will be available only at the Cathedral and not at the hotel on Saturday.

RECESS FOR LUNCH: The Annual Meeting recessed for lunch at 12:00 p.m.

RECONVENE: The President called the Annual Meeting of the Convention back to order at 1:04 p.m.

QUORUM REPORT FROM THE CREDENTIALS COMMITTEE: Bishop Chang, President, called on the Chair of the Credentials Committee, Ms. Sandy Souza, for a quorum report. Ms. Souza reported that following registrations over the lunch recess, 167 lay delegates are now registered. Ms. Souza also announced a correction in the number of clergy present. Rather than 68, the number is 70.

REPORT ON THE SECOND BALLOT: The President called on Ms. Lani Kaaihue, Chair of the Elections Committee, to report the results of the second ballot. The results were as follows:

	Clergy	Laity
Number of Votes Cast	69	159
Necessary for Election	35	80
The Rev. Howard Anderson received	28	72
The Rev. Kathleen Cullinane received	9	16
The Rev. Robert Fitzpatrick received	29	65
The Rev. David Moore received	1	0
The Rev. David Ota received	1	3
The Rev. Joy Rogers received		withdrawn
Spoiled ballots	1	3

THIRD BALLOT FOR ELECTION AS FIFTH BISHOP OF THE DIOCESE OF HAWAII: The President called on Ms. Lani Kaaihue, Chair of the Elections Committee. Ms. Kaaihue reminded the members of the procedures for voting.

At 1:09 p.m., the Chair instructed the members to begin voting. At 1:20 p.m., the President announced that the polls were closed. The ballots were collected and taken to a separate room to be counted.

REPORT ON THE THIRD BALLOT: The President called on Ms. Lani Kaaihue, Chair of the Elections Committee, to report the results of the third ballot. The results were as follows:

	Clergy	Laity
Number of Votes Cast	69	166
Necessary for Election	35	84
The Rev. Howard Anderson received	30	88
The Rev. Kathleen Cullinane received	2	7
The Rev. Robert Fitzpatrick received	36	70
The Rev. David Moore received	0	1
The Rev. David Ota received	0	0
The Rev. Joy Rogers received		withdrawn
Spoiled ballots	1	0

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FOURTH BALLOT FOR ELECTION AS FIFTH BISHOP OF THE DIOCESE OF HAWAII:

The President called on Ms. Lani Kaaihue, Chair of the Elections Committee. Ms. Kaaihue reminded the members of the procedures for voting.

At 1:43 p.m., the Chair instructed the members to begin voting. At 1:52 p.m., the President announced that the polls were closed. The ballots were collected and taken to a separate room to be counted.

REPORT ON THE FOURTH BALLOT: The President called on Ms. Lani Kaaihue, Chair of the Elections Committee, to report the results of the fourth ballot. The results were as follows:

	Clergy	Laity
Number of Votes Cast	68	167
Necessary for Election	35	84
The Rev. Howard Anderson received	32	90
The Rev. Kathleen Cullinane received	0	3
The Rev. Robert Fitzpatrick received	36	73
The Rev. David Moore received	0	1
The Rev. David Ota received	0	0
The Rev. Joy Rogers received		withdrawn
Spoiled ballots	0	0

FIFTH BALLOT FOR ELECTION AS FIFTH BISHOP OF THE DIOCESE OF HAWAII:

The President called on Ms. Lani Kaaihue, Chair of the Elections Committee. Ms. Kaaihue reminded the members of the procedures for voting.

At 2:16 p.m., the Chair instructed the members to begin voting. At 2:25 p.m., the President announced that the polls were closed. The ballots were collected and taken to a separate room to be counted.

REPORT ON THE FIFTH BALLOT: The President called on Ms. Lani Kaaihue, Chair of the Elections Committee, to report the results of the fifth ballot. The results were as follows:

	Clergy	Laity
Number of Votes Cast	69	166
Necessary for Election	35	84
The Rev. Howard Anderson received	30	90
The Rev. Kathleen Cullinane received	0	1
The Rev. Robert Fitzpatrick received	36	73
The Rev. David Moore received	0	0
The Rev. David Ota received	0	0
The Rev. Joy Rogers received		withdrawn
Spoiled ballots	3	2

SIXTH BALLOT FOR ELECTION AS FIFTH BISHOP OF THE DIOCESE OF HAWAII:

The President called on Ms. Lani Kaaihue, Chair of the Elections Committee. Ms. Kaaihue reminded the members of the procedures for voting.

The President informed the membership that the Rev. David Ota had withdrawn his name from consideration. At 2:48 P.m., the Chair instructed the members to begin voting. At 2:56 p.m., the President announced that the polls were closed. The ballots were collected and taken to a separate room to be counted.

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RECESS: Bishop Chang declared the meeting in recess at 2:58 p.m.

RECONVENE: The meeting was called back to order at 3:21 p.m.

REPORT ON THE SIXTH BALLOT: The President called on Ms. Lani Kaaihue, Chair of the Elections Committee, to report the results of the sixth ballot. The results were as follows:

	Clergy	Laity
Number of Votes Cast	67	165
Necessary for Election	34	83
The Rev. Howard Anderson received	30	89
The Rev. Kathleen Cullinane received	0	1
The Rev. Robert Fitzpatrick received	36	73
The Rev. David Moore received	0	0
The Rev. David Ota received		withdrawn
The Rev. Joy Rogers received		withdrawn
Spoiled ballots	1	2

SEVENTH BALLOT FOR ELECTION AS FIFTH BISHOP OF THE DIOCESE OF HAWAII:

The President called on Ms. Lani Kaaihue, Chair of the Elections Committee. Ms. Kaaihue reminded the members of the procedures for voting.

At 3:23 p.m., the Chair instructed the members to begin voting. At 3:33 p.m., the President announced that the polls were closed. The ballots were collected and taken to a separate room to be counted.

REPORT ON THE SEVENTH BALLOT: The President called on Ms. Lani Kaaihue, Chair of the Elections Committee, to report the results of the seventh ballot. The results were as follows:

	Clergy	Laity
Number of Votes Cast	68	166
Necessary for Election	35	84
The Rev. Howard Anderson received	31	82
The Rev. Kathleen Cullinane received	1	1
The Rev. Robert Fitzpatrick received	35	81
The Rev. David Moore received	0	1
The Rev. David Ota received		withdrawn
The Rev. Joy Rogers received		withdrawn
Spoiled ballots	1	1

EIGHTH BALLOT FOR ELECTION AS FIFTH BISHOP OF THE DIOCESE OF HAWAII:

The President called on Ms. Lani Kaaihue, Chair of the Elections Committee. Ms. Kaaihue reminded the members of the procedures for voting.

At 3:55 p.m., the Chair instructed the members to begin voting. At 4:04 p.m., the President announced that the polls were closed. The ballots were collected and taken to a separate room to be counted.

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REPORT ON THE EIGHTH BALLOT: The President called on Ms. Lani Kaaihue, Chair of the Elections Committee, to report the results of the eighth ballot. The results were as follows:

	Clergy	Laity
Number of Votes Cast	68	166
Necessary for Election	35	84
The Rev. Howard Anderson received	28	83
The Rev. Kathleen Cullinane received	0	0
The Rev. Robert Fitzpatrick received	39	82
The Rev. David Moore received	0	1
The Rev. David Ota received		withdrawn
The Rev. Joy Rogers received		withdrawn
Spoiled ballots	1	1

NINTH BALLOT FOR ELECTION AS FIFTH BISHOP OF THE DIOCESE OF HAWAII: The President called on Ms. Lani Kaaihue, Chair of the Elections Committee. Ms. Kaaihue reminded the members of the procedures for voting.

At 4:27 p.m., the Chair instructed the members to begin voting. At 4:37 p.m., the President announced that the polls were closed. The ballots were collected and taken to a separate room to be counted.

REPORT ON THE NINTH BALLOT: The President called on Ms. Lani Kaaihue, Chair of the Elections Committee, to report the results of the ninth ballot. The results were as follows:

	Clergy	Laity
Number of Votes Cast	68	165
Necessary for Election	35	83
The Rev. Howard Anderson received	25	75
The Rev. Kathleen Cullinane received	1	3
The Rev. Robert Fitzpatrick received	42	87
The Rev. David Moore received	0	0
The Rev. David Ota received		withdrawn
The Rev. Joy Rogers received		withdrawn
Spoiled ballots	1	0

The Rev. Robert Fitzpatrick, Fifth Bishop-Elect of the Diocese of Hawai`i was introduced to the members accompanied by singing of the Doxology and tolling of the Cathedral bells.

Following the election, the Canon III.16.3 (a) testimonial certificate of election was signed by the members in each Order.

RECESS: At 5:00 p.m. Bishop Chang declared the Convention in recess until 8:30 a.m. Saturday, October 21, 2006.

BANQUET: The Convention banquet was celebrated at the Hilton Waikiki/Prince Kuhio. The Transition Committee presented a short photo display honoring Bishop Chang.

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RECONVENE: The President called the Annual Meeting of the Convention back to order at 8:30 a.m. in the ballroom of the Hilton Waikiki/Prince Kuhio Hotel for morning worship and Bible study. Bishop Browning offered the meditation.

RECESS: Bishop Chang declared a recess at 9:15 a.m.

RECONVENE: The President called the Annual Meeting of the Convention back to order at 9:29 am. Members and guests were reminded to silence cell phones, pagers and other electronic devices.

ADOPTION OF SPECIAL ORDERS OF BUSINESS: The President called on the Rev. Cn. Timothy Sexton, Chair of the Dispatch of Business Committee, who, on behalf of the Committee, moved adoption of a Special Order of Business as follows:

Response to the Bishop's Address, Saturday, 11:00 a.m., ten minutes.

The motion, having been made on behalf of the Committee and requiring no second, carried by voice vote.

RECOGNITION AND APPRECIATION: The Convention expressed its appreciation for the tellers, floor wardens and the ballot counters.

REPORT OF THE NOMINATIONS COMMITTEE: The President called on the Mr. Myron Chang, Chair of the Nominations Committee. Mr. Chang reported that the following individuals had been nominated:

Standing Committee, Clerical Order (one to be elected for a four-year term, one to be elected for a three-year term):

The Rev. William Miller, St. Michael and All Angels

Nominations received from the floor:

The Rev. Mark Juchter, St. George's Church

The Rev. Honey Becker, St. Andrew's Cathedral Church

The Rev. Darrow Aiona, St. Mark's Church

The Rev. Cass Bailey, St. Christopher's Church

There being no further nominations, the nominations for Standing Committee, Clerical Order, were closed.

Standing Committee, Lay Order (one to be elected for a four-year term):

Ms. Margaret Caglayan, Christ Memorial

Mr. K. Peter Lee, Good Shepherd

Ms. Cynthia Salley, St. Jude's

Mr. Bill Skelton, St. Michael and All Angels

Mr. John Williamson, Parish of St. Clement's

There being no further nominations, the nominations for Standing Committee, Lay Order, were closed.

Diocesan Council, Clerical Order (two to be elected for a three-year term):

The Rev. Thomas Buechele, St. Augustine's

There being no further nominations, the nominations for Diocesan Council, Clerical Order, were closed.

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Diocesan Council, Lay Order At-Large (four to be elected for a three-year term):

Ms. Beverly Davis-Amjadi, Parish of St. Clement's
Mr. Rogelio Evangelista, Good Shepherd
Mr. Jay Jackson, Trinity-by-the-Sea
Ms. Mary Schulz, All Saints Church
Mr. Amado Yoro, St. Paul's Church

Nominations received from the floor

Mr. Constantino Dela Cruz, St. Paul's

There being no further nominations, the nominations for Diocesan Council, Lay Order, were closed.

Diocesan Council: Kauai

Ms. Margee Faunce, St. Michael and All Angels nominated by The Rev. Mary Lindquist

Cathedral Chapter, Clerical Order (one to be elected for a two-year term):

Nominations received from the floor:

The Rev. Greg Johnson, Good Samaritan Church
The Rev. David Gierlach, St. Elizabeth's Church

There being no further nominations, the nominations for Cathedral Chapter, Clerical Order, were closed.

Cathedral Chapter, Lay Order (one to be elected for a two-year term):

Mr. Eddie Agullana, St. Paul's Church
Mr. Willis Moore, St. Paul's Church

There being no further nominations, the nominations for Cathedral Chapter, Lay Order, were closed.

Ecclesiastical Trial Court, Clerical Order (one to be elected for a five-year term):

The Rev. Teresa Bowden, St. Stephen's

There being no further nominations, the nominations for Ecclesiastical Trial Court, Clerical Order, were closed.

Secretary of Convention:

Ms. Nancy Rowe, St. Peter's Church

There being no further nominations, the nominations for Secretary of the Convention were closed.

All nominees present were introduced to the members of the Convention.

INTRODUCTION OF THE ECCLESIASTICAL AUTHORITY APPOINTEES: Mr. Chang announced that the following appointees require confirmation by a majority vote of the Convention and will appear on a ballot:

Chancellor:	Mr. John A. Lockwood
Vice-chancellor:	Mr. Walter Beh, II
Historiographer:	Mr. Stuart Ching
Registrar:	Mrs. Jan Horimoto

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Commission on Ministry (one in each order for a four-year term):

Nahoa Lucas, St. John's By-The-Sea
The Rev. Jodene Hawkins, St. Elizabeth's Church

Commission on Episcopal Schools (two for a two-year term):

Arlene Young, St. Elizabeth's
Dan Young, St. Timothy's

Diocesan Compensation Review Committee (one in each order for a three-year term, one in the clerical order for a two-year term):

Ms. Alice Herring, St. Peter's, three-year term
The Rev. Hollis Wright, St. Nicholas, three-year term
The Rev. Dan Leatherman, Iolani School, two-year term

FIRST BALLOT FOR ELECTIVE POSITIONS AND CONFIRMATION OF BISHOP'S

APPOINTMENTS: The President called on Ms. Lani Kaaihue, Chair of the Elections Committee. Ms. Kaaihue described the procedures for voting using the machine-counted ballots.

The first four-part ballot was distributed and, at 9:50 a.m., the Chair instructed the members to begin voting. At 10:16 a.m., the President announced that the polls were closed. The ballots were collected and taken to a separate room to be counted.

BISHOP'S ADDRESS: The Rt. Rev. Richard S.O. Chang delivered his address to the Annual Meeting of the Convention. (**Refer to Attachment D**)

RECESS: The President declared the Convention in recess at 10:40 a.m.

RECONVENE: The President called the Convention back to order at 11:05 a.m.

RESPONSE TO THE BISHOP'S ADDRESS - SPECIAL ORDER OF BUSINESS #2: The President called on Ms. Jane Tonokawa, Chair of the Committee on the Response to the Bishop's Address. Ms. Tonokawa introduced the Committee members: Ms. Emily Hawkins, Mr. Peter Lee, The Rev. William Miller, Mr. Richard Solmssen, and the Rev. Rick Vinson. (**Refer to Attachment E**)

REPORT OF THE SECRETARY OF THE CONVENTION

Ms. Nancy Rowe, Secretary of the Convention, read correspondence received from the Rev. Murray Finck, Bishop, Evangelical Lutheran Church in America, Pacifica Synod.

RESOLUTIONS RECEIVED FOR REFERRAL: The President called on the Rev. Peter Champion, Chair of the Resolutions Committee. The Rev. Champion announced referral of resolutions to the following committees or departments for recommendations:

- #1 Consideration of a New Companion Diocese Relationship – Referred to the Justice, Peace and Partnerships Department
- #2 Study of Positive Divestment and Investment in the Holy Land – Referred to the Justice, Peace and Partnerships Department and the Resource Development Department
- #3 2007 Clergy Compensation and Benefits Policy of the Episcopal Diocese of Hawai'i – Referred to the Resource Department
- #4 The Amendment to Section 1 of Article XI of the Constitution – Second Reading - Referred to the Committee on Constitution and Canons

No additional resolutions were received.

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TREASURER'S REPORT: The President called on the Rev. Timothy Sexton, Chair of the Committee on Dispatch of Business, who moved adoption of the Treasurer's report by title. The motion, having been made on behalf of the Committee and requiring no second, carried by voice vote.

(Refer to Attachment F)

CONSIDERATION OF RESOLUTIONS: CONSIDERATION OF A NEW COMPANION DIOCESE RELATIONSHIP – Resolution #1: The President called on Ms. Nancy Rowe, Chair, Justice, Peace and Partnerships Department, who moved adoption of Substitute Resolution #1. The motions, having been made on behalf of the Department, required no second.

The Rev. Tom Van Culin, St. Matthew's Church, moved to amend Substitute Resolution #1 to read:

That this the 38th Annual Meeting of the Convention authorize the Diocesan Council to appoint a task force to study and identify a diocese of the international Anglican Church with which to establish a Companion Diocese Relationship with initial consideration given to a relationship being established with a Maori Region of Aotearoa, NZ.

AND BE IT FURTHER RESOLVED

That the task force report the results of its study to the 39th Annual Meeting of the Convention.

Substitute Resolution #1 was adopted as amended. **(Refer to Attachment G)**

CONSIDERATION OF RESOLUTIONS: STUDY OF POSITIVE DIVESTMENT AND INVESTMENT IN THE HOLY LAND – Resolution #2: The President called on Ms. Nancy Rowe, Chair, Justice, Peace and Partnerships Department and on the Rev. Tony Litwinski, Chair, Resource Development Department, who jointly moved adoption of Substitute Resolution #2.

Ms. Sandy Souza, the Parish of St. Clement's, moved that Mr. John Williamson, the Parish of St. Clement's, be granted voice to speak to the resolution. Motion, duly seconded, carried on voice vote. Mr. Williamson addressed the Convention and in his remarks shared his experiences in the Middle East.

Mr. Paul Janes-Brown, St. John's Church, moved to amend Substitute Resolution #2 to read:

That the Episcopal Diocese of Hawai'i:
Acknowledges and affirms the Social Responsibility in Investments (SRI) Committee report "Corporate Engagement by the Episcopal Church on Issues Related to Israel and the Palestinian Territories" dated October 3, 2005, received by the Executive Council of The Episcopal Church on October 8, 2005; and directs the Diocesan Council of the Diocese of Hawai'i to:

- * Follow the guidelines published by SRI in managing the Diocesan investment portfolio;
- * Study and identify in its portfolio companies that profit from the perpetuation of violence and injustice in Israel and Palestine and everywhere else in the world, for the purpose of corporate engagement (as defined in the SRI report);
- * Assign this study to the Resource Development Department of the Diocesan Council, the study to be completed by May 1, 2007 with recommendations for action to the Council at its May 2007 meeting and with the results of the study and actions to be published in the next issue of the Chronicle;
- * Be in consultation with the SRI and the Office of Peace and Justice Ministries for the Episcopal Church to monitor further action.

Motion to amend, duly seconded, carried. Substitute Resolution #2 was adopted as amended.
(Refer to Attachment H)

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NOONDAY PRAYERS: Noonday prayers and the presentation of the Necrology followed.
(Refer to Attachment I)

RECESS FOR LUNCH: The Annual Meeting recessed for lunch at 12:15 p.m. During the lunch recess, the Commission on Continuing Education presented gift certificate awards from amazon.com to clergy who had completed their continuing education requirements for 2005 and submitted their reports.

RECONVENE: The President called the Annual Meeting back to order at 1:04 p.m., and called upon Bennette Evangelista and John Hawkins of the Commission on Continuing Education. Bennette informed the membership of recent changes of policy for Continuing Education for Clergy and Lay Employees. Grants for Continuing Education have been increased to \$1,500 with one-half of the money available from Diocesan funds, one-quarter of the money from parish funds and one-quarter of the money from personal funds. The Commission expressed its appreciation for the service of the departing Susan Champion. \$100 Gift Certificates from Amazon.com were given to clergy and lay professionals who had completed their continuing education and submitted their reports. Recent changes in National Church Canons will require all clergy to participate in continuing education in the future.

REPORT ON THE FIRST BALLOT: The President called on Ms. Lani Kaaihue, Chair of the Elections Committee, to report the results of the first ballot. The results were as follows:

Diocesan Council, clerical order: The Rev. Thomas Buechele elected.

Diocesan Council, lay order: Ms. Beverly Davis-Amjadi, Mr. Rogelio Evangelista, and Ms. Mary Schulz elected.

Diocesan Council, Kauai: Margee Faunce elected.

Cathedral Chapter, Clerical Order: The Rev. Greg Johnson elected.

Cathedral Chapter, Lay Order: Mr. Willis Moore elected.

Ecclesiastical Trial Court, Clerical Order: The Rev. Teresa Bowen elected.

Secretary of Convention: Ms. Nancy Rowe elected.

All of the Ecclesiastical Authority appointees were confirmed.

A second ballot was required. (Refer to Attachment J)

SECOND BALLOT FOR ELECTIVE POSITIONS – DIOCESAN COUNCIL LAY ORDER, STANDING COMMITTEE CLERICAL ORDER, AND STANDING COMMITTEE LAY ORDER:

The Bishop called on Ms. Lani Kaaihue, Chair of the Elections Committee. Ms. Kaaihue described the procedures for voting on the second ballot for Diocesan Council, lay order, Standing Committee clerical order and Standing Committee lay order.

The ballots were distributed and, at 1:16 p.m. a.m., the Chair instructed the members begin voting. At 1:30 p.m. the President announced that the polls were closed. The ballots were collected and taken to a separate room to be counted.

CONFIRMATION OF ASSISTANT SECRETARY OF THE CONVENTION: Ms. Nancy Rowe announced the appointment of the Rev. David Gierlach as Assistant Secretary. The appointment was confirmed by the Convention.

2007 CLERGY COMPENSATION AND BENEFITS POLICY OF THE EPISCOPAL CHURCH IN HAWAII - RESOLUTION #3:

The President called on the Rev. Tony Litwinski to report for the Resource Development Department. The Rev. Litwinski moved adoption of the Resolution as presented. The motion, having been made on behalf of the Department, required no second.

The Rev. Tom Van Culin, St. Matthew's Church, moved to amend Section, IV, Part Salaried Clergy Benefits, ¶ D to read that "Part Salaried Clergy will receive the value of the car allowance commensurate with the percentage of salary they receive". Motion, duly seconded, was defeated on vote by show of hands.

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Resolution #3 was adopted as presented. (**Refer to Attachment K**)

PRESENTATION OF THE 2007-2009 DIOCESAN BUDGET: The President called on the Rev. Tony Litwinski, Chair of the Resource Development Department, who moved adoption of the budget as presented. The Bishop also recognized additional resources persons available for discussion of the budget:

Mr. Austin Nakoia	Compensation Review Commission
Mr. Peter Pereira	Treasurer
The Rev. Cn. Robert Fitzpatrick	Canon to the Ordinary
Mr. John Hawkins	Congregational Transformation and Evangelism Department
Ms. Nancy Rowe	Justice, Peace and Partnerships Department
The Rev. Hollis Wright	Youth and Young Adults Department

The Annual Meeting was reminded that the budget that is being adopted is a three-year budget. This first year (2007) is a funding budget; the other two years (2008 and 2009) are planning budgets. In 2007, the Annual Meeting of Convention will revisit the budgets and develop a funding budget for 2008 and planning budgets for 2009 and 2010.

The Rev. Tom Van Culin, St. Matthew's Church, moved amendment of the Congregational Transformation & Evangelism block of the budget by transferring \$35,200 from the Emergencies and Opportunities line item to the Congregational Support for St. Matthew's line item, increasing funding for St. Matthew's to \$43,000. Motion seconded. At the request of the President, Jack Lockwood, Parliamentarian, explained that it is the policy of the Convention to consider the budget in blocks rather than by line items. The Rev. Peter Champion, Emmanuel Church, moved to suspend the previous rules pertaining to the budget in this instance only, permitting the movement of funds within a block from one line item to another. Motion, duly seconded, failed on voice vote. The motion to suspend the previous rules having failed, the chair ruled the motion to transfer funding within the block out of order.

Consideration of the previous motion continued. The 2007-2009 Budget was adopted as presented. (**Refer to Attachment L**)

REPORT ON THE SECOND BALLOT: The President called on Ms. Lani Kaaihue, Chair of the Elections Committee, to report the results of the second ballot. The results were as follows:

Standing Committee, clerical order: The Rev. William Miller and the Rev. Cass Bailey elected.

(**Refer to Attachment M**)

THIRD BALLOT FOR ELECTIVE POSITIONS – DIOCESAN COUNCIL LAY ORDER AND STANDING COMMITTEE LAY ORDER: The Bishop called on Ms. Lani Kaaihue, Chair of the Elections Committee. Ms. Kaaihue described the procedures for voting on the second ballot for Diocesan Council, lay order, and Standing Committee lay order.

The ballots were distributed and, at 2:20 p.m., the Chair instructed the members begin voting. At 2:28 p.m. the President announced that the polls were closed. The ballots were collected and taken to a separate room to be counted.

ANNOUNCEMENTS: Parking will be validated for both valet and self-park tickets. A sticker is needed for the validation from Tiare Ono or Marie Elesarke.

The Office of the Bishop will be closed Monday, October 23 and Tuesday October 24, 2006.

Copies of Bishop Browning's sermon delivered at the Eucharist and Bishop's Chang's address to the Annual Meeting will be posted on the Diocesan website.

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The Hymns and lessons that were read between the ballots for the election of the Fifth Bishop of the Diocese of Hawai'i are available for distribution.

DATE & LOCATION OF 2007, 2008 AND 2009 ANNUAL MEETINGS: The President called on the Rev. Timothy Sexton, Chair of the Dispatch of Business Committee, who moved that the dates and locations of the 2007, 2008 and 2009 Annual Meetings of the Convention of the Diocese of Hawai'i be October 26-27, 2007, on the Island of O`ahu, October 24-25, 2008, on the island of O`ahu, October 30-31, 2009 on the Island of O`ahu. The motion carried on voice vote.

POINT OF PERSONAL PRIVILEGE: The Rev. Hollis Maxson rose to a point of personal privilege and presented the following resolution:

RESOLVED, that this 38th Annual Meeting of the Convention of the Episcopal Church in Hawai'i express its profound gratitude, deep appreciation and warm aloha to our long-time Chancellor, John Lockwood, for his intelligence, knowledge, wisdom, gentle manner and occasional humor which have been ministered in a grace-full manner, to the benefit of the Church, and to the furtherance of our mission of presenting the Gospel of Christ.

Motion was seconded and carried by standing ovation.

COURTESY RESOLUTIONS: The President called on the Rev. Darrow Aiona to read the Courtesy Resolutions. (**Refer to Attachment N**)

SECRETARY'S AND GENERAL ANNOUNCEMENTS: Emmanuel Church announces its 4th Annual Chocolate Extravaganza which will be held November 11, 2006. Details are available at www.emmanuelkailua.com.

St. John announces its Jubilee Celebration of the Rev. Heather Mueller-Fitch's ministry to be held November 4, 2006. Members were asked to return their name tag holders for use another year.

The Rev. Mark Juchter, reporting for Christian Formation, reported that grants are available to congregations. For details, contact the Christian Formation Commission.

The Rev. Ajuko Ueda will say mass at St. Mark's church on Sunday, October 22, 2006. All are invited.

The Rev. Alison Dingley will be the celebrant at St. Paul's on Sunday, October 22, 2006. All are invited.

Holy Innocents will celebrate the 100th year of Filipinos in Hawai'i at a special service on October 29, 2006.

STANDING COMMITTEE ORGANIZATION: Bishop Chang reminded the members of the Standing Committee of the importance of organizing immediately. Following the results of the third ballot, the members of the Standing Committee will meet to elect offices and to immediately begin the consent process for the election of Robert Fitzpatrick as Bishop.

REPORT ON THE THIRD BALLOT: The President called on Ms. Lani Kaaihue, Chair of the Elections Committee, to report the results of the third ballot. The results were as follows:

Standing Committee, lay order: Peter Lee elected.

Diocesan Council, lay order: Constantino Dela Cruz elected. (**Refer to Attachment O**)

CLOSING PRAYERS: The Rt. Rev. Richard S.O. Chang closed the meeting with prayer.

ADJOURNMENT: The 38th Annual Meeting of the Convention adjourned at 2:55 p.m.

Section III

Attachments to the Journal Proceedings

Attachments to the Journal Proceedings

<u>Attachment</u>	<u>Title</u>
A	Convention Plans Committee
B	Agenda
C	Resolution 4
D	Bishop's Address
E	Response to Bishop's Address
F	Treasurer's Report
G	Resolution 1
H	Resolution 2
I	Noonday Service & Necrology
J	Teller's Report – First Ballot
K	Resolution 3
L	Budget
M	Teller's Report – Second Ballot
N	Courtesy Resolutions
O	Teller's Report – Third Ballot

ATTACHMENT A

COMMITTEES OF THE CONVENTION 38th Annual Meeting of the Convention October 20-21, 2006

Secretary of Convention

*Ms. Nancy Rowe

St. Peter

Assistant Secretary

*The Rev. Morley Frech

Trinity By-The-Sea

Approval of Minutes

*Mrs. Alida Gandy

St. Christopher

Mr. Stuart Ching

St. Elizabeth

Constitution and Canons

*Mr. Wayne Yoshigai

St. Mark

The Rev. Tom Buechele

St. Augustine

Mr. Jeff Taylor

Holy Nativity

Credentials

*Ms. Sandy Souza

St. Clement

Mr. Steve Carter

Resurrection

Ms. Jean Fiddes

St. John

Ms. Janice Horimoto

St. Mary

Ms. Dora Kraul

Holy Apostles

Ms. Vicki Millard

St. Timothy

Ms. Cynn timer Salley

St. Jude

Ms. Mary Schulz

All Saints

Mr. Glen Takenouchi

St. Michael

Dispatch of Business

*The Rev. Tim Sexton

Cathedral Church of St. Andrew

Elections

*Ms. Lani Kaaihue

St. Elizabeth

The Rev. David Baar

St. John

Ms. Gloria Cajigal

Good Shepherd

Ms. Melanie Holt

St. Clement

Ms. Lorna Johns

Holy Apostles

Ms. Miliaulani Landgraf

St. Matthew

Ms. Diane Melvin

St. Stephen

Mr. Brent Mizutani

All Saints

Mr. Dan Nelson

St. Timothy

Ms. Tessie Quebral

Resurrection

Mr. Amado Yoro

St. Paul

Necrology

*The Rev. Mark Juchter

St. George

Ms. Mokihana Arce

Grace

Mr. Constantino Dela Cruz

St. Paul

Nominations

*Mr. Myron Chang	St. Peter
Ms. Rowena Blaisdell	St. Elizabeth
The Rev. Frank Chun	Epiphany
Dr. John Decker	Good Shepherd
Ms. May Holokai	St. Philip
The Rev. Mary Lindquist	West Kauai
Ms. Lynne Reynolds	St. Jude

Resolutions

*The Rev. Peter Champion	Emmanuel
Ms. Beverly Amjadi	St. Clement
The Very Rev. Ann McElligott	Cathedral Church of St. Andrew
Ms. Sally Omalza	St. Stephen

The Bishop's Address

*Ms. Jane Tonokawa	Emmanuel
Ms. Emily Hawkins	St. Christopher
Mr. Peter Lee	Good Shepherd
The Rev. William Miller	St. Michael and All Angels
Mr. Richard Solmssen	St. James
The Rev. Rick Vinson	Holy Nativity

***Convention Plans**

Ms. Nancy Rowe
The Rev. Morley Frech
Mrs. Alida Gandy
Mr. Wayne Yoshigai
Mrs. Sandy Souza
The Rev. Tim Sexton
Ms. Lani Kaaihue
The Rev. Mark Juchter
Mr. Myron Chang
The Rev. Peter Champion
Ms. Jane Tonokawa
Ms. Louise Aloy
Mr. John A. Lockwood, Chancellor
The Rt. Rev. Richard S.O. Chang
The Rev. Canon Robert Fitzpatrick
Ms. Tiare Ono

ATTACHMENT B

Agenda

FRIDAY, OCTOBER 20 at the Cathedral

- 7:30 a.m. Registration - open until 9:00 a.m.
- 8:45 a.m. Kaua'i County Caucus in the Von Holt Room
- 9:00 a.m. The Convention Eucharist in the Cathedral
- 10:00 a.m. The Annual Meeting of the Convention convenes in the Cathedral
- Quorum Report of the Credentials Committee
 - Introductions
 - Report of the Credentials Committee
 - Committee Appointments (by Title)
 - Report of the Committee on the Dispatch of Business
 - Report of the Committee on Constitution and Canons
 - Adoption of the Special Order of Business for the Election of a Bishop
 - The Election of the Fifth Bishop of Hawai'i
- 12:00 p.m. Recess for Lunch
- Registration opens for Credentials Certification until 1:00 p.m.
- 1:00 p.m. The Annual Meeting of the Convention reconvenes in the Cathedral
- Balloting continues as necessary for the Election of the Fifth Bishop of Hawai'i
 - Report of the Nominations Committee for Diocesan Offices
 - Introduction of the Nominees for Diocesan Offices
 - The First Ballot for Diocesan Offices
 - Report of the Committee on the Dispatch of Business
 - Report of the Secretary of the Convention
 - Report of the Committee on Resolutions
 - Treasurer's Report (by Title)
- 5:00 p.m. The Annual Meeting of the Convention in recess
- 6:30 p.m. Convention Banquet at the Prince Kuhio Hotel

SATURDAY, OCTOBER 21 at the Prince Kuhio Hotel

- 8:00 a.m. Registration opens for Credentials Certification until 9:00 am
- 8:30 a.m. Morning Worship and Bible Sharing with Bishop Edmond Browning
- 9:30 a.m. The Annual Meeting of the Convention reconvenes
- Introductions
 - The Bishop's Address to the Convention
 - Report on the First Ballot
 - Second Ballot
 - Adoption of the 2007 Minimum Annual Clergy Compensation Schedule
 - Adoption of the 2007-2009 Proposed Budgets
 - Consideration of Resolutions
 - Response to the Bishop's Address
 - Report on the Second Ballot
 - Third Ballot
 - Continue consideration of Resolutions
- 11:45 a.m. Noon Day Prayers with the Necrology
- 12:00 p.m. Recess for Lunch
- 1:00 p.m. The Annual Meeting of the Convention reconvenes
- Report on the Third Ballot
 - Continue consideration of Resolutions
 - Set dates and locations of 2007-2009 Annual Meetings
 - Courtesy Resolutions
 - Announcements
- 4:00 p.m. Adjournment/Recess of the Annual Meeting of the Convention
- Dinner Recess (on your own)
- 7:00 p.m. The Annual Meeting of the Convention reconvenes at St. Andrew's Cathedral, if necessary

SUNDAY, OCTOBER 22 at the Cathedral

- 1:00 p.m. The Annual Meeting of the Convention reconvenes at St. Andrew's Cathedral, if necessary

ATTACHMENT C

Adopted

RESOLUTION NO. 4

38th Annual Meeting of the Convention of the Diocese of Hawai`i

RESOLUTION

(Second Reading)

Submitted by: the Standing Committee.

Be it resolved, that Section 1 of Article XI of the Constitution of the Diocese of Hawai`i be amended as follows (material to be deleted is struck-through; additional material is underlined):

ARTICLE XI

OFFICE OF THE BISHOP

Section 1. The election of the Diocesan Bishop, a Bishop Coadjutor or Suffragan Bishop, shall take place at the annual meeting of the Convention, when notice of such intention to elect has been given by the Standing Committee at least thirty (30) days prior to the meeting, or at a special meeting of the Convention which has been duly called by the Standing Committee for that specific purpose. ~~The first ballot cast in the election shall be cast jointly and shall be the nominating ballot. Thereafter b~~Balloting shall be by orders with a majority of each order on the same ballot required to elect.

ATTACHMENT D

Bishop's Address to the 38th Annual Meeting of the Convention The Episcopal Diocese of Hawai'i

“Transition in the Midst of Transformation”

At last year's Annual Meeting, the Committee on Response to the Bishop's Address did not have the conclusion of my address in which I announced my intention to resign as Bishop of Hawai'i in 2007. This year the Committee did not have final paragraphs of this address since it was written before the election of the Fifth Bishop of Hawai'i.

Yesterday this Annual Meeting chose Robert Fitzpatrick to be your Bishop. The work of this Annual Meeting and the Diocese of Hawai'i does not end with the election of a Bishop. To the contrary, our ministry continues. The life of the Episcopal Diocese of Hawai'i is always ongoing. Ours is a ministry that demands renewed commitment and faithful witness to Jesus Christ. The Mission of the Church of God never ends. Our participation in that mission never ends. We have elected Bob to lead and share with us that never-ending mission of restoring all people to unity with God and each other in Christ. Ours is a pilgrimage of faithful servanthood in mission that began with our baptisms.

In forty-plus years of ordained ministry, I have never given a title to a sermon or address. As this is my last Convention Address, I have chosen the title, “Transition in the midst of Transformation.” I confess that I chose a title because Dee has been bugging me about the theme of my address for the past month.

Last year I described the Diocese of Hawai'i with these words, “...With adoption of the Strategic Plan, the transformation of the Diocese of Hawai'i was begun. The Diocese has begun that move from the on-ramp of maintenance onto the highway for mission. With adoption of our Strategic Plan, we said that we were ready as a Diocese to move forward with a new commitment to mission. We were ready to risk for the mission of the Church. The journey has begun...there is no turning back...the actions taken by the 36th Annual Meeting began the transformation of our Diocese. The people of God in the Diocese of Hawai'i have been called to become a new Church...a Spirit-filled church dedicated to a mission of reconciliation with God and with each other....”

A year later we continue to be immersed and challenged by transformation, a process that has generated success and disappointment, joy and pain. This third year of our Five Year Plan has required more of us than many had anticipated or have wished to give of themselves. We are all being called to new levels of accountability and responsibility, major paradigm shifts in this Diocese. This is the year that we have had to act and put our money, time, and talents where our 2004 Convention resolutions have directed us. The proposed 2007–2009 Budget of the Diocese is a clear reflection of this new reality. We are not accustomed in the Church to following through with adopted plans, resolutions, and priorities. The last long-range plan adopted by the Diocese of Hawai'i in 1983 fizzled out in 1986, its third year. As I make my final visitation to

congregations of the Diocese, I experience and witness the transformation that is occurring at all levels of our Diocese with the joy, anxiety, hope, uncertainty, and fear of a first pregnancy! And we don't have an ultrasound to determine what the new and transformed Diocese of Hawai'i will birth!

Many congregations and programs have taken their brave first steps and have opened themselves to the transforming presence of the Holy Spirit among them. Increases in average Sunday attendance, new families, larger Sunday School enrollment, and ministries of service addressing community issues of homelessness, hunger, and youth, have been transformational experiences in numerous congregations. I have heard and sensed the enthusiasm of people describing their experiences of cooking meals for families in need, of teaching children in an after-school reading program, and of hearing the elder members of their congregation publicly share for the first time their faith in Jesus Christ.

I have also heard words of frustration, disappointment, fear, and anger. It is the frustration that comes when attendance at educational programs have not met personal expectations. It is the disappointment when no one comes forward to exercise ministry that has been set as a priority by leaders. It is the fear of risking for ministry in the unknown because "we have never done it before," or "we tried it before and it doesn't work because we're different." It is the anger resulting from broken relationships when a person's dignity and gifts for ministry are rejected by gatekeepers.

The 2006 Report of the Task Force created by Resolution 15 of the 2004 Annual Meeting of the Convention describes many of the accomplishments and achievements by congregations and programs of our Diocese that move us towards the attainment of our goals. The report calls our attention to the need for interdependence and sustainability in ministry. I strongly recommend that you read the report of the Task Force which is found in the October 2006 issue of The Hawaiian Church Chronicle and on page 11 of the Convention Information Booklet.

Brothers and sisters, our transformation is not complete by any stretch of our imagination. The transformation of the Diocese of Hawai'i will only become reality when personal transformation of individual members is addressed in every congregation regardless of size, location, or constituency. In too many congregations, leaders, both lay and ordained, have abdicated their responsibility to teach and learn. When was the last time that clergy exercised their teaching ministry in your congregation? When was the last time that the lay leaders of your congregation modeled their commitment to personal Christian formation? When was the last time that you prayed with someone outside the context of Sunday worship?

Through regular worship, study, and prayer, each and every baptized member of this Diocese needs to renew and sustain his or her relationship to Jesus Christ. Each congregation regardless of size must provide opportunities for its members to engage and devote their whole being — their time, their talent, and their treasure — to being transformed by the presence of the Risen Christ in their lives. There must be opportunities for everyone to grow in faith and to strengthen their relationship with Jesus Christ. Since 1997 my vision has been for a Diocese where people are encouraged and enabled to live their baptismal covenant. We still have much work to do in Christian formation.

When personal transformation has been experienced in the life of each member of our Diocese, then and only then will the transformation of The Episcopal Diocese of Hawai'i be a reality. It is only then that we can honestly say that we have begun to attain the goals of our Strategic Plan adopted in 2004. The vision and goals of each congregation and program of the Diocese will only become attainable when we are individually transformed by a living faith in Jesus Christ our Lord and Savior. Evangelism, stewardship, Christian Formation for all ages, children's ministries, youth and young adult ministry, and new church plants will be the fruits of that personal transformation.

Personal transformation must be just as important as, if not more important than institutional transformation. Personal transformation is the foundation that makes institutional transformation possible: just as the opening Affirmation of Faith in our Baptismal Covenant makes possible our affirmation and living the promises of our Baptismal Covenant. The challenge, individually and as a Diocese, will be our willingness to be transformed by the Risen Christ.

In the midst of this transformation, transition in the Episcopate enters in. The "between" times of every transition contain ambiguity and uncertainty. Ambiguity and uncertainty can be stumbling blocks to the ongoing life of congregations as well as the transformation of the Diocese of Hawai'i. There will be uncertainty and unanswered questions about the roles and authority of incumbent Bishop and Bishop-elect between now and March 10, 2007. "Will decisions be made during the transition that affect me and my congregation?" is a question that will undoubtedly be asked. A "wait and see" perspective or attitude towards implementation of ministries that require risk and higher levels of personal commitment may supplant decisive decision and action that will advance the mission of the Church.

This should not be a new experience for most of this Diocese. Most congregations of our Diocese have gone through clergy transitions and know the reality of which I speak. Of the thirty-nine congregations in the Diocese, only six (6) congregations have not been faced with transition and have the same clergy leadership today as in 1996: Grace Church, Hoolehua; Trinity By-the-Sea, Kihei; St. John's, Kula; St. Matthew's, Waimanalo; St. Mark's, Honolulu; and St. Timothy's, Aiea. But within the next six weeks transition will become the reality at Trinity By-the-Sea and in addition, at Resurrection Church, Hilo; St. Columba, Paauilo; St. Jude's, Ocean View; St. Andrew's Priory, Honolulu; and Emmanuel, Kailua, Oahu. Ministry does not stop when there is no vicar or rector or chaplain. Ministry continues through the ministry of the baptized.

The transition in the Episcopate must not detract from personal transformation and from the decisions and ministries that will transform this Diocese.

My own transition should not detract from the transformation that must continue in the Diocese of Hawai'i. I am totally committed to enabling this transformation until I resign my jurisdiction of the Diocese and transfer jurisdiction to the Bishop-elect next March. There will undoubtedly be difficult ministry decisions that will need to be made before that transfer. As Bishop of Hawai'i, I will make those decisions necessary to foster the transformation of this Diocese and its members. I will exercise my episcopacy in light of my three-fold vision of a Diocese that is

mission-oriented, not maintenance-oriented; where ministry is shared by all the baptized; and where people are encouraged and enabled to live their baptismal covenant. Let there be no doubt that I am committed to the transformation and future mission of our Diocese.

The transition of the Bishop-elect should not detract from the transformation of the Diocese of Hawai`i. The Standing Committee working with Office of the Presiding Bishop will solicit the consents of the Bishops with jurisdiction and the Diocesan Standing Committees to the election of Robert Fitzpatrick as the Fifth Bishop of Hawai`i. When the consents have been received, Presiding Bishop Katharine Jefferts Shori will take order for the consecration on March 10, 2007. It is my hope that she will be here as the chief consecrator.

The Transition Committee has begun assisting Bob and Bea in making the transition to a new ministry among us, and for assisting Dee and me in our transition to ministry in retirement. A 60-day period has been designated for the Bishop-elect and me to address transition concerns related to the Office of Bishop and the Diocese as a whole. I think we will begin sooner than planned. Your affirmation of the proposed 2007 budget will provide for the implementation of this transition process in an orderly manner.

The final phase of any transition is the “end.” When transition ends, the beginning will be marked by the celebration of new ministry. When the episcopal transition ends in March, you will begin a new era in the life and ministry of this Diocese with Bob and Bea Fitzpatrick. I have no doubt that you will care, support, and nurture your new Bishop with the same generosity and love that you have blessed Dee and me for the past ten and a half years.

As I come to the close of this Convention Address, I want to say thank you to some very special people. They have meant a great deal to Dee and me for the past ten plus years and will continue to hold a very special place in our hearts. And so I think the 38th Annual Meeting of the Convention needs to hear this. And so Dee and I want to publicly express our deepest gratitude to the staff of the Office of the Bishop.

Each of them in their own special unique way has enriched and enabled my ministry:

Marie, you are the concierge for the Office of the Bishop who makes everyone welcome. You take on the challenging tasks (organizing Bob’s office) and the menial tasks (ordering lunch for the Diocesan Council) with the same cheerful disposition. You have served me with a glad heart and a dedicated spirit.

Liz, you have the quiet presence that reminded me to keep spiritually focused when the chaos of the world and the mission of the Church collided and came tumbling into our offices. You have been tenacious in balancing your ministry of communication with your ministry in a small church where you are beloved.

Edith, your knowledge of computers and your Gen-X exuberance encouraged me to become more technically competent and to use technology more effectively in ministry. I could count on your smiling presence to rescue me from “blue screens” and error messages.

Nancy, we have been around this diocese for over thirty years. You have reminded me of the history our Diocese and all the special people who have worked with us to make this a very special part of the Church. You are one of those special people.

Peter, your service to me has been a witness to your deep faith in Jesus Christ. You offered more than your knowledge of balance sheets and FASB updates. You are a CPA for whom Jesus is the bottom line.

Bob, you have been loyal colleague, teacher, and counselor. And as you said yesterday, we have not always agreed but you have stood with me when decisions were made. Dee and I will always be grateful for the pastoral support given by Bea during my mother's illness.

Tiare, in Dee's words, you have been a blessing to us and "the best decision I made as Bishop." You treat people with respect, dignity and a gentle firmness (after all you are a Priory Girl!). Even when you answer the telephone, you convey a warmth and sense of hospitality, something that is recognized by the wider Church. You have reminded me of my limitations. You often chastised me for over scheduling work commitments, while you yourself willingly spent extra hours to see that a job was done well. By doing the little things that I could not or forgot to do, such as wrapping omiyage, you often rescued me from the brink of social disaster.

Marie, Liz, Edith, Nancy, Peter, Bob and Tiare, you have been colleagues, but more importantly, you have been friends. You are friends who have served this Diocese of Hawai'i with me. To each of you, Dee and I extend our deepest gratitude and love.

I cannot end this address without a special thank you to the light and love of my life. Dee, you have shared my ministry from Holy Nativity, All Saints, New York, and Honolulu. Through the stresses and strains of ministry, you have been there, holding my hand and offering words of encouragement.

Brothers and sisters, transition is in the midst of us as we are transformed by the Spirit of God to do the mission of the Church in this place. Let us leave this place committed to a personal transformation shaped by a renewed faith in Jesus Christ. Let us continue with vigor the transformation of the Diocese of Hawai'i for our pilgrimage of faithful servanthood in mission does not end. Thank you and God bless. Amen.

ATTACHMENT E

The Episcopal Diocese of Hawaii 38th Annual Meeting of the Convention Response to the Bishop's Address

A priest (actually he was a canon and we won't mention his name, but we'll call him...hmmmm... "Bob") was crossing Queen Emma Square one day, when a frog called out to him and said, "If you kiss me, I'll turn into a Chinese Bishop and serve the people for 2 more years."

Bob bent over, picked up the frog and put it in his pocket. The frog spoke up again and said, "If you kiss me, I'll train you to be the next Bishop and teach you some Bishop magic."

Bob took the frog out of his pocket, smiled at it and returned it to his pocket.

The frog then cried out, "If you kiss me, you'll live in Hawaii forever, and more importantly, you'll get the best parking space at the office."

Again Bob took the frog out, smiled at it, rocked from side to side as he really thought hard. He eventually put it back into his pocket.

Finally, exasperated the frog asked, "Buddy, what is the matter with you? I've told you that I'll turn into a Chinese Bishop and serve for 2 more years, that I'll train you to be the next Bishop and teach you Bishop magic, and that you'll live in Hawaii with a choice parking spot at the office. Why won't you kiss me?"

Bob, with a slight frown on his face, as he contemplated his answer, said, "Look, a Bishop, magic, parking...all that is just all right. But a talking frog, now that's really cool!"

Bishop, I'm not sure why it took you 40 years to create a title for your address...it took our committee only 2 minutes!!

(slide: bishop's photo "40 years!" vs. committee graphic "2 minutes!")

"An Earthquake in the Midst of Advent"

(slide: title of response)

Everyone in this room was most likely affected by the earthquake last Sunday morning. How were you affected? Shaken up? Frightened? Worried about others and making sure of their safety? Calming anxiety in your children? Was anything damaged? Did you lose anything valuable?

The transition that the Episcopal Diocese of Hawaii is experiencing can be likened to this earthquake we experienced. We felt anxiety, uncertainty, and fear on Sunday. We may

also have lost some things that we have perceived to be of value. But what is strong has survived. Similarly, our Diocese will survive this transition in the midst of transformation because of the strong foundation of our mission and calling, which the Bishop has reminded us is to reconcile all people to God and to one another.

Hawaii's earthquake was a major news story on the mainland and beyond. Just think if you were hearing the news unfold about a statewide power outage, the Governor's emergency declaration, the request to the White House for emergency funding, the damage to roads and buildings, the establishment of an Episcopal Relief and Development fund...

Does this sound like Katrina relived? Wouldn't you think the worst of the situation? From the outside looking in, it sometimes appears worse than for those in the midst of the trauma. We're OK and we're in the middle of the shake up. We are personally involved and affected, and it's really not that bad. Sometimes, we as individuals find issues to be overwhelming in its entirety, but when we make a decision to get closer to the details of the issue and break it down, we find that we can make a difference, we can support each other, and the situation is no longer such a negative roadblock to progress.

Bishop, you have called us to take up a personal spiritual transformation. We stand ready to get personally involved and transform ourselves individually in order to carry out our baptismal covenant. All the Bishop candidates spoke favorably of our strategic plan. The burning questions were "Are we ready?" and "Do we mean it?" The answer to these questions is a resounding "YES"!! It is a challenge that will strengthen us. Such a transformation may appear to be an overwhelming and monumental endeavor and change of lifestyles, but we are strong and we will face the challenge head on. We are taking steps to make a difference and support each other.

The task force report on Resolution 15 includes examples of congregations meeting this challenge head on. We are making progress in being transformed. There is surely more that is happening and much more that needs to happen. As Bishop Chang said: There are clergy who do not teach, laity who do not take responsibility, and lay leaders who are not role models when it comes to personal transformation. BUT, folks, there is always enough blame to go around. We will stop making excuses and we will commit ourselves to continue this journey of individual transformation. We will go forward, without looking back. The journey is begun...there is no turning back...

The result of our labors will be a "new church," one with a spirit of reconciliation, as we embrace the concepts of sustainability and interdependence. These two key concepts supporting our goal for this coming year as stated in the task force report focuses on relationships. Relationships will be made right – relationships with God and with each other. Only then can we experience the full wonder of God and his creation. We need to all feel a humility that comes with changing ourselves from the inside out – personal transformation. We need to depend on each other and be responsible to one another. Let us show Bishop Chang and Bishop-Elect Fitzpatrick that humility - our humble spirit. (slide: Romans 2:2) As Paul said in his letter to the Romans: "Do not be conformed to

this world, but be transformed by the renewing of your minds, so that you may discern what is the will of God – what is good and acceptable and perfect.”

Paul goes on to tell the Romans not to think more highly than they ought to think, but to think with sober judgment, each according to the measure of faith that God has assigned.

Here we are, back to that “humble spirit.”

As a Diocese, let’s all vow to strive to possess humility, to not be so set in our ways, to listen, to discern. Earthquakes can shake us up physically from the outside and wake us up, but we need to also have the humility to be shaken and transformed from the inside.

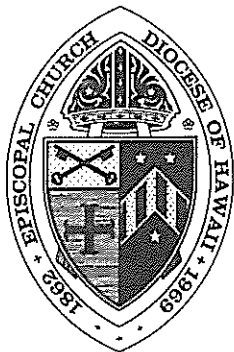
Let us pray that each one of us seriously considers a step toward personal spiritual transformation, starting this Advent season. And may this transformation be contagious. Share it with the person in the next pew; tell your story to others within your congregation. Spread it to other congregations; learn from each other. Get personally involved. As the Bishop stated, only then will the transformation of the Diocese be a reality.

Dick and Dee, you were sent to us at an appropriate time in the life of this Diocese, when we needed your leadership during the “shake up” of the late ‘90s. You were an unwavering presence amidst uncertain and unstable ecclesiastical realities. You were the right person at the right time in our history. We all survived that earthquake too. In fact, we not only survived, but are starting to thrive as a Diocese – congregations and individuals are being transformed.

No words can really express our gratitude to you for the ten years of nurturing... except that old-time adage: (slide)

“Time sure is fun when you’re having flies!!” (slide) Ribbit...!

ATTACHMENT F



The Episcopal Church in Hawai'i

THE RIGHT REVEREND RICHARD S.O. CHANG
Bishop of Hawai'i

October 10, 2006

TO: DELEGATES TO THE 38th ANNUAL CONVENTION
OF THE EPISCOPAL CHURCH IN HAWAI'I

FROM: PETER PEREIRA, DIOCESAN TREASURER

SUBJECT: ANNUAL REPORT OF THE TREASURER

The Balance sheet of The Episcopal Church in Hawai'i on December 31, 2005 showed assets of \$38,945,490, liabilities of \$18,222,697 and net assets of \$20,722,793. The total operating income of the diocese exceeded operating expenses in 2005 by \$88,270. It should be noted that all congregations have paid their 2005 assigned assessments, except for two congregations.

Price Waterhouse Coopers, CPAs, audited our financial statements. If you would like to receive a copy, please call me.

Our audit shows that we have an adequate system of internal control. Appropriate parties must properly authorize all disbursements, and two authorized officers must sign all checks.

2006

1. In your Convention Packet, there will be the current Budget versus Actual Operating Report as of August 31, 2006. The report is summarized to cut printing costs. If you want a detail report, please call me.
2. In your Convention Packet, there will also be a report on our Theological Education Offering for 2005. You will note that we contributed \$41,267 that which amounted to 56% of our 1% goal. Now is the time to be checking on the performance of your Parish or Mission this year so that we can meet our 1% goal in 2006.
3. Our Investment performance numbers are as follows: Year to date@8/31/06 = 2%; trailing 12 months = 10%; 3 Year trailing = 10% ; Since 6/30/92= 9%

4. During the year the Resource Development Department met with our investment monitor and managers to review the performance of our investment portfolio and also to review our Investment Policy. We have a long-term view towards our portfolio management with the understanding that the stock market will experience fluctuations from time to time. We have a total return investment policy and spending policy. Our policies are implemented to ensure that there will be a steady stream of earnings annually, while at the same time ensuring that the fund assets will be there for the future. Our spending policy is set at a payout rate of 5 percent (5%) of the average market value of the Investment Fund over 3 years. The spending policy (which we will continue to review), together with sound investment performance, ensures that, over time, the fund will retain its ability to produce earnings.
5. The setting up of the Shared Travel Expense Fund for the 2006 diocesan convention has been accomplished.
6. The rate of assessment for 2007 to 2009 is proposed at 21% (2006 was 21%).
7. The Compensation Review Committee (CRC) is submitting a compensation schedule reflecting a 7.5% increase over the current year. Please refer to the CRC report and the 2007 Clergy Compensation and Benefits policy for details.
8. During the year, I worked with treasurers advising and training them on various matters, namely taxes, accounting and audit, investments, insurance, parochial reports, employment, insurance and property issues. I also worked with them on refinancing loans from the bank at competitive rates for various renovation projects.
9. During the year, I coordinated with the auditors and treasurers to audit their church. Thanks to the church treasurers for doing the audit work papers for the audit.
10. I am working with our insurance agent to renew our property and liability insurance renewal for the year 2007. The insurance market has been tight and coverage and limits have been difficult and costly. We will continue to maintain a reserve fund to cover the deductible for our hurricane policy.

11. I worked with the Lay Pension Plan Administrator to inform and update employees and employer representatives about the plan and the investment vehicles available.
12. We continue to hold training workshops for Safeguarding Gods Children and Preventing Sexual Misconduct (adult). Church Insurance is looking at ways to make web based training available for Safeguarding Gods Children. The roll-out for this will take place in 2008 The Church Pension Fund is working to develop model policies and training for Sexual Misconduct (Sexual Harassment and Exploitation Policies) . They are planning to roll-out new materials in mid 2007. They will also have "train the trainer" conferences.
13. Please use our website, episcopalhawaii.org. We are working to add more content to the web site. It has helped us cut down our copying and mailing costs.
14. I continue to serve on the Non Profit Committee for the Hawaii Society of Certified Public Accountants. We organized a workshop for non-profits this year and I also attended various continuing education workshops to keep current with laws and regulations.
15. We continue to monitor the financial condition of Camp Mokuleia.
16. I worked with the Planned Giving Committee to have a workshop on November 4, 2006. This workshop is to train people to be a planned giving resource at the congregational level

Nancy Minuth and I would like to thank the treasurers, wardens and clergy whose work, cooperation and goodwill have helped us in our work. Many thanks also to the members of Diocesan Council, Resource Development Department and all its sub Committees, Diocesan Compensation Review Committee, Chancellor and Vice Chancellors and Office of the Bishop staff. Thank you all for your support and the gifts you share with us.

THE EPISCOPAL CHURCH IN HAWAII
INCOME STATEMENT
FOR THE PERIOD 8/31/06

	Actual 8/31/06	Budget YTD	Variance		Annual Budget
INCOME					
Assessments	1,022,801	1,022,801	0	A	1,534,201
Investments	377,597	378,408	(811)		756,816
Rentals	94,594	94,520	74		140,800
Other	6,421	7,028	(607)		181,788
TOTAL INCOME	1,501,413	1,502,757	(1,344)		2,613,605
EXPENSE					
CONGREGATIONAL TRANSFORMATION & EVANGELISM					
Congregational Health & Growth	349,482	370,304	20,822	B	573,980
Other Ministries	42,748	102,071	59,323	B	218,107
JUSTICE, PEACE & PARTNERSHIP	19,770	21,567	1,797	B	35,600
OFFICE OF THE BISHOP					
Episcopate	228,029	201,215	(26,814)	C	301,598
Staff	271,736	286,999	15,263	D	450,000
Other	28,084	35,067	6,983	E	52,600
RESOURCE DEVELOPMENT					
Nation & World	245,975	245,975	0		368,964
Retirees	10,005	12,907	2,902	F	19,361
Diocesan Support Expenses	211,094	237,133	26,039	B	363,600
YOUNG ADULTS & YOUTH	113,548	153,697	40,149	C	229,795
TOTAL EXPENSES	1,520,471	1,666,935	146,464		2,613,605
(DEFICIT)	(19,058)				

EXPLANATION OF SIGNIFICANT VARIANCES

- A** Assessment unpaid @ 8/31/06 = \$67,721. See listing attached.
- B** Funds will be used in the 4th quarter.
- C** Due to timing as to when money is spent.
- D** Due to temporary help fund not used.
- E** Due to lower costs incurred for web site development.
- F** Due to lesser number of retirees on the plan

THE EPISCOPAL CHURCH IN HAWAI'I
BALANCE SHEET

AUGUST 31, 2006

ASSETS		
PETTY CASH	400.00	
CASH IN BANK	300,280.18	
SHORT TERM INVESTMENTS	704,092.77	
ACCOUNTS REC.- CHURCHES/OTHER	255,633.10	
OTHER A/C REC. & PREPAID EXP.	33,101.40	
CONTRIBUTION REC/REMAINDER TR	93,265.00	
INVESTMENTS	15,149,260.00	
LOAN REC. -CHURCHES/OTHERS	1,056,792.88	
LAND & BUILDINGS	2,918,242.57	
ASSETS HELD IN TRUST	53,015.00	

TOTAL ASSETS		20,564,082.90
		=====
LIABILITIES & NET ASSETS		
ACCOUNTS PAYABLE	18,350.72	
ACCRUED VACATION	19,234.40	
ANNUITY PAYMENT LIAB.	8,695.00	
DUE TO CHURCHES/OTHER	28,788.79	
SECURITY DEPOSITS	11,723.80	
POSTRETIREMENT BENEFIT	497,294.00	
NOTE PAYABLE- BY CHURCHES	1,056,792.88	

TOTAL LIABILITIES		1,640,879.59
NET ASSETS		
UNRESTRICTED		
GENERAL FD.	619,554.68	
PLANT FD.	2,918,242.57	
INVESTMENT FD.	4,223,980.00	
TEMPORARILY RESTRICTED		
GENERAL FD.	98,561.06	
INVESTMENT FD.	6,002,415.00	
PERMANENTLY RESTRICTED		
INVESTMENT FD	5,060,450.00	

TOTAL NET ASSETS		18,923,203.31

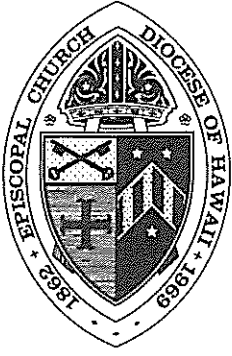
TOTAL LIABILITIES AND NET ASSETS		20,564,082.90
		=====

2006 UNPAID ASSESSMENT

	Unpaid at 8/31/06	Subsequent Payments Thru 10/12/06
All Saints	0	
Calvary	31,928	4,743
Christ Church	2,916	2,916
Christ Memorial	1,958	1,958
Emmanuel	0	
Epiphany	0	
Good Samaritan	0	
Good Shepherd	0	
Grace	0	
Hoy Apostles	0	
Holy Cross	37	37
Holy Innocents	0	
Holy Nativity	0	
Resurrection	0	
St. Andrew's Cathedral	0	
St. Augustines	908	908
St. Christopher's	0	
St. Clement's	0	
St. Columba's	0	
St. Elizabeth's	0	
St. George's	0	
St. James	0	
St. John's	0	
St. John's By-The-Sea	0	
St. Jude's	0	
St. Luke's	0	
St. Mark's	0	
St. Mary's	0	
St. Matthew's	0	
St. Michael's	0	
St. Nicholas	0	
St. Paul's	0	
St. Peter's	0	
St. Philip's	0	
St. Stephen's	3,282	3,282
St. Thomas	0	
St. Timothy's	0	
Trinity By-The-Sea	26,692	9,394
West Kauai	0	
TOTAL	67,721	23,238

THE EPISCOPAL CHURCH IN HAWAII
DIOCESAN ASSESSMENT

CHURCH	2004 OPERATING INCOME	2006 DIOCESAN ASSESSMENT @21 %	2005 OPERATING INCOME	2007 DIOCESAN ASSESSMENT @21%	2007 INCREASE/ [DECREASE]
ALL SAINTS	185,551	38,966	184,207	38,683	(283)
CALVARY	361,407	75,895	326,056	68,472	(7,423)
CHRIST CHURCH	166,629	34,992	240,144	50,430	15,438
CHRIST MEMORIAL	111,861	23,491	121,826	25,583	2,092
EMMANUEL	118,997	24,989	127,140	26,699	1,710
EPIPHANY	222,649	46,756	221,027	46,416	(340)
GOOD SAMARITAN	107,783	22,634	112,463	23,617	983
GOOD SHEPHERD	297,329	62,439	346,321	72,727	10,288
GRACE	71,384	14,991	68,770	14,442	(549)
HOLY APOSTLES'	175,707	36,898	255,471	53,649	16,751
HOLY CROSS	12,869	2,702	7,560	1,588	(1,114)
HOLY INNOCENTS'	128,222	26,927	84,320	17,707	(9,220)
HOLY NATIVITY	315,653	66,287	325,241	68,301	2,014
RESURRECTION	12,775	2,683	9,777	2,053	(630)
ST. ANDREW'S	1,048,975	220,285	1,295,736	272,105	51,820
ST. AUGUSTINE'S	51,855	10,890	77,643	16,305	5,415
ST. CHRISTOPHER'S	362,052	76,031	343,074	72,046	(3,985)
ST. CLEMENT'S	417,681	87,713	424,771	89,202	1,489
ST. COLUMBA'S	9,094	1,910	9,782	2,054	144
ST. ELIZABETH'S	245,364	51,526	264,914	55,632	4,106
ST. GEORGE'S	28,566	5,999	36,561	7,678	1,679
ST. JAMES'	232,275	48,778	263,744	55,386	6,608
ST. JOHN'S, KULA	236,194	49,601	231,993	48,719	(882)
ST. JOHN'S BY/SEA	93,284	19,590	102,888	21,606	2,016
ST. JUDE'S	28,372	5,958	31,114	6,534	576
ST. LUKE'S	106,472	22,359	109,765	23,051	692
ST. MARK'S	220,315	46,266	241,034	50,617	4,351
ST. MARY'S	221,884	46,596	232,773	48,882	2,286
ST. MATTHEW'S	41,394	8,693	39,277	8,248	(445)
ST. MICHAEL'S	310,125	65,126	292,727	61,473	(3,653)
ST. NICHOLAS	177,293	37,232	228,505	47,986	10,754
ST. PAUL'S	123,825	26,003	138,794	29,147	3,144
ST. PETER'S	392,315	82,386	415,597	87,275	4,889
ST. PHILIP'S	48,394	10,163	40,050	8,411	(1,752)
ST. STEPHEN'S	93,780	19,694	84,892	17,827	(1,867)
ST. THOMAS	28,737	6,035	29,337	6,161	126
ST. TIMOTHY'S	224,855	47,220	221,850	46,589	(631)
TRINITY BY/SEA	199,158	41,823	192,871	40,503	(1,320)
WEST KAUAI	74,639	15,674	73,026	15,335	(339)
	7,305,714	1,534,201	7,853,041	1,649,139	114,938



The Episcopal Church in Hawai'i

THE RIGHT REVEREND RICHARD S.O. CHANG
Bishop of Hawai'i

February 28, 2006

The Rt. Rev. Harry Bainbridge
510 West Washington Street
Boise, ID 83701

Dear Bishop Harry

Attached is our 2005 report on the 1% Theological Education Offering. In 2005, gifts totaled \$41,267 which is about 56% of the Operating Income Target.

Most of our churches give to the Church Divinity School of the Pacific with some money going to the Berkeley Divinity School at Yale, Bexley Hall Seminary, Episcopal Divinity School, Episcopal Theological School at Claremont, General Theological Seminary, Nashotah House, Native Hawaiian Ministry Studies Board, Seabury Western Theological Seminary, Sewanee Theological, Trinity Episcopal School for Ministry, and the Virginia Theological Seminary.

Faithfully yours,

Peter Pereira
Diocesan Treasurer

cc: The Rt. Rev. Richard S.O. Chang, Bishop
St. Andrews Theological Seminary
Berkeley Divinity School at Yale
Bexley Hall Seminary
Church Divinity School of the Pacific
Episcopal Divinity School
Episcopal Theological School at Claremont
General Theological Seminary
Nashotah House
Native Hawaiian Ministry Studies Board
Seabury Western Theological Seminary
Sewanee Theological
Trinity Episcopal School for Ministry
Virginia Theological Seminary
Diocesan Council Members
All Churches

**THE EPISCOPAL CHURCH IN HAWAII
THEOLOGICAL EDUCATION OFFERING-2005**

CHURCH	2004 Operating Income	2005 1% Amount	2005 Amount Given
All Saints'	185,551	1,856	
Calvary	361,407	3,614	3,060
Christ Church	166,629	1,666	
Christ Memorial	111,861	1,119	150
Emmanuel	118,997	1,190	1,190
Epiphany	222,649	2,226	
Good Samaritan	107,783	1,078	1,000
Good Shepherd	297,329	2,973	2,620
Grace	71,384	714	713
Holy Apostles'	175,707	1,757	500
Holy Cross	12,869	129	
Holy Innocents'	128,222	1,282	600
Holy Nativity	315,653	3,157	
Resurrection	12,775	128	
St. Andrew's	1,048,975	10,490	10,490
St. Augustine's	51,855	519	747
St. Christopher's	362,052	3,621	
St. Clement's	417,681	4,177	
St. Columba's	9,094	91	91
St. Elizabeth's	245,364	2,454	
St. George's	28,566	286	2,000
St. James'	232,275	2,323	2,805
St. John's, Kula	236,194	2,362	2,362
St. John's By-The-Sea	93,284	933	
St. Jude's	28,372	284	284
St. Luke's	106,472	1,065	
St. Mark's	220,315	2,203	
St. Mary's	221,884	2,219	2,219
St. Matthew's	41,394	414	300
St. Michael's	310,125	3,101	3,101
St. Nicholas	177,293	1,773	600
St. Paul's	123,825	1,238	1,238
St. Peter's	392,315	3,923	3,710
St. Philip's	48,394	484	
St. Stephen's	93,780	938	
St. Thomas	28,737	287	287
St. Timothy's	224,855	2,249	1,000
Trinity By-The-Sea	199,158	1,992	
West Kauai	74,639	746	200
TOTAL	7,305,714	73,057	41,267

INVESTMENT FUNDS OF THE EPISCOPAL
 CHURCH IN HAWAII
 AS OF JUNE 30, 2006

TRUST ENDOWMENTS	Total Shares	Market Value	Cost
<u>DIOCESAN - BUDGET</u>			
Episcopate Endowment Fund	55,701.30000	4,805,343.07	2,703,248.50
E Lani Hanchett Mem Mission Tr Fd	247.71617	21,370.44	9,582.50
Hawaiian Church Chronicle	224.26495	19,347.30	8,911.82
Thomas Dowell Phillips Mem Pen Fd	500.29425	43,160.31	20,445.72
	<u>56,673.57537</u>	<u>4,889,221.12</u>	<u>2,742,188.54</u>
<u>DIOCESAN - OTHERS</u>			
Frances D. Adams Fund	5,746.78947	495,774.69	506,539.36
The Rev. J. Thurlow and Jane Baker Memorial Fund	1,517.42025	130,907.62	116,024.74
Bishop's Discretionary Fund	743.09770	64,106.93	45,613.62
Bishop's Scholarship Fund for Clergy Children	264.57347	22,824.71	21,379.86
Bishop's Special Fund	243.57494	21,013.17	15,379.70
Clergy Continuing Education Fund	5,930.25104	511,601.90	328,785.27
Diocesan General Fund	762.72240	65,799.95	68,799.01
Election Process Fund	1,598.27970	137,883.36	131,282.40
Episcopate Construction Fund	113.16899	9,763.07	7,467.60
Hurricane Deductible & Earthquake Reserve Fund	4,592.11484	396,161.08	376,374.22
Mary Y.C. Ing Restoration Fund	23,891.34009	2,061,102.45	1,881,895.12
Harry & Katherine Kennedy Memorial Fund	1,908.44773	164,641.51	153,694.68
Lambeth Conference Travel Fund	383.80038	33,110.40	24,935.82
Linberg Revolving Fund	6,984.84028	602,581.16	459,128.39
Medigap Fund	162.57591	14,025.40	14,043.44
Mission Fund	446.49835	38,519.35	34,695.17
George MacCray Endowment Fund	1,821.08140	157,104.43	161,313.27
Donald M. McCluskey Fund - Princ	6,015.87916	518,989.02	359,254.28
Donald M. McCluskey Fund - Income	6,318.18663	545,069.04	539,184.41
Kenneth & Ruth Perkins Endowment Fund	5,366.10166	462,932.81	475,262.66
Eric Potter Memorial Fund	151.25276	13,048.55	12,185.54
Scholarship Fund	4,242.99289	366,042.38	253,255.94
Victory Fund	873.05897	75,318.67	72,848.77
Von Holt Fund	38,740.34439	3,342,123.89	2,680,689.19
	<u>118,818.39340</u>	<u>10,250,445.54</u>	<u>8,740,032.46</u>

INVESTMENT FUNDS OF THE EPISCOPAL
 CHURCH IN HAWAII
 AS OF JUNE 30, 2006

TRUST ENDOWMENTS	Total Shares	Market Value	Cost
<u>ALL SAINTS' CHURCH, KAPAA</u>			
Clergy Childrens' Education Fund	146.58809	12,646.13	8,726.70
Albert Horner Organ Maint Fund	77.54038	6,689.40	3,047.38
Eddie Ruby Scott Trust	411.30320	35,483.07	34,234.36
Etta Wilcox Sloggett Memorial Fund	367.24492	31,682.17	7,730.01
Emma Lyman Wilcox Memorial Fund	2,549.33664	219,930.90	53,732.42
Henry Willey Columbarium	199.05021	17,172.03	7,618.74
Ramona R. Walden Altar Fund	83.15626	7,173.88	6,243.11
Willey Memorial Fund	742.97134	64,096.03	29,569.22
	<u>4,577.19104</u>	<u>394,873.61</u>	<u>150,901.94</u>
<u>CAMP MOKULEIA, OAHU</u>			
Margaret Root Clarke Memorial Camp Scholarship Fund	89.84677	7,751.07	3,502.19
Margaret Monterio Mem Campership	185.68047	16,018.63	7,844.72
	<u>275.52724</u>	<u>23,769.70</u>	<u>11,346.91</u>
<u>CHRIST CHURCH, KEALAKEKUA, HI</u>			
Christ Church Property	494.13462	42,628.92	44,145.47
David Douglas Wallace Mem Endow Fd	900.23079	77,662.78	35,484.38
Parish Designated Trust Fund	150.90113	13,018.22	9,747.11
E C Greenwell Cemetery Fund	345.47728	29,804.27	19,963.71
Ellen Hall Fund	683.49889	58,965.35	20,854.08
Dora Greenwell Bryant Pennell Fund	185.39770	15,994.23	7,618.89
The Greenwell Memorial Trust	804.26159	69,383.53	53,455.05
Restoration/Renovation Fund	397.23499	34,269.40	25,499.72
Mission Fund	132.05681	11,392.52	6,574.81
S.H. Davis Fund	22.79409	1,966.44	2,006.57
	<u>4,115.98789</u>	<u>355,085.66</u>	<u>225,349.79</u>
<u>CHRIST MEMORIAL CHURCH, KILAUEA</u>			
Eddie Ruby Scott Trust	411.30316	35,483.06	34,234.36

INVESTMENT FUNDS OF THE EPISCOPAL
 CHURCH IN HAWAII
 AS OF JUNE 30, 2006

TRUST ENDOWMENTS	Total Shares	Market Value	Cost
<u>EMMANUEL EPISCOPAL CHURCH, KAILUA</u>			
Capital Repairs & Maintenance Fund	400.94773	34,589.70	26,071.08
Emmanuel Church, Special Fund	697.55413	60,177.89	55,438.22
Gratia McConkey Memorial	172.97053	14,922.14	14,568.16
The Leroy, Charlotte & Valarie Green Endowment Fund	125.02159	10,785.59	5,610.22
Joseph J and Anna P Lovell Tr Fund	914.81192	78,920.69	64,152.88
Maggie Nott Fund	226.48583	19,538.90	17,533.09
Rowe Fund	87.16396	7,519.62	6,864.09
Youth Ministry Fund	27.30107	2,355.26	2,149.93
	<u>2,652.25676</u>	<u>228,809.79</u>	<u>192,387.67</u>
<u>EPIPHANY CHURCH, HONOLULU</u>			
Candle Fund	53.92582	4,652.17	1,794.52
Wilfred Richardson Mem Flower Fund	17.08510	1,473.93	820.06
Sophia Taylor Mem Altar Guild Fund	38.29300	3,303.53	1,493.18
Georgiana Crutchfield Memorial Fund	30.18656	2,604.19	1,949.93
	<u>139.49048</u>	<u>12,033.82</u>	<u>6,057.69</u>
<u>GOOD SAMARITAN</u>			
Church Unrestricted A/C	89.25180	7,699.74	6,214.12
Preschool Unrestricted A/C	582.20232	50,226.51	47,548.81
Church Operational A/C	326.56797	28,172.97	23,027.91
	<u>998.02209</u>	<u>86,099.22</u>	<u>76,790.84</u>
<u>GOOD SHEPHERD CHURCH, WAILUKU</u>			
Clergy Housing Trust	2,551.64120	220,129.72	206,811.22
Altar Guild Fund	30.12690	2,599.04	2,545.22
Bross Memorial Youth Fund	602.03201	51,937.21	51,492.22
Memorial Fund	605.56680	52,242.16	50,346.91
Seminarian Scholarship Fund	125.78467	10,851.43	11,148.13
	<u>3,915.15158</u>	<u>337,759.56</u>	<u>322,343.70</u>

INVESTMENT FUNDS OF THE EPISCOPAL
 CHURCH IN HAWAII
 AS OF JUNE 30, 2006

TRUST ENDOWMENTS	Total Shares	Market Value	Cost
<u>CHURCH OF THE HOLY APOSTLES, HILO</u>			
Auto Replacement Fund	67.12464	5,790.83	4,470.92
Babe Chillingworth Memorial Fund	54.31473	4,685.72	4,503.23
Vestment Fund	151.54587	13,073.84	8,753.75
Thomas A Cook Memorial Fund	2,714.96347	234,219.50	174,461.12
The Kilauea Fund	6,885.48223	594,009.55	372,210.22
Program/Clergy Fund	674.81898	58,216.54	41,683.42
Martha E Wakefield Mem Vicarage Fd	1,772.89565	152,947.45	99,179.55
Ronald C Yoder Memorial Fund	173.01791	14,926.23	10,957.33
Joseph Clark Young People's Fund	158.54474	13,677.63	12,608.86
Unrestricted Funds	307.08159	26,491.88	21,766.41
Alter Linen Fund	68.51382	5,910.68	4,966.49
Kitagawa Memorial Fund	26.75326	2,308.00	1,891.30
Detor Memorial Fund	15.05537	1,298.82	1,129.15
Lofty Cook Memorial	25.40827	2,191.97	1,946.98
Mae Marcellino Memorial	6.01675	519.06	428.30
	<u>13,101.53728</u>	<u>1,130,267.70</u>	<u>760,957.03</u>
<u>HOLY NATIVITY CHURCH, HONOLULU</u>			
Columbarium	579.84682	50,023.30	48,818.91
Concert	242.67361	20,935.42	20,431.36
Crawford	-	-	-
Nellie Hartman	5,886.45033	507,823.22	496,662.92
Capital Improvements	907.93230	78,327.19	76,441.34
Hjorth	191.30654	16,503.99	16,106.63
General Operating Endowment	10,315.79456	889,942.10	868,499.36
Memorial	496.29615	42,815.40	41,784.55
	<u>18,620.30031</u>	<u>1,606,370.62</u>	<u>1,568,745.07</u>
<u>HOLY NATIVITY SCHOOL, HONOLULU</u>			
General and Reserve Fund	2,103.62711	181,479.61	178,170.77
Reed Glover Endowment Fund	778.13882	67,129.92	65,980.58
Church Endowment Fund	1,133.89969	97,821.36	96,146.55
Scholarship Endowment Fund	673.84998	58,132.94	57,137.64
Bellows Scholarship Endowment Fund	101.17273	8,728.16	8,578.72
	<u>4,790.68833</u>	<u>413,291.99</u>	<u>406,014.26</u>

INVESTMENT FUNDS OF THE EPISCOPAL
 CHURCH IN HAWAII
 AS OF JUNE 30, 2006

TRUST ENDOWMENTS	Total Shares	Market Value	Cost
<u>KOHALA MISSION, KAPAAU</u>			
Howard & Elizabeth Bryant Memorial Church Yard & Cemetery Fund - St Augustine's Church	615.53117	53,101.78	37,751.07
Building Fund	347.05802	29,940.65	29,955.18
St Augustine's Church Yard Fund	158.60558	13,682.88	9,058.46
	<u>1,121.19477</u>	<u>96,725.31</u>	<u>76,764.71</u>
<u>SAINT ANDREW'S CATHEDRAL</u>			
Candle Fund	101.96068	8,796.13	2,503.15
Augustine Powers	1,146.98300	98,950.06	95,549.42
Living Endow, Clergy, Etc.	452.38182	39,026.91	37,685.66
The Deanery	143.84344	12,409.35	6,339.50
Choir	71.66291	6,182.35	5,969.87
Organist	74.52923	6,429.63	6,208.66
W Armitage Carlisle	309.56090	26,705.77	25,818.99
Guild & Aux	1,078.89378	93,076.01	30,601.59
Young Memorial	940.38753	81,127.10	25,727.08
Anderson Memorial	196.18957	16,925.25	8,583.61
Devonish	13.60471	1,173.68	845.39
Tenney	112.41507	9,698.03	2,956.50
Palmer	447.51275	38,606.86	26,651.34
Maintenance & Renovation	1,392.65923	120,144.51	40,635.09
Memorial Buildings	1,139.18724	98,277.52	31,417.53
Outreach	447.61545	38,615.72	27,657.15
Nellie Alice Russell	258.80966	22,327.47	19,798.86
Abbe Green	54.97579	4,742.75	2,845.02
General	15,263.56344	1,316,785.40	838,954.96
Soper	54.97638	4,742.80	2,842.20
R. Hicks Memorial	302.94143	26,134.71	22,914.88
Orvis Music Fund	1,606.03918	138,552.77	124,792.62
	<u>25,610.69319</u>	<u>2,209,430.78</u>	<u>1,387,299.07</u>

INVESTMENT FUNDS OF THE EPISCOPAL
 CHURCH IN HAWAII
 AS OF JUNE 30, 2006

TRUST ENDOWMENTS	Total Shares	Market Value	Cost
<u>SAINT ANDREW'S PRIORY SCHOOL</u>			
Alumnae Association Scholarship Fd	997.09623	86,019.35	53,110.25
British Benevolent Society Schship	1,669.39126	144,018.14	70,120.86
E E Ford Foundation	662.24113	57,131.45	33,146.44
Bishop Harry S Kennedy Schl Fund	726.74609	62,696.28	37,924.41
Caroline Ornellas Memorial Schl Fund	49.11267	4,236.94	2,491.78
Sister Evelyn Scholarship Fund	247.29445	21,334.06	9,645.23
Vance O Smith Trust Fund	1,251.79591	107,992.25	66,084.42
Betty V Von Holt Scholarship Fund	420.90954	36,311.80	16,317.80
Class of '37 Scholarship Fund	472.89244	40,796.36	33,521.38
Muriel M. Thayer Scholarship Fund	168.52938	14,539.01	14,632.85
Withington Foundation Fund	4,445.87898	383,545.33	381,633.67
Nikaido Fund for General Endowment	310.20918	26,761.70	26,081.24
Peter B Ogilby Scholarship Fund	335.76348	28,966.27	22,660.99
Phoebe Furtado Gedge Memorial Fund	0.00003	-	-
Queen Emma General Scholarship Fd	7,287.39769	628,682.74	339,420.16
Eleanor Wilcox Carney Financial Aid Fd	333.60317	28,779.90	26,920.52
Ellen K. Brazauski Scholarship Fund	207.39721	17,892.13	16,112.91
Class of 1951 Scholarship Fund	237.16733	20,460.39	18,504.67
Yoshie Isoshima Fund	272.63358	23,520.06	21,771.67
Sarah Horswill Kauka Scholarship Fund	146.56948	12,644.53	11,577.32
Operational Endowment Fund	116.17797	10,022.66	8,867.84
	<u>20,358.80720</u>	<u>1,756,351.35</u>	<u>1,210,546.41</u>
<u>ST CHRISTOPHER'S CHURCH - KAILUA</u>			
Rector's Hsg. Endow Fund	1,877.28749	161,953.32	142,526.54
General Endowment	190.06969	16,397.28	16,731.97
Outreach Endow Fund	1,065.63731	91,932.38	60,406.39
	<u>3,132.99449</u>	<u>270,282.98</u>	<u>219,664.90</u>

INVESTMENT FUNDS OF THE EPISCOPAL
 CHURCH IN HAWAII
 AS OF JUNE 30, 2006

TRUST ENDOWMENTS	Total Shares	Market Value	Cost
<u>ST CLEMENT'S PARISH, HONOLULU</u>			
Brodhead Fund for Social Adult Educ	3,626.75349	312,879.50	223,294.40
Brodhead Memorial Fund for Prayer			
Books & Hymnals	73.92659	6,377.64	3,486.10
Chapel of Peace Maintenance Fund	347.59430	29,986.91	20,691.74
Cooke Organ Fund	376.92065	32,516.89	29,215.42
General Fund	1,418.30151	122,356.67	73,674.98
The St. Clement's Endowment Fund	1,664.23874	143,573.63	133,653.73
	<u>7,507.73528</u>	<u>647,691.24</u>	<u>484,016.37</u>
<u>ST ELIZABETH'S CHURCH, HONOLULU</u>			
Joseph Ho Foundation	4,232.92810	365,174.09	400,436.30
Hon Endowment Fund	83.28589	7,185.06	3,435.00
Val and Abbie Peroff Trust	130.59722	11,266.60	10,401.20
Scholarship Trust	587.63507	50,695.19	56,061.38
	<u>5,034.44628</u>	<u>434,320.94</u>	<u>470,333.88</u>
<u>ST JOHN'S, KULA, MAUI</u>			
Janette R. Younts Trust	9.77682	843.44	664.89
Shim-Mark-Littell Endowment	960.92785	82,899.11	80,703.30
Cemetery Fund	271.98962	23,464.51	19,503.14
General Endowment Fund	290.76339	25,084.12	20,849.33
	<u>1,533.45768</u>	<u>132,291.18</u>	<u>121,720.66</u>
<u>ST MARK'S EPISCOPAL CHURCH</u>			
Muriel MacKenzie Thayer Endow Fund	547.33148	47,218.21	49,181.68
Endowment Fund	2,593.61077	223,750.43	197,626.02
Restricted Fund	198.94170	17,162.67	16,932.56
Princess Abigail Kawanānakoā Fund	228.25351	19,691.40	17,183.74
	<u>3,568.13746</u>	<u>307,822.71</u>	<u>280,924.00</u>

INVESTMENT FUNDS OF THE EPISCOPAL
 CHURCH IN HAWAII
 AS OF JUNE 30, 2006

TRUST ENDOWMENTS	Total Shares	Market Value	Cost
<u>ST MICHAEL'S, LIHUE, KAUAI</u>			
Edie Wilcox	1,908.85190	164,676.38	147,125.36
The Ike Kampmann III Education Fund	333.65299	28,784.20	29,168.08
Music & Sacristy/Liturgy Fund	0.85124	73.44	72.73
Eddie Ruby Scott Trust	449.97685	38,819.44	37,511.42
Nancy & Holbrook Goodale Fund	4,466.41815	385,317.25	368,094.14
Endowment Fund	1,557.63631	134,377.06	125,056.86
Capital Improvements Fund	275.11130	23,733.81	24,380.14
Emergency Maintenance Reserve Fund	191.83365	16,549.46	16,895.78
Scheduled Maintenance Fund	116.56166	10,055.76	10,252.57
	<u>9,300.89405</u>	<u>802,386.80</u>	<u>758,557.08</u>
<u>ST NICHOLAS CHURCH</u>			
Jensen-Malvin Memorial Fund	187.34184	16,161.95	11,439.54
Hono'uliuli Mission Fund	4,605.82981	397,344.27	332,259.87
Beverly Booth Memorial Fund	27.59426	2,380.55	2,029.33
	<u>4,820.76591</u>	<u>415,886.77</u>	<u>345,728.74</u>
<u>ST. PAUL'S-HONOLULU</u>			
Building Fund	3,062.50514	264,201.87	201,310.29
Bryon a Devonish Candle Fund	42.13807	3,635.25	2,532.36
Youth Group Fund	131.64209	11,356.74	12,163.95
	<u>3,236.28530</u>	<u>279,193.86</u>	<u>216,006.60</u>
<u>ST. PETER'S-HONOLULU</u>			
Capital Improvements Endowment Reserve Fund	3,255.51165	280,852.52	297,873.59
Columbarium Perpetual Care Fund	4,309.75416	371,801.87	373,128.12
General Endowment Fund	812.25828	70,073.40	73,927.04
Katherine Kong Endowment Fund	3,764.71574	324,781.48	343,154.50
Lydia Y.F. Moo	228.18112	19,685.15	20,716.22
Mission Endowment Fund	30.22237	2,607.28	2,715.70
Raymond Kong Endowment Fund	2,095.62997	180,789.69	191,913.90
Restricted Endowment Fund	395.39800	34,110.93	36,125.74
	781.87344	67,452.11	71,436.26
	<u>15,673.54473</u>	<u>1,352,154.43</u>	<u>1,410,991.07</u>

INVESTMENT FUNDS OF THE EPISCOPAL
 CHURCH IN HAWAII
 AS OF JUNE 30, 2006

TRUST ENDOWMENTS	Total Shares	Market Value	Cost
<u>ST STEPHEN'S CHURCH, WAHIAWA</u>			
Frank E Ahrendt Memorial Fund	742.29796	64,037.94	46,897.94
Combined Memorial Fund	142.40097	12,284.91	8,803.66
Mary Tree Hatlelid Music Fund	32.61970	2,814.10	2,786.59
The Solomon P. McCurdy Memorial Fund	666.44774	57,494.35	52,612.47
The France Memorial Fund	130.36544	11,246.61	8,334.30
Gerda Rutherford Fund	168.05800	14,498.34	12,164.54
	<u>1,882.18981</u>	<u>162,376.25</u>	<u>131,599.50</u>
<u>ST TIMOTHY'S, AIEA, OAHU</u>			
St. Timothy's Fund	1,528.62100	131,873.91	95,605.79
<u>MISCELLANEOUS</u>			
Calvary Reserve Fund	0.00004	-	-
Episcopal Church Women of Hawaii	129.65080	11,184.96	9,446.97
ECW - Diocesan Altar Guild	66.28653	5,718.53	5,392.38
Iolani Guild Scholarship Fund	860.03392	74,195.00	74,947.06
Queen Emma Chapel Missions Fund	1,029.98040	88,856.26	82,654.92
Henry Digby Sloggett Memorial Fund	19,554.65374	1,686,977.14	1,410,633.61
Eliza K. Spencer Native Hawaiian Ministry Endowment Fund	111.61025	9,628.60	6,603.36
St George's Pearl Harbor Permanent Endowment Fund	308.34497	26,600.88	24,403.31
St George's Preschool Endowment Fund	9.55590	824.39	718.27
St John's Episcopal School Bldg. Replacement Fund (Guam)	91.66163	7,907.64	5,611.91
St. Jude Unrestricted Fund	285.08260	24,594.03	25,537.14
St. Mary's Building Portfolio	497.00293	42,876.37	42,463.06
St. Timothy's Children's Center (STCC)	1,620.98942	139,842.52	134,203.12
STCC-Marion P. Tappe Scholarship Fund	193.66154	16,707.15	17,080.75
St. Timothy's Aiea Family Center	3,492.65391	301,310.75	299,958.20
The Waikiki Episcopal Chapel Endow Fund	4,051.88219	349,555.29	327,692.14
Women of Vision	82.31929	7,101.67	6,502.29
West Kauai Endowment Fund	205.59904	17,737.22	14,775.57
TOTAL	<u>365,990.16118</u>	<u>31,573,918.30</u>	<u>24,935,733.10</u>

ATTACHMENT G

Amended & Adopted

RESOLUTION NO. 1 SUBSTITUTE

**38th Annual Meeting of the Convention
of the Diocese of Hawai`i
October 20–21, 2006**

Title: Consideration of a New Companion Diocese Relationship

Sponsor: Department of Justice, Peace, and Partnerships

Contact: Name: Nancy Rowe, Dept Chair

Address: 1529 Uluhaku Place, Kailua HI 96734

Phone: (Daytime) 847-2339 (Evening) 262-5082

E-mail: rowe@aloha.net Fax: 845-4337

BE IT RESOLVED,

That this the 38th Annual Meeting of the Convention authorize the Diocesan Council to appointment a task force to study and identify a diocese of the international Anglican Church with which to establish a Companion Diocese Relationship **with initial consideration given to a relationship being established with a Maori Region of Aotearoa, NZ.**

AND BE IT FURTHER RESOLVED

That the task force report the results of its study to the 39th Annual Meeting of the Convention.

ATTACHMENT H

Amended & Adopted
RESOLUTION NO. 2 SUBSTITUTE

**38th Annual Meeting of the Convention
of the Diocese of Hawai`i
October 20–21, 2006**

Title: **Resolution No.2: SUBSTITUTE**

Sponsors: Resource Development Department of the Diocesan Council
Justice, Peace and Partnerships Department of the Diocesan Council

Contact: The Rev. Tony Litwinski, Chair
Saint James' Episcopal Church
PO Box 278, Kamuela HI 96743
(808) 640-0090 cell
rectorsaintjames@earthlink.net

BE IT RESOLVED,

That the Episcopal Diocese of Hawai'i:

Acknowledges and affirms the Social Responsibility in Investments (SRI) Committee report "Corporate Engagement by the Episcopal Church on Issues Related to Israel and the Palestinian Territories" dated October 3, 2005, received by the Executive Council of The Episcopal Church on October 8, 2005; and directs the Diocesan Council of the Diocese of Hawai'i to:

- * Follow the guidelines published by SRI in managing the Diocesan investment portfolio;
- * Study and identify in its portfolio companies that profit from the perpetuation of violence and injustice in Israel and Palestine **and everywhere else in the world**, for the purpose of corporate engagement (as defined in the SRI report);
- * Assign this study to the Resource Development Department of the Diocesan Council, the study to be completed by May 1, 2007 with recommendations for action to the Council at its May 2007 meeting and with the results of the study and actions to be published in the next issue of the Chronicle;
- * Be in consultation with the SRI and the Office of Peace and Justice Ministries for the Episcopal Church to monitor further action.

ATTACHMENT I

An Order of Service for Noonday

Officiant O God, make speed to save us.
People ***O Lord, make haste to help us.***

Officiant and People

Glory to the Father, and to the Son, and to the Holy Spirit: as it was in the beginning, is now, and will be for ever. Amen. Alleluia.

A suitable hymn may be sung.

Psalm 121 *Levavi oculos*

1 I lift up my eyes to the hills; *
from where is my help to come?
2 My help comes from the LORD, *
the maker of heaven and earth.
3 He will not let your foot be moved *
and he who watches over you will not fall asleep.
4 Behold, he who keeps watch over Israel *
shall neither slumber nor sleep;
5 The Lord himself watches over you; *
the Lord is your shade at your right hand,
6 So that the sun shall not strike you by day, *
nor the moon by night.
7 The Lord shall preserve you from all evil; *
it is he who shall keep you safe.
8 The Lord shall watch over your going out and
your coming in, *
from this time forth for evermore.

At the end of the Psalms is sung or said

Glory to the Father, and to the Son, and to the Holy Spirit: *
as it was in the beginning, is now, and will be for ever. Amen.

Reading

People Thanks be to God.

A meditation, silent or spoken, may follow.

The Officiant then begins the Prayers

Lord, have mercy.
Christ, have mercy.
Lord, have mercy.

Officiant and People

Our Father, who art in heaven, hallowed be thy Name, thy kingdom come, thy will be done, on earth as it is in heaven. Give us this day our daily bread. And forgive us our trespasses, as we forgive those who trespass against us. And lead us not into temptation, but deliver us from evil.

Officiant Lord, hear our prayer;
People And let our cry come to you.

Officiant Let us pray.

The Officiant then says one of the following Collects. If desired, the Collect of the Day may be used.

Heavenly Father, send your Holy Spirit into our hearts, to direct and rule us according to your will, to comfort us in all our afflictions, to defend us from all error, and to lead us into all truth; through Jesus Christ our Lord. *Amen.*

Lord Jesus Christ, you said to your apostles, "Peace I give to you; my own peace I leave with you:" Regard not our sins, but the faith of your Church, and give to us the peace and unity of that heavenly City, where with the Father and the Holy Spirit you live and reign, now and for ever. *Amen.*

Free intercessions may be offered.

The service concludes as follows

Officiant Let us bless the Lord.
People Thanks be to God.

Necrology

Jean Adams
Matilde Luis Aganos
Alice Tenn Akamu
Ernest William Albrecht
Page Morris Anderson
Vincent Aquir
Carol Post Walker Arnold
Alma Kam Chow Tom Au
Louis Baldovi
Eddie Carriaga Baniaga
Moila "PeeWee" Semi Bird,
Jr.
Patricia Phillips Bixler
Marina Childs Way Black
Jan Bond
Jane Bowman
Carolyn Norah Brooks-Harris
Henry Budd
Alexander Grow Budge, Jr.
Claire Buta
Helen Pickens Bye
Clement Cadiente
Keala Mabel Case
Alex Chan
Lucy Soong Chang
Nicholas Scot Chay
Rose Chee
Ren Zhi Chen
Wallace Yin Kong Ching
Alice H. Chun
Robert SM Chun
Herbert Angelo Cocca
Thelma "Sweetie" Ne Conner
Sabino Gaoiran Corpuz
Robert "Nova" Davenport
Lambert E. Davids
Helen de Harne
Salome Duldalao
Ernesto Robinos Duldulao
Christino Dumlao

Harriet Kahelemo ala ala Farden
Francisco Aganon Fernandez
Harue F. Fong
Veronica Fukami
Wilfred Fukino
Richard Tet Chin Fung
Federico Alegado Galvadores
Albert Chun Quon Go
Phillip Randall Golderman
Roy Goss, Sr.
B. Hod Greeley III
Leonard Radcliffe Greenwell
Sandra McCoy Greenwell
Anthony "Rocky" Grossi
Jan Markhart Guarino
Alberta Barrairo Guirnalda
Annette Lynn Harada
Logan Anthony Hill
Margaret Fujiko Hirao
Lily Tenn Ho
Scott Hoover
Valerie Howell
Doris Campbell Huddleston
Charles Ross Hug
Lottie Fern Hughes
Alonzo Hutchinson
Sabastian Igarto
Beatrice Choy Iona
Kelly K. Ito
Mervin Roy Johnson
Richard Jung
Matthew Kaiahua
Donald Kalaiwaa
Kinau Boyd Kamalii
Thomas Lawrence Kennedy
Johnny "Pineapple" Keohuloo
Samuel Tong Sup Kim
Ellery Komenaka
Clara Masako Kurwanoto
Kay Kamayo Izumigawa Lee
Ruhl T.K. Lee

Dunn Leong
Janice Ling
Caroline Albao Los Banos
Ann Marie Low
Edith Kikukawa Lum
Filipino Pasqual Lumabao
Michael MacDonald
John Mahuka
Bernardino Agraan Maltezo
Ben Bruce Mayes
James M. McCutcheon
Eulalia Melchor
David Melrose
Robert Milliken
Alfred Kiyotoshi Mitsui
Audrey Aloha Molabe
Carol Morimoto
Sue Morishige
Dorothy Perkins Moss
Yukio Nakano
Lyle K. Nelson
Juliet Ling Nickerson
Bienvenido Noneza
Bobbi Lee Obrock
Doris Tom Onaga
John Wells Owens
Florentino Padasdao
Allan Page
Elizabeth Parsons
Pedro Duco Perez, Sr.
Genevieve Pitman
Paglo Pascual Pobre
William Poepoe
Chester Robert Francis Poole
Natividad Albano Prudencio
Victoriano Sadang Quindara
Patricia Raines
Patricia Ramos
Donald Lewis Ray

Walter Rhodenhurst
Bob Rhyne
George
 Lulu'upuakauikawekiu
 Rodenhurst
John Vincent Sabiano
Lance Schoenberger
Lois Sherwin
Clara Simpson
Clyde Smith
Bobby Jean Smythe
Betty Shui Mui Soo
Joyce M. Spencer
Mary Elizabeth Sterling
Mildred Asako Kumagai
 Suzuki
Richard Bayless Sweet
Jessica M. Takashima
Minoru Takashima
Violet Takatsuka
Charles Tamura
Carl Tapfer
Manroja Pascual Tumaneng
Robert Alan Verrey
Baldemero Villa Villanueva
Francios Greene Wallace
Patricia Ward Walter
Patricia Walter
Florence Eiko Watters
Jack Bassett Webb
Kui On Won
Ester Au Wong
Janice Mee Yuk Wong
Richard F.Y. Wong
Robert Wah Chow Wong
Wilfred Wong
Mara Planta Yadao
Sun Yee Goo You
Margaret Tsuneyo Zane

ATTACHMENT J

TELLER'S REPORT – First Ballot

BALLOT #1

Diocesan Council: Clergy

Number of Votes Cast 205
Necessary for Election 103
The Rev. Tom Buechele received 201

Diocesan Council: Lay

Number of Votes Cast 210
Necessary for Election 106
Ms. Beverly Davis Amjadi received 155
Mr. Rogelio Evangelista received 117
Mr. Jay Jackson received 100
Ms. Mary Schulz received 145
Mr. Amado Yoro received 92
Mr. Constantino Dela Cruz received 100

Diocesan Council: Kauai

Number of Votes Cast 199
Necessary for Election 100
Ms. Margee Faunce received 194

Standing Committee: Clergy

Number of Votes Cast 211
Necessary for Election 106
The Rev. William Miller received 103
The Rev. Mark Juchter received 66
The Rev. Honey Becker received 57
The Rev. Darrow Aiona received 76
The Rev. Cass Bailey received 94

Standing Committee: Lay

Number of Votes Cast 206
Necessary for Election 104
Ms. Margaret Caglayan received 21
Mr. Peter Lee received 53
Ms. Cynn timer Salley received 57
Mr. Bill Skelton received 45
Mr. John Williamson received 29

Cathedral Chapter: Clergy

Number of Votes Cast 199
Necessary to Elect 100
The Rev. Greg Johnson received 101
The Rev. David Gierlach received 89

Cathedral Chapter: Lay

Number of Votes Cast 193
Necessary to Elect 97
Mr. Eddie Agullana received 92
Mr. Willis Moore received 98

Ecclesiastical Court: Clergy

Number of Votes Cast 178
Necessary to Elect 90
The Rev. Teresa Bowden received 177

Secretary of Convention

Number of Votes Cast 181
Necessary to Elect 91
Ms. Nancy Rowe received 181

Confirmation of Bishop's Appointments

Commission on Ministry: Lay
Mr. Paul Nahoia Lucas received 201
Commission on Ministry: Clergy
The Rev. Jodene Hawkins received 201

Commission on Episcopal Schools: Lay
Mr. Dan Nelson received 203
Ms. Arleen Young received 198

Diocesan Compensation Review
Commission: Lay
Ms. Alice Herring received 202

Diocesan Compensation Review
Commission: Clergy
The Rev. Hollis Wright received 198
The Rev. Dan Leatherman received 202

Chancellor
Mr. John Lockwood received 195
Vice-Chancellor
Mr. Walter Beh received 198

Registrar
Ms. Jan Horimoto received 199

Historiographer
Mr. Stuart Ching received 198

ATTACHMENT K

Adopted
RESOLUTION NO. 3

38th Annual Meeting of the Convention
of the Diocese of Hawai'i
October 20-21, 2006

TITLE: 2007 Clergy Compensation & Benefits Policy of the Episcopal Diocese of Hawai'i

SPONSOR: Diocesan Compensation Review Committee

CONTACT NAME: Austin Nako, Chair

ADDRESS: 229 Queen Emma Square, Honolulu, Hawai'i 96813

PHONE: 373-7273

EMAIL: Austin@nakoacompanies.com

BE IT RESOLVED, that the 2007 Clergy Compensation and Benefits Policy of the Episcopal Diocese of Hawai'i be adopted.

RATIONALE/EXPLANATION

The 2007 Clergy Compensation Schedule salary ranges represent a 7.5% increase over 2006's schedule, along with a \$600 increase to the automobile allowance.

Regarding the Compensation Schedule: In response and support of the mission and efforts of congregations, the Commission has modified the previous concept of 10% over a total of four years (2007 being the second in this cycle) increases to the Compensation Schedule. Recognizing the still-present need to adjust better the Compensation Schedule to reflect parity, cost of living, clergy search market, and unchanged Schedule for over 4 years from 1994-1998, the Commission stands by a continued increase beyond the cost of living to the Schedule. The Commission modifies our recommendation with 7.5% increase, anticipating this standard level of increase over four years, 2007 being the first.

Regarding the Automobile Allowance: Until 2006, the automobile allowance had not been adjusted in 4 years, and the 2005 AAA allowance was \$7,142. The Commission finishes the second half of the phase-in catch-up of 2006. Vestries/bishop's committees and clergy should mutually determine whether a flat automobile allowance or a mileage system will be implemented at each congregation. The Commission has added provisions that increase automobile allowance according to costs of living adjustments, thereby avoiding the oversight of future increases.

Regarding Mutual Ministry Review: Compensation provides the means by which congregations enable priests to exercise and express a professional vocation entrusted by God and affirmed by the Church. Inherent to the sacred trust shared by priest and congregation is the mutuality and accountability of communion. The following terms state the expression of this mutuality and communion by providing the minimum expectations of compensation and professional support, according to various conditions necessary for life and ministry in the Diocese of Hawai'i. These minimum expectations articulate the base for which we support and affirm the ministry and leadership of our priests.

As a further sign of our mutuality of ministry and life in communion, compensation must be developed and considered with clear expectations of ministry and presence. In order to achieve this, all priests providing ministry and leadership beyond supply ministry must have a mutually agreed upon Letter of Agreement, a Position Description (to include a statement of ministry and professional goals), and a biennial request for Mutual Ministry Review. This mutual review will provide for the continued mutual life, ministry and vitality shared by priest and congregation.

Materials, resources, and guidance for Letters of Agreement, Position Descriptions, and Mutual Ministry Reviews are available from the Office of the Bishop.

An agreement among the Clergy, Wardens and Vestry to a biennial discussion and mutual review of the total ministry of the parish allows for the following:

- The Clergy, Wardens and Vestry are given the opportunity to assess how well they are fulfilling their responsibilities to each other and to the ministry they share.
- Goals can be established for the work of the parish for the coming year.
- Areas of conflict or disappointment that have not received adequate attention and may be adversely affecting mutual ministry can be identified and addressed properly.
- Expectations of all parties can be clarified to reduce the possibility of any future conflicts and if any occur, they become more manageable.

A mutually agreed upon third party may be engaged to facilitate this process.

The Compensation Review Committee has asked the Resource Development Department to discuss this recommendation in its presentations made around the state in pre-Annual Meeting gatherings with clergy, lay convention delegates, wardens and treasurers. It is hoped that the concepts mentioned here and presented of a continued 7.5% increases for the three subsequent years following 2007 will be given serious consideration in those subsequent years.

2007 CLERGY COMPENSATION AND BENEFITS POLICY
The Episcopal Diocese of Hawai'i

Category	Compensation 0 thru 4 years Minimum	5 thru 9 Years Minimum	10 thru 19 Years Minimum	20 thru 29 Years Minimum	30+Years Minimum
A	76,668	86,244	95,820	103,476	114,972
B	69,744	78,408	87,108	94,032	104,472
C	63,396	71,292	79,212	85,536	95,028
D	57,600	64,908	72,108	77,952	86,604
E	52,392	58,944	65,484	70,716	78,564

This table does not include self employment tax.
 Compensation includes salary and housing

I. Salaries

- a. The compensation categories and ranges are intended to be used as a framework within which the Vestry/Bishop's Committee and the clergy negotiate a mutually acceptable compensation. The compensation ranges are based on years of service to provide a guide for compensation increases as years of service increase. This compensation schedule sets the minimum for churches in the Diocese of Hawaii. Years of service means the number of years of status as a clergy person in good standing in The Episcopal Church in the USA. In Parishes, Compensation is negotiated between the Clergy person and the vestry. For Missions, compensation is negotiated between Clergy and the Bishop's Committee with the approval of the Bishop. Credit for prior years of service as an ordained person in-good-standing in another denomination is negotiated between the clergy and the Vestry/Bishop's Committee with the approval of the Bishop. With respect to clergy newly called or appointed to a congregation, the Vestry/Bishop's Committee is required to notify the Treasurer of the Diocese as to the number of years of service at which they enter the Compensation Schedule approved by Diocesan Convention. In order to maintain accurate records, a schedule will be attached to the Parochial Report reporting the clergy compensation and the number of years of service as it increases each year.
- b. Clergy must be paid at least the minimum of the applicable category with salary reviews at least annually. Congregations and clergy are strongly encouraged to set up at least a bi-annual Mutual Ministry review, complete with clear goals and objectives, mutual accountabilities and shared expectations by both the laity and the clergy.
- c. These categories are minimums and should be used as a starting point for salary negotiations. Vestries/Bishop's Committees should be seriously considering appropriate compensation.

- d. For easier administration, all compensation figures will be rounded up into amounts divisible by 12.
- e. Each Vestry or Bishop's Committee, working in consultation with their clergy, shall approve a resolution determining the housing allowances for the following year. This IRS requirement shall be completed by December 31st of the year preceding the commencement of the allowance.
- f. For clergy who are paid a cash housing allowance, the amount of the housing allowance shall be determined by negotiation between clergy and Vestry/Bishop's Committee.
- g. The 2007 Housing Allowance Guideline is \$17,172 and is included in the compensation amounts stated above. Any congregation that furnishes housing for the Fair Market Value that is less than the \$17,172 is encouraged to pay the difference in cash to the clergy. The value of housing that is decided shall be added to the cash salary in order to compute the total compensation for Church Pension Fund purposes.
- h. Congregations with assisting clergy are encouraged to classify the assistant's position into a category appropriate to the scope of the position.

II. Part Salaried Positions

- a. Part salaried clergy in charge of congregations will be paid according to the applicable range above, times the % as agreed for the position.

III. Benefits

- a. A car allowance of \$7,200 will be provided, unless the clergy and Vestry/Bishop's Committee mutually determine by December 31 of the year preceding the commencement of the allowance that a mileage plan (using the current Internal Revenue Service cents per mile) will be provided for the year instead. Clergy are encouraged to consider use of pre-tax dollars by setting up a reimbursable expense account plan or have the congregation provide an automobile. Please budget an annual increase of 4% for 2008 and 2009.
- b. The congregation will pay the mandatory Church Pension Fund Assessment on salary, housing, social security reimbursement and on utilities (if applicable).
- c. \$50,000 Group Life Insurance as provided by the Church Pension Fund at no cost to the congregation.
- d. The congregation must provide the Diocesan HMO Plan for clergy. For exceptions, please apply to the Office of the Treasurer. Clergy will receive full family medical coverage according to the terms of the Diocesan HMO Plan, paid for by the congregation. (Clergy hired prior to 1/1/95 may continue with the Preferred Provider Plan.). Please budget an annual increase of 7% in medical cost for 2008 and 2009.
- e. The congregation will pay the cost of Worker's Compensation coverage.
- f. The Temporary Disability Insurance Plan for clergy is provided by the Church Pension Fund at no cost to the congregation.
- g. Congregations will pay the clergy social security costs at 7.65% of salary and housing.

- h. Full Salaried clergy are entitled to one month (30 calendar days) of annual vacation with full stipend and allowances. This vacation time cannot be more than 45 calendar days in any one year, except by the agreement of the Vestry/Bishop's Committee with the consent of the Bishop in Aided Parishes and Missions. (In other words, no more than 15 days can be carried over to the following year.) Congregations should encourage clergy to take vacation.

IV. Part Salaried Clergy Benefits

- a. The congregation must provide the Diocesan HMO plan for Part Salaried clergy who are 50% or more Salaried. Part Salaried clergy who are less than 50% Salaried will receive the dollar value of the percentage of the value of a full coverage HMO plan. (Prior to the adoption of this policy, all Part Salaried clergy who are currently serving in a congregation, will be grandfathered into the type of medical coverage they now enjoy.)
- b. If qualified, Part Salaried clergy will receive the designated Group Life Insurance benefit as provided by the Church Pension Fund.
- c. The congregation will pay the mandatory Church Pension Fund assessment on salary, housing, social security reimbursement and on utilities (if applicable).
- d. Part Salaried clergy will receive the Federal guideline reimbursement of business mileage instead of a car allowance.
- e. The Temporary Disability Insurance Plan for Part Salaried clergy is provided by the church Pension Fund.
- f. Part salaried clergy are entitled to one month (30 calendar days) of annual vacation with agreed stipend and allowances. This vacation time cannot be more than 45 calendar days in any one year except by the agreement of the Vestry/Bishop's Committee with the consent of the Bishop in Aided Parishes and Missions. (In other words, no more than 15 days can be carried over to the following year.)

V. Other

- a. Moving Expenses: Clergy will receive an allowance for moving expenses from the US Mainland, typically in the range of \$12,000 to \$18,000, depending on location.
- b. Sabbatical: Clergy are eligible for sabbatical leave at the ratio of one month per year of service in the congregation, to be available after the third year, and cumulative through the fourth year. The maximum amount of leave is limited to 4 months. The vestry/Bishop's committee shall annually budget funds to accumulate to provide pastoral and sacramental supply during the clergy person's sabbatical leave. Sabbatical leaves are provided for the benefit of both the congregation and clergy. Thus, before a sabbatical leave is granted, clergy agrees to serve the congregation for at least one year upon returning from the sabbatical. In addition, the request for sabbatical must be accompanied by a full and detailed description of the activities to be undertaken during the leave and, if granted, clergy shall submit to the Bishop and the Vestry at the end of the leave, a report on the accomplishments of the leave. Accrued but not taken sabbatical leave can be carried over to following

years in the same parish/mission. Accrued but not taken sabbatical leave is not paid out at retirement.

- c. Continuing education: Clergy are required by Canon and Diocesan policy to continue their education. The congregation should provide funds in its annual budget for this continuing education. The minimum recommended amount is **\$900/year**. This amount should accumulate if unused and can carry over to the next year. This fund should also be available for sabbatical expenses.

VI. Supply Clergy Compensation

- a. The minimum compensation for supply clergy shall be as follows:

One Service: \$140.00

Two Services: \$190.00

Each additional Service: \$90.00

Clergy will be reimbursed for travel (mileage or airfare) and housing (if applicable).

CONGREGATIONAL COMPENSATION CATEGORIES

CATEGORY E	10 TO 115
CATEGORY D	116 TO 179
CATEGORY C	180 TO 240
CATEGORY B	241 TO 392
CATEGORY A	393 AND ABOVE

**2007 CONGREGATIONAL COMPENSATION CATEGORY
COMPUTATION WORKSHEET BASED ON
2005 PAROCHIAL REPORT DATA**

I. Number of Pledging Units

Number of Pledging Units _____

Multiplied by .40= _____

II. Average Attendance

Average Sunday Attendance _____

Multiplied by .30= _____

III. Annual Operating Budget

Annual Operating Budget in \$1,000 _____

Multiplied by .30= _____

TOTAL OF WEIGHTED FIGURES _____

Anyone who may have questions on how to utilize these worksheets and compensation categories, ranges and tables may contact the Diocesan Compensation Review Committee Chair, and/or Mr. Peter Pereira, Diocesan Treasurer.

ADDENDUM TO CLERGY COMPENSATION SCHEDULE

Examples:

1. Clergy with 5 years service is called to serve in a Category E Parish/Mission. His minimum compensation should be \$58,944. These categories are minimums and should be used as a starting point in the negotiation; Vestries/Bishop's Committees should seriously consider appropriate compensation.
2. Clergy with 20 years of service is called to serve in a Category C Parish. Her minimum compensation should be \$85,536. These categories are minimums and should be used as a starting point in the negotiation; Vestries/Bishop's Committees should seriously consider appropriate compensation.
3. Clergy with 25 years of service is called to serve as a part salary vicar in a Category E Mission. The position is for 50% of salary. His minimum compensation should be \$35,358 ($\$70,716 \div 2 = \$35,358$). These categories are minimums and should be used as a starting point in the negotiation; Vestries/Bishop's Committees should seriously consider appropriate compensation.
4. Clergy with 2 years of service is called to serve in a Category D church. His minimum compensation should be \$57,600. However, due to the parameters of the search and the scarcity of applicants, the congregation ended up paying the clergy \$77,000.

**2007 COMPENSATION BASED ON 2005 PAROCHIAL DATA
ALPHABETICAL**

CHURCH	No. of Pledging Units	Average Attend.	Assessm't Operating Income	Weighted Totals	Category	0 thru 4 years	5 thru 9 years	10 thru 19 years	20 thru 29 years	30 + years
ALL SAINTS	58	115	184,207	113	E	52,392	58,944	65,484	70,716	78,564
CALVARY	85	140	326,056	174	D	57,600	64,908	72,108	77,952	86,604
CHRIST CHURCH	51	88	240,144	119	D	57,600	64,908	72,108	77,952	86,604
CHRIST MEMORIAL	13	58	121,826	59	E	52,392	58,944	65,484	70,716	78,564
EMMANUEL	52	77	127,140	82	E	52,392	58,944	65,484	70,716	78,564
EPIPHANY	85	130	221,027	139	D	57,600	64,908	72,108	77,952	86,604
GOOD SAMARITAN	39	45	112,463	63	E	52,392	58,944	65,484	70,716	78,564
GOOD SHEPHERD	139	167	346,321	210	C	63,396	71,292	79,212	85,536	95,028
GRACE	100	87	68,770	87	E	52,392	58,944	65,484	70,716	78,564
HOLY APOSTLES'	51	105	255,471	129	D	57,600	64,908	72,108	77,952	86,604
HOLY CROSS	5	12	7,560	8	E	52,392	58,944	65,484	70,716	78,564
HOLY INNOCENTS'	43	58	84,320	60	E	52,392	58,944	65,484	70,716	78,564
HOLY NATIVITY	81	134	325,241	170	D	57,600	64,908	72,108	77,952	86,604
RESURRECTION	12	30	9,777	17	E	52,392	58,944	65,484	70,716	78,564
ST. ANDREW'S	177	261	1,295,736	538	A	76,668	86,244	95,820	103,476	114,972
ST. AUGUSTINE'S	32	31	77,643	45	E	52,392	58,944	65,484	70,716	78,564
ST. CHRISTOPHER'S	100	160	343,074	191	C	63,396	71,292	79,212	85,536	95,028
ST. CLEMENT'S	131	174	424,771	232	C	63,396	71,292	79,212	85,536	95,028
ST. COLUMBA'S	16	18	9,782	15	E	52,392	58,944	65,484	70,716	78,564
ST. ELIZABETH'S	72	105	264,914	140	D	57,600	64,908	72,108	77,952	86,604
ST. GEORGE'S	11	46	36,561	29	E	52,392	58,944	65,484	70,716	78,564
ST. JAMES'	70	93	263,744	135	D	57,600	64,908	72,108	77,952	86,604
ST. JOHN'S, KULA	99	129	231,993	148	D	57,600	64,908	72,108	77,952	86,604
ST. JOHN'S BY/SEA	46	61	102,888	68	E	52,392	58,944	65,484	70,716	78,564
ST. JUDE'S	11	24	31,114	21	E	52,392	58,944	65,484	70,716	78,564
ST. LUKE'S	7	26	109,765	44	E	52,392	58,944	65,484	70,716	78,564
ST. MARK'S	61	73	241,034	119	D	57,600	64,908	72,108	77,952	86,604
ST. MARY'S	31	68	232,773	103	E	52,392	58,944	65,484	70,716	78,564
ST. MATTHEW'S	30	29	39,277	32	E	52,392	58,944	65,484	70,716	78,564
ST. MICHAEL'S	87	120	292,727	159	D	57,600	64,908	72,108	77,952	86,604
ST. NICHOLAS	30	86	228,505	106	E	52,392	58,944	65,484	70,716	78,564
ST. PAUL'S, OAHU	156	228	138,794	172	D	57,600	64,908	72,108	77,952	86,604
ST. PETER'S	38	116	415,597	175	D	57,600	64,908	72,108	77,952	86,604
ST. PHILIP'S	10	24	40,050	23	E	52,392	58,944	65,484	70,716	78,564
ST. STEPHEN'S	42	36	84,892	53	E	52,392	58,944	65,484	70,716	78,564
ST. THOMAS	10	12	29,337	16	E	52,392	58,944	65,484	70,716	78,564
ST. TIMOTHY'S	123	112	221,850	149	D	57,600	64,908	72,108	77,952	86,604
TRINITY BY/SEA	56	85	192,871	106	E	52,392	58,944	65,484	70,716	78,564
WEST KAUAI	26	66	73,026	52	E	52,392	58,944	65,484	70,716	78,564

The Episcopal Diocese of Hawai`i

2007- 2009 Budget



**OTHER THAN THIS SENTENCE,
NO TEXT IS INTENDED TO APPEAR ON THIS PAGE**

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TOTAL INCOME

	2005 ACTUAL	2006 BUDGET	2007 BUDGET	2008 BUDGET	2009 BUDGET
Income					
Assessments	1,539,368	1,534,201	1,649,139	1,699,000	1,750,000
Investments:					
Portfolio (Restricted)	284,469	303,716	361,200	263,500	273,400
Portfolio (Unrestricted)	1,951	2,000	2,100	2,200	2,300
Harry and Katharine Kennedy Mem. Fund (Board Restricted)	68,400	70,000	70,000	50,000	50,000
Von Holt Fund (Unrestricted)	151,094	157,300	169,400	176,200	183,200
Ing Fund (Unrestricted)	89,854	90,900	104,500	108,700	113,000
Cotton Fund (Restricted)	32,233	33,500	33,900	35,300	36,700
Parke Trust (Unrestricted)	52,424	54,100	56,300	58,500	60,900
Prisanlee Fund (Unrestricted)	21,301	22,400	23,300	24,200	25,200
Valvon Fund (Unrestricted)	19,978	22,900	23,800	24,800	25,800
Total Investments	721,704	756,816	844,500	743,400	770,500
Rentals:					
Apartments	68,100	68,000	70,100	70,100	72,300
Parking	70,855	72,800	75,800	78,000	80,400
Total Rentals	138,955	140,800	145,900	148,100	152,700
Interest	6,870	3,000	11,400	11,900	12,400
Chronicle Donations (Board Designated)	3,912	7,000	7,300	7,600	7,900
Miscellaneous	12,717	8,000	8,300	8,700	9,000
Prior Year Surplus	0	163,788	86,134	80,000	80,000
Total Income	2,423,526	2,613,605	2,752,673	2,698,700	2,782,500

Description of Income & Explanation of Significant Variances

Assessments

The recommended assessment proposed by Diocesan Council for the 2007 to 2009 budget is 21% and is based on each congregation's 2005 to 2007 operating income. Historically, the total assessment is shown below:

YEAR	ASSESSMENT PERCENTAGE
1991 to 1994	23%
1995	26%
1996 to 2000	25%
2001	24%
2002	23%
2003	23%
2004	22%
2005	22%
2006 to 2009	21%

Investment Income

Income from the Portfolio (Unrestricted), Von Holt and the Ing Fund represent a 5% total return distribution. Income from the Portfolio (Restricted) is primarily from the Episcopate Endowment Fund. The distribution is limited to the expenses related to the Office of the Bishop, (which does not include the executive assistant. for the years 2007 to 2009). It also includes a distribution of \$21,300 to cover the cost of the Bishop Search & Transition budget (see Election Process footnote on page 12). The distribution from the Harry & Katharine Kennedy Memorial Fund is to subsidize the planting of St, Nicholas mission. The diocese is the beneficiary of the investment income from the Catton Fund, Parke Trust, Prisanlee Fund and Valvon Fund. We do not have investment management oversight of these funds. The Catton Fund income is restricted by the donor for retired church workers. All investment income is net of investment fees (management and custodial fees).

Rentals: Apartments

This is the rental income from the Diocesan-owned apartments at Queen Emma Square.

Rentals: Parking

This income is from the Priory's rental of parking spaces in the parking lot behind the Diocesan offices.

Interest

This represents the interest on Diocesan cash accounts.

Chronicle Donations

This represents income to support the publication of the CHRONICLE.

TOTAL EXPENDITURES

	2005 ACTUAL	2006 BUDGET	2007 BUDGET	2008 BUDGET	2009 BUDGET
Expenses					
Congregational Transformation & Evangelism					
Congregational Support	483,000	573,980	598,700	558,961	563,427
Other Commissions & Ministries	68,140	218,107	171,590	143,990	165,640
Sub-Total	<u>551,140</u>	<u>792,087</u>	<u>770,290</u>	<u>702,951</u>	<u>729,067</u>
Justice, Peace & Partnerships					
Program Costs	30,769	35,600	35,685	39,791	36,828
Sub-Total	<u>30,769</u>	<u>35,600</u>	<u>35,685</u>	<u>39,791</u>	<u>36,828</u>
Office of the Bishop					
Episcopate	283,034	301,598	421,798	326,500	338,700
Staff	403,842	450,000	450,000	466,000	482,000
Other	48,842	52,600	51,700	56,800	60,900
Sub-Total	<u>735,718</u>	<u>804,198</u>	<u>923,498</u>	<u>849,300</u>	<u>881,600</u>
Resource Development					
Nation & World	373,277	368,964	387,700	434,500	451,700
Retirees	31,660	19,361	33,900	35,300	36,700
Diocesan Support Expenses	348,425	363,600	380,200	393,300	406,800
Debt Reduction	126,638	0	0	0	0
Sub-Total	<u>880,000</u>	<u>751,925</u>	<u>801,800</u>	<u>863,100</u>	<u>895,200</u>
Young Adults and Youth					
Program Costs	137,629	229,795	221,400	243,558	239,805
Sub-Total	<u>137,629</u>	<u>229,795</u>	<u>221,400</u>	<u>243,558</u>	<u>239,805</u>
Total Expenses	<u>2,335,256</u>	<u>2,613,605</u>	<u>2,752,673</u>	<u>2,698,700</u>	<u>2,782,500</u>
Surplus/(Deficit)	<u>88,270</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

CONGREGATIONAL TRANSFORMATION & EVANGELISM

	2005 ACTUAL	2006 BUDGET	2007 BUDGET	2008 BUDGET	2009 BUDGET
Congregational Support					
Christ Memorial, Kilauea	4,100	11,900	0	0	0
Emmanuel, Kailua	20,000	15,780	0	0	0
Grace, Molokai	48,000	53,000	36,000	40,000	44,000
Holy Cross, Malaekahana	7,800	7,800	0	0	0
Holy Innocents, Lahaina	20,000	20,000	20,000	18,000	15,000
Resurrection/St. Columbas, B Island	38,800	49,700	0	0	0
St. Augustine's, Kohala	19,100	20,000	20,000	10,000	10,000
St. George's, Pearl Harbor	48,000	75,000	70,000	68,000	65,000
St. John's By-The-Sea, Kahalulu	35,000	25,000	20,000	0	0
St. Jude's, Ocean View	10,000	0	23,000	23,000	23,000
St. Matthew's, Waimanalo	20,000	27,800	7,800	7,800	7,800
St. Nicholas, Kapolei	98,200	128,000	120,000	115,000	110,000
St. Philip's, Maili	36,000	36,000	36,000	36,000	36,000
St. Stephen's, Wahiawa	28,000	28,000	30,000	30,000	30,000
West Kauai	30,000	34,000	43,000	43,000	42,000
Subtotal Grant	463,000	531,980	425,800	390,800	382,800
Department Resources Toward Congregational Support					
Emergencies & Opportunities		21,300	152,200	147,461	156,627
St. Georges lease rent	20,000	20,700	20,700	20,700	24,000
Total Congregational Support	483,000	573,980	598,700	558,961	563,427

CONGREGATIONAL SUPPORT

Individual Congregation Line Items

These line items financially support congregations (missions and parishes) to meet the necessities of congregational life. The requests are reviewed with their strategic plans, the parochial reports, and investment portfolios, recent financial statements, minutes of Bishop's Committee/Vestry meetings, of the applying congregations. The Congregational Health & Growth Commission's recommendations regarding funding are based upon the congregation's ministries, evidence of movement toward self-sufficiency through stewardship, evangelism efforts, proposals to undertake innovative ministries based on the awareness of Diocese Strategic Plan and local priorities, in addition to the ability of congregation to fund these ministries.

Emergencies & Opportunities

This line item provides funds to develop new opportunities for ministry or to cope with emergencies. It is available to congregations coping with operational needs while calling new clergy whose salary packages are difficult to project. It is also intended to help congregations that have had unpredictable changes in finances and leadership. It is also available to congregations needing additional work on their strategic plan or additional accountability for funds.

OTHER COMMISSIONS & MINISTRIES

	2005 ACTUAL	2006 BUDGET	2007 BUDGET	2008 BUDGET	2009 BUDGET
Camp Mokule'ia		60,000	0	0	0
Christian Formation	8,298	22,000	45,000	40,000	40,000
Church Leaders Conference	134	20,000	20,000	10,000	10,000
Commission on Native Hawaiian Ministries	6,689	15,000	22,000	14,100	28,650
Congregational Health & Growth Commission	27,700	31,300	28,500	23,500	23,500
Ministry Development	16,823	47,607	39,440	39,740	45,240
Planned Giving	650	4,700	4,800	3,000	3,200
Stewardship Commission	7,846	17,500	11,850	13,650	15,050
Total Other Ministries	68,140	218,107	171,590	143,990	165,640

OTHER COMMISSIONS & MINISTRIES

Camp Mokule'ia

Camp Mokule'ia requested a \$60,000 grant in 2006 to facilitate the repair of facilities. The grant request allowed the camp to utilize a \$15,000 grant from the Atherton Foundation, which was contingent on obtaining additional funds. The camp reserved an additional \$25,000 of cash reserves, which will be applied to this project. This work will allow the camp to better serve the church and the larger camping community in Hawaii

Christian Formation

The Christian Formation Commission is responsible for providing resources for spiritual and theological formation for adults and children. Along with supporting national programs like Education for Ministry, Godly Play, and Catechesis of the Good Shepherd, the Commission operates a web site (<http://episcopalresourcehawaii.org/formation/>) that includes information about various adult curricula for parish study groups, individual formation, Sunday School curricula, and media, on-line coursework, and other options for theological and spiritual development. The Commission also offers grants to individuals for up to \$2000 to encourage attendance at conferences, seminars, and other educational opportunities that encourage deeper spiritual development and theological formation. Finally, the Commission sponsors events throughout the diocese led by nationally known individuals in spirituality, theology, and Christian formation.

Church Leaders Conference

This line item provides the funding for annual training for vestry/bishop's committee members and other congregational leaders. Conferences funded by this in 2006 were two sessions of Strategic Planning for Congregations and Commissions: Being the Church God is Calling Us to Be! conferences for leaders of congregations as well as members of Diocesan Council, Standing Committee, and all diocesan commissions.

OTHER COMMISSIONS & MINISTRIES

Commission on Native Hawaiian Ministries

This line item funds the Commission created in 1990 to train leaders of native Hawaiian ancestry and to be a focus for opportunities to minister to communities of Hawaiians in all congregations. CONHM works to bridge the gap between the native Hawaiian language and culture and the dominant Western language and culture to facilitate the acceptance, understanding, and proper implementation of the former. In addition, through meetings, conferences, shared ministries and other exchanges with the Anglican Indigenous Network (AIN), the Episcopal Council on Indigenous Ministries (ECIM), and the Indigenous Theological Training Institute (ITTI), this Commission maintains close contact with other indigenous peoples and their faith communities throughout the United States and other parts of the world. CONHM also offers various opportunities for education and mission.

Congregational Health & Growth Commission

This line item funds diocesan support for churches by means such as expert consultation and local and national training events. The Commission hopes to help build healthy multicultural congregations. Its support would include, but not be limited to, promotion of five year planning cycles for congregations, attendance at conferences, Start Up Start Over follow up, and church development education. The Commission encourages ministries to ethnic groups that have been underrepresented and hopes to help the diocese become more multicultural and deliberately inclusive of new groups. The commission also helps equip individuals and congregations to live their baptismal covenant through spreading the Good News of Jesus Christ. The Commission oversees the training events and ministries that help individuals and congregations invite the unchurched to join the fellowship of Christ.

Ministry Development

This line item funds clergy and clergy spouse conferences, seminarian financial support, deacons' gatherings, the needs of the Commission on Ministry, and the background checks for candidates for positions in mission congregations or on the Bishop's staff. These funds are administered by the Bishop's staff and by committees/task forces specially appointed by the Bishop for a particular activity or ministry.

Planned Giving

Priorities include visiting congregations to increase awareness of planned giving and gift planning, develop a network of lay and ordained persons throughout the diocese and prepare a comprehensive plan for planned gifts, donor identification and grant writing.

Stewardship Commission

This line item funds the work of the Commission that equips congregations and individual Christians to be responsible stewards of our time, talent and treasure to support the spread of the Good News, the seeking of Christ in all persons. This Commission oversees the training events and ministries that help congregations develop effective local stewardship programs.

JUSTICE, PEACE & PARTNERSHIPS

	2005 ACTUAL	2006 BUDGET	2007 BUDGET	2008 BUDGET	2009 BUDGET
Companion Diocese	3,561	0	0	0	0
Diversity Commission	36	4,200	900	1,400	4,000
Ecumenical/Inter Faith Relationships	2,000	2,000	2,000	2,000	2,000
Environmental Action Commission		1,250	600	1,000	1,000
Episcopal Relief & Development Fd.	761	700	2,000	3,000	4,000
Jubilee Ministry		1,000	2,000	2,000	2,000
Millennium Development Goals Fund		18,200	19,135	18,891	19,478
Mission Fund Commission		100	150	150	150
Outreach Ministry Opportunities	21,000	0	1,000	1,000	1,000
Provincial Synod Delegate Support	2,311	2,150	3,400	3,950	0
Sexual Misconduct Prevention/Response	1,100	6,000	4,500	6,400	3,200
 Total Justice, Peace & Partnerships	 <u>30,769</u>	 <u>35,600</u>	 <u>35,685</u>	 <u>39,791</u>	 <u>36,828</u>

JUSTICE, PEACE & PARTNERHSHIPS

Companion Diocese

No funding for 2006. The Companion Diocese relationship with the Diocese of Okinawa was completed in 2005.

Diversity Commission

Based on our Baptismal Covenant of 'Loving our Neighbors as ourselves and respecting the dignity of every human being', the Commission on Diversity seeks to create dialogue on racism, to facilitate respect for diversity and to promote healing, reconciliation and transformation in our members and institutions. This line item funds training, communication and resource development for congregations and individuals.

Ecumenical/Inter Faith Relationships

This line items funds ecumenical and interfaith activities in Hawaii.

Environmental Action Commission

The Eco-Justice Commission has a vision of a world where all of creation, including humanity, works together to protect the environment from further pollution and destruction, and to maintain and preserve and work in harmony with the goodness of God's plan. The Commission will strive to create an atmosphere of loving responsibility and stewardship among all congregations in the Diocese of Hawai'i. This line item funds information, education and awareness for congregations and individuals to protect, heal, and honor the integrity of God's Creation.

Episcopal Relief and Development Fund

The Episcopal Relief and Development Program is the Episcopal Church's compassionate response to human suffering in the world. When coping with situations of world hunger, poverty and natural disasters we seek to become the organization for members of our Diocese in Hawaii to think of first when considering giving to relief and development in the world. This line item funds awareness activities for the congregations and within the diocese. Funds are to be sent to Episcopal Relief and Development (ERD) to carry out the MDG's. Please also see the paragraph on Millennium Development Goals Fund

JUSTICE, PEACE & PARTNERSHIP

Jubilee Ministry

The Jubilee Ministry Commission serves to educate congregations and clergy about the National Jubilee Ministry Program, develop the grant seeking process and promote Jubilee Ministry outreach programs in the Diocese of Hawaii. This line item funds those efforts.

Millennium Development Goals Fund

In furtherance of Resolution #10 adopted at the 36th Annual Meeting of Convention in October 2004, and pursuant to General Convention Resolution D006, the Episcopal Diocese of Hawai'i commits 0.7% of its annual budget to fund international development programs which further the United Nations' Millennium Development Goals (MDG's) to:

1. Eradicate extreme poverty and hunger.
2. Achieve universal primary education.
3. Promote gender equality and empower women.
4. Reduce child mortality.
5. Improve maternal health.
6. Combat HIV/AIDS, malaria and other diseases.
7. Ensure environmental stability.
8. Develop a global partnership for development.

This line item represents 0.7% of the annual budget. Funds are sent to ERD to carry out the MDG's.

Mission Fund Commission

This line item partially funds the costs of the annual Mission Fund such as distribution of envelopes/boxes as well as creation of and distribution of posters and other publicity.

Outreach Ministry Opportunities

The Justice, Peace and Partnerships Department serves to promote justice and peace for all God's creation; reach out to the dispossessed, imprisoned and otherwise voiceless needy; reaffirm the importance of our partnerships with provinces of the Anglican Communion and beyond and our relationship with ecumenical and interfaith partners. This line item funds ministry opportunities that arise over the course of the year that meet the mission of the department. In 2006 funds were reallocated for implementation of the Millennium Development Goals. In recognition of important local outreach ministries and requests that are received over the course of the year, the line item was reestablished for the 2007-2009 budget years.

Provincial Synod Delegate Support

This allocation supports the expenses for our two delegates to attend the annual Synod meeting. Synod delegates and alternates are appointed by the Bishop from our General Convention Deputies and confirmed by the Diocesan Council. No funding is allocated for 2009 because General Convention is scheduled for 2009.

Sexual Misconduct Prevention/Response

This line item funds training and travel costs of those who attend the identification and prevention classes, as well as the costs incurred by the trainers. This training is required by national canons.

OFFICE OF THE BISHOP

EPISCOPATE

	2005 ACTUAL	2006 BUDGET	2007 BUDGET	2008 BUDGET	2009 BUDGET
BISHOP					
Auto Allowance	6,041	6,600	7,200	7,500	7,800
Election Process	13,300	15,300	36,600	15,300	15,300
Executive Assistant	58,286	60,516	62,698	65,100	67,500
General Convention Travel	3,160	3,060	3,600	3,600	3,600
Hospitality	9,334	12,700	13,500	14,500	16,000
Keyman Insurance	622	622	700	700	700
Medical Insurance	12,397	13,700	14,300	15,300	16,300
Pension	21,902	24,041	25,000	26,000	27,000
Salary & Housing	114,503	126,000	131,000	136,000	142,000
SECA	7,178	7,562	7,300	7,500	7,700
Travel & Continuing Education	34,988	29,675	38,000	33,000	32,700
Worker's Compensation Insurance	1323	1,822	1,900	2,000	2,100
BISHOP ELECT			80,000	0	0
Total Episcopate	283,034	301,598	421,798	326,500	338,700

EPISCOPATE

Bishop

This constitutes the compensation and benefits received by our Diocesan Bishop. This budget covers the cost for Bishop Chang for 3 months and for the new bishop after he /she is consecrated for 9 months. The costs for the Episcopate, (excluding the executive assistant for the years 2007 to 2009) are fully funded by the Episcopate Endowment fund. We excluded funding the executive assistant from the Endowment Fund so as to limit the distribution from the Episcopate Endowment Fund to approximately 5% in years subsequent to 2007 (we have to fund the cost of the Bishop elect in 2007).

Election Process Fund

This fund was established to accumulate monies for electing a new bishop. It is financially prudent to make annual allocations. An annual allocation of \$15,300 is needed to accumulate funds for the next election. The budget for the Bishop Search and Transition is \$173,300. The election process fund balance will cover \$152,000 and the balance \$21,300 will be funded from the Episcopate Endowment Fund. The 2006 amount includes the annual allocation of \$15,300, plus the additional \$21,300 to cover the Bishop Search and Transition.

General Convention Travel

This represents the annual allocations for the travel and meeting costs for the Bishop to attend the General Convention.

Travel & Continuing Education

This includes inter-island travel (parish visitations, deanery & clericus meetings, search & vestry consultations, & other meetings), mainland travel (House of Bishops' meetings), spousal travel, continuing education and other unanticipated travel.

Bishop Elect

This Bishop elect is expected to start his/her ministry on January 1, 2007. This budget covers the cost of compensation, benefits and other cost for 3 months. It also includes moving costs.

STAFF

	2005 ACTUAL	2006 BUDGET	2007 BUDGET	2008 BUDGET	2009 BUDGET
(Including Pension & other Benefits)	403,842	450,000	450,000	466,000	482,000
Administrative Assistant					
Canon to the Ordinary					
Communications/Development Ofc.					
Treasurer/Finance Officer					
Financial Assistant/ Secretary					
MIS Clerk					
Staff Continuing Education					
Staff Support costs					
 Total Staff	403,842	450,000	450,000	466,000	482,000

STAFF

This represents the compensation and benefits of all of the members of the Diocesan Staff, excluding the Bishop and his Executive Assistant, which is included under the Office of the Bishop-Episcopate. The 2007 budget includes a block amount of \$13,800 for salary increases and is unallocated pending the Bishop's review. The 2008 and 2009 is budgeted at a 3.5% increase

OTHER

	2005 ACTUAL	2006 BUDGET	2007 BUDGET	2008 BUDGET	2009 BUDGET
Hawaiian Church Chronicle	28,340	30,500	29,500	31,400	33,200
Information Technology	19,128	18,600	18,700	21,800	24,000
Travel	1,374	3,500	3,500	3,600	3,700
Total Other	48,842	52,600	51,700	56,800	60,900

OTHER

This budget represents three areas of communications: Print media, the *Hawaiian Church Chronicle* diocesan newspaper, public relations/brochures, flyers, etc., and information technology, which includes all electronic media.

Hawaiian Church Chronicle

This portion of the budget includes production and delivery of the *Hawaiian Church Chronicle* in partnership with *Episcopal Life*. This partnership entails a division of duties between the Communications Officer in the Office of the Bishop and others in the Diocese, *Episcopal Life* staff, and AFL Web Printing in New Jersey. Duties include data entry, subscriber list maintenance, customer service, set-up, production, printing, postage, and mailing. Production includes editing and layout of 10 issues per year, with an average of 8 pages per issue, full color front and back, and usually a full-color center spread. This portion of the budget also includes a stipend for layout and graphic design and a contingency for production of flyers, brochures, and advertising/special interest materials.

Information Technology

The Web/electronic media budget includes development of Web, email, and electronic communications strategies. It includes ongoing Web site design and maintenance (with West Coast Technologies) and Internet host server fees (with tierranet.org — contracted through West Coast Technologies). It also includes projected software programs and the cost of the Oceanic cable contract.

Travel

This amount includes costs of conferences, educational workshops, and networking opportunities, as well as the cost of occasional travel to Neighbor Islands for communications purposes, such as news reporting.

RESOURCE DEVELOPMENT

NATION & WORLD

	2005 ACTUAL	2006 BUDGET	2007 BUDGET	2008 BUDGET	2009 BUDGET
General Convention Deputy Support	16,600	0	18,700	18,500	18,400
National Church Quota	340,339	351,319	351,300	397,700	414,200
Provincial Quota	16,338	17,645	17,700	18,300	19,100
Total Nation & World	<u>373,277</u>	<u>368,964</u>	<u>387,700</u>	<u>434,500</u>	<u>451,700</u>

NATION & WORLD

General Convention Deputy Support

Funds are accumulated over three years annually and held in reserve to support the eight deputies and two alternates from our Diocese to attend the General Convention. The 2009 General Convention will be held in Anaheim, California. No amount was budgeted for 2006 because the delegates did not spend their full allocation and also due to funds carried over from the 2003 Convention

National Church Quota

This is the assessment we pay to the national church to contribute toward its work and ministry. It is based on Diocesan income, which includes parochial giving, unrestricted operating investment income and restricted investment income used to pay operating expenses for the respective years. The National Church asking is computed at a flat rate of 21% of the Diocesan income less a \$100,000 exemption. The 2006 assessment is based on 2004 diocesan income. The 2007 to 2009 assessment is based on the 2005 to 2007 diocesan income respectively.

Provincial Quota

Hawaii is part of Province VIII of the Episcopal Church, and this is the assessment we pay to help with Provincial programs and administration. The quota is based on an asking from our Province.

RETIREES

	2005 ACTUAL	2006 BUDGET	2007 BUDGET	2008 BUDGET	2009 BUDGET
Medigap Program	17,728	18,200	33,900	35,300	36,700
Pension Supplements	13,932	1,161	0	0	0
Total Retirees	<u>31,660</u>	<u>19,361</u>	<u>33,900</u>	<u>35,300</u>	<u>36,700</u>

RETIREES

Medigap Program

The Diocese subsidizes a portion of the Medigap insurance benefits to eligible retired clergy and their spouses.

Pension Supplements

This portion of the budget subsidizes the pensions and benefits received by certain retired persons because the pensions they received were based on compensation earned when Hawaii was a Missionary District and salaries were quite low. The last of these retirees passed away in 2006. No new retirees will be added to this supplemental plan because current retirement programs provide adequately for retirees.

**OTHER THAN THIS SENTENCE,
NO TEXT IS INTENDED TO APPEAR ON THIS PAGE**

DIOCESAN SUPPORT EXPENSES

	2005 ACTUAL	2006 BUDGET	2007 BUDGET	2008 BUDGET	2009 BUDGET
Archives	2,623	3,000	5,100	5,100	5,100
Audit Expenses	45,902	50,000	59,500	62,100	64,900
Cathedral Expenses	83,408	85,100	86,800	88,500	90,300
Chancellor's Expenses	1,354	2,300	2,000	2,200	2,400
Diocesan Convention	20,617	18,000	18,700	19,500	20,200
Directors & Officers Insurance	29,739	36,000	29,900	31,100	32,300
Legal & related expenses	3,355	10,000	12,500	13,000	13,500
Meetings: Other	3,770	4,600	4,100	4,200	4,400
Meetings: Travel	41,693	36,000	45,100	46,900	48,800
Office Expenses	61,964	63,400	61,500	63,300	65,000
Property Maintenance	39,263	40,000	38,100	39,800	41,500
Property Taxes	6,634	6,200	7,900	8,200	8,500
Staff Travel & Related Expense	7,168	8,000	8,000	8,300	8,700
Treasurers' Consultations	935	1,000	1,000	1,100	1,200
Total Diocesan Support Expenses	348,425	363,600	380,200	393,300	406,800

DIOCESAN SUPPORT EXPENSES

Archives

This covers the cost to maintain the archives for the Diocese of Hawaii.

Audit Expenses

Each year, as required by the Canons, a certified public accounting firm audits the diocesan financial records and prepares a report. The budget provides funding for the treasurers office to enable missions and aided parishes to comply with the canonical requirements for an annual audit.

Cathedral Maintenance

The Diocese pays a portion of the Cathedral's maintenance budget because of the presence of Diocesan offices in their facilities and the Diocesan use of the buildings for meetings. In this way, the Diocese as a whole helps support the Cathedral of our Diocese. The Diocesan Bishop is the "Rector" of the Cathedral.

Chancellor's Expenses

The Chancellor of the diocese uses this allocation for participation in the Western Chancellors' Conference, a computer research service and certain publications for the legal assistance given to the Diocese and its congregations and institutions.

DIOCESAN SUPPORT EXPENSES *(Continued)*

Diocesan Convention

This covers the unreimbursed cost of holding the annual Diocesan Convention including area meeting costs, convention meeting costs, supplies, materials, postage, and Makule e Akamai award expenses. This cost is net of registration fees/meals and shared travel cost.

Directors & Officers Insurance

This is liability (errors & omissions) insurance to insure The Episcopal Church in Hawaii, its directors and officers and Bishop Committee & Vestry members of Unincorporated Parishes. Incorporated Parishes have their own coverage. The insurance premium is based on our claims experiences and market conditions.

Legal & Related Expenses

This represents legal and related costs incurred by the diocese.

Meeting Costs: Other

These funds are for incidental costs for groups that meet for an entire day.

Meeting Costs: Travel

This represents travel costs for the neighbor island members, of Commissions and Committees.

Office Expenses

This amount includes telephone, copying costs, equipment maintenance, computer help, subscriptions, postage, equipment purchase, supplies, etc. The budget also includes the cost of software and computer upgrades and staff training.

Property Maintenance

This represents the maintenance of the apartments owned by the Diocese and includes utilities and repairs of apartments (Duplex and Cluett), the McCray Center and Office of the Bishop, Insurance (property, liability, & auto) and General Excise Tax.

Property Taxes

The Diocese pays the property taxes on the rental income from parking and apartments.

Staff Travel and Related Expenses

As part of their ministries, members of the Bishop's staff, travel to other islands and to the mainland for meetings, consultations and church related programs.

Treasurers' Consultations

This represents travel costs for the new treasurers from all our congregations to meet with the Diocesan Treasurer on matters relating to their duties and responsibilities.

DEBT REDUCTION

	2005 ACTUAL	2006 BUDGET	2007 BUDGET	2008 BUDGET	2009 BUDGET
Ing Gift Restoration-Capital Growth	4,871				
Ing Gift Restoration-Principal Payment	121,767				
Total Debt Reduction	<u>126,638</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

DEBT REDUCTION

Ing Gift Restoration

We received a \$1.3 million unrestricted gift from the Mary Ing Trust in 1994. With the permission of the family, we used \$1 million to pay down the EHH debt and allocated \$300,000 to restore the St. Barnabas' building fund. We committed ourselves to replenish the funds as quickly as possible. That replenishment was accomplished in 2005. The Ing Gift fund is now used to fund the operating budget.

YOUNG ADULTS AND YOUTH

	2005 ACTUAL	2006 BUDGET	2007 BUDGET	2008 BUDGET	2009 BUDGET
Camps & Conference Commission	14,243	25,000	25,000	25,000	25,000
Emerging Generations	120,626	201,795	196,300	218,458	214,705
Episcopal Schools Commission	2,760	3,000	100	100	100
 Total Young Adults and Youth	 <u>137,629</u>	 <u>229,795</u>	 <u>221,400</u>	 <u>243,558</u>	 <u>239,805</u>

YOUNG ADULTS AND YOUTH

Camps and Conference Commission

The Camps and Conference Commission looks to develop programs that will introduce individuals to Christ as well as take those already in the Body to new levels of service as together we live out our Baptismal Covenant. The commission is responsible for providing summer camping programs including reinvigorating a residential summer camp program. Funds will be used to support summer programs, and conference costs.

Emerging Generations Commission

The Emerging Generations Commission seeks to “Encourage, empower, and equip the emerging generations to know and share the love of God through Jesus Christ by the power of the Holy Spirit.” This Commission strives to model a Christian community to be extended within the Diocese as it assists congregations in the formation of Youth and Young Adult Leaders. Annual activities include: Sr. High Retreat, New Beginnings, Happening, Provincial Youth Events, Episcopal Youth Event. In 2008 an annual mission trip will be added.

This Commission seeks to develop a network of Young Adults on all islands while supporting congregations in their development of Young Adult Ministries and provide programs at the Diocesan level that focus primarily on Young Adult spirituality. The Commission sponsor Vocare and island-wide Young Adult events.

This Commission seeks to reinvigorate Higher Education Ministry. We seek to build relationships and community among students, faculty and staff with in institutions of higher learning. This will start with the staffing of the MacCray Center at the University of Hawaii-Manoa, continue with student gatherings, worship services, spiritual development and involvement in Provincial and National Gatherings. Once established we propose to support development of comparable programs on the neighbor islands.

The Commission will assist interested congregations in the development of new worship experiences aimed at Emerging Generations. We envision Emerging Worship as a cooperative effort. The Commission will contribute to the development of this joint ministry.

The budget includes a full time Youth, Young Adult and Higher Education Coordinator, to be called in mid-2007 with concurrence of the new bishop, in alignment with our diocesan strategic plan.

Episcopal Schools Commission

Their focus for the coming year is to work with school leadership to develop values and character education as they relate to the Episcopal identity

ATTACHMENT M

TELLER'S REPORT – Second Ballot

BALLOT #2

Diocesan Council: Lay

Number of Votes Cast 203

Necessary for Election 102

Mr. Jay Jackson received 63

Mr. Amado Yoro received 46

Mr. Constantino Dela Cruz received 89

Standing Committee: Lay

Number of Votes Cast 203

Necessary for Election 102

Ms. Margaret Caglayan received 4

Mr. Peter Lee received 64

Ms. Cynnie Salley received 68

Mr. Bill Skelton received 41

Mr. John Williamson received 20

Standing Committee: Clergy

Number of Votes Cast 204

Necessary for Election 102

The Rev. William Miller received 126

The Rev. Mark Juchter received 49

The Rev. Honey Becker received 34

The Rev. Darrow Aiona received 61

The Rev. Cass Bailey received 115

ATTACHMENT N

COURTESY RESOLUTIONS

RESOLVED, that this 38th Annual Meeting of the Convention of the Episcopal Diocese of Hawai`i send its greetings and aloha to the Primate and Presiding Bishop, the Most Reverend Frank Tracy Griswold, and Mrs. Phoebe Griswold, with deep gratitude and thankfulness for their ministry to the Church;

RESOLVED, that this 38th Annual Meeting of the Convention of the Episcopal Diocese of Hawai`i send its greetings and aloha to Presiding Bishop-elect, the Right Reverend Katharine Jefferts-Schori, and Mr. Richard Schori, as they begin their new ministry of service to the Episcopal Church;

RESOLVED, that this 38th Annual Meeting of the Convention of the Episcopal Diocese of Hawai`i express its appreciation to the Right Reverend Edmond L. Browning, former Presiding Bishop and Second Bishop of Hawai`i, for serving as Chaplain to this Annual Meeting, and send its greetings to Mrs. Patti Browning as she and Bishop Browning continue their retirement with our prayers;

RESOLVED, that this 38th Annual Meeting of the Convention of the Episcopal Diocese of Hawai`i send its greetings and aloha to the Right Reverend Donald P. Hart, the Third Bishop of Hawai`i, and Mrs. Elizabeth Hart;

RESOLVED, that this 38th Annual Meeting of the Convention of the Episcopal Diocese of Hawai`i express its profound gratitude and deep appreciation to Ms. Nancy Rowe as Secretary of Convention and to the Convention Plans Committee;

RESOLVED, that this 38th Annual Meeting of the Convention of the Episcopal Diocese of Hawai`i send its greetings and aloha to the Sisters of the Transfiguration, giving thanks to Almighty God for the many years of devoted service at St. Andrew's Priory School for Girls;

RESOLVED, that this 38th Annual Meeting of the Convention of the Episcopal Diocese of Hawai`i express its deepest thanks to Mrs. May Holokai, Mrs. Gina Perkins and Mrs. Hazel Yee who have faithfully volunteered in the Office of the Bishop and to Mrs. Rosella Newell and the Diocesan Altar Guild for their faithful service to the Diocese;

RESOLVED, that this 38th Annual Meeting of the Convention of the Episcopal Diocese of Hawai`i express its sincere appreciation to Eva Kum of St. Philip's Church, Maili, for her generous contribution of leis presented at this Convention;

RESOLVED, that this 38th Annual Meeting of the Convention of the Episcopal Diocese of Hawai`i express its deep appreciation to the members of the Bishop's staff: Mrs. Tiare Ono, Mrs. Marie Elesarke, Mrs. Nancy Minuth, Ms. Edith Vargas, Mr. Peter Pereira, the Rev. Liz Beasley and the Rev. Canon Robert Fitzpatrick for their openness and availability to all of us in this Diocese, reflecting their God-given ministry to Christ's Church, and especially at this time of Convention, for their devoted and long hours of faithful service which they have given in preparation for this Annual Convention.

I move the approval of these resolutions.



THE EPISCOPAL DIOCESE OF HAWAII

The Right Reverend Richard S.O. Chang
Bishop of Hawai'i

RESOLVED, that this 38th Annual Meeting of the Convention of the Episcopal Diocese of Hawai'i send its greetings and aloha to the Primate and Presiding Bishop, the Most Reverend Frank Tracy Griswold, and Mrs. Phoebe Griswold, with deep gratitude and thankfulness for their ministry to the Church.

Adopted by the Annual Meeting of Convention, Diocese of Hawai'i
October 21, 2006 2005.

Nancy A. Rowe
Secretary of Convention

ATTACHMENT O

TELLER'S REPORT – Third Ballot

BALLOT #3

Diocesan Council: Lay

Number of Votes Cast 196

Necessary for Election Plurality

Mr. Jay Jackson received 45

Mr. Amado Yoro received 30

Mr. Constantino Dela Cruz received 118

Standing Committee: Lay

Number of Votes Cast 196

Necessary for Election Plurality

Ms. Margaret Caglayan received 2

Mr. Peter Lee received 77

Ms. Cynn timer Salley received 72

Mr. Bill Skelton received 34

Mr. John Williamson received 5

SECTION IV

2006 Annual Report of Commissions, Committees and Departments

2006 Annual Reports of Commissions, Committees, and Departments

Bishop's Statistical Report

Annual Report of the Treasurer

Standing Committee

Justice, Peace and Partnership Department

Resource Development Department

Report of the Historiographer

Companion Diocese Relationship Committee

Commission on Diversity

Commission on Native Hawaiian Ministry

Report of the Planned Giving Commission

Report of the Stewardship Commission

Report of the Registrar

Compensation Review Committee

Congregational Health and Growth Commission

Youth and Young Adult Department

General Convention Deputation

Annual Report of ECCCM, Camp Mokule'ia

Bishop's Statistical Report

According to Title III, Canon 26, Section 4, the following has occurred in our Diocese from October 02, 2005 to October 01, 2006.

CLERGY:

Bishop	1
Active	43
Non-parochial	24
Military Chaplains	1
Retired	45
Licensed	11
Lost by Death	1

Postulants for Holy Orders: 1

Ann Brotherton

Candidates for Holy Orders: 1

Malcolm Chun

EUCHARISTIC MINISTERS & VISITORS: 107

CLERGY CHANGES:

Letters Dimissory into the Diocese: 5

September 2, 2005	-	Mary Koppel from the Diocese of Louisiana
October 14, 2005	-	Mark Juchter from the Diocese of Northwestern Pennsylvania
January 13, 2005	-	Thomas Buechele from the Diocese of Arizona
February 15, 2006	-	William Miller from the Diocese of Texas
April 1, 2006	-	Rick Vinson from the Diocese of South Dakota

Letters Dimissory out of the Diocese: 2

November 4, 2005	-	Patton Boyle to the Diocese of Spokane
July 11, 2006	-	George Clifford to the Diocese of North Carolina

Ordinations:

To the Priesthood:	1	
February 4, 2006	-	Robert "Moki" Hino

To the Diaconate:	2	
May 11, 2006	-	Craig A. Dolack
August 19, 2006	-	David J. Gierlach

EPISCOPAL ENDOWMENT FUND (As of 6/30/06): \$4,805,343

JUDGMENTS REGARDING PERMISSION TO BE REMARRIED IN THE CHURCH AFTER DIVORCE: 16

SACRAMENTAL ACTS:

Baptisms:	39	
Confirmations:	170	
Receptions:	18	
Reaffirmations:	53	
Burials:	7	
Marriages:	1	
Celebrations of New Ministry:	6	

OTHER:

Consents to the election of bishops:	4	
Consents to the resignation of bishops:	7	
Consents to the ordination and consecration of bishops:	1	

Official Clergy List

Canonically resident in the Diocese of Hawai'i in the order of their residence, which is prefixed, with the order of their ordination to the diaconate, which is affixed, from January 1, 1954 through October 1, 2006

<u>ACTIVE</u>		<u>DATE OF ORDINATION</u>
1963	The Rev. Darrow L.K. Aiona St. Mark's Episcopal Church 539 Kapahulu Avenue Honolulu, HI 96815	1963
1966	The Rt. Rev. Richard S.O. Chang The Episcopal Diocese of Hawai'i 229 Queen Emma Square Honolulu, HI 96813	1966
1968	The Rev. Franklin S.H. Chun Church of the Epiphany 1041 10th Avenue Honolulu, HI 96816	1968
1971	The Rev. Richard E. Winkler, Jr. 202 Pin Oak Drive Harker Heights, TX 76543	1971
1972	The Rev. Canon Brian J. Grieves The Episcopal Church Center 815 Second Avenue New York, NY 10017	1972
1973	The Rev. Imo S. Tiapula P.O. Box 2030 Pago Pago, American Samoa 96799	1971
1975	The Rev. Vincent dePaul O'Neill St. Timothy's Episcopal Church 98-939 Moanalua Road Aiea, HI 96701	1964
1977	The Rev. Lynette G. Schaefer Grace Episcopal Church P.O. Box 157 Hoolehua, HI 96729	1977
1979	The Rev. Heather M. Mueller-Fitch St. John's Episcopal Church 8992 Kula Highway Kula, HI 96790	1979

1979	The Rev. Morley E. Frech, Jr. Trinity Church By-The-Sea P.O. Box 813 Kihei, HI 96753	1973
1983	The Rev. Linda A.L. Sutherland P.O. Box 978 Lawai, HI 96765	1983
1983	The Rev. Eleanore G. Akina Deacon, Emmanuel Episcopal Church 1237 Mokulua Drive Kailua, HI 96734	1983
1983	The Rev. John A. Holmes Deacon, Church of the Holy Apostles 107 Koula Street Hilo, HI 96720	1983
1985	The Rev. Jeanne B. Grant Deacon 2030 Acoma Drive Cottonwood, AZ 86326	1985
1985	The Rev. John F. Hanley Deacon 6875 S.W. 68th Avenue Portland, OR 97223	1985
1985	The Rev. Edith Sewell Deacon 18755 West Bernardo Drive #1217 San Diego, CA 92127	1985
1985	The Rev. Linda J. Neal Deacon 446 Echo Valley Road Salinas, CA 93907	1985
1985	The Rev. Roger F. Wise 1300 Jefferson St., #303 Napa, CA 94559	1985
1986	The Rev. Alison M. Dingley St. Paul's Episcopal Church 1805 Minnesota Street The Dalles, OR 97058	1978
1986	The Rev. Imelda S. Padasdao 1326 Konia Street Honolulu, HI 96817	1986

1988	The Rev. Marilyn R. Watts P.O. Box 757 Salida, CO 80201	1988
1988	The Rev. Peter S. Fan St. Elizabeth's Episcopal Church 832 Olokele Avenue Honolulu, HI 96816	1980
1990	The Rev. Peter R. Besenbruch 94-535 Anania Ct., #101 Mililani, HI 96789	1982
1991	The Rev. Ricky R. Melchor 593 S. Kamehameha Avenue Kahului, HI 96732	1991
1991	The Rev. Nancy I. Conley Deacon 47-775 Ahilama Road Kaneohe, HI 96744	1991
1991	The Rev. Thomas M. Van Culin St. Matthew's Episcopal Church P.O. Box 70 Waimanalo, HI 96795	1991
1993	The Rev. Gregory M. Johnson Interim, Good Samaritan Episcopal Church P.O. Box 893788 Mililani, HI 96789	1992
1993	The Rev. Leonard R. Howard Deacon, St. Andrew's Cathedral 98-1128 Malualua Street Aiea, HI 96701	1993
1995	The Rev. Carol M. Arney Christ Episcopal Church P.O. Box 545 Kealahou, HI 96750	1995
1995	The Rev. Agnes Patricia Reynolds Deacon, Church of the Epiphany 665 Paopua Loop Kailua, HI 96734	1995

1996	The Rev. P.S. Noriaki Ueda Deacon 1-2-20-501 Hamasaki Asaka-shi, Saitama 351-0033 Japan	1987
1996	The Rev. Hollis E. Wright St. Nicholas' Episcopal Church P.O. Box 700501 Kapolei, HI 96709	1996
1997	The Rev. Joseph Carr Calvary Episcopal Church 45-435 Aumoku Street Kaneohe, HI 96744	1979
1997	The Rev. Polly Hilsabeck 1815 Martin Luther King Pkwy #2, PMB #139 Durham, NC 27707-3585	1985
1997	The Rev. F. Kay Johnson 3002 Virginia Street Houston, TX 77098	1989
1998	The Rev. Marvin L. Foltz Church of the Good Shepherd 2140 Main Street Wailuku, HI 96793	1992
1998	The Rev. B. Cass Bailey St. Christopher's Episcopal Church P.O. Box 456 Kailua, HI 96734	1995
2000	The Rev. John Turner St. Jude's Episcopal Church 92-915 Kona Kai Blvd. Ocean View, HI 96737-6502	2000
2000	The Rev. Randolph V.N. Albano St. Paul's Episcopal Church Queen Emma Square Honolulu, HI 96813	1979
2000	The Rev. Tancredo R. Pastores Resurrection/St. Columba's Episcopal Church 1407 Kapiolani Street Hilo, HI 96720	1979

2000	The Rev. Walter Stevens Hawai'i Preparatory Academy 65-1692 Kohala Mountain Road Kamuela, HI 96743	2000
2000	The Rev. Canon Robert L. Fitzpatrick Office of the Bishop 229 Queen Emma Square Honolulu, HI 96813	1986
2000	The Rev. Taylor Clark Deacon 991 Normandy South Salem, OR 97302	2000
2001	The Rev. Ajuko Ueda St. Paul's University 1-2-26, Kitano Niiza-shi 352-8523 Japan	2001
2001	The Rev. Teresa N.T. Bowden 2573 California Avenue Wahiawa, HI 96786	2001
2001	The Rev. C.S. Honey Becker Deacon, St. Andrew's Cathedral P.O. Box 819 Kailua, HI 96734	2001
2001	The Rev. Dale C. Hathaway St. Mary's Episcopal Church 2062 South King Street Honolulu, HI 96826	1982
2001	The Rev. Susan M. Champion St. Andrew's Priory School 224 Queen Emma Square Honolulu, HI 96813	1991
2001	The Rev. Elizabeth A. Zivanov Parish of St. Clement 1515 Wilder Avenue Honolulu, HI 96822	1993
2002	The Rev. Peter O. Champion Emmanuel Episcopal Church 780 Keolu Drive Kailua, HI 96734	1989

2002	The Very Rev. Ann McElligott Cathedral Church of St. Andrew Queen Emma Square Honolulu, HI 96813	1984
2002	The Rev. Elizabeth P. Beasley St. John's Episcopal Church By-The-Sea 47-074 Lihikai Drive Kaneohe, HI 96744	1998
2003	The Rev. Anthony Litwinski St. James' Episcopal Church 65-1237 Kawaihae Road Kamuela, HI 96743	2001
2004	The Rev. Mary D. Lindquist The Episcopal Church on West Kauai P.O. Box 247 Eleele, HI 96705	2000
2004	The Rev. William H. Allport, III St. Peter's Episcopal Church 1317 Queen Emma Street Honolulu, HI 96813	2002
2004	The Rev. Canon Timothy Sexton Cathedral Church of St. Andrew Queen Emma Square Honolulu, HI 96813	1983
2004	The Rev. Russell Johnson Church of the Holy Apostles 1407 Kapiolani Street Hilo, HI 96720	1987
2004	The Rev. Jodene Hawkins St. Elizabeth's Episcopal Church 720 North King Street Honolulu, HI 96817	1990
2005	The Rev. Robert Hino Seabury Hall 480 Olinda Road Makawao, HI 96768	2005
2005	The Rev. Daniel Leatherman Chaplain Iolani School 563 Kamoku Street Honolulu, HI 96826	2005

2005	The Rev. Mary E. Koppel All Saints' Episcopal Church P.O. Box 248 Kapaa, HI 96746	2001
2005	The Rev. Mark R. Juchter St. George's Episcopal Church 511 Main Street Honolulu, HI 96818	2003
2006	The Rev. Thomas Buechele St. Augustine's Episcopal Church P.O. Box 220 Kapa'au, HI 96755	1967
2006	The Rev. William Miller St. Michael and All Angels P.O. Box 572 Lihue, HI 96766	1995
2006	The Rev. Rick Vinson Church of the Holy Nativity 5286 Kalaniana'ole Highway Honolulu, HI 96825	1986
2006	The Rev. Craig Dolack Deacon 101 Fox Chase Savannah, GA 31406	2006
2006	The Rev. David Gierlach Deacon St. Elizabeth's Episcopal Church 720 N. King Street Honolulu, HI 96817	2006

RETIRED

1945	The Rev. Burton L. Linscott 1553-A Pualele Place Honolulu, HI 96816 8/1/1978	1945
1954	The Rev. W. Edwin Bonsey 401 Santa Clara Ave., Apt. 309 Oakland, CA 94610 7/1/1992	1954
1954	The Rev. David P. Coon P.O. Box 690 Kamuela, HI 96743 6/11/1992	1954
1956	The Rev. Morimasa M. Kaneshiro 385 Oomano Place Honolulu, HI 96825 8/31/1987	1956
1957	The Rev. Charles T. Crane 7950 E. Keats, #156 Mesa, AZ 85208 7/1/1988	1957
1958	The Rev. Norio Sasaki 3252 Charles Street Honolulu, HI 96816 8/30/1988	1958
1959	The Rev. Roger M. Melrose 8903 Riderwood Drive Sunland, CA 91040 6/30/1987	1959
1959	The Rev. Canon Timoteo P. Quintero 99-443 Waoala Place Aiea, HI 96701 5/31/1997	1954
1960	The Rev. William H. Aulenbach, Jr. 25152 Ocean Knoll Dana Point, CA 92629 10/1/1993	1960
1961	The Rev. J. Hollis Maxson 447 Kawaihae Street Honolulu, HI 96825 7/2/1990	1961

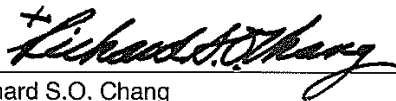
1962	The Rev. Thomas Yoshida 1410 Makiki Street Honolulu, HI 96814 1/23/1996	1962
1963	The Rev. David K. Kennedy 1824 E. 49th Avenue Spokane, WA 99223 11/1/1996	1963
1966	The Rev. Gerald G. Gifford II Hale Makua 446 Kawaihae Street Honolulu, HI 96825 8/1/1989	1952
1966	The Rev. Charles G.K. Hopkins P.O. Box 517 Kaaawa, HI 96730 1/31/1996	1966
1966	The Rev. Jordan B. Peck, Jr. 310 Kevin Court S.E. Salem, OR 97305 3/1/1991	1966
1968	The Rev. Rudolph A. Duncan 46-082 Puulena Street, #1221 Kaneohe, HI 96744 4/1/1991	1968
1968	The Rev. George Lee 2468 Lamaku Place Honolulu, HI 96816 1/1/1992	1957
1969	The Rev. Joseph B. Turnbull 555 University Avenue, Apt. 2300 Honolulu, HI 96826 9/1/1985	1945
1971	The Rev. Paul S. Kennedy 691 Kealahou Street Honolulu, HI 96825 9/1/1996	1963
1979	The Rev. David M. Paisley 5353 Felicia Street Camarillo, CA 93101 6/30/1979	1952

1980	The Rev. John G. Shoemaker 3045 Fir Tree Drive SE Salem, OR 97301 7/1/1994	1954
1988	The Rev. Layton P. Zimmer P.O. Box 353 Wailuku, HI 96793 1/31/1997	1955
1991	The Rev. Malcolm Miner 2211 Pane Road Koloa, HI 96756 7/1/1988	1949
1991	The Rev. David L. Clark P.O. Box 2129 Mt. Sunapee, NH 03255 7/1/1992	1957
1976	The Rt. Rev. Edmond L. Browning, DD 5164 Imai Road Hood River, OR 97031 12/31/1997	1954
1967	The Rev. Elsbery W. Reynolds 27298 Tierra Verde Drive Hemet, CA 92544 1/1/1998	1967
1979	The Rev. Brian F. Nurdin 98-1365 E. Kaahumanu Street Aiea, HI 96701 1/1/1998	1960
1985	The Rev. John B. Connell 95-1050 Makaikai Street, Apt #17-M Mililani, HI 96789 6/30/1998	1985
1995	The Rev. John A. Longo 6875 SW Nyberg #L201 Tualatin, OR 97062 6/30/1999	1986
1963	The Rev. Guy H. Piltz P.O. Box 1973 Kamuela, HI 96743 4/1/2000	1963

1995	The Rev. Alejandro Geston 91-1746 Bond Street Ewa Beach, HI 96706 12/31/2000	1967
1987	The Rev. Walter M. Harris 68-668 Hoomana Place Waialua, HI 96791 2/18/2001	1974
1987	The Rev. Charles W. Cannon 291 Shady Glen Avenue Point Roberts, WA 98281 3/17/2001	1968
1997	The Rev. Barbara Coan Deacon 3-3400 Kuhio Hwy #304-B Lihue, HI 96766 9/8/2001	1993
1994	The Rev. Ernest Uno The Plaza at Punchbowl 918 Lunalilo Street #616 Honolulu, HI 96822 12/1/2001	1994
1988	The Rev. Domingo P. Calag P.O. Box 529 Papaikou, HI 96781 12/31/2001	1982
1989	The Rev. John C. Millen 94-585 Lumiauau Street Waipahu, HI 96797 7/1/2002	1975
1977	The Rev. Robert E. Walden 46-290 Iki`iki Street Kaneohe, HI 96744 8/31/2003	1977
1990	The Rev. Gerhard H. Laun 1515 Nuuanu Avenue, QT 53 Honolulu, HI 96817 9/30/2003	1970
2001	The Rev. Jeannette A.H. Myers 38 Payran St. Petaluna, CA 94952 2/1/2004	1979

1974	The Rev. Jan C. Rudinoff 2775 Kanani Street Lihue, HI 96766 4/1/2004	1972
1986	The Rev. Kenneth L. Jackson The Plaza at Punchbowl 918 Lunalilo Street #412 Honolulu, HI 96822 6/1/2004	1986
1985	The Rev. David J. Baar P.O. Box 427 Kula, HI 96790 10/1/2004	1962
1999	The Rev. Robert H. DeWolfe 1515 Wilder Avenue Honolulu, HI 96822 1/1/2005	1971
1983	The Rev. Dorothy M. Nakatsuji 1725 Fern Street Honolulu, HI 96826 3/31/2005	1983
1993	The Rev. A. Donor Macneice 271E Sisowath Quay No. 1-C Sangkat Phsar Kandah 1 Khan Daun Penh Phnom Penh, Cambodia 1/31/2006	1964

Pursuant to Canon 1, Section 1.1, I hereby certify that the foregoing list of clergy of the Diocese of Hawai'i is correct and that under the provisions of Articles III and VI of the Constitution of the Diocese are canonically resident in the Diocese of Hawai'i and are entitled to full membership of the Convention.



Richard S.O. Chang
Bishop of Hawai'i

LICENSED:

1/18/2006	The Rev. Daniel R. Stewart Iolani School 563 Kamoku Street Honolulu, HI 96826 Canonical Residence: Olympia	1969
1/18/2006	The Rev. Robert William Nelson 2777 South Kihei Road, G -209 Kihei, HI 96753 Canonical Residence: Alaska	1979
1/18/2006	The Rev. Joseph Pummill 2439 Kapiolani Boulevard, #602 Honolulu, HI 96826 Canonical Residence: California	1958
1/25/2006	The Rev. William J. Albinger, Jr. Holy Innocents Episcopal Church P.O. Box 606 Lahaina, HI 96767 Canonical Residence: Newark	2003
1/18/2006	The Rev. Sandy Honnold P.O. Box 1953 Pahoa, HI 96778 Canonical Residence: Northern California	1996
7/25/2006	The Rev. Richard Shields 620 McCully Street, #1102 Honolulu, HI 96826 Canonical Residence: Nebraska	1979
8/3/2006	The Rev. Jeffery A. Logan 1860 Marmande Drive Kailua, HI 96734 Canonical Residence: Fort Worth	1983

LICENSED LUTHERAN PASTORS:

- 12/9/2005 The Rev. Bruce P. Craft
158 Akiohala Place
Kailua, HI 96734
Synod: Pacifica Conference
- 10/20/2005 The Rev. Diane S. Martinson-Koyama
Iolani School
563 Kamoku Street
Honolulu, HI 96826
Synod: Pacifica Conference
- 1/22/2005 The Rev. Karen Perkins
Maluhia Lutheran Church & St. Philip's Episcopal Church
85-256 Farrington Highway
Waianae, HI 96792
Synod: Pacifica Conference
- 8/23/2006 The Rev. John H. Moody
The Pacific Health Ministry
1245 Young Street, Suite 204
Honolulu, HI 96814
Synod: Pacifica Conference

Annual Report of the Treasurer



The Episcopal Church in Hawai'i

THE RIGHT REVEREND RICHARD S.O. CHANG
Bishop of Hawai'i

October 10, 2006

TO: DELEGATES TO THE 38th ANNUAL CONVENTION
OF THE EPISCOPAL CHURCH IN HAWAII

FROM: PETER PEREIRA, DIOCESAN TREASURER

SUBJECT: ANNUAL REPORT OF THE TREASURER

The Balance sheet of The Episcopal Church in Hawai'i on December 31, 2005 showed assets of \$38,945,490, liabilities of \$18,222,697 and net assets of \$20,722,793. The total operating income of the diocese exceeded operating expenses in 2005 by \$88,270. It should be noted that all congregations have paid their 2005 assigned assessments, except for two congregations.

Price Waterhouse Coopers, CPAs, audited our financial statements. If you would like to receive a copy, please call me.

Our audit shows that we have an adequate system of internal control. Appropriate parties must properly authorize all disbursements, and two authorized officers must sign all checks.

2006

1. In your Convention Packet, there will be the current Budget versus Actual Operating Report as of August 31, 2006. The report is summarized to cut printing costs. If you want a detail report, please call me.
2. In your Convention Packet, there will also be a report on our Theological Education Offering for 2005. You will note that we contributed \$41,267 that which amounted to 56% of our 1% goal. Now is the time to be checking on the performance of your Parish or Mission this year so that we can meet our 1% goal in 2006.
3. Our Investment performance numbers are as follows: Year to date@8/31/06 = 2%; trailing 12 months = 10%; 3 Year trailing = 10% ; Since 6/30/92= 9%

4. During the year the Resource Development Department met with our investment monitor and managers to review the performance of our investment portfolio and also to review our Investment Policy. We have a long-term view towards our portfolio management with the understanding that the stock market will experience fluctuations from time to time. We have a total return investment policy and spending policy. Our policies are implemented to ensure that there will be a steady stream of earnings annually, while at the same time ensuring that the fund assets will be there for the future. Our spending policy is set at a payout rate of 5 percent (5%) of the average market value of the Investment Fund over 3 years. The spending policy (which we will continue to review), together with sound investment performance, ensures that, over time, the fund will retain its ability to produce earnings.
5. The setting up of the Shared Travel Expense Fund for the 2006 diocesan convention has been accomplished.
6. The rate of assessment for 2007 to 2009 is proposed at 21% (2006 was 21%).
7. The Compensation Review Committee (CRC) is submitting a compensation schedule reflecting a 7.5% increase over the current year. Please refer to the CRC report and the 2007 Clergy Compensation and Benefits policy for details.
8. During the year, I worked with treasurers advising and training them on various matters, namely taxes, accounting and audit, investments, insurance, parochial reports, employment, insurance and property issues. I also worked with them on refinancing loans from the bank at competitive rates for various renovation projects.
9. During the year, I coordinated with the auditors and treasurers to audit their church. Thanks to the church treasurers for doing the audit work papers for the audit.
10. I am working with our insurance agent to renew our property and liability insurance renewal for the year 2007. The insurance market has been tight and coverage and limits have been difficult and costly. We will continue to maintain a reserve fund to cover the deductible for our hurricane policy.

11. I worked with the Lay Pension Plan Administrator to inform and update employees and employer representatives about the plan and the investment vehicles available.
12. We continue to hold training workshops for Safeguarding Gods Children and Preventing Sexual Misconduct (adult). Church Insurance is looking at ways to make web based training available for Safeguarding Gods Children. The roll-out for this will take place in 2008 The Church Pension Fund is working to develop model policies and training for Sexual Misconduct (Sexual Harassment and Exploitation Policies) . They are planning to roll-out new materials in mid 2007. They will also have "train the trainer" conferences.
13. Please use our website, episcopalhawaii.org. We are working to add more content to the web site. It has helped us cut down our copying and mailing costs.
14. I continue to serve on the Non Profit Committee for the Hawaii Society of Certified Public Accountants. We organized a workshop for non-profits this year and I also attended various continuing education workshops to keep current with laws and regulations.
15. We continue to monitor the financial condition of Camp Mokuleia.
16. I worked with the Planned Giving Committee to have a workshop on November 4, 2006. This workshop is to train people to be a planned giving resource at the congregational level

Nancy Minuth and I would like to thank the treasurers, wardens and clergy whose work, cooperation and goodwill have helped us in our work. Many thanks also to the members of Diocesan Council, Resource Development Department and all its sub Committees, Diocesan Compensation Review Committee, Chancellor and Vice Chancellors and Office of the Bishop staff. Thank you all for your support and the gifts you share with us.

**THE EPISCOPAL CHURCH IN HAWAII
INCOME STATEMENT
FOR THE PERIOD 8/31/06**

	Actual 8/31/06	Budget YTD	Variance		Annual Budget
INCOME					
Assessments	1,022,801	1,022,801	0	A	1,534,201
Investments	377,597	378,408	(811)		756,816
Rentals	94,594	94,520	74		140,800
Other	6,421	7,028	(607)		181,788
TOTAL INCOME	1,501,413	1,502,757	(1,344)		2,613,605
EXPENSE					
CONGREGATIONAL TRANSFORMATION & EVANGELISM					
Congregational Health & Growth	349,482	370,304	20,822	B	573,980
Other Ministries	42,748	102,071	59,323	B	218,107
JUSTICE, PEACE & PARTNERSHIP	19,770	21,567	1,797	B	35,600
OFFICE OF THE BISHOP					
Episcopate	228,029	201,215	(26,814)	C	301,598
Staff	271,736	286,999	15,263	D	450,000
Other	28,084	35,067	6,983	E	52,600
RESOURCE DEVELOPMENT					
Nation & World	245,975	245,975	0		368,964
Retirees	10,005	12,907	2,902	F	19,361
Diocesan Support Expenses	211,094	237,133	26,039	B	363,600
YOUNG ADULTS & YOUTH	113,548	153,697	40,149	C	229,795
TOTAL EXPENSES	1,520,471	1,666,935	146,464		2,613,605
(DEFICIT)	(19,058)				

EXPLANATION OF SIGNIFICANT VARIANCES

- A Assessment unpaid @ 8/31/06 = \$67,721. See listing attached.
- B Funds will be used in the 4th quarter.
- C Due to timing as to when money is spent.
- D Due to temporary help fund not used.
- E Due to lower costs incurred for web site development.
- F Due to lesser number of retirees on the plan

THE EPISCOPAL CHURCH IN HAWAII
BALANCE SHEET

AUGUST 31, 2006

ASSETS

PETTY CASH	400.00
CASH IN BANK	300,280.18
SHORT TERM INVESTMENTS	704,092.77
ACCOUNTS REC.- CHURCHES/OTHER	255,633.10
OTHER A/C REC. & PREPAID EXP.	33,101.40
CONTRIBUTION REC/REMAINDER TR	93,265.00
INVESTMENTS	15,149,260.00
LOAN REC. -CHURCHES/OTHERS	1,056,792.88
LAND & BUILDINGS	2,918,242.57
ASSETS HELD IN TRUST	53,015.00

TOTAL ASSETS

20,564,082.90
=====

LIABILITIES & NET ASSETS

ACCOUNTS PAYABLE	18,350.72
ACCRUED VACATION	19,234.40
ANNUITY PAYMENT LIAB.	8,695.00
DUE TO CHURCHES/OTHER	28,788.79
SECURITY DEPOSITS	11,723.80
POSTRETIREMENT BENEFIT	497,294.00
NOTE PAYABLE- BY CHURCHES	1,056,792.88

TOTAL LIABILITIES

1,640,879.59

NET ASSETS

UNRESTRICTED	
GENERAL FD.	619,554.68
PLANT FD.	2,918,242.57
INVESTMENT FD.	4,223,980.00
TEMPORARILY RESTRICTED	
GENERAL FD.	98,561.06
INVESTMENT FD.	6,002,415.00
PERMANENTLY RESTRICTED	
INVESTMENT FD	5,060,450.00

TOTAL NET ASSETS

18,923,203.31

TOTAL LIABILITIES AND NET ASSETS

20,564,082.90
=====

2006 UNPAID ASSESSMENT

	Unpaid at 8/31/06	Subsequent Payments Thru 10/12/06
All Saints	0	
Calvary	31,928	4,743
Christ Church	2,916	2,916
Christ Memorial	1,958	1,958
Emmanuel	0	
Epiphany	0	
Good Samaritan	0	
Good Shepherd	0	
Grace	0	
Hoy Apostles	0	
Holy Cross	37	37
Holy Innocents	0	
Holy Nativity	0	
Resurrection	0	
St. Andrew's Cathedral	0	
St. Augustines	908	908
St. Christopher's	0	
St. Clement's	0	
St. Columba's	0	
St. Elizabeth's	0	
St. George's	0	
St. James	0	
St. John's	0	
St. John's By-The-Sea	0	
St. Jude's	0	
St. Luke's	0	
St. Mark's	0	
St. Mary's	0	
St. Matthew's	0	
St. Michael's	0	
St. Nicholas	0	
St. Paul's	0	
St. Peter's	0	
St. Philip's	0	
St. Stephen's	3,282	3,282
St. Thomas	0	
St. Timothy's	0	
Trinity By-The-Sea	26,692	9,394
West Kauai	0	
TOTAL	67,721	23,238

THE EPISCOPAL CHURCH IN HAWAII
DIOCESAN ASSESSMENT

CHURCH	2004 OPERATING INCOME	2006 DIOCESAN ASSESSMENT @21 %	2005 OPERATING INCOME	2007 DIOCESAN ASSESSMENT @21%	2007 INCREASE/ [DECREASE]
ALL SAINTS	185,551	38,966	184,207	38,683	(283)
CALVARY	361,407	75,895	326,056	68,472	(7,423)
CHRIST CHURCH	166,629	34,992	240,144	50,430	15,438
CHRIST MEMORIAL	111,861	23,491	121,826	25,583	2,092
EMMANUEL	118,997	24,989	127,140	26,699	1,710
EPIPHANY	222,649	46,756	221,027	46,416	(340)
GOOD SAMARITAN	107,783	22,634	112,463	23,617	983
GOOD SHEPHERD	297,329	62,439	346,321	72,727	10,288
GRACE	71,384	14,991	68,770	14,442	(549)
HOLY APOSTLES'	175,707	36,898	255,471	53,649	16,751
HOLY CROSS	12,869	2,702	7,560	1,588	(1,114)
HOLY INNOCENTS'	128,222	26,927	84,320	17,707	(9,220)
HOLY NATIVITY	315,653	66,287	325,241	68,301	2,014
RESURRECTION	12,775	2,683	9,777	2,053	(630)
ST. ANDREW'S	1,048,975	220,285	1,295,736	272,105	51,820
ST. AUGUSTINE'S	51,855	10,890	77,643	16,305	5,415
ST. CHRISTOPHER'S	362,052	76,031	343,074	72,046	(3,985)
ST. CLEMENT'S	417,681	87,713	424,771	89,202	1,489
ST. COLUMBA'S	9,094	1,910	9,782	2,054	144
ST. ELIZABETH'S	245,364	51,526	264,914	55,632	4,106
ST. GEORGE'S	28,566	5,999	36,561	7,678	1,679
ST. JAMES'	232,275	48,778	263,744	55,386	6,608
ST. JOHN'S, KULA	236,194	49,601	231,993	48,719	(882)
ST. JOHN'S BY/SEA	93,284	19,590	102,888	21,606	2,016
ST. JUDE'S	28,372	5,958	31,114	6,534	576
ST. LUKE'S	106,472	22,359	109,765	23,051	692
ST. MARK'S	220,315	46,266	241,034	50,617	4,351
ST. MARY'S	221,884	46,596	232,773	48,882	2,286
ST. MATTHEW'S	41,394	8,693	39,277	8,248	(445)
ST. MICHAEL'S	310,125	65,126	292,727	61,473	(3,653)
ST. NICHOLAS	177,293	37,232	228,505	47,986	10,754
ST. PAUL'S	123,825	26,003	138,794	29,147	3,144
ST. PETER'S	392,315	82,386	415,597	87,275	4,889
ST. PHILIP'S	48,394	10,163	40,050	8,411	(1,752)
ST. STEPHEN'S	93,780	19,694	84,892	17,827	(1,867)
ST. THOMAS	28,737	6,035	29,337	6,161	126
ST. TIMOTHY'S	224,855	47,220	221,850	46,589	(631)
TRINITY BY/SEA	199,158	41,823	192,871	40,503	(1,320)
WEST KAUAI	74,639	15,674	73,026	15,335	(339)
	7,305,714	1,534,201	7,853,041	1,649,139	114,938



The Episcopal Church in Hawai'i

THE RIGHT REVEREND RICHARD S.O. CHANG
Bishop of Hawai'i

February 28, 2006

The Rt. Rev. Harry Bainbridge
510 West Washington Street
Boise, ID 83701

Dear Bishop Harry

Attached is our 2005 report on the 1% Theological Education Offering. In 2005, gifts totaled \$41,267 which is about 56% of the Operating Income Target.

Most of our churches give to the Church Divinity School of the Pacific with some money going to the Berkeley Divinity School at Yale, Bexley Hall Seminary, Episcopal Divinity School, Episcopal Theological School at Claremont, General Theological Seminary, Nashotah House, Native Hawaiian Ministry Studies Board, Seabury Western Theological Seminary, Sewanee Theological, Trinity Episcopal School for Ministry, and the Virginia Theological Seminary.

Faithfully yours,

Peter Pereira
Diocesan Treasurer

cc: The Rt. Rev. Richard S.O. Chang, Bishop
St. Andrews Theological Seminary
Berkeley Divinity School at Yale
Bexley Hall Seminary
Church Divinity School of the Pacific
Episcopal Divinity School
Episcopal Theological School at Claremont
General Theological Seminary
Nashotah House
Native Hawaiian Ministry Studies Board
Seabury Western Theological Seminary
Sewanee Theological
Trinity Episcopal School for Ministry
Virginia Theological Seminary
Diocesan Council Members
All Churches

**THE EPISCOPAL CHURCH IN HAWAII
THEOLOGICAL EDUCATION OFFERING-2005**

CHURCH	2004 Operating Income	2005 1% Amount	2005 Amount Given
All Saints'	185,551	1,856	
Calvary	361,407	3,614	3,060
Christ Church	166,629	1,666	
Christ Memorial	111,861	1,119	150
Emmanuel	118,997	1,190	1,190
Epiphany	222,649	2,226	
Good Samaritan	107,783	1,078	1,000
Good Shepherd	297,329	2,973	2,620
Grace	71,384	714	713
Holy Apostles'	175,707	1,757	500
Holy Cross	12,869	129	
Holy Innocents'	128,222	1,282	600
Holy Nativity	315,653	3,157	
Resurrection	12,775	128	
St. Andrew's	1,048,975	10,490	10,490
St. Augustine's	51,855	519	747
St. Christopher's	362,052	3,621	
St. Clement's	417,681	4,177	
St. Columba's	9,094	91	91
St. Elizabeth's	245,364	2,454	
St. George's	28,566	286	2,000
St. James'	232,275	2,323	2,805
St. John's, Kula	236,194	2,362	2,362
St. John's By-The-Sea	93,284	933	
St. Jude's	28,372	284	284
St. Luke's	106,472	1,065	
St. Mark's	220,315	2,203	
St. Mary's	221,884	2,219	2,219
St. Matthew's	41,394	414	300
St. Michael's	310,125	3,101	3,101
St. Nicholas	177,293	1,773	600
St. Paul's	123,825	1,238	1,238
St. Peter's	392,315	3,923	3,710
St. Philip's	48,394	484	
St. Stephen's	93,780	938	
St. Thomas	28,737	287	287
St. Timothy's	224,855	2,249	1,000
Trinity By-The-Sea	199,158	1,992	
West Kauai	74,639	746	200
TOTAL	7,305,714	73,057	41,267

INVESTMENT FUNDS OF THE EPISCOPAL
CHURCH IN HAWAII
AS OF JUNE 30, 2006

TRUST ENDOWMENTS	Total Shares	Market Value	Cost
<u>DIOCESAN - BUDGET</u>			
Episcopate Endowment Fund	55,701.30000	4,805,343.07	2,703,248.50
E Lani Hanchett Mem Mission Tr Fd	247.71617	21,370.44	9,582.50
Hawaiian Church Chronicle	224.26495	19,347.30	8,911.82
Thomas Dowell Phillips Mem Pen Fd	500.29425	43,160.31	20,445.72
	<u>56,673.57537</u>	<u>4,889,221.12</u>	<u>2,742,188.54</u>
<u>DIOCESAN - OTHERS</u>			
Frances D. Adams Fund	5,746.78947	495,774.69	506,539.36
The Rev. J. Thurlow and Jane Baker Memorial Fund	1,517.42025	130,907.62	116,024.74
Bishop's Discretionary Fund	743.09770	64,106.93	45,613.62
Bishop's Scholarship Fund for Clergy Children	264.57347	22,824.71	21,379.86
Bishop's Special Fund	243.57494	21,013.17	15,379.70
Clergy Continuing Education Fund	5,930.25104	511,601.90	328,785.27
Diocesan General Fund	762.72240	65,799.95	68,799.01
Election Process Fund	1,598.27970	137,883.36	131,282.40
Episcopate Construction Fund	113.16899	9,763.07	7,467.60
Hurricane Deductible & Earthquake Reserve Fund	4,592.11484	396,161.08	376,374.22
Mary Y.C. Ing Restoration Fund	23,891.34009	2,061,102.45	1,881,895.12
Harry & Katherine Kennedy Memorial Fund	1,908.44773	164,641.51	153,694.68
Lambeth Conference Travel Fund	383.80038	33,110.40	24,935.82
Linberg Revolving Fund	6,984.84028	602,581.16	459,128.39
Medigap Fund	162.57591	14,025.40	14,043.44
Mission Fund	446.49835	38,519.35	34,695.17
George MacCray Endowment Fund	1,821.08140	157,104.43	161,313.27
Donald M. McCluskey Fund - Princ	6,015.87916	518,989.02	359,254.28
Donald M. McCluskey Fund - Income	6,318.18663	545,069.04	539,184.41
Kenneth & Ruth Perkins Endowment Fund	5,366.10166	462,932.81	475,262.66
Eric Potter Memorial Fund	151.25276	13,048.55	12,185.54
Scholarship Fund	4,242.99289	366,042.38	253,255.94
Victory Fund	873.05897	75,318.67	72,848.77
Von Holt Fund	38,740.34439	3,342,123.89	2,680,689.19
	<u>118,818.39340</u>	<u>10,250,445.54</u>	<u>8,740,032.46</u>

INVESTMENT FUNDS OF THE EPISCOPAL
 CHURCH IN HAWAII
 AS OF JUNE 30, 2006

TRUST ENDOWMENTS	Total Shares	Market Value	Cost
<u>ALL SAINTS' CHURCH, KAPAA</u>			
Clergy Childrens' Education Fund	146.58809	12,646.13	8,726.70
Albert Horner Organ Maint Fund	77.54038	6,689.40	3,047.38
Eddie Ruby Scott Trust	411.30320	35,483.07	34,234.36
Etta Wilcox Sloggett Memorial Fund	367.24492	31,682.17	7,730.01
Emma Lyman Wilcox Memorial Fund	2,549.33664	219,930.90	53,732.42
Henry Willey Columbarium	199.05021	17,172.03	7,618.74
Ramona R. Walden Altar Fund	83.15626	7,173.88	6,243.11
Willey Memorial Fund	742.97134	64,096.03	29,569.22
	<u>4,577.19104</u>	<u>394,873.61</u>	<u>150,901.94</u>
<u>CAMP MOKULEIA, OAHU</u>			
Margaret Root Clarke Memorial Camp Scholarship Fund	89.84677	7,751.07	3,502.19
Margaret Monterio Mem Campership	185.68047	16,018.63	7,844.72
	<u>275.52724</u>	<u>23,769.70</u>	<u>11,346.91</u>
<u>CHRIST CHURCH, KEALAKEKUA, HI</u>			
Christ Church Property	494.13462	42,628.92	44,145.47
David Douglas Wallace Mem Endow Fd	900.23079	77,662.78	35,484.38
Parish Designated Trust Fund	150.90113	13,018.22	9,747.11
E C Greenwell Cemetery Fund	345.47728	29,804.27	19,963.71
Ellen Hall Fund	683.49889	58,965.35	20,854.08
Dora Greenwell Bryant Pennell Fund	185.39770	15,994.23	7,618.89
The Greenwell Memorial Trust	804.26159	69,383.53	53,455.05
Restoration/Renovation Fund	397.23499	34,269.40	25,499.72
Mission Fund	132.05681	11,392.52	6,574.81
S.H. Davis Fund	22.79409	1,966.44	2,006.57
	<u>4,115.98789</u>	<u>355,085.66</u>	<u>225,349.79</u>
<u>CHRIST MEMORIAL CHURCH, KILAUEA</u>			
Eddie Ruby Scott Trust	411.30316	35,483.06	34,234.36

INVESTMENT FUNDS OF THE EPISCOPAL
CHURCH IN HAWAII
AS OF JUNE 30, 2006

TRUST ENDOWMENTS	Total Shares	Market Value	Cost
<u>EMMANUEL EPISCOPAL CHURCH, KAILUA</u>			
Capital Repairs & Maintenance Fund	400.94773	34,589.70	26,071.08
Emmanuel Church, Special Fund	697.55413	60,177.89	55,438.22
Gratia McConkey Memorial	172.97053	14,922.14	14,568.16
The Leroy, Charlotte & Valarie Green Endowment Fund	125.02159	10,785.59	5,610.22
Joseph J and Anna P Lovell Tr Fund	914.81192	78,920.69	64,152.88
Maggie Nott Fund	226.48583	19,538.90	17,533.09
Rowe Fund	87.16396	7,519.62	6,864.09
Youth Ministry Fund	27.30107	2,355.26	2,149.93
	<u>2,652.25676</u>	<u>228,809.79</u>	<u>192,387.67</u>
<u>EPIPHANY CHURCH, HONOLULU</u>			
Candle Fund	53.92582	4,652.17	1,794.52
Wilfred Richardson Mem Flower Fund	17.08510	1,473.93	820.06
Sophia Taylor Mem Altar Guild Fund	38.29300	3,303.53	1,493.18
Georgiana Crutchfield Memorial Fund	30.18656	2,604.19	1,949.93
	<u>139.49048</u>	<u>12,033.82</u>	<u>6,057.69</u>
<u>GOOD SAMARITAN</u>			
Church Unrestricted A/C	89.25180	7,699.74	6,214.12
Preschool Unrestricted A/C	582.20232	50,226.51	47,548.81
Church Operational A/C	326.56797	28,172.97	23,027.91
	<u>998.02209</u>	<u>86,099.22</u>	<u>76,790.84</u>
<u>GOOD SHEPHERD CHURCH, WAILUKU</u>			
Clergy Housing Trust	2,551.64120	220,129.72	206,811.22
Altar Guild Fund	30.12690	2,599.04	2,545.22
Bross Memorial Youth Fund	602.03201	51,937.21	51,492.22
Memorial Fund	605.56680	52,242.16	50,346.91
Seminarian Scholarship Fund	125.78467	10,851.43	11,148.13
	<u>3,915.15158</u>	<u>337,759.56</u>	<u>322,343.70</u>

INVESTMENT FUNDS OF THE EPISCOPAL
CHURCH IN HAWAII
AS OF JUNE 30, 2006

TRUST ENDOWMENTS	Total Shares	Market Value	Cost
<u>CHURCH OF THE HOLY APOSTLES, HILO</u>			
Auto Replacement Fund	67.12464	5,790.83	4,470.92
Babe Chillingworth Memorial Fund	54.31473	4,685.72	4,503.23
Vestment Fund	151.54587	13,073.84	8,753.75
Thomas A Cook Memorial Fund	2,714.96347	234,219.50	174,461.12
The Kilauea Fund	6,885.48223	594,009.55	372,210.22
Program/Clergy Fund	674.81898	58,216.54	41,683.42
Martha E Wakefield Mem Vicarage Fd	1,772.89565	152,947.45	99,179.55
Ronald C Yoder Memorial Fund	173.01791	14,926.23	10,957.33
Joseph Clark Young People's Fund	158.54474	13,677.63	12,608.86
Unrestricted Funds	307.08159	26,491.88	21,766.41
Alter Linen Fund	68.51382	5,910.68	4,966.49
Kitagawa Memorial Fund	26.75326	2,308.00	1,891.30
Detor Memorial Fund	15.05537	1,298.82	1,129.15
Lofty Cook Memorial	25.40827	2,191.97	1,946.98
Mae Marcellino Memorial	6.01675	519.06	428.30
	<u>13,101.53728</u>	<u>1,130,267.70</u>	<u>760,957.03</u>
<u>HOLY NATIVITY CHURCH, HONOLULU</u>			
Columbarium	579.84682	50,023.30	48,818.91
Concert	242.67361	20,935.42	20,431.36
Crawford	-	-	-
Nellie Hartman	5,886.45033	507,823.22	496,662.92
Capital Improvements	907.93230	78,327.19	76,441.34
Hjorth	191.30654	16,503.99	16,106.63
General Operating Endowment	10,315.79456	889,942.10	868,499.36
Memorial	496.29615	42,815.40	41,784.55
	<u>18,620.30031</u>	<u>1,606,370.62</u>	<u>1,568,745.07</u>
<u>HOLY NATIVITY SCHOOL, HONOLULU</u>			
General and Reserve Fund	2,103.62711	181,479.61	178,170.77
Reed Glover Endowment Fund	778.13882	67,129.92	65,980.58
Church Endowment Fund	1,133.89969	97,821.36	96,146.55
Scholarship Endowment Fund	673.84998	58,132.94	57,137.64
Bellows Scholarship Endowment Fund	101.17273	8,728.16	8,578.72
	<u>4,790.68833</u>	<u>413,291.99</u>	<u>406,014.26</u>

INVESTMENT FUNDS OF THE EPISCOPAL
 CHURCH IN HAWAII
 AS OF JUNE 30, 2006

TRUST ENDOWMENTS	Total Shares	Market Value	Cost
<u>KOHALA MISSION, KAPAAU</u>			
Howard & Elizabeth Bryant Memorial Church Yard & Cemetery Fund - St Augustine's Church	615.53117	53,101.78	37,751.07
Building Fund	347.05802	29,940.65	29,955.18
St Augustine's Church Yard Fund	158.60558	13,682.88	9,058.46
	<u>1,121.19477</u>	<u>96,725.31</u>	<u>76,764.71</u>
<u>SAINT ANDREW'S CATHEDRAL</u>			
Candle Fund	101.96068	8,796.13	2,503.15
Augustine Powers	1,146.98300	98,950.06	95,549.42
Living Endow, Clergy, Etc.	452.38182	39,026.91	37,685.66
The Deanery	143.84344	12,409.35	6,339.50
Choir	71.66291	6,182.35	5,969.87
Organist	74.52923	6,429.63	6,208.66
W Armitage Carlisle	309.56090	26,705.77	25,818.99
Guild & Aux	1,078.89378	93,076.01	30,601.59
Young Memorial	940.38753	81,127.10	25,727.08
Anderson Memorial	196.18957	16,925.25	8,583.61
Devonish	13.60471	1,173.68	845.39
Tenney	112.41507	9,698.03	2,956.50
Palmer	447.51275	38,606.86	26,651.34
Maintenance & Renovation	1,392.65923	120,144.51	40,635.09
Memorial Buildings	1,139.18724	98,277.52	31,417.53
Outreach	447.61545	38,615.72	27,657.15
Nellie Alice Russell	258.80966	22,327.47	19,798.86
Abbe Green	54.97579	4,742.75	2,845.02
General	15,263.56344	1,316,785.40	838,954.96
Soper	54.97638	4,742.80	2,842.20
R. Hicks Memorial	302.94143	26,134.71	22,914.88
Orvis Music Fund	1,606.03918	138,552.77	124,792.62
	<u>25,610.69319</u>	<u>2,209,430.78</u>	<u>1,387,299.07</u>

INVESTMENT FUNDS OF THE EPISCOPAL
 CHURCH IN HAWAII
 AS OF JUNE 30, 2006

TRUST ENDOWMENTS	Total Shares	Market Value	Cost
<u>SAINT ANDREW'S PRIORY SCHOOL</u>			
Alumnae Association Scholarship Fd	997.09623	86,019.35	53,110.25
British Benevolent Society Schship	1,669.39126	144,018.14	70,120.86
E E Ford Foundation	662.24113	57,131.45	33,146.44
Bishop Harry S Kennedy Schl Fund	726.74609	62,696.28	37,924.41
Caroline Ornellas Memorial Schl Fund	49.11267	4,236.94	2,491.78
Sister Evelyn Scholarship Fund	247.29445	21,334.06	9,645.23
Vance O Smith Trust Fund	1,251.79591	107,992.25	66,084.42
Betty V Von Holt Scholarship Fund	420.90954	36,311.80	16,317.80
Class of '37 Scholarship Fund	472.89244	40,796.36	33,521.38
Muriel M. Thayer Scholarship Fund	168.52938	14,539.01	14,632.85
Withington Foundation Fund	4,445.87898	383,545.33	381,633.67
Nikaido Fund for General Endowment	310.20918	26,761.70	26,081.24
Peter B Ogilby Scholarship Fund	335.76348	28,966.27	22,660.99
Phoebe Furtado Gedge Memorial Fund	0.00003	-	-
Queen Emma General Scholarship Fd	7,287.39769	628,682.74	339,420.16
Eleanor Wilcox Carney Financial Aid Fd	333.60317	28,779.90	26,920.52
Ellen K. Brazauski Scholarship Fund	207.39721	17,892.13	16,112.91
Class of 1951 Scholarship Fund	237.16733	20,460.39	18,504.67
Yoshie Isoshima Fund	272.63358	23,520.06	21,771.67
Sarah Horswill Kauka Scholarship Fund	146.56948	12,644.53	11,577.32
Operational Endowment Fund	116.17797	10,022.66	8,867.84
	<u>20,358.80720</u>	<u>1,756,351.35</u>	<u>1,210,546.41</u>
<u>ST CHRISTOPHER'S CHURCH - KAILUA</u>			
Rector's Hsg. Endow Fund	1,877.28749	161,953.32	142,526.54
General Endowment	190.06969	16,397.28	16,731.97
Outreach Endow Fund	1,065.63731	91,932.38	60,406.39
	<u>3,132.99449</u>	<u>270,282.98</u>	<u>219,664.90</u>

INVESTMENT FUNDS OF THE EPISCOPAL
 CHURCH IN HAWAII
 AS OF JUNE 30, 2006

TRUST ENDOWMENTS	Total Shares	Market Value	Cost
<u>ST CLEMENT'S PARISH, HONOLULU</u>			
Brodhead Fund for Social Adult Educ	3,626.75349	312,879.50	223,294.40
Brodhead Memorial Fund for Prayer			
Books & Hymnals	73.92659	6,377.64	3,486.10
Chapel of Peace Maintenance Fund	347.59430	29,986.91	20,691.74
Cooke Organ Fund	376.92065	32,516.89	29,215.42
General Fund	1,418.30151	122,356.67	73,674.98
The St. Clement's Endowment Fund	1,664.23874	143,573.63	133,653.73
	<u>7,507.73528</u>	<u>647,691.24</u>	<u>484,016.37</u>
<u>ST ELIZABETH'S CHURCH, HONOLULU</u>			
Joseph Ho Foundation	4,232.92810	365,174.09	400,436.30
Hon Endowment Fund	83.28589	7,185.06	3,435.00
Val and Abbie Peroff Trust	130.59722	11,266.60	10,401.20
Scholarship Trust	587.63507	50,695.19	56,061.38
	<u>5,034.44628</u>	<u>434,320.94</u>	<u>470,333.88</u>
<u>ST JOHN'S, KULA, MAUI</u>			
Janette R. Younts Trust	9.77682	843.44	664.89
Shim-Mark-Littell Endowment	960.92785	82,899.11	80,703.30
Cemetery Fund	271.98962	23,464.51	19,503.14
General Endowment Fund	290.76339	25,084.12	20,849.33
	<u>1,533.45768</u>	<u>132,291.18</u>	<u>121,720.66</u>
<u>ST MARK'S EPISCOPAL CHURCH</u>			
Muriel MacKenzie Thayer Endow Fund	547.33148	47,218.21	49,181.68
Endowment Fund	2,593.61077	223,750.43	197,626.02
Restricted Fund	198.94170	17,162.67	16,932.56
Princess Abigail Kawananaoia Fund	228.25351	19,691.40	17,183.74
	<u>3,568.13746</u>	<u>307,822.71</u>	<u>280,924.00</u>

INVESTMENT FUNDS OF THE EPISCOPAL
 CHURCH IN HAWAII
 AS OF JUNE 30, 2006

TRUST ENDOWMENTS	Total Shares	Market Value	Cost
<u>ST MICHAEL'S, LIHUE, KAUAI</u>			
Edie Wilcox	1,908.85190	164,676.38	147,125.36
The Ike Kampmann III Education Fund	333.65299	28,784.20	29,168.08
Music & Sacristy/Liturgy Fund	0.85124	73.44	72.73
Eddie Ruby Scott Trust	449.97685	38,819.44	37,511.42
Nancy & Holbrook Goodale Fund	4,466.41815	385,317.25	368,094.14
Endowment Fund	1,557.63631	134,377.06	125,056.86
Capital Improvements Fund	275.11130	23,733.81	24,380.14
Emergency Maintenance Reserve Fund	191.83365	16,549.46	16,895.78
Scheduled Maintenance Fund	116.56166	10,055.76	10,252.57
	<u>9,300.89405</u>	<u>802,386.80</u>	<u>758,557.08</u>
<u>ST NICHOLAS CHURCH</u>			
Jensen-Malvin Memorial Fund	187.34184	16,161.95	11,439.54
Hono'uliuli Mission Fund	4,605.82981	397,344.27	332,259.87
Beverly Booth Memorial Fund	27.59426	2,380.55	2,029.33
	<u>4,820.76591</u>	<u>415,886.77</u>	<u>345,728.74</u>
<u>ST. PAUL'S-HONOLULU</u>			
Building Fund	3,062.50514	264,201.87	201,310.29
Bryon a Devonish Candle Fund	42.13807	3,635.25	2,532.36
Youth Group Fund	131.64209	11,356.74	12,163.95
	<u>3,236.28530</u>	<u>279,193.86</u>	<u>216,006.60</u>
<u>ST. PETER'S-HONOLULU</u>			
Capital Improvements Endowment	3,255.51165	280,852.52	297,873.59
Reserve Fund	4,309.75416	371,801.87	373,128.12
Columbarium Perpetual Care Fund	812.25828	70,073.40	73,927.04
General Endowment Fund	3,764.71574	324,781.48	343,154.50
Katherine Kong Endowment Fund	228.18112	19,685.15	20,716.22
Lydia Y.F. Moo	30.22237	2,607.28	2,715.70
Mission Endowment Fund	2,095.62997	180,789.69	191,913.90
Raymond Kong Endowment Fund	395.39800	34,110.93	36,125.74
Restricted Endowment Fund	781.87344	67,452.11	71,436.26
	<u>15,673.54473</u>	<u>1,352,154.43</u>	<u>1,410,991.07</u>

INVESTMENT FUNDS OF THE EPISCOPAL
 CHURCH IN HAWAII
 AS OF JUNE 30, 2006

TRUST ENDOWMENTS	Total Shares	Market Value	Cost
<u>ST STEPHEN'S CHURCH, WAHIAWA</u>			
Frank E Ahrendt Memorial Fund	742.29796	64,037.94	46,897.94
Combined Memorial Fund	142.40097	12,284.91	8,803.66
Mary Tree Hatlelid Music Fund	32.61970	2,814.10	2,786.59
The Solomon P. McCurdy Memorial Fund	666.44774	57,494.35	52,612.47
The France Memorial Fund	130.36544	11,246.61	8,334.30
Gerda Rutherford Fund	168.05800	14,498.34	12,164.54
	<u>1,882.18981</u>	<u>162,376.25</u>	<u>131,599.50</u>
<u>ST TIMOTHY'S, AIEA, OAHU</u>			
St. Timothy's Fund	1,528.62100	131,873.91	95,605.79
<u>MISCELLANEOUS</u>			
Calvary Reserve Fund	0.00004	-	-
Episcopal Church Women of Hawaii	129.65080	11,184.96	9,446.97
ECW - Diocesan Altar Guild	66.28653	5,718.53	5,392.38
Iolani Guild Scholarship Fund	860.03392	74,195.00	74,947.06
Queen Emma Chapel Missions Fund	1,029.98040	88,856.26	82,654.92
Henry Digby Sloggett Memorial Fund	19,554.65374	1,686,977.14	1,410,633.61
Eliza K. Spencer Native Hawaiian Ministry Endowment Fund	111.61025	9,628.60	6,603.36
St George's Pearl Harbor Permanent Endowment Fund	308.34497	26,600.88	24,403.31
St George's Preschool Endowment Fund	9.55590	824.39	718.27
St John's Episcopal School Bldg. Replacement Fund (Guam)	91.66163	7,907.64	5,611.91
St. Jude Unrestricted Fund	285.08260	24,594.03	25,537.14
St. Mary's Building Portfolio	497.00293	42,876.37	42,463.06
St. Timothy's Children's Center (STCC)	1,620.98942	139,842.52	134,203.12
STCC-Marion P. Tappe Scholarship Fund	193.66154	16,707.15	17,080.75
St. Timothy's Aiea Family Center	3,492.65391	301,310.75	299,958.20
The Waikiki Episcopal Chapel Endow Fund	4,051.88219	349,555.29	327,692.14
Women of Vision	82.31929	7,101.67	6,502.29
West Kauai Endowment Fund	205.59904	17,737.22	14,775.57
TOTAL	<u>365,990.16118</u>	<u>31,573,918.30</u>	<u>24,935,733.10</u>

Standing Committee Annual Report for the Year 2005–2006

The Rt. Rev. Richard Chang

Members: John Decker, President
The Rev. Carol Arney, Secretary
Keane Akao
The Rev. Morley Frech
The Rev. Mary Lindquist
Chan Rowe
Mary Schulz
The Rev. Liz Zivanov

The Standing Committee of the Diocese of Hawai'i will have had eleven regular meetings before the convening of the annual meeting of the Diocesan Convention 2006. In addition the Standing Committee had two special meetings concerning the Episcopal Search Process, including a weekend retreat with the Search and Transition Committees.

The following items of business were addressed:

Received letter from The Right Rev. Richard Chang resigning as Ordinary of the Diocese of Hawai'i effective with the consecration of his successor.

Overall policy direction for the Search for the Fifth Bishop of Hawai'i was given, and a timetable for the Search was developed. The Episcopal Search and Transition Committees were elected in accordance with the Standing Committee's plan, and both Episcopal Committees were filled out by appointed members. The Search process has been tracked as needed.

Four consents were given for the election of Bishops.

One notice of suspension was received.

The following recommendations for ordination were passed:

Craig A. Dolack to the Diaconate,
David Gierlach to the Diaconate,
Moki Hino to the Priesthood.

The lease amendment requested by St. Mary's Church was approved.

The Policy on Gifts and Alienation of Real Property was adopted as revised by Diocesan Council in response to suggestions from the Chancellor's Office.

In response to requests from Diocesan Council or the congregation's Vestry, the status of three congregations was changed, Bishop consenting.

The Code of Conduct for the Protection of Children is being reviewed to respond to comments from congregations that it is unworkable.

Respectfully submitted
John A. Decker, Jr.
President

Justice, Peace and Partnership Department

Mission Statement

Promote justice and peace for all God's creation;
Reach out to the dispossessed, imprisoned and otherwise voiceless needy;
Reaffirm the importance of our partnerships with provinces of the Anglican Communion and beyond and our relationship with ecumenical and interfaith partners.

The Justice, Peace and Partnership Department supports the commissions on Diversity, Episcopal Relief and Development, and the Mission Fund Commission as well as the newly formed Commission on Jubilee Ministry. The Eco-Justice Commission has not been staffed or organized. The Ecumenical/Interfaith Relations Commission is also not active at this time. The Department has worked ecumenically through the Interfaith Alliance of Hawaii.

During the 2005–2006 Diocesan Council year, the Department met with its commission chairs as they worked on their strategic plans and the budgeting process. Liaisons were established to enhance communication between the department and the commissions. The Rev. Canon Carmen B. Guerrero, Jubilee Officer from the national church, met with the Department to explore Jubilee Ministry opportunities for our diocese.

The Mission Fund Commission coordinated support efforts for Hurricane Stan relief for the Diocese of Guatemala. Nearly \$25,000 has been received to date.

Financial support was provided for the Global Ministry program of St. Clement's, sponsoring a presentation by Sis and Jerry Levin who discussed their experiences in the Middle East.

Efforts to provide respite opportunities for clergy from the Hurricane Katrina–affected areas are ongoing.

Members of the Department for 2005–2006 are:

Nancy Rowe, Chair
The Rev. Teresa Bowden
Ferdinand Cajigal
Cecelia Fordham
Richard Gerage
Yvonne Kaiahua
The Rev. Mary Koppel
Duane Leach
Pete Peterson
Nelson Secretario

Resource Development Department Annual Report 2006

The mission of the Resource Development Department is the following: Identify, manage and enhance the assets and resources of members, congregations, and the diocese to focus on transforming the diocese and our congregations to vibrant faith communities, on growth and on reducing the administration costs of the diocese. This department functions as the Finance Committee of the Diocesan Board of Directors (the Diocesan Council). In 2006, we carried out our mission in several areas:

Policies: RDD worked with the rest of the Council to implement the 3-year budget process mandated by the 37th Annual Meeting of the Diocesan Convention in 2005. Together with the Standing Committee, it developed a diocesan policy on the Alienation of Real Property.

Oversight: RDD monitors a number of different reports on behalf of the Council: congregational delinquencies, Camp Mokule`ia's finances, the diocesan budget and financial statements, the budget for the Bishop Search Committee, and the performance of the investment managers for the diocesan portfolio. This department reports its findings and recommends actions related to those findings. In doing so, it keeps the Council informed on a timely basis of progress and of potential problems.

Contracts and Leases: RDD is the first reviewer of any actions related to the use of diocesan real property. In 2006 this included the sale and acquisition of land by Saint Jude's, Ocean View; the construction of a new elevator at Saint Peter's, Honolulu; a loan to Holy Nativity to remodel its rectory; and leases between Saint Mary's and Angels at Play Preschool, Saint Luke's and the Kamehameha Schools, and Epiphany and the Best Bridal Hawaii Inc.

Planning: In addition to the implementation of the 3-year budget process, RDD continues to work on advance planning for an eventual diocesan capital campaign.

Information: This year the department worked to post the diocese's annual Audit Report on the web site; it also led a discussion in Council about the implications of the statistics gleaned from the annual parochial reports. Under development is an RDD page on the diocesan web site; it will provide an easy access point to diocesan financial policies and information.

The members of the Resource Development Department also serve in one of the three program departments of the Council. This provides additional communication among all departments on financial and related matters.

Respectfully submitted,
The Rev. Tony Litwinski, Chair, Resource Development Department

Report of the Historiographer

Acquisitions:

Mother Susan Champion of St. Andrew's Priory School transferred six parish registers, eight service registers, one guest book, and one albumen photograph to the diocesan archives for safekeeping. These documents record activity at the Priory as early as 1908 and as late as 1995. This transfer of documents was in compliance with diocesan canon 35 that provides for disposition and safekeeping of completed registers.

Mr. Donald van Goozen of Sarnia, Ontario, Canada donated several items belonging to his family that have an association with the church in Hawai'i and the Hawaiian Royal Family. Mr. van Goozen's great-grandfather was noted English church historian Edward Lewes Cutts. His grandfather, as a boy, once sang for Queen Emma; and one of his granduncles was godson to the Queen. The items he donated include:

- A first edition of the *Book of Common Prayer*, published in the Hawaiian language by the Polynesian Book and Job Print in 1862. The inside bears a handwritten inscription, "The Commisary of the Bishop of Honolulu from his Majesty King Kamehameha IV, Hawaii, July 26, 1863."
- *Preface to the Book of Common Prayer Composed by the Late King of Hawaii* published in London by the Society for Promoting Christian Knowledge in 1863.
- Two sheets of black-edged mourning stationery bearing the signature of Emma R. (Emma Regina or Queen Emma). One sheet is dated November 11th, 1865, while the other is dated November 30th, 1865. The dates shown on the items indicate that the Queen signed these cards while she was traveling in England. The queen embarked from Honolulu on May 6, 1865 and traveled to England, France, and the United States, where she was received by Queen Victoria, Napoleon III, and President Johnson. She returned to the islands on October 22, 1866. These signed cards may have been used as calling cards or perhaps given as mementoes of the royal visit.
- Small piece of paper inscribed "Wm. Hoapili, Saturday evening Aug. 4th, 4 ¾ o'clock p.m." The name is that of William Hoapili, the first person of Native Hawaiian ancestry to be ordained as a deacon in the Anglican Church in Hawai'i. He and his wife accompanied Queen Emma during her travels abroad.

Collections Management:

Archival supplies, such as acid- and lignin-free boxes and folders, were ordered and used to re-house collection materials. Mylar sleeves were used to support fragile photographs, or to prevent color transfer from colored photographs to other collection items.

Donations:

- Randall Chun donated a Canon CanoScan LIDE500F scanner. This equipment allows historical images from the collection to be scanned for publication purposes or for development of PowerPoint presentations given to church or community organizations.
- Monetary donation given to the diocesan archives by Florence Hironaka of Camarillo, California. This was in appreciation for research services provided by the historiographer.

Exhibits:

A large leather-bound and heavily decorated oversize bible was loaned to Washington Place for an exhibit to commemorate the birthday of Queen Lili'uokalani. A handwritten inscription on the inside of the book reads: "Presented to the church archives by Col. Iaukea to whom this Bible was given by Queen Liliuokalani for presentation to the Episcopal Church, January 29, 1934." The book also bears the handwritten signature of Lili'uokalani.

Public Access:

The archival collections of the church continue to be available to anyone by appointment. Long-distance inquiries are answered via electronic mail or regular post. Although no research fees are charged, this may be an option in the future to help support preservation of the collections. The only fees charged to patrons, at the present time, are for photography lab costs for reproducing photographs.

Public Programming:

- A brief talk about the importance of preserving the Church's archival collections was presented at St. John's in Keokea. This was part of that parish's Founder's Day celebration in June.
- A PowerPoint presentation was given to the Episcopal Asiamerican Consultation in July. This presentation provided a short early history of this diocese and its establishment under royal patronage.
- The same PowerPoint presentation described above was given to a gathering of parish administrators in the diocese.

Note of Appreciation:

As Bishop Chang retires, I would like to personally thank him for giving me the opportunity to serve this diocese as historiographer for the last nine years. I am grateful for the encouragement he has shown to me, and the priority he has given to the preservation of our diocesan history. A newly created archival vault, a public reading room, and financial assistance from his office bear witness to his support. Thank you, Bishop Chang. I wish you well in your retirement.

Respectfully Submitted,

Stuart W. H. Ching
Historiographer

Companion Diocese Relationship Commission

With the end of the Companion Diocese Relationship with Okinawa at the end of 2005, the Commission has considered the possibility of entering into a relationship with a different diocese of the international Anglican Communion. The commission has made contact with the Episcopal Church Center for their help and suggestions, but because of our size and distances from other continents, it is difficult to select a diocese that would reciprocate the partnership. We are still exploring and are in need of suggestions and contacts. The success of any relationship will depend on the interest and support of the entire Diocese and new Bishop.

Commission on Diversity

Based on our Baptismal Covenant of “Loving our Neighbors as ourselves and respecting the dignity of every human being,” the Commission on Diversity (formerly Anti-Racism) seeks to create dialogue on racism, to facilitate respect for diversity, and to promote healing, reconciliation, and transformation in our members and institutions.

This has been a rebuilding year for the Commission after a two-year dormancy. As such, the activities of this year have primarily been within the Commission. In order to discuss diversity in a thoughtful way, one must establish a working relationship that captures the primary concerns of those involved. All of the Commission members were new to working together and brought very different backgrounds and experiences to the Commission. Areas of concern to present members include justice and understanding for those with mental health issues and immigration matters in addition to the isms. Commission members participated in the interactive lab at St. Elizabeth's on cross-cultural communication which highlighted some of the problems of the Micronesian immigrants in the area. Individual members of the Commission created or presented exercises that focused our sense of shared growth. This included directed Bible passages, words that can hurt, and American cultural references. The Commission members also reviewed the anti-racism materials from the national church, *Seeing the Face of God in Each Other*.

In 2007 we will turn our attention out to the churches. We will start with a general mailing to all congregations followed by phone contact. Once this communication is established, we will work to establish relationships to broaden the pool of those who can serve as resources for their church and the diocese. The members of this commission are myself (St. Christopher's), Joan Bring (Emmanuel), Rev. Thomas Buechele (St. Augustine's), Rev. Jodene Hawkins (St. Elizabeth's), Mi-Sun Hong (St. Luke's), and John Kikukawa (Grace).

Respectfully submitted,
Emily Hawkins, Chair

Commission on Native Hawaiian Ministry

The **Commission on Native Hawaiian Ministry** of the Diocese of Hawai`i had a late start in March when our first order of business was working on our 3-Year Strategic Plan and Resource Budget Request, which were due in May and June, respectively. We realized that our mission had not changed much over CONHM's 30-year history and that **our mission statement** was still *current, credible and contextual*, even as we approached the end of the Decade of the 3 R's — **Remembrance, Recognition, and Reconciliation**. Our **vision** is to *partner with the Diocese and the Ministry of All the Baptized* to seek, raise up and support Native Hawaiian lay and ordained leaders. Our new **Guiding Principle** is *Laulima Ka Po`e o Ke Akua (The People of God Working Together)*.

In July we hosted a small gathering of O`ahu Native Hawaiian Episcopalians at St. John's By-the-Sea Church in Kahalu`u, hoping to inspire our youth to seek and accept leadership roles in the church. Our guest speakers included: retired Kahu Charles G. K. Hopkins, Vicar Emeritus of St. John's By the Sea; Kahu Darrow K. Aiona, rector at St. Mark's in Kapahulu; Kahu Tom Van Culin, vicar at St. Matthew's in Waimanalo; and former CONHM member and still a candidate for Holy Orders, Malcolm Chun, who also currently serves as the Secretary-General of the Anglican Indigenous Network.

CONHM then embarked on a series of trips to Kaua`i, Maui and Moloka`i in July and August. These visits were part of a Deputation Ministry Team initiative to partner with priests and native Hawaiian lay leaders from other churches throughout the diocese to help congregations celebrate the Holy Eucharist using `olelo Hawai`i (the Hawaiian language). This project was funded by a New Opportunity Grant awarded in August 2005 by the National Church's Office of Native American Ministries. By summer's end, we had partnered with the Reverend Mary Lindquist and her cordial congregation at St. John's in `Ele`ele, Kaua`i; the Reverend Marvin Foltz and his superb staff at Church of the Good Shepherd in Wailuku, Maui; and the Reverend Lynette Schaefer and her marvelous ministry team at Grace Church in Ho`olehua, Moloka`i.

We were also fortunate enough to be invited to partner with and participate in a special commemorative service at All Saints' Church on Kaua`i to celebrate the 81st anniversary at their current home in Kapa`a. CONHM was asked to help translate and read scripture lessons and a prayer in `olelo Hawai`i for the service, which included the participation of several other native Hawaiian organizations, including the Royal Order of Kamehameha, the Daughters of Hawai`i and the Iolani Guild. CONHM was also invited to share words of aloha at a re-dedication ceremony following the service. This was a good forum and a nice fit for CONHM, since our Strategic Plan Goals and Objectives include: increasing awareness of our mission; serving as a resource to the diocese on Hawaiian language, issues and culture; promoting and honoring our patron saints; and partnering with other churches and entities to discuss the incorporation of the 3 core Hawaiian spiritual values of *mana, malama, and pono* into the everyday life and work of the church.

To that end, the Commission on Native Hawaiian Ministry would like to remind and encourage each and every church in the Diocese of Hawai`i to honor, celebrate and **commemorate the 144th anniversary of the confirmation of our patron saints, Queen Emma and King Kamehameha IV, on Sunday, November 26, 2006.**

Report of the Planned Giving Commission Annual Report 2006

The Planned Giving Commission was constituted this past spring, with representatives from each island and from the Office of the Bishop: Bill Lucas, Big Island; Nelson Secretario, Kaua`i; Art Kusumoto, Maui; M'Liss Moore, O`ahu. Representing the Office of the Bishop are Bishop Richard Chang; Peter Pereira, Treasurer; and the Rev. Liz Beasley, Communications Officer.

The Commission met in June and outlined a strategy for the ministry of planned giving in the Diocese of Hawai`i. The primary points of this strategy are as follows:

- To identify persons who can serve as planned giving resources and/or contacts on each of the islands.
- To present a training workshop for these resource and contact persons. The workshop has been scheduled for November 4, 2006.
- To prepare a brochure on planned giving for distribution throughout the Diocese.
- To identify persons who have made planned gifts and who would be willing to offer public statements supporting planned giving.

Since June, the Commission has been proceeding with these tasks.

Report of the Stewardship Commission 2006

The Stewardship Commission membership is comprised of three appointed and one co-opted member.

Commission members attended the Strategic Planning workshop held in early 2006 and worked to develop a three-year plan for the commission consistent with the diocesan strategic plan. The plan, and subsequent funding request, was provided to the Congregational Transformation and Evangelism Department of the Diocesan Council.

The Stewardship Commission offers membership in the Episcopal Network for Stewardship (TENS) for all congregations in the diocese. Benefits of membership include *Networking*, the TENS newsletter, and resources available through www.tens.org.

Amado Yoro presented stewardship training at Resurrection Episcopal Church on the Big Island. Commission members have also received requests from St. Andrew's Cathedral and St. Peter's Episcopal Church for assistance in revitalizing their year-round stewardship programs.

The Commission has sponsored attendance of members from Good Shepherd, St. John's By-the-Sea, and St. Peter's at the "Four Fields of Giving: Annual, Mission, Capital & Legacy" workshop at the end of September in Seattle.

Chandler Rowe
Commission Chair

Report of the Registrar of the Diocese
38th Annual Meeting of the Convention of the Episcopal Church of Hawai`i
Janice Horimoto, Registrar

I am pleased to report that the present records and meeting minutes of the Diocesan Council and the Standing Committee are in good order.

Thank you to all Secretaries/Clerks for your dedication and efficiency in the submission of your reports and especially to Marie Elesarke and Tiare Ono of the Bishop's Office for always being available with their support. The open door policy and friendly atmosphere of the Bishop's Office makes the duties of the Registrar pleasant and even fun.

Respectfully submitted,

/s/ Janice Horimoto
Registrar

Compensation Review Committee
October 2006

The following report is submitted with sincere thanks for the 2007 Clergy Compensation Review Committee's contributions and recommendations. The committee members included:

- Austin Nakoa (Holy Nativity) Chair
 - Rev. Bill Allport (St. Peter's)
 - Linda Bruckner (St. Christopher's)
 - Alice Herring (St. Andrew's)
 - Rev. Paul Kennedy (Iolani School, Retired)
 - Peter Pereira (Staff)
1. The work accomplished by the previous year's committee along with the passage of a resolution for a 10% increase in compensation over the previous year was thoroughly reviewed. The CRC stands by the need to position our clergy compensation scale in parity with national statistics for clergy compensation and dioceses of similar cost of living by successive annual increases. The 2006 adjustment to compensation scale, along with the current proposed increases, will move our compensation scale from one of the lowest averages in the country to be in the top half of national average clergy compensation. The CRC holds that by bringing our clergy compensation scale into line with national averages and comparable dioceses, our Diocese can more effectively retain and attract top caliber Clergy.
 2. After reviewing the data along with the delegate feedback from the 2005 Annual Meeting of Convention, the committee decided to propose a 7.5% increase to the 2006 schedule. This was done to allow parishes to plan for increases over the next two years. The CRC has asked the Resource Development Department to discuss this recommendation in its presentations made around the state in pre-Annual Meeting gatherings with clergy, lay convention delegates, wardens and treasurers. It is hoped that the concepts mentioned here and presented of continued 7.5% increases for the three subsequent years following 2007 will be given serious consideration in those subsequent years.
 3. Additionally, other changes are being submitted to the auto allowance:
 - a. Adjust the auto allowance consistent with the previous year's proposal to catch up to the current AAA index. The recommended change for 2006 brought the allowance midway to the index, or \$6,600. The committee proposes the remainder, or a \$600 increase, in the Automobile allowance for 2007.
 - b. The Commission has added additional provisions that will tie any increases to automobile allowance according to the cost of living adjustments, thereby avoiding the oversight of future increases.
 4. CRC also recommend the standard expectation for clergy letters of agreement, position descriptions, and biennial Mutual Ministry Reviews. The CRC emphasizes the paramount importance of Mutual Ministry Review for the future vitality and faithfulness of God's

mission as Clergy, Wardens and Vestries fulfill their responsibilities to each other.
Resource Materials are available at the Office of the Bishop.

The Committee would like to acknowledge and thank Mr. Peter Pereira for his tireless work and supportive contributions to the CRC and the Diocese.

Austin P. Nakoa
Chair

Congregational Health and Growth Commission

Sandra Leialoha, Chair, Peter Carson, Rev. Marvin Foltz, Rev. Russell Johnson, Rev. Mary Lindquist, Lot Lau, Pam McCoy, Mimi Wu

The Congregational Health and Growth Commission continued working towards helping congregations and commissions develop their own strategic plans by offering training to the leaders of the Diocese. “Strategic Planning for Congregations and Commissions: Being the Church God is Calling Us to Be!” workshops were held on February 11 and 25, 2006.

Dennis Higashiguchi conducted the workshops. There were 147 leaders representing almost all congregations, commissions, and the council in attendance. The attendees were given tools to work on developing their own strategic plans in alignment with the Diocesan Strategic Plan as adopted in the 2004 Convention. Congregations needing or wanting help in writing or facilitating their own plan were then visited by members of the commission.

The Commission sent a team of 4 from St. John’s-by-the-Sea to “Start Up! Start Over!” in San Diego, CA. This conference was for providing skills for congregations in decline and seeking a new direction, as well as those thriving and ready for their next step. The timing of this conference was just right, as the leaders had just completed the diocesan strategic planning training.

The Commission sent Pam McCoy and Sandra Leialoha to the Reinventing Church Conference in June 2006. It was a conference on church growth and change. St. Bartholomew’s Church in New York shared what worked and didn’t work to take them from a church with an average Sunday attendance in the 70’s to one with more than 1000, offering 22 different worship services a week.

Addressing the Diocesan Budget 2007–2009 continued with development of the Resource Request forms. The congregations’ strategic plans, resource request forms, financial reports, and Bishop’s Committee meeting minutes were used for making recommendations to the Diocesan Council. This is the fourth year of a 5-year plan for Emmanuel and St. John’s-by-the-Sea in working toward independence from diocesan support. These congregations are to be congratulated in their work towards this goal while still continuing their work on ministry. Emmanuel will reach it a year early. St. John’s-by-the-Sea will reach the goal in 2008. Recommended support for some congregations was not given because there needed to be much more work on their strategic plans with a challenge to improve their stewardship, evangelism, and community outreach. Other congregations in transition, because they have new clergy or are in the process of searching for new clergy, were given support that they requested. The Commission recommended the greatest percentage of the congregational support be given to St Nicholas, the new church plant.

The Youth and Young Adult Department

In support of the diocesan Strategic Plan, in 2006 the Youth and Young Adult Department continued to work with the Emerging Generations Commission as its primary focus. This commission addresses the efforts that were formerly handled by three separate commissions focusing on youth, college-age and young adults. We offered a special conference, EZ37 with Thom Chu of the National Church and Kit Tate of the Diocese of SW Florida, to explore a vision for youth and young adult ministry at the church and diocesan levels. We worked with the Emerging Generations Commission chaired by Keane Akao with regards to program content and leadership, organization and expenditure policies. In development of the 2007 budget of the Emerging Generations Commission, the department reduced programmatic spending in order to provide for a new staff position to serve as a resource to congregations developing youth and young adult ministries, as required in the Strategic Plan. The Episcopal Schools Commission continued their ongoing effort to develop Episcopal identity at the various schools. No commission was in place for Camps and Conferences during the year, so the department worked directly with Katie Finrock in the planning and execution of summer camp at Camp Mokuleia, with support by Jenny Wallace.

General Convention Deputation

Report on the 75th General Convention of the Episcopal Church in the United States of America, June 13-21, 2006, Columbus, Ohio, submitted to the 38th Annual Meeting of the Convention of the Episcopal Diocese of Hawai'i

Hawaii Deputation Clergy: The Reverend Canon Robert Fitzpatrick (Co-Chair), The Reverend Darrow Aiona, The Reverend Liz Zivanov, The Reverend Morley Frech, The Reverend Carol Arney (alternate), The Reverend Alison Dingley (alternate). **Lay:** Mr. Ryan Kusumoto (Co-Chair), Mr. Keane Akao, Mr. John Decker, Mrs. Betty Jo Harris, and Mrs. Beverly Amjadi (alternate).

Highlights:

- Election of the 26th Presiding Bishop: The Rt. Rev. Katharine Jefferts Schori (Current Bishop of Nevada)
- Windsor Resolutions:
 - **Resolution B033: On Election of Bishops.** *Summary: Call upon standing committees and bishops to exercise restraint by not consenting to the consecration of any candidate to the episcopate whose manner of life presents a challenge to the wider church and will lead to further strains on communion.*
 - **Resolution A159: Commitment to Interdependence in the Anglican Communion.** *Summary: Expression to remain part of the greater Anglican Communion.*
 - **Resolution A160: Expression of Regret.** *Summary: Expression of regret for straining the bonds of affection in the events surrounding the General Convention of 2003 and the consequences which followed and offer and apology to those within our Anglican Communion who are offended by our failure to accord sufficient importance to the impact of our actions on our church and other parts of the Communion and ask forgiveness as we seek to live into deeper levels of communion one with another.*
 - **Resolution A163: Pastoral Care and Delegated Episcopal Pastoral Oversight.** *Summary: acknowledges the use of DEPO.*
 - **Resolution A165: Commitment to Windsor and Listening Process.** *Summary: Commends the Windsor Report's section on taking steps to continue to understand issues surrounding same gender relationships and commit the church to participate in the "listening process."*
 - **Resolution A166: Anglican Covenant Development Process.** *Summary: supports the development of an Anglican Covenant.*

- Other Resolutions/Actions:
 - **Resolution A077: Revised Common Lectionary.** *Summary: affirms that the Revised Common Lectionary be the Lectionary of the Church effective December 2007.*
 - **Resolution A055: United Methodist Church Interim Eucharistic Sharing.** *Summary: authorizes the interim Eucharistic sharing with the United Methodist Church.*
 - **Budget:** The General Convention adopted a budget of \$152 million for the next three years. The total budget is nearly \$10 million, or 7 percent, higher than that of the current triennium. The budget priorities for the triennium are (in order of priority): (a) Justice and peace (emphasis on Millennium Development Goals or MDGs), (b) Young adults, youth and children, (c) Reconciliation and evangelism, (d) Congregational transformation, (e) Partnerships with the Anglican Communion.
 - In what has become a major mission and evangelism emphasis, the General Convention made the Millennium Development Goals (1. [Eradicate extreme poverty and hunger](#), 2. [Achieve universal primary education](#), 3. [Promote gender equality and empower women](#), 4. [Reduce child mortality](#), 5. [Improve maternal health](#), 6. [Combat HIV/AIDS, malaria, and other diseases](#), 7. [Ensure environmental sustainability](#), and 8. [Develop a global partnership for development](#)) a priority by:
 - Establishing achieving the MDGs as a stated mission priority of the Episcopal Church for the next three years
 - Urging each diocese, congregation and parishioner to give 0.7 percent toward the MDGs by July 7, 2007; i.e. by 07/07/07
 - Designating the Last Sunday after Pentecost as a special day of prayer, fasting and giving in the Episcopal Church toward global reconciliation and the Millennium Development Goals
 - Calling on every diocese to establish a global reconciliation commission to mobilize Episcopalians to work for achieving the goals of the MDGs
 - Endorsing the "ONE Episcopalian" campaign that calls on the U.S. government to spend an additional 1 percent of its budget to combat global poverty
 - Asking the budget committee of the Episcopal Church to consider a line item equal to 0.7 percent (or roughly \$900,000) in the coming three-year budget for work that supports the MDGs.
 - The election of trustees of the Church Pension Fund, members of the Executive Council, members of the Board of Examining Chaplains and trustees of the General Theological Seminary all took place. Our own Bettye Jo Harris (an eight-time deputy to General Convention and a member of St. Christopher's Church, Kailua) was elected to the Executive Council of the Episcopal Church. This important body oversees the ministry of the Episcopal Church when the General Convention is not in session.

- Of note for the mission of the Episcopal Church in Hawai'i is that an updated version of a Concordat of Full Communion between the Episcopal Church and the Iglesia Filipina Independiente (IFI, the Philippine Independent Church) was signed at General Convention, on June 19th by its Obispo Maximo, the Most Reverend Godofredo David, and Presiding Bishop Frank Griswold. First signed in 1961, the Concordat allows for mutual mission and ministry between the two churches, particularly in the American context. Sections of the agreement include partnership in congregational development, mutual accountability and collegiality, and the sharing of personnel and resources. The updating of the Concordat was formally witnessed by the Most Reverend Ignacio Soliba, Prime Bishop of the Episcopal Church in the Philippines, whose Province is working on a similar Concordat with the IFI in the Philippine context.

For a complete review of the actions of General Convention see the Episcopal Church website on the subject at <http://www.episcopalchurch.org/ens/gc2006/>.

Respectfully submitted on behalf of the Deputation,

Ryan Kusumoto, Co-Chair

The Annual Report for ECCCM, Camp Mokule`ia

October 15, 2006

It gives me great pleasure to report once again on the status of the Episcopal Camp and Conference Center at Mokule`ia, Camp Mokule`ia. I would like to start by thanking the Board and staff of the Camp for their efforts this last year.

Finances:

As anticipated, we ended 2005 with a deficit of approximately \$166,000 attributable to repair and renovation expenses and associated architectural and engineering fees.

Year to date operating results for 2006 show a modest operating surplus. We anticipate this to change to a modest deficit when the year is completed. This results from the expensing of additional repair and renovation expenses which we are just now undertaking.

The Board recently sought approval from to consolidate the two loans on the beach house. The line of credit will be combined with the current first mortgage. The new mortgage offers a fixed interest rate for the first ten years, and results in a monthly savings in debt service of approximately \$2,500. The board has directed that for the next couple of years, those savings be reserved to restore the cash reserves of the camp.

The Camp repaid the balance of our note to the Diocese.

We are only now initiating the audit of year 2005 results. The Board approved a three year engagement with a new auditor.

Physical plant:

We received a \$60,000 grant from the Diocese of Hawaii this year. This will allow us to utilize a \$15,000 grant from the Atherton Foundation. These funds will be combined with existing reserves of \$25,000, held by the camp to fund the next phase of the restoration of the physical plant of the camp. This work consists of:

- Renovating and repainting the exterior of the dining hall.
- Re-roofing the damaged section of the lodge, including the replacement of non-functioning solar panels.
- The repair of approximately 150 feet of sea wall damaged by high surf several years ago. This work will commence upon receipt of the requisite permits.
- Replacement of the vinyl liner of the swimming pool.

Remaining work includes:

- Further repairs and renovation of the ropes course.
- Renovation of the interior and exterior of the lodge and refurnishing it.
- Renovation of the vacant residence at the entry of the camp to serve as the new office, which will allow the demolition of the construction shed, which currently serves as the office and constitutes an eyesore.

- Renovation of the food service manager's residence.
- Implementation of the landscape design for the camp, which includes a courtyard between the dining hall and lodge and a patio on the highway side of the lodge. The design will include the planting of numerous coconut trees, which will ultimately replace the ironwood trees.
- Assessment of whether the lone remaining original structure, the cottage can, or should be renovated or demolished.
- The substantial renovation of the Beach House to bring this facility to a good state of repair.
- We expect the remaining work to cost approximately \$700,000.

“Infrastructure:”

- The Camp received accreditation from the ACA this year.
- We have devoted significant effort this year to securing use of the City lands. State law prevents the sale of waterfront property held by the City. We therefore hope to reach a longer term accommodation with the City for use of the activities field.
- We have been involved in community discussions concerning the water supply. The camp is currently served by a private water system. We hosted a community gathering to seek a long term solution. Ultimately, we hope for the construction of a system operated by the Board of Water Supply. This will likely involve a financial investment on our part.
- We hope to start the update the master plan for the camp. That effort will build on the work that has already been completed and include discussions with all of our constituents.
- Led by Alice Anne Rice, the Board met at the Camp to complete our first Strategic Plan. The process was extremely helpful in giving direction to our efforts. The Plan focuses on continued rehabilitation of facilities, fund raising, staff support and development, service to the church and community and the development of a communications plan.
- The University of Hawaii School of Travel Industry Management has offered their support, free of charge, in the implementation of the Camp's Marketing and Communication plans. We are excited at this prospect.
- The Camp entered into a relationship with Kama'aina Kids to provide for our outdoor education programs. This relationship should result in better and more diverse programs as well as marketing prowess.

Staff:

We changed Managers in 2005. We thank Nani Lowrey, our new business manager for her efforts this last year. Under her supervision, morale of camp staff has improved dramatically and we frequently receive favorable comments from guests.

All staff have successfully completed their background checks and attended the Diocesan training on Sexual Misconduct avoidance. In addition, the staff has completed first aid and CPR training.

We have added a second full time housekeeper and maintenance person.

Staff compensation has been reviewed and we feel that staff are properly and adequately compensated.

Giving to Mokule`ia:

I reported last year on our efforts to raise funds for the renovation of the camp. We are learning that every grant request does not result in an affirmative response. Consistent effort is required. Several grant requests were declined in the last year. Grant requests from the Frear Eleemosynary Trust, the Castle Foundation and the Rotary Club of Honolulu were respectfully declined.

Fortunately the Diocese and the Atherton Family Foundation have funded our next round of work at the camp.

We continue to seek grants from local foundations and businesses.

With the favorable report from the task force appointed to review the role of the Camp in the life and ministry of the Diocese, the Camp now seeks the support of the membership of the Church. As outlined in the article in the Hawaiian Church Chronicle, the camp seeks the assistance of the various congregations. We are asking that Vestries or Bishop's Committees make Camp Mokule`ia a ministry.

Giving back to the community:

In 2006 Camp Mokule`ia gave back to the community through sponsorship of the neighborhood discussion surrounding the water supply.

We once again underwrote the church-sponsored summer camping program. The support came in the form of free use of facilities and actual financial support.

The Future:

We continue to focus on bringing the camp into a state of good repair and secure long term solutions to infrastructure such as utilities and the activities field. We are working to cement our relations with the membership of the Church, vendors and users.

We continue to plan for a major capital campaign to replace outdated facilities

We continue to focus on restoring a sense of church ownership of the camp. It is clear, at least to me, and I believe the Board, that Mokule`ia has a vital role to play in the life of this Diocese.

The Diocesan Strategic Plan calls for spiritual renewal among the membership of the church. I hope that Mokule`ia can participate in that effort, including the re-establishment of the Diocesan Cursillo movement.

The Camp is now in a position to work with the Diocese to support Evangelism. With approximately 90% of the users coming from outside of the Episcopal Church, we constitute a “point of contact” with Church. With assistance from the Church, the Camp should develop appropriate materials and means to introduce the larger community to the Church. There is widespread admiration for the Church’s support of this facility. We should deliberately build on this base.

We continue to hope for the development of the spiritual side of the camp by offering the opportunity to worship and to develop spiritually-based programming through efforts with the Diocese.

We continue to work to bring Mokule`ia’s annual revenues up to \$1 million. At that level, I believe the camp will be able to retain an Executive Director. To date, revenues have increased only modestly. Our profit margin has been challenged this year. We hope and expect that as the facilities and program continue to improve, and as efforts at communication and marketing are implemented, Camp Mokule`ia will become the camping facility of choice and assume a position of leadership in the camping community.

Reiterate the truths about Mokule`ia:

Properly managed, Mokule`ia should not require any Diocesan subsidy. We make this assertion based on the experience of the last four years and our clear strategic advantage. Mokule`ia’s unique site assures that we will have constant demand, if we provide clean and attractive facilities.

This success is also assured by year-round operations.

Our location, approximately 45 minutes from downtown and the airport assures easy access to camp users.

Our location near the end of Farrington Highway means that we have relatively modest traffic flow, unlike the rest of the north shore, which can be plagued with gridlock almost every weekend.

The Board has initiated seasonal rate increases to maximize revenues and hopefully spread camp usage into our quiet period by giving financial incentives. I believe this is a good long-term policy.

With the development of a successful fund raising program, the camp can assure future success. Mokule`ia’s role as a ministry of the Diocese.

It will be some time before the Diocese can utilize the Camp 100% of the time. Until then, Mokule`ia will continue to be a Diocesan asset, which can and should be used to minister to the larger community. We therefore have a unique opportunity to serve the larger community, a.k.a. *evangelize our environment*. That opportunity will come in two forms: actual outreach like the

Military Family Camp, and providing facilities to support the mission of other community, religious, educational and non-profit organizations.

I would like to quote the UH-TIM report in support of this proposition:

“... there is widespread acknowledgement that having a camp like CM, which is faith-based and supports good values and has a mission with which many organizations can embrace, constitutes a valuable community resource. Thus the Episcopal Church is perceived as providing a valuable community service through its support of the Camp. Further, several clients specifically noted that they felt “good” about giving their business to CM because of this fact. For these clients, there is no doubt that CM’s faith-based mission is of significant marketing value.”

Camp Mokule`ia continues to grow into its mission. We are moving beyond maintenance into a valuable and vibrant asset for ministry. That is perhaps the happiest thing the Board can report to the Church, and it marks a new beginning. *Amen.*

SECTION V
Registered Clergy and
Lay Delegate List

Registered Clergy List

(as of October 6, 2006)

Canonically Resident

The Rev. Darrow Aiona	The Rev. Mary Koppel
The Rev. Eleanore Akina	The Rev. Gerhard Laun
The Rev. Randolph Albano	The Rev. George Lee
The Rev. William H. Allport, II	The Rev. Mary Lindquist
The Rev. Carol Arney	The Rev. Anthony Litwinski
The Rev. David Baar	The Rev. Donor Macneice
The Rev. B. Cass Bailey	The Rev. Hollis Maxson
The Rev. Elizabeth Beasley	The Very Rev. Dr. Ann E.P. McElligott
The Rev. Honey Becker	The Rev. John Millen
The Rev. Teresa Bowden	The Rev. William Miller
The Most. Rev. Edmond L. Browning	The Rev. Malcolm Miner
The Rev. Thomas Buechele	The Rev. Heather Mueller-Fitch
The Rev. Peter Champion	The Rev. Vincent O'Neill
The Rev. Susan Champion	The Rev. Imelda Padasdao
The Right Rev. Richard S.O. Chang	The Rev. Tancredo Pastores, Jr.
The Rev. Canon Franklin S.H. Chun	The Rev. Timoteo Quintero
The Rev. John Connell	The Rev. A. Patricia Reynolds
The Rev. Robert DeWolfe	The Rev. Norio Sasaki
The Rev. Alison Dingley	The Rev. Lynette Schaefer
The Rev. Peter Fan	The Rev. Timothy Sexton
The Rev. Canon Robert L. Fitzpatrick	The Rev. John Turner
The Rev. Marvin Lee Foltz	The Rev. Ajuko Ueda
The Rev. Morley E. Frech, Jr.	The Rev. Noriaki Ueda
The Rev. Alejandro Geston	The Rev. Thomas Van Culin
The Rev. David Gierlach	The Rev. Richard Vinson
The Rev. Dr. Gerald G. Gifford	The Rev. Robert Walden
The Rev. Brian J. Grieves	The Rev. Hollis Wright
The Rev. Walter Harris	The Rev. Thomas Yoshida
The Rev. Dale Hathaway	The Rev. Elizabeth Zivanov
The Rev. Jodene S. Hawkins	
The Rev. Robert Hino	
The Rev. John Holmes	
The Rev. Leonard Howard	
The Rev. Gregory Johnson	
The Rev. Russell Johnson	
The Rev. Mark Juchter	
The Rev. Morimasa Kaneshiro	

Licensed

The Rev. William Albinger
The Rev. Sandy Honnold
The Rev. Karen Perkins
The Rev. Joseph Pummill

Delegate List

(as of October 6, 2006)

All Saints

Mary Schulz
Dick Schulz
Mary Wilson
Brent Mizutani

Calvary

Warren Naai
Patricia Osgood
Sharalyn Richards
Alice Freitas

Christ Church

William Lucas
Douglas Edson
Heidi Edson
Betty O'Brien

Christ Memorial

Laurel Lemons
Constance Bishop
Linda Sproat

Emmanuel

Joan Bring
Roger Compton
Cindy Nachtigall
Jane Tonokawa

Epiphany

Wayne Akana
Kenneth Fleming
Karen Leatherman
Mary Sueoka

Good Samaritan

Milton Napuunoa
Russell Nishimoto
Jan Motoshige

Good Shepherd

John Decker
Peter Lee
Gloria Cajigal
Priscilla Holokai

Good Shepherd

Gilbert Keith-Agaran

Grace

John Kikukawa
William H. Kalipi
Barbara L. Kalipi
Joyce M. Arce

Holy Apostles

Ron Wagner-Wright
Priscilla Hope
Dora Kraul
Gregory Lindstedt
Lorna Johns

Holy Cross

Boyd Ready
Patrick Callaway
Lynette Chellemi

Holy Innocents

Jackie Kelly
Nancy Sherman
Weilyn Ho

Holy Nativity

Delia Moore
Regina Atkins
Jeff Taylor
Ethel Maxson
Jane Field
Sandra Braham
Barbara Lindblad

Resurrection

Stephen Carter
Cody Yoshimura
Tessie Quebral

St Andrew's Cathedral

Hartwell Lee Loy
Kevin Herring
Judi Martin
Duane Leach

St. Andrew's Cathedral

Richard Gerage
Karen Sender
Jim Jordan
John Hays
Ann Hansen

St. Augustine

Peter Denman
Susan Denman
Vicki Kometani
Genny Bader

St. Christopher

Lucille Caldwell
Fred Smith
Bruce Kennedy
Emily Hawkins
Alida Gandy
William Watkins

St. Clement

(The Parish of St. Clement)
Beverly Amjadi
Elizabeth Ho
Deborah C. Love
Pamela McCoy
Sandra Souza
Melanie Holt

St. Columba

Shizuko Dela Cruz
Gladys Takeya
Annette Dale

St. Elizabeth

Stuart Ching
Rowena Blaisdell
Lani Kaaihue
Charles Kokubun

St. George

Toby Valko
Margaret Labby
Mike Harris

St. James

Harold Craig
Debbie Fialkowski
Dick Solmsen
Barbara Sterne

St. John

Pete Peterson
Jean Fiddes
Janet Makua
Daniel Bissler
Randy Echito
Paul Janes-Brown
Dorothy Buck

St. John By-the-Sea

Jim Thomas
Lot Lau
Mahi Beimes
Phyllis Chang

St Jude

Ginger Harris
Lynne Reynolds
Cynnie Salley

St. Luke

Joyce Kim
John Lee
Hazel Lee

St. Mark

Eugene Nitta
Dawn Bray
Wayne Yoshigai
Sandra Leialoha

St. Mary

Richert Au Hoy
Pablo Cortez, III
Bridget Hathaway
Janice Horimoto

St. Matthew

Moana DeMello
Miliaulani Landgraf
Kahala Morse

**St. Michael and All
Angels**

Sue Macklin
Clarita Medeiros
Gilbert Medeiros
Bill Skelton
Maria Skelton
Glen Takenouchi

St. Nicholas

Shirley A. Holden
Shauna Jones
David Jones

St. Paul

Fe Agullana
Erlinda Butay
Juliana Dureg
Rose Galanto
Lolita Peralta
Emma Valdez
Amado Yoro
Constantino Dela Cruz

St. Peter

Myron Chang
Ruth Merz
Alice Scheuer
Helen Richardson
Carol Colabianchi

St. Philip

May Holokai
Loretta Mokiao
Betty Pettit

St. Stephen

Alva Hart
Diane Melvin
Sally Omalza

St. Thomas

Judith Greer
Phyllis Somers
Elaine Watari

St. Timothy

Dan Nelson
David Millard
Polly Leigh
Vicki Millard
Terry Akana

Trinity By-the-Sea

Bob Dunning (Fri.)
Haley McCraney (Sat.)
Susie Davis
Joan Vila
Jay Jackson
Phelps Gose

West Kaua`i

(The Episcopal Church on
West Kaua`i)
Lynn Barker
Ross Barker
Irene Antalan
Efren Antalan