

J O U R N A L

One Hundred Seventy-Fifth

ANNUAL COUNCIL

The Episcopal Diocese of Texas

Volume I

Waco, TX

February 9-10, 2024

THE EPISCOPAL DIOCESE OF TEXAS VISION DOCUMENT

MISSION STATEMENT

We are one Church reconciled by Jesus Christ, empowered by the Holy Spirit, called by God through worship, witness, and ministry, building the Kingdom of God together.

CORE VALUES

Grounded in our response to the Baptismal Covenant and Great Commission, the Churches, Schools, and Institutions of the Episcopal Diocese of Texas passionately hold these values:

Missionary Emphasis

Making Jesus Christ known with a missionary spirit that honors our heritage of growth and expansion

Education and Leadership

Forming disciples, both lay and clergy, to be effective agents of transformation

Meeting Human Needs

Bringing the love of Christ to a hurting world

Responsive Stewardship

Caring for and dedication of our abundant resources to support the mission of the Church

Excellence

Setting a standard for ministry driven by miraculous expectation

VISION

As followers of Jesus Christ, we are One Church within the Anglican Communion and The Episcopal Church. All are sought and embraced in worship, mission, and ministry in a spirit of mutual love and respect.

We are:

Youthful: Our congregations and institutions are continually renewed and revitalized through the infusion and inclusion of younger members. Children, youth, young adults, their friends and families, find in our diocese significant and engaging programs and ministries that inspire, inform, and support them on their Christian journey.

Multicultural: Our diocese is enriched through intentional efforts to reflect the communities in which we live. People of diverse ethnic, cultural, and socioeconomic backgrounds find respect, dignity, and opportunity in the life and ministry of the church.

Forming and Growing: Those seeking a deeper relationship with Jesus are nurtured and equipped to share the love of Christ in the world. They find lifelong opportunities for spiritual formation and servant leadership grounded in scripture and our historic catholic faith.

Reaching out to Serve: Those who serve and are served are transformed. People who are in need and who struggle, find hope, care, and restoration through the outreach and justice ministries provided by the people of the Episcopal Diocese of Texas.

One Church: We are a united, vibrant, healthy, and growing community of faith. The world will recognize us as Jesus' disciples because we love one another as Christ loves us.

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VOLUME I – REPORTS TO COUNCIL

OFFICIAL ACTS OF THE BISHOP DIOCESAN IN 2023

Consent For	Name	Diocese/Org	Sent	Consented?
Bishop-Elect	Melissa Skelton	Diocese of Olympia	1/4/2023	Yes
Bishop-Elect	Justin S. Holcomb	Diocese of Central Florida	1/22/2023	Yes
Bishop-Elect	Sally French	Diocese of New Jersey	2/6/2023	Yes
Bishop-Elect	David G. Read	Diocese of West Texas	3/6/2023	Yes
Bishop-Elect	Charlie Holt	Diocese of Florida	3/22/2023	Yes
Bishop-Elect	Ann Ritonia	Armed Forces and Federal Ministries	3/27/2023	Yes
Bishop-Elect	Carrie Schofield-Broadbent	Diocese of Maryland	4/4/2023	Yes
Bishop-Elect	John T. W. Harmon	Diocese of Arkansas	9/6/2023	Yes
Bishop-Elect	Jeremiah Williamson	Diocese of Albany	9/13/2023	Yes
Bishop-Elect	Kristin Uffelman White	Diocese of Southern Ohio	10/3/2023	Yes
Restoration	Natalie Molineaux	Diocese of Arkansas	12/6/2023	Yes
Bishop-Elect	Austin Keith Rios	Diocese of California	12/9/2023	Yes

FROM THE 174th COUNCIL

UNFINISHED BUSINESS & CERTIFICATION OF MINUTES

I certify that there are no items of unfinished business remaining from the 174th Annual Council of the Episcopal Diocese of Texas. I also certify that the minutes (as contained in Volume II, *Journal of the 174th Council*) are a true and accurate account of the proceedings of that Council.

Marcea Paul, Secretary

REGULAR COMMITTEES FOR THE 175TH COUNCIL (2024)

CONSTITUTION & CANONS

(Term is from close of Annual Council at which appointment is made until close of the next Annual Council. Two Clergy and two Lay persons; ex-officio member is Chancellor.)

To Council 2024

The Rev. Stanford Adams, Good Shepherd, Austin
Maria Boyce, St. Martin's, Houston (Chair)
Mr. Robert Sumners, St. David's, Austin
The Rev. Mary Ann Huston, Grace, Georgetown
Ex-officio: David Harvin, St. Martin's, Houston (Chancellor)

COUNCIL MANAGEMENT

(Term is from close of Annual Council at which appointment is made until close of the next Annual Council. At least one Clergy, two Lay persons, and one member of Diocesan Staff; ex-officio members are: Chair of Committee for Dispatch of Business and the Chancellor)

To Council 2024

Chair: The Rev. Cn. Christine M. Faulstich, Diocese of Texas, Houston
Diocesan Council Coordinator: Mary Cloud, Trinity, Houston
Chancellor: David Harvin, St. Martin's, Houston (Ex Officio)
Chair of Committee for Dispatch of Business: The Rev. William "Bill" Fowler, St. Mary's, Lampasas (Ex Officio)
Susan Duif, Trinity, Galveston
The Rev. Patrick Miller, St. Mark's, Houston
Joanne Starbuck, Trinity, Houston
Tammy Tiner, St. Thomas', College Station

DISPATCH OF BUSINESS

(Term is from close of Annual Council at which appointment is made until close of the next Annual Council. One Clergy and three laypersons.)

To Council 2024

Oliver Chapin-Eiserloh, St. David's, Austin
The Rev. William "Bill" Fowler, St. Mary's, Lampasas (Chair)
Roger Smith, St. Thomas', College Station
Tammy Tiner, St. Thomas', College Station

NOMINATIONS

(Term year is from close of Annual Council at which appointment is made until close of the next Annual Council. Each term is three years. No limitation on number of consecutive terms. Seven Clergy and seven lay persons, including Clergy a Rep from Standing Comm, a Lay Rep from Exec Board, and the Chancellor.)

Chair: The Rev. Jason Ingalls, Holy Spirit, Waco
Clergy Standing Committee Representative: The Rev. Cn. Simón Bautista Betances, Christ Church Cathedral, Houston
Lay Executive Board Representative: Mark Duncan
Ex-officio: David Harvin, St. Martin's, Houston (Chancellor)

To Council 2024

The Rev. John Johnson, St. John's, Silsbee
John Wallace, Palmer Memorial, Houston
Liz Garrison, St. Paul's, Kilgore

To Council 2025

The Rev. Jason Ingalls, Holy Spirit, Waco (Chair)
Karen Dobson, Holy Spirit, Waco
The Rev. Marcia Sadberry, St. Luke the Evangelist, Houston
Judy Black, St. Mark's, Beaumont

To Council 2026

The Rev. Alan Bentrup, St. Martin's, Keller
Henry "Ki" Allen, St. Michael's Episcopal Church, Austin
The Rev. Jim Liberatore, St. Stephen's, Beaumont
Jackie Meeks, St. Christopher's, Fort Worth

RESOLUTIONS

(Term is from close of Annual Council at which appointment is made until close of the next Annual Council. Two Clergy and two Lay persons.)

To Council 2024

The Rev. James "Jimmy" Grace, St. Andrew's, Houston (Chair)
The Rev. Janice Krause, Non-Parochial
Andrew "Andy" Wisely, St. Alban's, Waco
Trey Yarbrough, Christ Church, Tyler

SUPERVISORS AND TELLERS

(Term is from close of Annual Council at which appointment is made until close of the next Annual Council. Two Clergy and three lay persons.)

To Council 2024

Ed Woodward, St. Andrew's, Pearland
Anna Stevenson, St. Aidan's, Cypress
Sandra Ward, St. John's, Austin
The Rev. Korey Wright, St. Thomas', College Station (Chair)
The Rev. Andrew Ellison, Catherine of Sienna, Missouri City

BUDGET

(Term is from close of Annual Council at which appointment is made until close of the next Annual Council. One Clergy, two lay, Treasurer, and Finance Committee Chair.)

Linda Riley Mitchell, Diocesan Treasurer
Bette Lehmberg, Diocesan Finance Committee Chair

To Council 2024

Pedro Lopez, San Pedro, Pasadena
Nancy Bradley, Good Shepherd, Friendswood
John Akard, St. Mary's, Cypress

STANDING COMMITTEES OF THE COUNCIL

Pre-Council Report of the **COMMITTEE FOR CONSTITUTION AND CANONS** *to the 175th Council*

(Type of Proposal)	(No. of Proposals)
A - Constitutional proposals, 2nd reading:	0
B - Constitutional proposals, 1st reading:	0
C - Canonical proposals:	14

A. CONSTITUTIONAL AMENDMENTS

(Presented for second reading requiring 2/3rds majority approval from each Order)

No proposals

B. CONSTITUTIONAL AMENDMENTS

(Presented for publication on first reading)

No Proposals

C. CANONICAL AMENDMENTS

TITLE III

DIOCESAN OFFICERS AND BOARDS

CANON 2 **THE VESTRY**

EXISTING:

Section 2.1 Election at Parish Meetings

In each Parish shall be chosen from the qualified voters not less than three nor more than eighteen communicants to serve as members of the vestry. The number and the manner of electing the same shall be determined from time to time by the Parish at the annual Parish Meeting. The Parish Meeting at which the election takes place may be held no earlier than October 1st nor later than the annual Parish Meeting, as the vestry may determine, public notice of such election in any case to be given during the stated services the two (2) Sundays preceding; provided that, except to fill vacancies, the vestry members so elected shall not take office until the adjournment of the annual Parish Meeting, which shall be held on the first Monday in January or as soon thereafter as convenient, public notice of such annual Parish Meeting in any case to be given during the stated services the Sunday preceding.

- (a) Members of the vestry shall regularly be elected to serve for three years, and shall hold office until their successors are elected and qualified, and their terms shall be so arranged that one-third shall go out of office each year. In new Parishes, when the Vestry is first chosen, one-third of the Vestry shall be chosen for one year, one-third for two years, and one-third for three years, the full term thereafter to be three years.
- (b) No person shall serve as a member of the Vestry until he or she shall have subscribed to the following declaration:

“I am persuaded that the Holy Scriptures contain all doctrine required as necessary for eternal salvation through faith in Jesus Christ; and I accede to the Doctrine, Discipline, and Worship of the Protestant Episcopal Church.”
- (c) In case a vacancy shall occur, the Vestry shall fill the vacancy until the next annual election by electing a communicant from the qualified voters of the Parish, and the Congregation shall then fill the unexpired term. Members of the Vestry chosen to fill unexpired terms, shall, like those elected for full terms, be communicants and qualified voters of the Parish.
- (d) No retiring member of the Vestry elected by the Congregation for a full term, shall be eligible for re-election until a period of one year shall have elapsed, unless approved in writing by the Bishop.

PROPOSED:

Section 2.1 Election at Parish Meetings

In each Parish shall be chosen from the qualified voters not less than three nor more than eighteen communicants to serve as members of the vestry. The number and the manner of electing the same shall be determined from time to time by the Parish at the annual Parish Meeting. The Parish Meeting at which the election takes place may be held no earlier than October 1st nor later than the annual Parish Meeting, as the vestry may determine, public notice of such election in any case to be given during the stated services the two (2) Sundays preceding; provided that, except to fill vacancies, the vestry members so elected shall not take office until the adjournment of the annual Parish Meeting, which shall be held on the first Monday in January or as soon thereafter as convenient, public notice of such annual Parish Meeting in any case to be given during the stated services the Sunday preceding.

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- (b) No person shall serve as a member of the Vestry until ~~he or she~~ they shall have subscribed to the following declaration:

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- (c) In case a vacancy shall occur, the Vestry shall fill the vacancy until the next annual election by electing a communicant from the qualified voters of the Parish, and the Congregation shall then fill the unexpired term. Members of the Vestry chosen to fill unexpired terms, shall, like those elected for full terms, be communicants and qualified voters of the Parish.
- (d) No retiring member of the Vestry elected by the Congregation for a full term, shall be eligible for re-election until a period of one year shall have elapsed, unless approved in writing by the Bishop.

IF AMENDED:

Section 2.1 Election at Parish Meetings

In each Parish shall be chosen from the qualified voters not less than three nor more than eighteen communicants to serve as members of the vestry. The number and the manner of electing the same shall be determined from time to time by the Parish at the annual Parish Meeting. The Parish Meeting at which the election takes place may be held no earlier than October 1st nor later than the annual Parish Meeting, as the vestry may determine, public notice of such election in any case to be given during the stated services the two (2) Sundays preceding; provided that, except to fill vacancies, the vestry members so elected shall not take office until the adjournment of the annual Parish Meeting, which shall be held on the first Monday in January or as soon thereafter as convenient, public notice of such annual Parish Meeting in any case to be given during the stated services the Sunday preceding.

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- (b) No person shall serve as a member of the Vestry until they shall have subscribed to the following declaration:

“ I am persuaded that the Holy Scriptures contain all doctrine required as necessary for eternal salvation through faith in Jesus Christ; and I accede to the Doctrine, Discipline, and Worship of the Protestant Episcopal Church.”

- (c) In case a vacancy shall occur, the Vestry shall fill the vacancy until the next annual election by electing a communicant from the qualified voters of the Parish, and the Congregation shall then fill the unexpired term. Members of the Vestry chosen to fill unexpired terms, shall, like those elected for full terms, be communicants and qualified voters of the Parish.
- (d) No retiring member of the Vestry elected by the Congregation for a full term, shall be eligible for re-election until a period of one year shall have elapsed, unless approved in writing by the Bishop.

SUBMITTED BY: Alison Wilkins, Episcopal Student Center at Sam Houston State University

RATIONALE (by Ms. Wilkins): Update language to be inclusive language as defined by An Episcopal Dictionary of the Church found on episcopalchurch.org.

THE COMMITTEE NEITHER RECOMMENDS NOR DOES NOT RECOMMEND THE ADOPTION OF THIS PROPOSAL. THE COMMITTEE SUGGESTS THAT THE USE OF A SPECIFIC NOUN TO REFER TO AN INDIVIDUAL, SUCH AS “THE MEMBER,” “THE PERSON,” OR “THE TRUSTEE,” PROVIDES MORE CLARITY THAN THE USE OF THE FORM “THEMSELF,” “THEY,” OR “THEIR.” THE COMMITTEE NOTES THAT SUCH USE OF SPECIFIC NOUNS IS USED IN OTHER DIOCESES THAT HAVE REVISED THEIR CANONS TO ELIMINATE GENDER-SPECIFIC NOUNS.

EXISTING:

Section 2.2 Persons Eligible to Vote – Definitions of Confirmed Communicant and Communicant in Good Standing

Men and women at least 16 years of age, who are enrolled confirmed communicants in good standing of the Parish, are entitled to vote for members of the Vestry and upon all questions requiring the action of the Congregation, but none shall be admitted to serve as members of the Vestry except those who are at least 18 years of age. Voting may be by absentee ballot under such rules and regulations as may have been established at a prior Parish Meeting.

For the purpose of Title III.2.2, an enrolled communicant in good standing of a Parish is a communicant in good standing who is enrolled as such in the records of such Parish.

For purpose of the Canons, a confirmed communicant or confirmed communicant in good standing is a communicant or communicant in good standing who has been confirmed by a Bishop of the Episcopal Church or a Bishop of a Church in communion with the Episcopal Church or has been received into the Episcopal Church by a Bishop of the Episcopal Church.

For purpose of the Canons, a communicant in good standing is a communicant who for the previous year has been faithful in corporate worship, unless for good cause prevented, and has been faithful in working, praying, and giving for the spread of the Kingdom of God.

PROPOSED:

Section 2.2 Persons Eligible to Vote – Definitions of Confirmed Communicant and Communicant in Good Standing

~~Men and women~~ Persons at least 16 years of age, who are enrolled confirmed communicants in good standing of the Parish, are entitled to vote for members of the Vestry and upon all questions requiring the action of the Congregation, but none shall be admitted to serve as members of the Vestry except those who are at least 18 years of age. Voting may be by absentee ballot under such rules and regulations as may have been established at a prior Parish Meeting.

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For purpose of the Canons, a communicant in good standing is a communicant who for the previous year has been faithful in corporate worship, unless for good cause prevented, and has been

faithful in working, praying, and giving for the spread of the Kingdom of God.

IF AMENDED:

Section 2.2 Persons Eligible to Vote – Definitions of Confirmed Communicant and Communicant in Good Standing

Persons at least 16 years of age, who are enrolled confirmed communicants in good standing of the Parish, are entitled to vote for members of the Vestry and upon all questions requiring the action of the Congregation, but none shall be admitted to serve as members of the Vestry except those who are at least 18 years of age. Voting may be by absentee ballot under such rules and regulations as may have been established at a prior Parish Meeting.

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SUBMITTED BY: Alison Wilkins, Episcopal Student Center at Sam Houston State University

RATIONALE (by Ms. Wilkins): Update language to be inclusive language as defined by An Episcopal Dictionary of the Church found on episcopalchurch.org.

THE COMMITTEE RECOMMENDS THE ADOPTION OF THIS PROPOSAL.

**TITLE IV
ECCLESIASTICAL DISCIPLINE**

**CANON 1
DISCIPLINARY PROCEDURES**

EXISTING:

Section 1.2 Disciplinary Board

There shall be within and for the Diocese a Disciplinary Board consisting of seven members, four Priests or Deacons, whose actual residence and canonical residence is within this Diocese, and three lay adult confirmed communicants in good standing of the Church in this Diocese. A member of the Standing Committee may serve on the Disciplinary Board. Annually, within two months following each Annual Diocesan Council, the members of the Disciplinary Board shall elect a President from its members. The President shall serve for a term of one year and until his or her successor is hereby elected and qualified.

PROPOSED:

Section 1.2 Disciplinary Board

There shall be within and for the Diocese a Disciplinary Board consisting of seven members, four Priests or Deacons, whose actual residence and canonical residence is within this Diocese, and three lay adult confirmed communicants in good standing of the Church in this Diocese. A member of the Standing Committee may serve on the Disciplinary Board. Annually, within two months following each Annual Diocesan Council, the members of the Disciplinary Board shall elect a President from its members. The President shall serve for a term of one year and until ~~his or her~~ their successor is hereby elected and qualified.

IF AMENDED:

Section 1.2 Disciplinary Board

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SUBMITTED BY: Alison Wilkins, Episcopal Student Center at Sam Houston State University

RATIONALE (by Ms. Wilkins): Update language to be inclusive language as defined by An Episcopal Dictionary of the Church found on episcopalchurch.org.

THE COMMITTEE NEITHER RECOMMENDS NOR DOES NOT RECOMMEND THE ADOPTION OF THIS PROPOSAL. THE COMMITTEE SUGGESTS THAT THE USE OF A SPECIFIC NOUN TO REFER TO AN INDIVIDUAL, SUCH AS "THE MEMBER," "THE PERSON," OR "THE TRUSTEE," PROVIDES MORE CLARITY THAN THE USE OF THE FORM "THEMSELF," "THEY," OR "THEIR." THE COMMITTEE NOTES THAT SUCH USE OF SPECIFIC NOUNS IS USED IN OTHER DIOCESES THAT HAVE REVISED THEIR CANONS TO ELIMINATE GENDER-SPECIFIC NOUNS.

EXISTING:

Section 1.3 Members

Members of the Disciplinary Board shall be divided into three classes and elected on nomination of the Bishop at the Annual Council of the Diocese. The composition of each class shall be as follows:

Class 1 shall be composed of two Priests or Deacons and one qualified layperson; Class 2 shall be composed of one Priest or Deacon and one qualified layperson; and Class 3 shall be composed of one Priest or Deacon and one qualified layperson.

At the Annual Council of the Diocese held in 2011, the members of all classes shall be elected on nomination of the Bishop for the following terms:

Class 1 – 3 years

Class 2 – 2 years

Class 3 – 1 year

In each subsequent Annual Council, the member or members of each class whose terms expire shall be elected for a three-year term. No member of the Disciplinary Board who has served a full three-year term shall succeed himself or herself after the expiration of his or her full term, but he or she shall be eligible for reelection after the lapse of one year from the expiration of such full term.

PROPOSED:

Section 1.3 Members

Members of the Disciplinary Board shall be divided into three classes and elected on nomination of the Bishop at the Annual Council of the Diocese. The composition of each class shall be as follows:

Class 1 shall be composed of two Priests or Deacons and one qualified layperson; Class 2 shall be composed of one Priest or Deacon and one qualified layperson; and Class 3 shall be composed of one Priest or Deacon and one qualified layperson.

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Class 2 – 2 years

Class 3 – 1 year

In each subsequent Annual Council, the member or members of each class whose terms expire shall be elected for a three-year term. No member of the Disciplinary Board who has served a full three-year term shall succeed ~~himself or herself~~ themselves after the expiration of ~~his or her~~ their full term, but ~~he or she~~ they shall be eligible for reelection after the lapse of one year from the expiration of such full term.

IF AMENDED:

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Class 1 – 3 years

Class 2 – 2 years

Class 3 – 1 year

In each subsequent Annual Council, the member or members of each class whose terms expire shall be elected for a three-year term. No member of the Disciplinary Board who has served a full three-year term shall succeed themselves after the expiration of their full term, but they shall be eligible for reelection after the lapse of one year from the expiration of such full term.

SUBMITTED BY: Alison Wilkins, Episcopal Student Center at Sam Houston State University

RATIONALE (by Ms. Wilkins): Update language to be inclusive language as defined by An Episcopal Dictionary of the Church found on episcopalchurch.org.

THE COMMITTEE NEITHER RECOMMENDS NOR DOES NOT RECOMMEND THE ADOPTION OF THIS PROPOSAL. THE COMMITTEE SUGGESTS THAT THE USE OF A SPECIFIC NOUN TO REFER TO AN INDIVIDUAL, SUCH AS "THE MEMBER," "THE PERSON," OR "THE TRUSTEE," PROVIDES MORE CLARITY THAN THE USE OF THE FORM "THEMSELF," "THEY," OR "THEIR." THE COMMITTEE NOTES THAT SUCH USE OF SPECIFIC NOUNS IS USED IN OTHER DIOCESES THAT HAVE REVISED THEIR CANONS TO ELIMINATE GENDER-SPECIFIC NOUNS.

EXISTING:

Section 1.7 Filling A Vacancy

Vacancies occurring in the Disciplinary Board, other than for cause under Section 8 of this Canon, shall be filled by a qualified person from the same order elected on nomination of the Bishop by majority vote of the persons present at the Annual Council meeting immediately following the date on which the vacancy occurred. The person so elected shall serve for the remainder of the term of the person whose vacancy he or she fills and shall be eligible for reelection when such term expires. A vacancy may be filled temporarily until the next Annual Council by a qualified person of the same order elected on nomination of the Bishop by majority vote of the persons present at a regular or special meeting of the Executive Board following the creation of the vacancy.

PROPOSED:

Section 1.7 Filling A Vacancy

Vacancies occurring in the Disciplinary Board, other than for cause under Section 8 of this Canon, shall be filled by a qualified person from the same order elected on nomination of the Bishop by majority vote of the persons present at the Annual Council meeting immediately following the date on which the vacancy occurred. The person so elected shall serve for the remainder of the term of the person whose vacancy ~~he or she fills~~ they fill and shall be eligible for reelection when such term expires. A vacancy may be filled temporarily until the next Annual Council by a qualified person of the same order elected on nomination of the Bishop by majority vote of the persons present at a regular or special meeting of the Executive Board following the creation of the vacancy.

IF AMENDED:

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SUBMITTED BY: Alison Wilkins, Episcopal Student Center at Sam Houston State University

RATIONALE (by Ms. Wilkins): Update language to be inclusive language as defined by An Episcopal Dictionary of the Church found on episcopalchurch.org.

THE COMMITTEE NEITHER RECOMMENDS NOR DOES NOT RECOMMEND THE ADOPTION OF THIS PROPOSAL. THE COMMITTEE SUGGESTS THAT THE USE OF A SPECIFIC NOUN TO REFER TO AN INDIVIDUAL, SUCH AS "THE MEMBER," "THE PERSON," OR "THE TRUSTEE," PROVIDES MORE CLARITY THAN THE USE OF THE FORM "THEMSELF," "THEY," OR "THEIR." THE COMMITTEE NOTES THAT SUCH USE OF SPECIFIC NOUNS IS USED IN OTHER DIOCESES THAT HAVE REVISED THEIR CANONS TO ELIMINATE GENDER-SPECIFIC NOUNS.

EXISTING:

Section 1.12 Church Attorney

Within two months after each Annual Diocesan Council, the Bishop, in consultation with the President of the Disciplinary Board, shall appoint a Church Attorney to serve for a term of one year and until his or her successor is duly appointed and qualified. In the event of a vacancy in the office of Church Attorney, the Bishop, in consultation with the President of the Board, shall appoint a successor to serve the unexpired term of his or her predecessor in office. The Bishop may remove the Church Attorney for any good and sufficient reason, as determined by the Bishop after consultation with the President of the Board. If, in any particular proceeding, the Church Attorney is unable to represent the Church for any reason, the Bishop, in consultation with the President of the Board, may appoint a substitute Church Attorney for that particular proceeding. The Church Attorney and any successor or substitute must be an adult confirmed communicant in good standing of the Church in this Diocese and a duly licensed attorney

PROPOSED:

Section 1.12 Church Attorney

Within two months after each Annual Diocesan Council, the Bishop, in consultation with the President of the Disciplinary Board, shall appoint a Church Attorney to serve for a term of one year and until ~~his or her~~ their successor is duly appointed and qualified. In the event of a vacancy in the office of Church Attorney, the Bishop, in consultation with the President of the Board, shall appoint a successor to serve the unexpired term of ~~his or her~~ their predecessor in office. The Bishop may remove the Church Attorney for any good and sufficient reason, as determined by the Bishop after consultation with the President of the Board. If, in any particular proceeding, the Church Attorney is unable to represent the Church for any reason, the Bishop, in consultation with the President of the Board, may appoint a substitute Church Attorney for that particular proceeding. The Church Attorney and any successor or substitute must be an adult confirmed communicant in good standing of the Church in this Diocese and a duly licensed attorney

IF AMENDED:

Section 1.12 Church Attorney

Within two months after each Annual Diocesan Council, the Bishop, in consultation with the President of the Disciplinary Board, shall appoint a Church Attorney to serve for a term of one year and until their successor is duly appointed and qualified. In the event of a vacancy in the office of Church Attorney, the Bishop, in consultation with the President of the Board, shall appoint a successor to serve the unexpired term of their predecessor in office. The Bishop may remove the Church Attorney for any good and sufficient reason, as determined by the Bishop after consultation with the President of the Board. If, in any particular proceeding, the Church Attorney is unable to represent the Church for any reason, the Bishop, in consultation with the President of the Board, may appoint a substitute Church Attorney for that particular proceeding. The Church Attorney and any successor or substitute must be an adult confirmed communicant in good standing of the Church in this Diocese and a duly licensed attorney

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TITLE V ENDOWMENTS, INSTITUTIONS, AND FOUNDATIONS

CANON 2 THE BISHOP QUIN FOUNDATION

EXISTING:

Section 2.2 Revolving and Permanent Funds

The sum of \$9,000.00 of the funds originally contributed, together with Twenty-five Per Cent of all contributions subsequently made, shall be placed in the revolving fund. The balance of the funds originally contributed, together with Seventy-five Per Cent of all subsequent contributions, shall be placed in the permanent fund. However, any donor may specify the fund or funds in which his or her contribution shall be placed.

PROPOSED:

Section 2.2 Revolving and Permanent Funds

The sum of \$9,000.00 of the funds originally contributed, together with Twenty-five Per Cent of all contributions subsequently made, shall be placed in the revolving fund. The balance of the funds originally contributed, together with Seventy-five Per Cent of all subsequent contributions, shall be placed in the permanent fund. However, any donor may specify the fund or funds in which ~~his or her~~ their contribution shall be placed.

IF AMENDED:

Section 2.2 Revolving and Permanent Funds

The sum of \$9,000.00 of the funds originally contributed, together with Twenty-five Per Cent of all contributions subsequently made, shall be placed in the revolving fund. The balance of the funds originally contributed, together with Seventy-five Per Cent of all subsequent contributions, shall be placed in the permanent fund. However, any donor may specify the fund or funds in which their contribution shall be placed.

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**CANON 3
ST. STEPHEN'S SCHOOL**

EXISTING:

Section 3.2 Trustees and Powers

The management of the affairs of the school shall be conducted by a Board of Trustees consisting of elected members and the following: The Bishop, Bishop Coadjutor, if there be one, any Suffragan Bishop of the Diocese designated by the Bishop, any Assistant Bishop of the Diocese designated by the Bishop, the Head of the school, the President of the Alumni Association, the President of the Parent's Association, and the Chancellor of the school, who shall be ex-officio members. Each of the elected and ex-officio members shall be entitled to one vote on all matters to be decided by the Board of Trustees; provided, that any person serving as Chancellor of the school shall not be entitled to vote on any matter unless he or she is an elected member of the Board of Trustees. The Board of Trustees shall have power on its own authority to acquire, erect, equip, manage, and operate the school on its own financial responsibility, in accordance with its Charter and bylaws and in accordance with the Canons of the Diocese from time to time adopted.

PROPOSED:

Section 3.2 Trustees and Powers

The management of the affairs of the school shall be conducted by a Board of Trustees consisting of elected members and the following: The Bishop, Bishop Coadjutor, if there be one, any Suffragan Bishop of the Diocese designated by the Bishop, any Assistant Bishop of the Diocese designated by the Bishop, the Head of the school, the President of the Alumni Association, the President of the Parent's Association, and the Chancellor of the school, who shall be ex-officio members. Each of the elected and ex-officio members shall be entitled to one vote on all matters to be decided by the Board of Trustees; provided, that any person serving as Chancellor of the school shall not be entitled to vote on any matter unless ~~he or she is~~ they are an elected member of the Board of Trustees. The Board of Trustees shall have power on its own authority to acquire, erect, equip, manage, and operate the school on its own financial responsibility, in accordance with its Charter and bylaws and in accordance with the Canons of the Diocese from time to time adopted.

IF AMENDED:

Section 3.2 Trustees and Powers

The management of the affairs of the school shall be conducted by a Board of Trustees consisting of elected members and the following: The Bishop, Bishop Coadjutor, if there be one, any Suffragan Bishop of the Diocese designated by the Bishop, any Assistant Bishop of the Diocese designated by the Bishop, the Head of the school, the President of the Alumni Association, the President of the Parent's Association, and the Chancellor of the school, who shall be ex-officio members. Each of the elected and ex-officio members shall be entitled to one vote on all matters to be decided by the Board of Trustees; provided, that any person serving as Chancellor of the school shall not be entitled to vote on any matter unless are an elected member of the Board of Trustees. The Board of Trustees shall have power on its own authority to acquire, erect, equip, manage, and operate the school on its own financial responsibility, in accordance with its Charter and bylaws and in accordance with the Canons of the Diocese from time to time adopted.

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EXISTING:

Section 3.3 Elections – Vacancies

The elected members of the Board of Trustees shall consist of up to twenty-four (24) persons, each elected by the Annual Council on nomination of the Bishop, for initial terms of one (1), two (2), or three(3) years beginning with the commencement of the next fiscal year of the school following such election or to complete the unexpired term of any elected Trustee who has ceased to serve for

any reason (with the term of any person elected to complete the unexpired term of a Trustee who has ceased to serve commencing immediately upon the election of such person). Persons shall be eligible for election though they reside outside the Diocese of Texas or are not communicant members of the Episcopal Church. Persons elected to an initial term of one (1) year or two (2) years, or to complete the unexpired term of an elected Trustee who has ceased to serve for any reason, upon renomination by the Bishop, may be elected to serve up to two (2) consecutive additional terms of three (3) years, after which such person may not be renominated for at least one (1) year. Persons elected to an initial term of three (3) years, upon renomination by the Bishop, may be elected to serve one (1) additional term of three (3) years, after which such person may not be renominated for at least one (1) year. Notwithstanding the above, (a) a Trustee may be removed from his or her position at any time by a two-thirds vote of the Board of Trustees with the consent of the Bishop of Texas, or (b) shall be removed automatically in the event such removal is provided for in the by-laws of the school with respect to the failure of a Trustee to attend meetings or to contribute to the financial support of the school. Any vacancy occurring on the Board may be filled by the Board until the next Annual Council, at which time a Trustee shall be elected on nomination of the Bishop to serve the unexpired term.

PROPOSED:

Section 3.3 Elections – Vacancies

The elected members of the Board of Trustees shall consist of up to twenty-four (24) persons, each elected by the Annual Council on nomination of the Bishop, for initial terms of one (1), two (2), or three(3) years beginning with the commencement of the next fiscal year of the school following such election or to complete the unexpired term of any elected Trustee who has ceased to serve for any reason (with the term of any person elected to complete the unexpired term of a Trustee who has ceased to serve commencing immediately upon the election of such person). Persons shall be eligible for election though they reside outside the Diocese of Texas or are not communicant members of the Episcopal Church. Persons elected to an initial term of one (1) year or two (2) years, or to complete the unexpired term of an elected Trustee who has ceased to serve for any reason, upon renomination by the Bishop, may be elected to serve up to two (2) consecutive additional terms of three (3) years, after which such person may not be renominated for at least one (1) year. Persons elected to an initial term of three (3) years, upon renomination by the Bishop, may be elected to serve one (1) additional term of three (3) years, after which such person may not be renominated for at least one (1) year. Notwithstanding the above, (a) a Trustee may be removed from ~~his or her~~ their position at any time by a two-thirds vote of the Board of Trustees with the consent of the Bishop of Texas, or (b) shall be removed automatically in the event such removal is provided for in the by-laws of the school with respect to the failure of a Trustee to attend meetings or to contribute to the financial support of the school. Any vacancy occurring on the Board may be filled by the Board until the next Annual Council, at which time a Trustee shall be elected on nomination of the Bishop to serve the unexpired term.

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ceased to serve commencing immediately upon the election of such person). Persons shall be eligible for election though they reside outside the Diocese of Texas or are not communicant members of the Episcopal Church. Persons elected to an initial term of one (1) year or two (2) years, or to complete the unexpired term of an elected Trustee who has ceased to serve for any reason, upon renomination by the Bishop, may be elected to serve up to two (2) consecutive additional terms of three (3) years, after which such person may not be renominated for at least one (1) year. Persons elected to an initial term of three (3) years, upon renomination by the Bishop, may be elected to serve one (1) additional term of three (3) years, after which such person may not be renominated for at least one (1) year. Notwithstanding the above, (a) a Trustee may be removed from their position at any time by a two-thirds vote of the Board of Trustees with the consent of the Bishop of Texas, or (b) shall be removed automatically in the event such removal is provided for in the by-laws of the school with respect to the failure of a Trustee to attend meetings or to contribute to the financial support of the school. Any vacancy occurring on the Board may be filled by the Board until the next Annual Council, at which time a Trustee shall be elected on nomination of the Bishop to serve the unexpired term.

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EXISTING:

Section 3.4 By-Laws and Officers

The Board of Trustees shall adopt its own by-laws. The Bishop of the Diocese shall be Chair of the Board or in the Bishop's absence or, at the Bishop's request, the Bishop Coadjutor or any Suffragan Bishop shall serve as Chair. The Board shall elect an Executive Chair (who shall be nominated by the Chair), a Vice- Chair, a Secretary, a Treasurer, and such other officers and assistants as the by-laws may provide. The officers, other than the Chair, shall be elected by and from the Board of Trustees. Each officer shall hold office for one (1) year or, if earlier, until the expiration of his or her term of office as a Trustee, provided that any officer other than the Chair may be removed from office at any time by a two-thirds vote of the Board of Trustees. The Board of Trustees, from time to time, may elect a Chancellor, who need not be an elected member of the Board of Trustees.

PROPOSED:

Section 3.4 By-Laws and Officers

The Board of Trustees shall adopt its own by-laws. The Bishop of the Diocese shall be Chair of the Board or in the Bishop's absence or, at the Bishop's request, the Bishop Coadjutor or any Suffragan Bishop shall serve as Chair. The Board shall elect an Executive Chair (who shall be nominated by the Chair), a Vice- Chair, a Secretary, a Treasurer, and such other officers and

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IF AMENDED:

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The Board of Trustees shall adopt its own by-laws. The Bishop of the Diocese shall be Chair of the Board or in the Bishop's absence or, at the Bishop's request, the Bishop Coadjutor or any Suffragan Bishop shall serve as Chair. The Board shall elect an Executive Chair (who shall be nominated by the Chair), a Vice- Chair, a Secretary, a Treasurer, and such other officers and assistants as the by-laws may provide. The officers, other than the Chair, shall be elected by and from the Board of Trustees. Each officer shall hold office for one (1) year or, if earlier, until the expiration of their term of office as a Trustee, provided that any officer other than the Chair may be removed from office at any time by a two-thirds vote of the Board of Trustees. The Board of Trustees, from time to time, may elect a Chancellor, who need not be an elected member of the Board of Trustees.

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EXISTING:

Section 3.6 St. Stephen's School Chapel

The Board of Trustees shall establish a chapel for St. Stephen's School, which shall be in union with the Council and under the authority of the Bishop. The Head, from time to time, and with the consent of the Bishop, may appoint a person to serve as the Chaplain of the school and the chapel. The Chaplain shall be responsible for the conduct of religious services in the chapel in addition to any other duties that may be assigned to him or her by the Head. The chapel shall maintain such records and shall make such reports as are requested by the Bishop. The chapel shall be represented in the Council by the Head of the school and/or the Chaplain, or by a delegate chosen by the Bishop. The chapel shall accept such financial responsibility toward the work of the Diocese as may be designated by Council.

PROPOSED:

Section 3.6 St. Stephen's School Chapel

The Board of Trustees shall establish a chapel for St. Stephen's School, which shall be in union with the Council and under the authority of the Bishop. The Head, from time to time, and with the consent of the Bishop, may appoint a person to serve as the Chaplain of the school and the chapel. The Chaplain shall be responsible for the conduct of religious services in the chapel in addition to any other duties that may be assigned to ~~him or her~~ them by the Head. The chapel shall maintain such records and shall make such reports as are requested by the Bishop. The chapel shall be represented in the Council by the Head of the school and/or the Chaplain, or by a delegate chosen by the Bishop. The chapel shall accept such financial responsibility toward the work of the Diocese as may be designated by Council.

IF AMENDED:

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CANON 4 THE EPISCOPAL THEOLOGICAL SEMINARY OF THE SOUTHWEST

EXISTING:

Section 4.3 Board of Trustees

The Board of Trustees shall consist of not more than twenty-five (25) members, including the Bishop of the Diocese of Texas. Six (6) members, exclusive of the Bishop of the Diocese of Texas, shall be at least 18 years of age, confirmed communicants in good standing, and actually or

canonically resident in the Diocese of Texas. Such six (6) members shall be elected by the Annual Diocesan Council, upon nomination of the Bishop, for a term of three (3) years. Two members shall be elected at the Annual Diocesan Council each year. A member of the Board of Trustees may be elected to up to three (3) consecutive three-year terms, in addition to any unexpired term to which he or she may have been first elected, after which such member may not be renominated for at least one (1) year. All such terms shall begin June 1 of the year of election. The Board of Trustees may fill any vacancy, which occurs on the Board among the elected members from the Diocese of Texas until the next Annual Diocesan Council, when such vacancy shall be filled by election for the remainder of the unexpired term.

PROPOSED:

Section 4.3 Board of Trustees

The Board of Trustees shall consist of not more than twenty-five (25) members, including the Bishop of the Diocese of Texas. Six (6) members, exclusive of the Bishop of the Diocese of Texas, shall be at least 18 years of age, confirmed communicants in good standing, and actually or canonically resident in the Diocese of Texas. Such six (6) members shall be elected by the Annual Diocesan Council, upon nomination of the Bishop, for a term of three (3) years. Two members shall be elected at the Annual Diocesan Council each year. A member of the Board of Trustees may be elected to up to three (3) consecutive three-year terms, in addition to any unexpired term to which ~~he~~ or she they may have been first elected, after which such member may not be renominated for at least one (1) year. All such terms shall begin June 1 of the year of election. The Board of Trustees may fill any vacancy, which occurs on the Board among the elected members from the Diocese of Texas until the next Annual Diocesan Council, when such vacancy shall be filled by election for the remainder of the unexpired term.

IF AMENDED:

Section 4.3 Board of Trustees

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CANON 9 EPISCOPAL FOUNDATION OF TEXAS

EXISTING:

Section 9.1 An Instrument of the Diocese

The Episcopal Foundation of Texas, a nonprofit corporation organized and existing by virtue of the laws of the State of Texas (the Foundation), is hereby designated as an instrumentality of the Diocese to hold and administer, subject to Article 9 of the Constitution, and Title III.8, the following:

- (1) All assets, properties, and distributions heretofore or hereafter received by the Diocese from the Estate of H. H. Coffield, Deceased, except dispositions, if any, heretofore made by the Church Corporation, shall be set aside and appropriated for the purpose of creating a fund which shall be known as the Coffield Fund. The corpus of the Coffield Fund shall be placed in a permanent fund and shall not be expended; provided, if so determined by the Board of Trustees of the Foundation, with consent of the Bishop, portions of the corpus of the Coffield Fund may, from time to time and at any time, be (a) loaned to The Bishop Quin Foundation, and (b) given, granted, loaned, or advanced for the purpose of establishing one or more memorials to the memory of H. H. Coffield, Deceased. Subject only to the requirements of the Foundation, all of the income from the Coffield Fund shall, from time to time, be placed in a revolving fund. Portions of the revolving fund may be given, granted, loaned, or advanced to (a) The Bishop Quin Foundation, (b) Camp Allen, (c) Episcopal High School, (d) St. Stephen's Episcopal School, (e) the Episcopal Theological Seminary of the Southwest, (f) the University of the South, (g) St. Vincent's House, and (h) El Buen Samaritano Episcopal Mission. Subject to the foregoing, with consent of the Bishop, the Foundation shall give ten percent (10%) of the amount from time to time placed in the revolving fund for other general purposes of the Diocese, excluding the Budget of the Diocese, which purpose may include gifts, grants, loans, and advances to Episcopal Relief and Development and other charitable trusts, nonprofit corporations, and national organizations affiliated with the Protestant Episcopal Church in the United States of America, all as may from time to time and at any time hereafter be designated by the Trustees of the Foundation, with consent of the Bishop.
- (2) All assets, properties, and distributions heretofore or hereafter received by the Foundation, other than those received by the Diocese from the Estate of H. H. Coffield, Deceased, shall be set aside and appropriated for the purpose of creating one or more fund(s), as determined by the Trustees of the Foundation. The purpose of such fund(s) shall be, (a) to render financial assistance to worthy and capable men and women in the Diocese of Texas desirous of entering the ordained ministry of the Protestant Episcopal Church in the United States of America (the Episcopal Church); (b) to render financial assistance to the worthy and capable

men and women in the Diocese of Texas who are presently engaged in, or who desire to prepare for, religious work in the Episcopal Church; (c) to render supplementary financial aid to the members of the Episcopal clergy of the Diocese of Texas; (d) to render financial assistance to such activities, projects, agencies, and instrumentalities of the Episcopal Church in the Diocese of Texas for which adequate financial provision has not been made; and (e) to foster, develop, and contribute generally to the support of the religious, educational, and charitable work of the Episcopal Church in the Diocese of Texas by making gifts, grants, loans, and advances solely and exclusively for religious, educational, and charitable purposes to any organization, institution, agency, or other body of, or in any way associated, affiliated, or connected with, the Episcopal Church in the Diocese of Texas.

PROPOSED:

Section 9.1 An Instrument of the Diocese

The Episcopal Foundation of Texas, a nonprofit corporation organized and existing by virtue of the laws of the State of Texas (the Foundation), is hereby designated as an instrumentality of the Diocese to hold and administer, subject to Article 9 of the Constitution, and Title III.8, the following:

- (1) All assets, properties, and distributions heretofore or hereafter received by the Diocese from the Estate of H. H. Coffield, Deceased, except dispositions, if any, heretofore made by the Church Corporation, shall be set aside and appropriated for the purpose of creating a fund which shall be known as the Coffield Fund. The corpus of the Coffield Fund shall be placed in a permanent fund and shall not be expended; provided, if so determined by the Board of Trustees of the Foundation, with consent of the Bishop, portions of the corpus of the Coffield Fund may, from time to time and at any time, be (a) loaned to The Bishop Quin Foundation, and (b) given, granted, loaned, or advanced for the purpose of establishing one or more memorials to the memory of H. H. Coffield, Deceased. Subject only to the requirements of the Foundation, all of the income from the Coffield Fund shall, from time to time, be placed in a revolving fund. Portions of the revolving fund may be given, granted, loaned, or advanced to (a) The Bishop Quin Foundation, (b) Camp Allen, (c) Episcopal High School, (d) St. Stephen's Episcopal School, (e) the Episcopal Theological Seminary of the Southwest, (f) the University of the South, (g) St. Vincent's House, and (h) El Buen Samaritano Episcopal Mission. Subject to the foregoing, with consent of the Bishop, the Foundation shall give ten percent (10%) of the amount from time to time placed in the revolving fund for other general purposes of the Diocese, excluding the Budget of the Diocese, which purpose may include gifts, grants, loans, and advances to Episcopal Relief and Development and other charitable trusts, nonprofit corporations, and national organizations affiliated with the Protestant Episcopal Church in the United States of America, all as may from time to time and at any time hereafter be designated by the Trustees of the Foundation, with consent of the Bishop.
- (2) All assets, properties, and distributions heretofore or hereafter received by the Foundation, other than those received by the Diocese from the Estate of H. H. Coffield, Deceased, shall be set aside and appropriated for the purpose of creating one or more fund(s), as determined by the Trustees of the Foundation. The purpose of such fund(s) shall be, (a) to render financial assistance to worthy and capable ~~men and women~~ persons in the Diocese of Texas desirous of entering the ordained ministry of the Protestant Episcopal Church in the United States of

America (the Episcopal Church); (b) to render financial assistance to the worthy and capable ~~men and women~~ persons in the Diocese of Texas who are presently engaged in, or who desire to prepare for, religious work in the Episcopal Church; (c) to render supplementary financial aid to the members of the Episcopal clergy of the Diocese of Texas; (d) to render financial assistance to such activities, projects, agencies, and instrumentalities of the Episcopal Church in the Diocese of Texas for which adequate financial provision has not been made; and (e) to foster, develop, and contribute generally to the support of the religious, educational, and charitable work of the Episcopal Church in the Diocese of Texas by making gifts, grants, loans, and advances solely and exclusively for religious, educational, and charitable purposes to any organization, institution, agency, or other body of, or in any way associated, affiliated, or connected with, the Episcopal Church in the Diocese of Texas.

IF AMENDED:

Section 9.1 An Instrument of the Diocese

The Episcopal Foundation of Texas, a nonprofit corporation organized and existing by virtue of the laws of the State of Texas (the Foundation), is hereby designated as an instrumentality of the Diocese to hold and administer, subject to Article 9 of the Constitution, and Title III.8, the following:

- (3) All assets, properties, and distributions heretofore or hereafter received by the Diocese from the Estate of H. H. Coffield, Deceased, except dispositions, if any, heretofore made by the Church Corporation, shall be set aside and appropriated for the purpose of creating a fund which shall be known as the Coffield Fund. The corpus of the Coffield Fund shall be placed in a permanent fund and shall not be expended; provided, if so determined by the Board of Trustees of the Foundation, with consent of the Bishop, portions of the corpus of the Coffield Fund may, from time to time and at any time, be (a) loaned to The Bishop Quin Foundation, and (b) given, granted, loaned, or advanced for the purpose of establishing one or more memorials to the memory of H. H. Coffield, Deceased. Subject only to the requirements of the Foundation, all of the income from the Coffield Fund shall, from time to time, be placed in a revolving fund. Portions of the revolving fund may be given, granted, loaned, or advanced to (a) The Bishop Quin Foundation, (b) Camp Allen, (c) Episcopal High School, (d) St. Stephen's Episcopal School, (e) the Episcopal Theological Seminary of the Southwest, (f) the University of the South, (g) St. Vincent's House, and (h) El Buen Samaritano Episcopal Mission. Subject to the foregoing, with consent of the Bishop, the Foundation shall give ten percent (10%) of the amount from time to time placed in the revolving fund for other general purposes of the Diocese, excluding the Budget of the Diocese, which purpose may include gifts, grants, loans, and advances to Episcopal Relief and Development and other charitable trusts, nonprofit corporations, and national organizations affiliated with the Protestant Episcopal Church in the United States of America, all as may from time to time and at any time hereafter be designated by the Trustees of the Foundation, with consent of the Bishop.
- (4) All assets, properties, and distributions heretofore or hereafter received by the Foundation, other than those received by the Diocese from the Estate of H. H. Coffield, Deceased, shall be set aside and appropriated for the purpose of creating one or more fund(s), as determined by the Trustees of the Foundation. The purpose of such fund(s) shall be, (a) to render financial assistance to worthy and capable persons in the Diocese of Texas desirous of entering the

ordained ministry of the Protestant Episcopal Church in the United States of America (the Episcopal Church); (b) to render financial assistance to the worthy and capable persons in the Diocese of Texas who are presently engaged in, or who desire to prepare for, religious work in the Episcopal Church; (c) to render supplementary financial aid to the members of the Episcopal clergy of the Diocese of Texas; (d) to render financial assistance to such activities, projects, agencies, and instrumentalities of the Episcopal Church in the Diocese of Texas for which adequate financial provision has not been made; and (e) to foster, develop, and contribute generally to the support of the religious, educational, and charitable work of the Episcopal Church in the Diocese of Texas by making gifts, grants, loans, and advances solely and exclusively for religious, educational, and charitable purposes to any organization, institution, agency, or other body of, or in any way associated, affiliated, or connected with, the Episcopal Church in the Diocese of Texas.

SUBMITTED BY: Alison Wilkins, Episcopal Student Center at Sam Houston State University

RATIONALE (by Ms. Wilkins): Update language to be inclusive language as defined by An Episcopal Dictionary of the Church found on episcopalchurch.org.

THE COMMITTEE RECOMMENDS THE ADOPTION OF THIS PROPOSAL.

CANON 10 CAMP ALLEN

EXISTING:

Section 10.3 Selection, Election, and Vacancies

The elective membership of the Board of Trustees shall consist of up to 24 persons, each elected by the Annual Council on nomination of the Bishop, for four-year terms. Up to six elective members shall be elected by the Annual Council each year on nomination of the Bishop. A trustee may be elected to serve a second consecutive four-year term, after which such trustee may not be renominated for at least one year. If a person is elected to complete a trustee's unexpired term, such service shall not count toward the above limitations on the number of consecutive terms such person may serve or toward the limitation on the annual number of members to be elected each year. Notwithstanding the above, a trustee may be removed from his or her position at any time by a two-thirds vote of the Board of Trustees with the consent of the Bishop of Texas. Any vacancy occurring in the Board may be filled by the Board until the next Annual Council, at which time a trustee shall be elected on nomination of the Bishop to serve the unexpired term.

PROPOSED:

Section 10.3 Selection, Election, and Vacancies

The elective membership of the Board of Trustees shall consist of up to 24 persons, each elected by the Annual Council on nomination of the Bishop, for four-year terms. Up to six elective members shall be elected by the Annual Council each year on nomination of the Bishop. A trustee may be elected to serve a second consecutive four-year term, after which such trustee may not be renominated for at least one year. If a person is elected to complete a trustee's unexpired term, such service shall not

count toward the above limitations on the number of consecutive terms such person may serve or toward the limitation on the annual number of members to be elected each year. Notwithstanding the above, a trustee may be removed from ~~his or her~~ their position at any time by a two-thirds vote of the Board of Trustees with the consent of the Bishop of Texas. Any vacancy occurring in the Board may be filled by the Board until the next Annual Council, at which time a trustee shall be elected on nomination of the Bishop to serve the unexpired term.

IF AMENDED:

Section 10.3 Selection, Election, and Vacancies

The elective membership of the Board of Trustees shall consist of up to 24 persons, each elected by the Annual Council on nomination of the Bishop, for four-year terms. Up to six elective members shall be elected by the Annual Council each year on nomination of the Bishop. A trustee may be elected to serve a second consecutive four-year term, after which such trustee may not be renominated for at least one year. If a person is elected to complete a trustee's unexpired term, such service shall not count toward the above limitations on the number of consecutive terms such person may serve or toward the limitation on the annual number of members to be elected each year. Notwithstanding the above, a trustee may be removed from their position at any time by a two-thirds vote of the Board of Trustees with the consent of the Bishop of Texas. Any vacancy occurring in the Board may be filled by the Board until the next Annual Council, at which time a trustee shall be elected on nomination of the Bishop to serve the unexpired term.

SUBMITTED BY: Alison Wilkins, Episcopal Student Center at Sam Houston State University

RATIONALE (by Ms. Wilkins): Update language to be inclusive language as defined by An Episcopal Dictionary of the Church found on episcopalchurch.org.

THE COMMITTEE NEITHER RECOMMENDS NOR DOES NOT RECOMMEND THE ADOPTION OF THIS PROPOSAL. THE COMMITTEE SUGGESTS THAT THE USE OF A SPECIFIC NOUN TO REFER TO AN INDIVIDUAL, SUCH AS "THE MEMBER," "THE PERSON," OR "THE TRUSTEE," PROVIDES MORE CLARITY THAN THE USE OF THE FORM "THEMSELF," "THEY," OR "THEIR." THE COMMITTEE NOTES THAT SUCH USE OF SPECIFIC NOUNS IS USED IN OTHER DIOCESES THAT HAVE REVISED THEIR CANONS TO ELIMINATE GENDER-SPECIFIC NOUNS.

Maria Boyce, Chair

COMMITTEE ON NOMINATIONS

Nominations for Diocesan Council 2024

Executive Board (Nominate at least 6 lay & 4 clergy, elect 3 lay & 2 clergy)

Clergy

Karl Griswold-Kuhn, Texas A&M University,
College Station

Joy Walker-Miller, St. Mark's, Beaumont

Keith Pozzuto, Christ Church, Temple

Frank Samuelson, Trinity, The Woodlands

Noah Stansbury, University of Texas

David Faulkner, St. Cyprian's, Lufkin

Lay

James Black, St. Mark's, Beaumont

Elizabeth Fraley, St. Alban's, Waco

Dennis E. Itzep, Santa Maria Virgen, Houston

Andrew Johnsen, All Saint's, Fort Worth

Chris Johnsen, St. Mark's Beaumont

Jim Johnson, St. Stephen's, Beaumont

Standing Committee (Nominate at least 2 lay & 2 clergy, elect 1 lay & 1 clergy)

Clergy

Bill Carroll, Trinity, Longview

Alex Large, Holy Apostles, Katy

Mike Stone, St. Thomas the Apostle, Nassau
Bay

Lay

James Black, St. Mark's, Beaumont

Barbara Evans, All Saint's, Fort Worth

Elizabeth Fraley, St. Alban's, Waco

Christa McClary, Trinity, Galveston

Trustee of the Church Corporation (Nominate at least 2, elect 1)

Mark Browning, St. Andrews, Austin

Samuel Dodson, St. James, Houston

David Harvin, St. Martin's, Houston

Mike Hughes, Trinity, Galveston

Jesse Lee, St. Alban's, Waco

Trustee of the University of the South (Nominate at least 2, elect 1 lay)

Lay

Kristine Devine, St. David's, Austin

Mike Malloy, Trinity, Galveston

Katheryn Shaffer Ray, St. Martin's, Houston

- Jason Ingalls, Chair

COMMITTEE ON RESOLUTIONS

The Committee received one resolution for consideration at the 175th Council of the Episcopal Diocese of Texas.

Hybrid In-Person and Virtual Gathering for Diocesan Council

WHEREAS, the cost of Diocesan Council has continued to grow in recent years causing heavier burdens to be placed on church and diocesan budgets; and

WHEREAS, the growing geography of our Diocese requires lengthy travel times for some delegates; and

WHEREAS, we have individuals in our churches who are prevented from serving as delegates because of either work or family commitments and cannot be away from home overnight; and

WHEREAS, God has called us to be people that steward our resources of time and money wisely; and

WHEREAS, during the Covid pandemic the Council met via the internet and successfully conducted the business of Council; and

WHEREAS, Council has already developed internet-based voting methods for the business of Council; therefore be it

RESOLVED, that the regular committees of Council and any other people in the Diocese work to create a Hybrid In-Person and Virtual gathering for the 178th Council in 2027 where delegates would gather in-person at convocational sites across the diocese while being connected virtually by video conferencing to conduct the business of Council. This would also allow for convocational based eucharists with a streamed sermon and shared convocational meals.

Submitted by: The Rev. Mike Stone, St. Thomas, Nassau Bay and The Rev. John Soard, Holy Comforter, Spring.

The Committee on Resolutions does recommend this resolution for adoption.

Courtesy Resolutions of the 175th Annual Council of the Episcopal Diocese of Texas

Greetings to the Episcopal Diocese of West Texas

WHEREAS, the Council of the Episcopal Diocese of Texas in 1874 asked the General Convention to assume jurisdiction over “that portion of the state generally known as ‘Western Texas,’” for the purpose of forming the Missionary Diocese of West Texas; and

WHEREAS, during its 150-year life, the Episcopal Diocese of West Texas has been a blessing on all people within its jurisdiction, providing for the church gifted spiritual leaders and caring pastors; therefore be it

RESOLVED, that the 175th Council of the Episcopal Diocese of Texas, the Mother Church, sends its greetings and blessings to the bishops, clergy and people of the Episcopal Diocese of West Texas, giving thanks for our continued partnership in the proclamation of the Good

News of Jesus Christ.

Greetings to the Episcopal Diocese of Arkansas

WHEREAS, the Episcopal Diocese of Texas is a member of the worldwide Anglican Communion, and more particularly, of the Episcopal Church and Province VII of this Church; and

WHEREAS, the Episcopal Diocese of Texas values its membership in these bodies and its place in the wider ministry of Christ's Church; therefore be it

RESOLVED, that the 175th Council of the Diocese of Texas, assembled at Waco, Texas, instructs the Secretary of the Council to send greetings to The Rt. Rev. John T. W. Harmon, Bishop of Episcopal Diocese of Arkansas.

Greetings to the Episcopal Diocese of Dallas

WHEREAS, the Episcopal Diocese of Texas is a member of the worldwide Anglican Communion, and more particularly, of the Episcopal Church and Province VII of this Church; and

WHEREAS, the Episcopal Diocese of Texas values its membership in these bodies and its place in the wider ministry of Christ's Church; therefore be it

RESOLVED, that the 175th Council of the Episcopal Diocese of Texas, assembled at Waco, Texas, instructs the Secretary of the Council to send greetings to The Rt. Rev. George R. Sumner, Bishop of Episcopal Diocese of Dallas.

Greetings to the Episcopal Diocese of Kansas

WHEREAS, the Episcopal Diocese of Texas is a member of the worldwide Anglican Communion, and more particularly, of the Episcopal Church and Province VII of this Church; and

WHEREAS, the Episcopal Diocese of Texas values its membership in these bodies and its place in the wider ministry of Christ's Church; therefore be it

RESOLVED, that the 175th Council of the Episcopal Diocese of Texas, assembled at Waco, Texas, instructs the Secretary of the Council to send greetings to The Rt. Rev. Cathleen Chittenden Bascom, Bishop of the Episcopal Diocese of Kansas.

Greetings to the Episcopal Diocese of Northwest Texas

WHEREAS, the Episcopal Diocese of Texas is a member of the worldwide Anglican Communion, and more particularly, of the Episcopal Church and Province VII of this Church; and

WHEREAS, the Episcopal Diocese of Texas values its membership in these bodies and its place in the wider ministry of Christ's Church; therefore be it

RESOLVED, that the 175th Council of the Episcopal Diocese of Texas, assembled at Waco, Texas, instructs the Secretary of the Council to send greetings to The Rt. Rev. James Scott Mayer, Bishop of the Episcopal Diocese of Northwest Texas.

Greetings to the Episcopal Diocese of Oklahoma

WHEREAS, the Episcopal Diocese of Texas is a member of the worldwide Anglican Communion, and more particularly, of the Episcopal Church and Province VII of this Church; and

WHEREAS, the Episcopal Diocese of Texas values its membership in these bodies and its place in the wider ministry of Christ's Church; therefore be it

RESOLVED, that the 175th Council of the Episcopal Diocese of Texas, assembled at Waco, Texas, instructs the Secretary of the Council to send greetings to The Rt. Rev. Poulson Reed, Bishop of the Episcopal Diocese of Oklahoma.

Greetings to the Episcopal Diocese of the Rio Grande

WHEREAS, the Episcopal Diocese of Texas is a member of the worldwide Anglican Communion, and more particularly, of the Episcopal Church and Province VII of this Church; and

WHEREAS, the Episcopal Diocese of Texas values its membership in these bodies and its place in the wider ministry of Christ's Church; therefore be it

RESOLVED, that the 175th Council of the Episcopal Diocese of Texas, assembled at Waco, Texas, instructs the Secretary of the Council to send greetings to The Rt. Rev. Michael Buerkel Hunn, Bishop of the Episcopal Diocese of the Rio Grande.

Greetings to the Episcopal Diocese of West Missouri

WHEREAS, the Episcopal Diocese of Texas is a member of the worldwide Anglican Communion, and more particularly, of the Episcopal Church and Province VII of this Church; and

WHEREAS, the Episcopal Diocese of Texas values its membership in these bodies and its place in the wider ministry of Christ's Church; therefore be it

RESOLVED, that the 175th Council of the Episcopal Diocese of Texas, assembled at Waco, Texas, instructs the Secretary of the Council to send greetings to The Rt. Rev. Diane M. Jardine Bruce, Bishop Provisional of the Episcopal Diocese of West Missouri.

Greetings to the Episcopal Diocese of West Texas

WHEREAS, the Episcopal Diocese of Texas is a member of the worldwide Anglican Communion, and more particularly, of the Episcopal Church and Province VII of this Church; and

WHEREAS, the Episcopal Diocese of Texas values its membership in these bodies and its place in the wider ministry of Christ's Church; therefore be it

RESOLVED, that the 175th Council of the Episcopal Diocese of Texas, assembled at Waco, Texas, instructs the Secretary of the Council to send greetings to The Rt. Rev. David Read, Bishop of the Episcopal Diocese of West Texas.

Greetings to the Episcopal Diocese of Western Kansas

WHEREAS, the Episcopal Diocese of Texas is a member of the worldwide Anglican

Communion, and more particularly, of the Episcopal Church and Province VII of this Church; and
WHEREAS, the Episcopal Diocese of Texas values its membership in these bodies and its place in the wider ministry of Christ's Church; therefore be it

RESOLVED, that the 175th Council of the Episcopal Diocese of Texas, assembled at Waco, Texas, instructs the Secretary of the Council to send greetings to The Rt. Rev. Michael Milliken, Assisting Bishop of the Episcopal Diocese of Western Kansas.

Greetings to the Episcopal Diocese of Western Louisiana

WHEREAS, the Episcopal Diocese of Texas is a member of the worldwide Anglican Communion, and more particularly, of the Episcopal Church and Province VII of this Church; and

WHEREAS, the Episcopal Diocese of Texas values its membership in these bodies and its place in the wider ministry of Christ's Church; therefore be it

RESOLVED, that the 175th Council of the Episcopal Diocese of Texas, assembled at Waco, Texas, instructs the Secretary of the Council to send greetings to The Rt. Rev. Jacob W. Owensby, Bishop of the Episcopal Diocese of Western Louisiana.

Greetings to Seminarians and Iona Students

WHEREAS, the Episcopal Diocese of Texas currently has twenty-one seminarians preparing for Holy Orders attending Seminary of the Southwest, Sewanee School of Theology, Virginia Theological Seminary, Yale Divinity, and Bexley-Seabury as well as nineteen students preparing for Holy Orders attending the Iona School for Ministry; therefore be it

RESOLVED, that the Secretary of the Diocese be requested to write each student to convey to him or her the best wishes of the 175th Council of the Episcopal Diocese of Texas and a reminder that each has been remembered in the prayers of the Council.

Greetings to the Anglican Diocese of Southern Malawi

WHEREAS, the Episcopal Diocese of Texas is a member of the worldwide Anglican Communion, and more particularly, a companion diocese with said diocese; and

WHEREAS, the Episcopal Diocese of Texas values mutually transformative, long-lasting relationships that cross cultural and geographic boundaries for the sake of the wider ministry of Christ's Church; therefore be it

RESOLVED, that the 175th Council of the Episcopal Diocese of Texas, assembled at Waco, Texas, instructs the Secretary of the Council to send greetings to The Rt. Rev. Alinafe Kalembe of the Anglican Diocese of Southern Malawi.

Greetings to La Iglesia Episcopal Costarricense

WHEREAS, the Episcopal Diocese of Texas is a member of the worldwide Anglican Communion, and more particularly, a companion diocese with said diocese; and

WHEREAS, the Episcopal Diocese of Texas values mutually transformative, long-lasting relationships that cross cultural and geographic boundaries for the sake of the wider

ministry of Christ's Church; therefore be it

RESOLVED, that the 175th Council of the Episcopal Diocese of Texas, assembled at Waco, Texas, instructs the Secretary of the Council to send greetings to The Rt. Rev. Orlando Gómez Segura of La Iglesia Episcopal Costarricense.

Greetings to the Episcopal Diocese of North Dakota

WHEREAS, the Episcopal Diocese of Texas is a member of the worldwide Anglican Communion, and more particularly, a companion diocese with said diocese; and

WHEREAS, the Episcopal Diocese of Texas values mutually transformative, long-lasting relationships that cross cultural and geographic boundaries for the sake of the wider ministry of Christ's Church; therefore be it

RESOLVED, that the 175th Council of the Episcopal Diocese of Texas, assembled at Waco, Texas, instructs the Secretary of the Council to send greetings to the Standing Committee, of the Episcopal Diocese of North Dakota and to their Bishop Provisional, The Rt. Rev. Thomas Ely.

On the Retirement of Diocesan Staff

WHEREAS, Martha Lewis faithfully served the Episcopal Diocese of Texas through her ministry; and

WHEREAS, as a member of the Diocesan Staff she retired during the year 2023; and

WHEREAS, the Episcopal Diocese of Texas has been richly blessed by her gifts in the service of our Lord; therefore be it

RESOLVED, that the 175th Council of the Episcopal Diocese of Texas gives glory to God for her faithful witness and wishes her well in this new stage of life in Christ.

On the Retirement of Clergy

WHEREAS, the Reverends Ray Bagby, James Cunningham, Beth Fain, Leslie Guinn, Glenda Hardin, Christopher Jambor, M. Charlotte Love, Sharla Marks, David Mossberger, James Stockton, Alice Tucker, Robert Viggiano, Lynne Waltman, Mark Wood, and Ed Woolery-Price have faithfully served the Church and this diocese through their ministries in parishes, institutions, and boards; and

WHEREAS, these clergy retired from the active ministry during 2023; and

WHEREAS, the Episcopal Diocese of Texas has been richly blessed by their gifts in the service of our Lord; therefore be it

RESOLVED, that the 175th Council of the Episcopal Diocese of Texas gives glory to God for their faithful witness and wishes them well in this new stage of life in Christ.

In Honor of All Clergy Spouses

WHEREAS, the spouses of clergy in the Diocese of Texas during Covid have lovingly supported their parishes and communities throughout the pandemic; and

WHEREAS, these spouses gave countless hours of their time and talent to help further the

mission of Jesus Christ in the Diocese of Texas; therefore be it

RESOLVED, that the 175th Council of the Episcopal Diocese of Texas, assembled at Waco, Texas, offers gratitude and thanksgiving for the ministry of all clergy spouses.

In Honor of Council Management Committee

WHEREAS, the people of the Episcopal Diocese of Texas saw fit to gather in Galveston; and

WHEREAS, the Diocese is thankful for the outstanding service of the Council Management Committee under the coordination of Mary Cloud as well as for the fine work of the Diocesan staff, clergy and laity, including countless volunteers from across the Diocese of Texas; therefore be it

RESOLVED, that the 175th Annual Council of the Episcopal Diocese of Texas gives praise to God for the dedicated ministry of the Council Management Committee members, including The Rev. Canon Christine M. Faulstich, Diocese of Texas; Mary Cloud, Trinity, Houston; David Harvin, St. Martin's, Houston (Ex Officio); The Rev. William "Bill" Fowler, St. Mary's, Lampasas (Ex Officio); Susan Duif, Trinity, Galveston; The Rev. Patrick Miller, St. Mark's, Houston; Joanne Starbuck, Trinity, Houston; and Tammy Tiner, St. Thomas, College Station.

Jimmy Grace, Chair

REPORTS OF BISHOPS

REPORT OF BISHOP JEFF W. FISHER

The centerpiece of 2023 was my sabbatical during the summer. All clergy in the Diocese of Texas are to take a sabbatical every seven years; my last sabbatical was in 2016. It was a joy to experience several months this year of sabbath rest and refreshment.

My sabbatical began with some time to slow down at the Abbey of Gethsemani in Trappist, Kentucky, which is a monastery made famous by the mystic, Thomas Merton. In June, Susan and I went on a Rhine River cruise, through Switzerland, Germany, France, and The Netherlands; we enjoyed this trip with our good friends, Betsy and Doug Fisher (no blood relation, yet Doug is the “other Bishop Fisher” in the Church, from Western Massachusetts). In July, Susan and I set out on a 15-day road trip through the western United States, including Big Bend, the Grand Canyon, Las Vegas, Zion National Park, and Colorado. In August, we traveled to London with our two adult sons. In between these trips, I enjoyed time at home, relaxing and recharging. To you, the people of the Diocese of Texas, Susan and I give thanks for the sabbath time we experienced over the summer.

It was great to return in September, especially to be with all of you on Sundays in our churches. In addition to Sunday visitations in congregations, over the last year, I had the honor of ordaining 6 priests: Chris DeVore, Celeste Geldreich, Joy Miller, Robert Jerger, Joanna Unangst, and Kurt Unangst. Ordaining people to the priesthood is one of the most joyful aspects of being a bishop; the occasion is filled with hope for the Church.

During this year, I presided at one Installation of a new Rector: in December, the Rev. Wm. Blake Rider was installed as the new Rector of St. Stephen’s in Huntsville.

In this Diocese, we walk beside clergy and their families, through all sorts of moments in their life, both sad and joyful. I am honored to coordinate this work as the Executive for Pastoral Ministries.

In this pastoral work, we have a large community of retired clergy and spouses; we provide care and support to these faithful folks. Working with me and our retired clergy is an excellent team of Chaplains to the Retired Clergy. These faithful chaplains (with the convocations that they serve) are: The Rev. Janne Osborne (Austin, Northwest, Central convocations), Pam and the Rev. John Bentley (West Harris and East Harris convocations), the Rev. Nan and Sam Doerr (Galveston and Southwest convocations), the Rev. Nancy and the Rev. Bill DeForest (San Jacinto and Southeast convocations), and the Rev. Cliff Rucker (Northeast convocation). Cliff will retire from this position at the end of the year; we give thanks for his ministry! In 2023, we added the Rev. Bill Stanford, as chaplain for the Fort Worth convocation.

We have increased the offerings and impact of the Retired Clergy and Spouses Conference, held each fall at Camp Allen. This past fall, the keynote speaker for our conference was the Rev. Dr. Russell Levenson, rector of St. Martin’s in Houston and author of *Witness to Dignity: The Life and Faith of George H.W. and Barbara Bush*. In his presentation, we learned about

dignity in leadership. In other presentations, the Rev. Bradley Sullivan, vicar of Lord of the Streets in Houston and author of *For the Hurt, the Blessed, and the Damned*, expanded upon on his and our journey of salvation. The Rev. Dr. Nandra Perry, vicar of St. Philip's in Hearne and Director of the Iona Collaborative, led us to discover our assets, both in ministry and personally. We also shared in worship time together, free time, and many activities around Camp Allen. Mark your calendars now for the next Retired Clergy and Spouses Conference: Monday evening through Wednesday noon, September 30 - October 2, 2024.

I presided and preached at the opening Eucharist for each of the two assemblies in 2023 of the diocesan Daughters of the King (DOK); I serve as the bishop liaison to this group of women, led by Tory Arnold, who devote themselves to evangelism, service, and prayer. The Spring Assembly was hosted by Calvary, Bastrop; the Fall Assembly was held at Camp Allen. It is a joy to walk alongside these women in their ministry.

The diocesan Altar Guild held their Annual Retreat in June of 2023. Since I was away on sabbatical, Bishop Ryan was among them, to present her story of ministry, and to lead worship. I work with Kate Canby, diocesan Altar Guild director, to support this group. A reminder: the ministry of the altar guild is for both women and men. The next diocesan Altar Guild Retreat is at Camp Allen: Thursday-Saturday, May 30 - June 1, 2024.

The Vera Gang Scott Scholarship program, which awards scholarships to young women pursuing higher education, was formerly administered by the diocesan board of the Episcopal Church Women. I chair the continuing Vera Gang Scott Scholarship Committee, and in my absence while on sabbatical, the committee ably led the discernment to award scholarships to 4 deserving women in our diocese.

In the Diocese of Texas, we value and support our small churches. The Small Church Network is for laity and clergy in congregations with an average Sunday attendance of 50 or fewer, usually gathering twice a year at Camp Allen. The Small Church Network gathering in the Spring of 2023 was titled: "Praying Shapes Believing: Worship Life in a Small Congregation." In the Fall of 2023, the topic was: "Property, Money, and Stewardship for Mission." The Mission Amplification team and the Finance team of our diocesan staff contributed so much to each presentation; everyone came away with practical knowledge and inspiration for their own congregations. For our 2024 gatherings at Camp Allen, please mark your calendars: Sunday evening through Monday noon, April 14-15, and September 29-30.

I serve as chair of the board of the Episcopal Seniors Foundation (ESF); Pam Nolting serves as president. During 2023, we awarded grants to churches and organizations who share our goal of fostering healthy living for seniors. ESF continues our support of Camp Allen, to assist with their sponsorship of the successful annual Abundant Living Conference, which is offered to seniors and other interested people each spring.

The Rev. Meredith Crigler and I share leadership of the Diocese of Texas Global Partnerships in Mission (formerly known as the World Mission Board). The Global Partnerships in Mission in our diocese coordinates our global companion relationships with three dioceses: North Dakota, Costa Rica, and Southern Malawi. We also award grants to ministries of impact, around the world. In 2023, we received 3 times as many grant requests as in 2022.

I chair the Diocesan Liturgical Commission, at Bishop Doyle's request. The Commission

consists of priests and lay persons, including church musicians. Throughout the year, I also field various liturgical questions from priests in our diocese. In 2023, I had a goal to reinvigorate this commission. Yet during this year, that did not happen; I plan to revisit this work in 2024.

The Tyler Diocesan Office is on the campus of All Saints' Episcopal School in Tyler, where I also serve on the school board. During 2023, I was honored to participate in the Ash Wednesday services, the All-School Easter service, and the Baccalaureate service for graduating seniors. In the Fall, we welcomed Dr. Mark Desjardins as the new Head of School. I look forward to working with Mark, who has extensive experience in leading other Episcopal schools.

In reporting on the wider Episcopal Church, the House of Bishops met in person in March of 2023 at Camp McDowell in the Diocese of Alabama. This time together included a pilgrimage to some area sites that are important in our history and journey of racial reckoning. Due to the health concerns of our Presiding Bishop, the Fall House of Bishops was conducted not in person, but over Zoom, in September of 2023. Our Presiding Bishop, Michael Curry, continues in his healing, and he remains in our prayers.

At the previous General Convention of The Episcopal Church in 2022, the Program, Budget, and Finance (PB&F) Committee (of which I served as Vice-Chair) was eliminated. PB&F has been replaced by a new committee: The Joint Budget Committee.

In December of 2022, the Presiding Bishop appointed me to join this new budget committee, to work through a draft budget for 2024-2027. After receiving feedback, this draft budget will then be presented to the Executive Council, and then on to The General Convention in 2024. In October of 2023, at a meeting in Baltimore, our committee worked on this budget, line by line. In this work, I continue to advocate for smaller structures and leaner budgets at the wider Church level, so that the work of God's mission can be better supported in our local contexts.

The Episcopal Church is divided into 9 provinces; the Diocese of Texas is in Province 7. Province 7 is led by a President and Vice President, who is usually a bishop. In 2023, the previous Vice President, Bishop Jake Owensby, resigned, due to other time commitments. In October, I was elected by the Provincial Council as Vice President of Province 7. In this leadership position, I serve on the Presiding Bishop's Council of Advice, as a part of the 9 bishop leaders of each province. This will be rewarding work, as we welcome a new Presiding Bishop in 2024, after their election at General Convention.

In this 2023 year of sabbatical, I would not have been able to step away from my work for an extended amount of time, without the support of a team around me. In my absence, Kathy Dunn, my executive assistant, kept all the plates spinning. I am also grateful that I share episcopal work with a such a great team of bishops, who picked up the slack while I was away: Bishop Doyle, Bishop Ryan, and Bishop Monterroso.

Looking ahead to 2024, we will celebrate 175 years as a diocese. The wider Episcopal Church will work together at The General Convention this summer in Louisville, Kentucky, where we will elect the next Presiding Bishop for a 9-year term. Also, after 11 years as one of your bishops, I have experienced that, along the way, the Holy Spirit will also bring us some joyful surprises!

It is my joy to serve our Lord Jesus Christ with you and among you. During this year of sabbatical, it has also been my joy to rest, and to return.

“In returning and rest you shall be saved (Isaiah 30:15).”

Jeff W. Fisher, Bishop Suffragan

REPORT OF BISHOP KATHRYN “KAI” RYAN

“the gifts he gave were... to equip the saints for the work of ministry, for building up the body of Christ...” (Ephesians 4:11-12)

2023 has been a year in which Christ continued to urge and equip the saints – lay and clergy – to build up the Church in the Diocese of Texas. Everywhere I go in the Diocese, I encounter eager students of the gospel, desiring that God’s love in Christ be known within the community of the Episcopal Church and shared generously with neighbors and the world.

My greatest privilege as a bishop is worshiping with a different one of our churches each week, visiting with their vestries, and praying for God’s blessings upon them. I made 40 regularly scheduled visitations in 2023, most in the west region. I confirmed, received, and prayed for those formally reaffirming their faith at nearly every visitation. As I met with the confirmation classes, young people and adults told me about how being a part of their parish church and the Episcopal Church has already impacted their lives. At the church plants, the joy at the new thing God is doing filled the worship and fellowship with energy.

I also participated in congregations’ and institutions’ special events:

The Dedication of Church of the Cross’s new location;

The Dedication of the Absalom Jones and Jonathan Myrick Daniels Window, All Saints’, Austin;

The Dedication of the new Community Building at Trinity Episcopal School, Austin;

St. James’ Mortgage Burning Celebration, Austin;

Graduation at St. Stephen’s Episcopal School, Austin;

Installation of the Head of School, St. Andrew’s Episcopal School, Austin

I presided at the funeral for the Rev. Chuck Huffman, Rector Emeritus of St. Matthew’s, Austin, at the funeral for the Rev. Michelle Halsell, an assisting priest at Calvary, Bastrop, and at the funeral of the Rev. Kit Wallingford at St. Mark’s in Houston. I served as a co-consecrator at the ordination of the Rt. Rev. David Reed, bishop coadjutor of our neighboring Diocese of West Texas, and participated in the consecration of the Rt. Rev. Ann Ritonia, bishop suffragan for the Armed Services and Federal Ministries. I spoke at the retreat of the Diocesan Altar Guild.

Any ordination or installation points to the courage and hard work of the candidate, who has said “yes” to God and the Church. But no ordination or installation ever comes to be without the support, efforts, and prayers of dozens of persons, gifted in their own ways as callers and guides and teachers. Such collective effort – a desire to partner with God for the life of the Church – perhaps explains why I never cease to feel the Spirit’s movement at ordinations and installations. In early 2023, I presided at the ordinations to the priesthood of Kristin Braun, Jeremy Bradley, Josh Kulak, Mike Thomas (in Colorado Springs, CO), and Annelies Moeser. At Bishop Doyle’s invitation, I preached at the ordination of the deacons in June at Christ

Church Cathedral. In addition, over the course of the year, I presided at 4 installations:

Rectors:

The Rev. Chris Heying, St. James, La Grange

The Rev. Matt Boulter, St. George's, Austin

The Rev. Margarita Arroyo, Christ Church, Eagle Lake

The Rev. Heath Dewrell, St. Thomas, Rockdale

They, and our other priests and deacons, serve vibrant and diverse congregations helping God's people come to know, love, and serve Christ, each other, and God's people in the world.

At Bishop Doyle's direction, I serve the Diocese as the Executive for Ministry, with oversight of the ordination process, post-ordination formation, and the Iona School for Ministry. The Commission on Ministry, led by Chair, the Rev. John Newton, and supported by the Secretary for the COM, Ana Gonzales, is central to this work, and I am grateful for the faithful discernment of the members. The Committee for the Diaconate, led by the Rev. Jan Halstead, and the Examining Chaplains, led by the Rev. Patrick Hall, also handle aspects of diocese's work in shepherding aspirants, postulants, and candidates through the ordination process.

The complete report of the COM is included separately in this Journal. I want to highlight a couple of aspects of the COM's work.

For those discerning God's call to ministry, whether lay or ordained, we offer the Discovery Weekend program. Participants come to Camp Allen for a weekend and join in learning habits to identify God's call, reflecting in small groups and alone, and consulting with a member of the faculty. All adult members of the Diocese are welcome to attend a Discovery Weekend. In 2023, we held two weekends, using a new team leadership model. The weekends were full of participants and energy! Our hopes to complete our first Discovery Weekend specifically for youth and young adults, ages 16-22 did not come to fruition due to low registration, but we are trying again in 2024. The weekend will encourage young adults to consider their vocational future with an intent to serve God by living fully into the gifts God bestows upon them, whatever their professional and personal paths. Registration for these weekends is accessible through the Camp Allen website.

In January 2023, we held our second in-person Vocations Conference at Camp Allen. The spirited event brings together the diocese's students in the ordination process from seminaries and the Iona School with the bishops, COM, CFD, Examining Chaplains, and Standing Committee for formation, relationship building, and interviews. 37 students, all preparing for ordination to the priesthood or the diaconate, participated in the gathering.

Once ordained, both stipendiary and bivocational priests take part in formation designed to help build collegial relationships, provide continuing education and support development of priestly identity, and offer mentoring by senior clergy. The Curate Cohort and First Time in Charge for stipendiary clergy in curacies met at Camp Allen, as did Beginning Well, two separate programs for bivocational priests and for priests new to the Diocese. Each cohort provided significant relationships and encouragement to the participating clergy. Mentor-

facilitators this year were: the Revs. Daryl Hay, Les Carpenter, Katie Wright, Sam Smith, and Eileen O'Brien, Trawin Malone, Angela Cortiñas, Terry Pierce, and John Johnson. Post-seminary formation is coordinated by my talented Executive Assistant, Haley Townsend Trujillo.

Continuing to help address the diocese's need for more clergy and lay leaders, the Iona School for Ministry, our diocesan school of local formation, forms those studying for the diaconate and bivocational priesthood and offers programs for lay formation for ministry. The Rev. Francene Young (Dean of Administration) and the Rev. Dr. Andrew Benko (Dean of Formation) are in their third year of service. This fall, the enrollment of lay students has increased. The Deans are assisted by Chaplain, the Rev. Trawin Malone, the faculty and instructors, as well as Iona Administrator, Laura McAlister. Each of the bishops teaches one or more courses at Iona School over the course of the year.

I serve as Chair of the Boards of three diocesan institutions, relying extensively on three dedicated and skillful Executive Chairs. At Seminary of the Southwest, Clarke Heidrick serves as Executive Chair and the Rev. Dr. Cynthia Kittredge serves as Dean and President. In 2023, the Seminary dedicated and opened the new Dena A. Harrison Library and new Learning Complex and introduced a new M.Div. curriculum. Dean Kittredge has announced her resignation as Dean and President in the summer of 2024 and the search for her replacement has begun.

El Buen Samaritano, an outreach ministry of the Episcopal Diocese of Texas serving the Latino community of Central Texas, is committed to recognizing the dignity of all by ensuring access to healthcare, education and essential needs that lead to healthy, productive, and secure lives. Gustavo Hernandez serves as Executive Chair. Dr. Rosamaria Murillo, the Executive Director, continued to build up the staff and lead the organization toward its next strategic campaign. El Buen will celebrate its 35th anniversary in April 2024.

Chris Oddo completed his term as Executive Chair at St. Stephen's Episcopal School, Austin, and handed off that role to Jennifer Stayton, who has made a good beginning of her term. Chris Gunnin serves as Headmaster. In 2023, the initial phase of the campus building campaign gained momentum. The expansion and climate-control of the beloved chapel is a key initiative of the campaign. I serve as the Honorary Chair of the Capital Campaign Committee and am working specifically on the fundraising for the chapel project.

For the Episcopal Church, I am a member of the Court of Review, which hears appeals of clergy discipline (Title IV) judgments and challenges to episcopal elections. The Court had a busy year. My term ends in 2024. I also serve as a member of the House of Bishops planning committee and the Task Force on LGBTQ+ Inclusion. I will serve as the Chair of the HOB Committee on Constitution and Canons for the 2024 General Convention.

Outside, but related to the Diocese, I began service in 2022 as a Regent for Sewanee. We installed a new Vice Chancellor, Dr. Rob Pearigen in the fall of 2023.

I close with a personal note of appreciation. My assistant, Haley Townsend Trujillo, was out on maternity leave and family medical leave for half of 2023. Laura McAlister and Ana Gonzales, Kathy Dunn, and other members of the diocesan staff extended themselves to cover Haley's work and to support me during her absence. I am deeply grateful for their work...

And we are all delighted to have Haley back and to be watching the growth of her beautiful son.

What a privilege it is to serve with Bishops Doyle, Fisher, and Monterroso, and with the other members of the Executive Team and the diocesan staff, and the people and clergy of the Diocese. Tim and I give thanks that God has called us to serve the Diocese of Texas!

Kathryn “Kai” McCrossen Ryan, Bishop Suffragan

REPORT OF BISHOP HECTOR F. MONTERROSO

Dear Council Members,

I am honored to present to this esteemed Council a comprehensive report detailing the activities and experiences within the South Region of the Diocese of Texas during the transformative year of 2023.

Introduction:

Every day, I find greater joy in my ministry within the Diocese. Visiting the Churches, programs, and ministries that contribute in various ways to bring hope, transformation, and development to the communities we serve is a continual source of inspiration.

Navigating the evolving landscape of ministry and life within our Churches, the year 2023 has brought forth a multitude of work and service forms. The clergy and leaders of our Churches have faced unique challenges, employing creativity and adaptability to address the changing needs of our congregations. This report aims to share insights into the distinct challenges and inspiring developments experienced across our region.

Ministry Highlights:

In the pursuit of strengthening our Churches, I have had the privilege of visiting congregations not only within the South Region but also in other areas. Witnessing the resilience, creativity, and adaptability of our churches has been a source of inspiration. Despite many challenges, our congregations have continued to shine as beacons of hope within their communities.

Constant Renewal:

A notable aspect is the continual renewal within our churches. New leaders emerge, campaigns are launched, and spaces within church buildings are reconstructed or renovated. Vibrant music and dynamic ministries stand as sources of hope, symbolizing the Church's commitment to constant revival.

Transformative Ministry:

The ministry of the Diocese of Texas serves as a transformative force; we continue to stay connected with the missionary spirit to plant new Churches and missional communities. This bold step, rooted in faith in the Holy Spirit's guidance, exemplifies our commitment to transformation, healing, and reconciliation through sharing the message of Jesus.

Acts of Faith:

The transformative journey commences with small steps, culminating in significant transformations facilitated by the collective efforts of our congregation members. Acts of service such as distributing food, donating blood, visiting the sick, and offering prayers for the vulnerable create a direct connection with the gospel.

Service and transformation:

The impact of these acts of service may be immeasurable, yet the inspiration they provide is undeniable. Our congregations, guided by faith, reach out to those considered invisible within our communities – the sick, individuals living alone, the unemployed, and the undocumented. In these acts, the gospel narrative is not only preached but lived.

Divine Provision:

Our Churches embrace the responsibility to be part of the solution to community challenges, trusting in divine provision and God's transforming power.

Gratitude:

I extend my gratitude to the bishops, priests, and all the members of our churches who personify the living God we adore and follow.

St. Vincent's House

Introduction:

St. Vincent's House has marked a year of significant achievements in 2023, underscoring its unwavering commitment to community service. This report highlights the key accomplishments across various initiatives that showcase the organization's dedication to addressing the diverse needs of the community.

Below are some of the achievements of St. Vincent's during 2023.

Outreach and Support:

- Served 97,243 duplicated individuals and 5,672 distinct households.
- Distributed 7,599 Snack Packs to 804 self-identified unsheltered friends.

Recognitions:

- Awarded "Pantry of the Year" by the Galveston County Food Bank.
- Established a valuable partnership with the Galveston Diaper Bank to enhance services.

Narcan Dispensers:

- Installed two free Narcan dispensers, averaging 90 administrations per month.
- 14% of distributions carried out by staff, while 86% were self-served.

Fleet Expansion:

- Acquired a new cargo van from the Mary Moody Northern Foundation.

- Added a new bus with wheelchair access.

Community Outreach:

- Collaborated with Sandpiper Cove, Central Church, New Life Ministry, and hosted two large events with GISD, reaching over 6,000 individuals.

Grant Applications:

- Applied for over \$3,000,000 in grant applications.

HOPE Clinics:

- Received \$3.3M in-kind donated services.
- Introduced 28 total clinics, including new specialties such as wound healing, congestive heart failure, podiatry, and vascular/general surgery.
- SVH Grace Clinic now offers integrated programs, including a substance use disorder (SUD) clinic.

Family Service Center (Mental Health Services):

- Received \$210,000 in-kind donated services.
- Employed two full-time mental health counselors, including bilingual support.

Galveston Houston Immigration Representation Project (GHIRP):

- Received \$125,000 in-kind donated services.
- Hired a full-time attorney for Galveston Island/St. Vincent's House.
- Assisted 158 immigrant families in Galveston.

Volunteer Dental Extraction Clinic:

- Served 227 unduplicated clients.
- Secured a grant for preventive and restorative dentistry for unsheltered friends, totaling \$75,000 in in-kind donations.

Conclusion:

St. Vincent's House's accomplishments in 2023 underscore the organization's holistic and impactful approach to community support. Through diverse programs and collaborative efforts, the organization continues to address the pressing needs of the community and enhance the overall well-being of its residents.

Gratitude:

I would like to express my sincere gratitude to Ms. Bonnie Farmer, President of the Board, as well as the esteemed members of the Board of Directors. A special appreciation goes to Paula Tobon, the dedicated Executive Director, and the entire staff of this remarkable institution. Their collective efforts contribute immensely to the success and beauty of this organization, and I am truly thankful for their hard work and commitment.

Disaster Preparedness Ministry Annual Report - 2023**Introduction:**

The Disaster Preparedness ministry faced a "year of extremes" in 2023, navigating through various severe weather events in the Diocese of Texas. Despite being spared hurricanes, the ministry addressed challenges posed by disruptive weather patterns, including record-breaking high and low temperatures, "bomb cyclones," and "heat domes."

Outreach Initiatives:

To enhance community resilience, the ministry allocated outreach preparedness grants to mission-minded congregations. These grants aimed to support and equip vulnerable populations in the vicinity with diverse disaster readiness and recovery resources.

Capacity Building:

The Disaster Preparedness ministry actively engaged in consultations and workshops to refine its best practices and tools. Insights gained from congregations and external preparedness partners contributed to the continuous improvement of strategies.

Collaborative Efforts:

Resource sharing was a key focus, with the ministry extending its refined resources to Episcopal Relief & Development, their global partners, Bishop Doyle's Creation Care Task Force, and other dioceses. This collaborative approach strengthened the broader network of disaster preparedness and response capabilities.

Partnership Acknowledgment:

The ministry expressed gratitude to Episcopal Relief & Development for a successful 7th consecutive year of partnership in the mission field of disaster preparedness. The enduring collaboration underscored the effectiveness of sustained partnerships in achieving shared goals.

Foundational Principles:

Emphasizing foundational building blocks, the report highlighted the importance of being a good partner and knowing one's neighbors. These principles are instrumental in cultivating relationships that enhance community cohesion, a vital aspect of disaster preparedness.

Stewardship and Resilience:

The Disaster Preparedness ministry, recognized as a form of stewardship, played a pivotal role in building resilience within congregations and their communities. Its proactive and collaborative efforts underscored its commitment to the well-being of the broader community.

Conclusion:

In summary, the Disaster Preparedness ministry's annual report for 2023 reflects a comprehensive and strategic approach to addressing extreme weather events. Through outreach, collaboration, and capacity building, the ministry continues to be a beacon of support, contributing to the resilience of congregations and communities within the Diocese of Texas.

Gratitude:

I extend my heartfelt gratitude to The Rev. Stacy Stringer for her dedicated coordination of this diocesan project. Through her unwavering commitment, this initiative equips us to effectively confront the challenges posed by natural disasters. Her efforts are instrumental in ensuring our preparedness, and I am sincerely thankful for her valuable contributions.

Commission on Latino-Hispanic Ministries

Introduction:

In fulfillment of my responsibilities, I provide oversight to the Commission on Latino-Hispanic Ministries, a cornerstone of our mission dedicated to fostering growth and inclusivity within the Diocese of Texas. This report encapsulates the Commission's endeavors and accomplishments throughout the year 2023.

Inspiring Lay Leaders:

The Commission has remained resolute in its mission to inspire lay leaders, underscoring the vital importance of formation. As the Diocese of Texas continues its trajectory of growth, the necessity for committed and well-trained lay leadership, particularly among Spanish-speaking and bilingual clergy, has become increasingly apparent.

Initiatives and Events:

The Commission has taken the lead in spearheading various initiatives and events aimed at achieving its overarching objectives.

Hispanic-Latino Lay Leadership Conference: The Hispanic Leadership Conference, inaugurated in 2013 with 30 participants, has flourished over the years into a flagship event. In 2023, we proudly welcomed nearly 300 lay leaders. Beyond being a standalone conference, this event serves as a catalyst for the growth of Hispanic ministry within the Diocese. Through this concerted effort, we have witnessed the emergence of new missions and lay leaders, making significant contributions to the vibrancy of our Diocese. Presently, 21 churches actively engage in Spanish-language ministry,

Advocacy and Immigration: Aligned with our steadfast commitment to advocacy and immigration, the Commission has focused on projects supporting education and information

dissemination across various geographic areas of the Diocese. Collaborating closely with Hispanic churches, we have actively conducted impactful education and training programs for individuals seeking asylum, applying for documents, and regularizing their immigration status. These initiatives have been actively carried out in both Houston and Austin.

Commitment to a Vibrant and Inclusive Community:

Our Commission remains dedicated to fostering a vibrant and inclusive community within the Diocese, embracing diversity and empowering leaders to serve effectively in a multilingual and multicultural context.

Conclusion:

The Commission on Latino-Hispanic Ministries' accomplishments in 2023 reflect our ongoing commitment to fostering growth, inclusivity, and community engagement within the Diocese of Texas. Through strategic initiatives and collaborative efforts, we aim to build a more diverse and vibrant Diocese that reflects the richness of its members and their various cultural backgrounds.

Gratitude:

I extend my sincere gratitude to the exemplary leadership of Rev. Simón Bautista and Mrs. Rosalinda Rodríguez, who skillfully serve as co-chairs of the Commission. Their dedicated efforts, combined with the contributions of every Commission member, have been instrumental in fostering the growth and flourishing of the Latino-Hispanic ministry within the diocese. Their unwavering commitment has truly made a significant impact on the success and vitality of this essential ministry.

Other responsibilities at the Episcopal Church level include my participation as.

At the Episcopal Church level, I am actively involved in various significant roles, contributing to the broader mission and development of the community. Specifically, my responsibilities include:

Member of the Board of Directors of the Episcopal Relief and Development (ERD):

I actively participate in ERD meetings three times a year, serving as a dedicated member of the Board. ERD, an institution within the Episcopal Church, plays a crucial role in responding promptly to emergencies arising from natural disasters. Additionally, it places a strong emphasis on community development, particularly in the areas of Women, Children, and the Climate.

Member of the Board of Directors of the College for Bishops:

I hold a position on the Board of Directors of the College for Bishops. This institution fosters a supportive community for the formation and education of newly consecrated, active bishops of the Episcopal Church. The goal is to equip them with the necessary tools to better serve as leaders in God's mission.

Collaboration as a Coach for Bishop Juan Carlos Quiñónez of the Diocese of Central Ecuador:

Within the same domain, I collaborate as a coach for Bishop Juan Carlos Quiñónez of the Diocese of Central Ecuador. This role involves providing guidance and support to enhance his leadership effectiveness.

Leader of the CREDO Program for Latin America:

Additionally, I serve as the director of the CREDO program for Latin America. This program, initiated by the Church Pension Group, focuses on revitalizing the clergy's vocation and addressing both their physical and spiritual well-being.

These multifaceted responsibilities underscore my commitment to contributing meaningfully to the Episcopal Church's mission, addressing immediate crises, fostering leadership development, and promoting the overall well-being of clergy members."

Héctor Monterroso, Bishop Assistant

REPORT OF BISHOP RAYFORD B. HIGH

SO, WHAT DOES A THRICE RESIGNED BISHOP DO? THE YEAR 2023 PRESENTED EXCITING OPPORTUNITIES SUCH AS CROSSING THE COLORADO RIVER WITH THE REV. CANON ANN NORMAND, MY WIFE, TO ATTEND THE DIOCESAN COUNCIL IN GALVESTON. I PARTICIPATED IN THE OPENING EUCHARIST, THEN THE FOLLOWING DAY, TOGETHER WITH BISHOP SCOTT MAYER, NORTHWEST TEXAS, WE PRESENTED THE RESOLUTION TO ADMIT PARISHES AND MISSIONS IN THE FORT WORTH REGION. WHAT AN EMOTIONAL MOMENT FOR ME TO WITNESS EPISCOPAL CONGREGATIONS WHO WERE UNDER MY WATCH AS PROVISIONAL BISHOP. KNOWING THE STRESSFUL YEARS FROM 2008-2022, THESE FAITHFUL MEMBERS WERE OPPRESSED AND UNDER ATTACK BY CHURCH LEADERSHIP WHO LEFT THE EPISCOPAL CHURCH OF THE U.S.A., LEAVING THE DIOCESE OF FORT WORTH BANKRUPT. BISHOP DOYLE AND THE DIOCESE OF TEXAS WELCOMED 17 PARISHES AND MISSIONS, BREATHING NEW LIFE INTO THESE NEW CONGREGATIONS OF THE DIOCESE.

WITH THIS ACITON BY THE DIOCESE OF TEXAS, I FELT MY WORK AND MINISTRY AS PROVISIONAL BISHOP OF FORT WORTH HAD BEEN WORTH EVERY DAY OF MINISTRY FOR THOSE THREE YEARS. WHAT A BLESSING AND PRIVILEGE TO BE A PART OF THIS MOMENTOUS OCCASION IN THE LIFE OF THE EPISCOPAL CHURCH.

DURING 2023, I MADE TWO VISITATIONS IN THE OF TEXAS: ONE TO ST. JAMES, LA GRANGE, AND THE OTHER TO ST. CHRISTOPHER'S KILLEEN. I OFFICIATED AT TWO FUNERALS: ONE AT ST. MAKR'S, AUSTIN FOR THE REV. MIKE DAVIS, AND THGE OTHER AT TRINITY, FORT WORTH, FOR THE REV. DR. BRUCE COGGIN.

ON JULY 8TH I JOINED 13 OTHER BISHOPS FOR THE CONSECRATION OF THE RT. REV. DR. DAVID G. READ ,11TH BISHOP OF THE DIOCESE OF WEST TEXAS, AT TEXAS MILITARY INSTITUTE, BOERNE, TEXAS. IN OCOTBER I ATTENDED THE ANNUAL GENERAL MEETING OF THE COMPASS ROSE SOCIETYAS A MEMBER, JOINING ANN WHO SERVES AS A BOARD MEMBER.

AT THE END OF JULY, I RESIGNED AS ASSISTANT BISHOP OF THE DIOCESE OF WEST TEXAS, HAVING SERVED ALMOST THREE YEARS.

I CLOSE WITH GRATEFUL THANKS FOR BEING ABLE TO SERVE AS A BISHOP IN THE EPISCOPAL CHURCH IN THE DIOCESES OF WEST TEXAS, FORT WORTH, AND TEXAS. MY MINISTRY CONTINUES TO BE A GREAT BLESSING. I PRAY GOD WILL CONTINUE TO GIVE ME THE WISDON TO SERVE OUR LORD JESUS CHRIST AND HIS CHURCH, THE BLESSED BODY OF CHRIST.

Rayford B. High, Jr.
Retired Bishop Suffragan of Texas and Retired Provisional Bishop of Fort Worth

REPORTS OF OFFICERS OF THE DIOCESE

HISTORIAN

An updated history of the Diocese of Texas that concludes with the onset of the COVID-19 pandemic in 2020 is available through the diocesan office. Historical documents relating to the reunion of the Diocese of Texas and the Episcopal Church in North Texas are also available through the archives of the diocese.

Jimmy Abbott, Diocesan Historian

REGISTRAR

As Registrar of the Diocese of Texas, I certify that to date in 2023, all ordinations held within the Diocese and all transfers of clergy as well as clergy changes in each congregation have been duly recorded.

Millie I. M. Longoria, Registrar of the Diocese

SECRETARY

I am grateful to those who have responded to the Bishop's request for reports to the Journal and those who have responded in time to get them printed in Volume I. Again, this year, delegate registrations for the 175th Council are to be filed online (do not send copies to the Diocesan Center). Forms materials for 2024 (such as the delegate certification, list of appointed/elected parochial officers) are already available on the diocesan website as a part of the Council registration forms. Please remember that Council registration and all the other requested material are to be completed online. Council registration and all required forms are due by January 24. If you need assistance completing any of these forms, please contact councilregistration@epicenter.org. Beginning January 4th, you will be able to file the parochial report by going to <https://reports.dfms.org> and entering your login and password. As before, you are required to file your report online. Online filing will not begin until January 4. Please do not send a hardcopy to the Diocese; we are able to access the reports once they have been filed online. We do recommend, however, that you keep a hardcopy of your Parochial Report for your own records. I remind you that regardless of what the preparation handbook says, by Diocesan Canon your Parochial Report is due in the New York office of the General Convention by January 24. After January 4, we will be checking daily to see which Reports have been filed. If your Report is not on file by February 9, Diocesan Canons specify that you are not entitled to join or to vote in Council. Please make every effort to file your Parochial Report in a timely manner.

Marcea Paul, Secretary

ARCHIVIST

In 2023, our diocesan archive activity averaged 2-3 inquiries a month. These inquiries can vary greatly from routine requests for membership transfer letters to requests for verification of baptisms or confirmations that happened decades ago at a closed church. No two inquiries are exactly alike and not all of them can be conclusively answered.

The most common requests received are from parishioners needing letters of transfer or baptism/confirmation details from recently closed churches. As archivist, I keep registers from these churches in our onsite filing room for this purpose. Sometimes these questions come from children or grandchildren hoping to learn more about their family's faith history. It gives me great satisfaction to be able to provide that information or to point the caller in the right direction. I also sometimes contact the volunteers and staff at the various parishes who maintain the written records. Their diligence is sincerely appreciated.

This year, I received three sets of new parish registers for the archive: Good Shepherd, Houston; St. Peter's, Lago Vista; and St. Paul's, Pflugerville. The churches in Lago Vista and Pflugerville recently closed and the registers will be stored onsite in the Houston Diocesan center in anticipation of membership transfer requests. Good Shepherd, Houston was a church located in The Heights from 1892-1986. A recent baptismal inquiry led me to search for the registers in our archive, but none could be found, nor could I locate any written record of where they were. I reached out to the two churches near the former site of Good Shepherd hoping that they might have the records. The Rev. Jimmy Grace of St. Andrew's, Houston was able to locate the books and gave them to me to be added to the archive. Also of note, Calvary Episcopal Church in Bastrop asked to retrieve their historic registers from the archive. The books were entrusted to Rev. Matthew Stone in October.

In 2023, I worked with others in the bishops' office and Fort Worth office to survey and document the membership and sacramental records for churches in the North Region. In 2008, multiple congregations left the Episcopal Communion to affiliate with the Anglican Church of North America and lawsuits followed that impacted what records were retained on both sides. Many of our congregations in the Fort Worth convocation lost access to records predating 2008. Parishioners who have requested letters of transfer or sacramental details from the ACNA churches have been ignored or denied. We sent a survey to each of the Episcopal congregations in the North Region asking for the date range of the worship, sacramental, and membership records in their possession and to verify new books have been created. We also worked with the heads of congregations to provide options for faithful Episcopalians who need alternative evidence of canonical requirements for membership so that they can serve on vestry and elected positions. This is an ongoing process.

In the fall, there was an increase in the number of materials that need to be processed and prepared for offsite archive storage. The archives of the former Diocese of Fort Worth are presently stored in the Fort Worth Diocesan Center. We have also received many new files from Bishop Doyle's office and the two closed churches. Alice Kerr, a retired EDOT staff member and the former diocesan archivist, continues to work steadily on the archive. The Diocese is interested in working with trained archivists to analyze our current file system, process the backlog of information, and to make other recommendations to ensure the quality of our archive.

Kathryn L. Herman, Archivist

TREASURER

THE EPISCOPAL DIOCESE OF TEXAS

The information provided is for period January 1 - November 30, 2023

	Year to Date Amounts	2023 Adopted Budget
REVENUES		
Assessments	\$ 7,830,506	\$ 8,539,578
Foundation Overhead Payments	3,153,578	3,418,721
Other Revenues	413,474	462,364
TOTAL REVENUES	\$ 11,397,558	\$ 12,420,663
EXPENDITURES		
OFFICE OF THE BISHOP		
Clergy Compensation	\$ 1,626,140	\$ 2,096,207
Lay Staff Compensation	715,496	809,234
Business and Travel Expense	452,608	457,203
Clergy Conference	178,640	140,000
TOTAL OFFICE OF THE BISHOP	2,972,884	3,502,644
COMMUNICATION DEPARTMENT		
Communication Staff Compensation	399,907	441,786
Other	207,616	181,000
TOTAL COMMUNICATIONS	607,524	622,786
CANONICAL EXPENSES		
Diocesan Council	320,001	324,950
Other	122,068	108,000
TOTAL CANONICAL EXPENSES	442,069	432,950
MINISTRY EXPENSES		
Ministry Staff Compensation	584,452	647,274
Transition Ministry	55,052	152,000
Wellness and Care Ministry	76,835	131,100
IONA School and Other Ministry Expenses	446,926	605,500
TOTAL MINISTRY EXPENSES	1,163,265	1,535,874

MISSION AMPLIFICATION		
Mission Amplification Compensation	1,021,706	1,162,124
Congregational Vitality	70,340	78,350
Youth Ministry	53,548	117,900
Other	134,082	133,000
TOTAL MISSION AMPLIFICATION EXPENSES	1,279,676	1,491,374
SERVICE AND OUTREACH		
Support of the Episcopal Church	1,411,542	1,539,864
Support of the Anglican Communion	466,115	500,000
EDOT Global Partnership	7,434	25,000
Other	232,593	275,102
TOTAL SERVICE AND OUTREACH	2,117,685	2,339,966
ADMINISTRATIVE EXPENSES		
Staff Compensation	1,219,190	1,369,440
Diocesan Center Operating Expense	877,619	1,022,216
General Office Expense	245,558	278,100
Insurance	297,738	278,300
Other Administrative Expenses	532,665	587,662
TOTAL ADMINISTRATIVE EXPENSES	3,172,769	3,535,718
TOTAL EXPENSES	\$ 11,755,872	\$ 13,461,312
REVENUES OVER (UNDER) EXPENSES	\$ (358,314)	\$ (1,040,649)
Special Accounts	\$ 1,310,783	\$ -
NET CHANGE IN ASSETS	\$ 952,469	\$ (1,040,649)

Linda Riley Mitchell, CFO/Treasurer

EXECUTIVE BOARD

Saturday, February 25, 2023:

The Executive Board of the Episcopal Diocese of Texas met immediately following the adjournment of the 174th Annual Council, which was held in Exhibition Hall B of The Galveston Island Convention Center. Bishop Doyle welcomed newly elected members (Keen Haynes, Paula Jefferson, Kevin Johnson, Julia Retta, Angela Tekell)) and explained the meetings schedule (three annually at Camp Allen, the first of which will be in March). Bishop Fisher was re-affirmed as Vice-President. Elected as Secretary was Marcea Paul. Elected as Treasurer was Linda Mitchell. Elected as a lay representative on the 175th Council's Nominations Committee was Keen Haynes.

Wednesday, March 22, 2023:

The Executive Board conducted a hybrid meeting, with some attending at Camp Allen and some via Zoom. The Mission Committee met and welcomed new members. The committee had the opportunity to listen to Rev. Kevin Johnson, Rector of All Souls, Arlington report on some of the mission initiatives and activities that he was involved with in the North Region, especially with 4Saints Food Pantry. The Chair invited Kevin to share his report with the Executive Board. The Governance Committee also welcomed new members and worked about halfway through Title III. The Finance Committee welcomed new members and reviewed the Finance Committee's charges for the remainder of the year. The Committee reviewed current financial statements, assessments, insurance, and parochial reporting. A motion was made to approve the adapted procedures for School Financial Review Committees within The Diocese of Texas. The motion passed with no objection. Three Housing Resolution proposals were approved with no objection. David Fisher gave a report on the Diocesan Foundations to provide context and understanding. He also presented a fiscal review of each foundation for the previous year. Canon Joann Saylor presented an introduction on Mission Amplification, its mission, outreach, and team members. She also presented an update and review of the Metric Census Project, which included new metrics added for the 2023 reporting year and discussed the fostering of new members and growth within our communities. Canon Faulstich presented slides showing clergy transitions and churches at different stages in the search process. Canon Paul reported that the CRM system that will replace DORIS, the current database, and Safeguarding System has been named. The name (USHER) Unified System for Holistic Engagement and Reporting. A soft launch is expected in May 2023.

Wednesday, September 13, 2023:

The Executive Board conducted a hybrid meeting. The Governance Committee met and reviewed Title III of the Canons. There are several outstanding questions, but the committee expects to have Title III completed by December. The Mission Committee met with 5 members in attendance. The committee invited Henry Galipp, a professional crane operator, to join them to report on the invitational and relational mission he initiated in Elgin which is 25 miles east of Austin. Mr. Galipp joined the meeting via zoom while sitting in a crane from 150 feet above the ground. The Finance Committee gave reports on current financial statements and assessments. They also reviewed grant funding and discussed auditors' reports, the budget process and the 2023 Church Financial Survey. There were also reports on medical coverage and property and casualty insurance changes, disaster relief and North Texas reunification funding. Voting on approval for the Diocesan Audit Committee, Medical

Insurance and Dental Insurance changes and 2024 Assessment Calculation passed with no objection. Canon Faulstich reported on clergy transitions, and churches at different stages in the search process. She expressed gratitude for time off for sabbatical. Canon Paul reported on the progress of (USHER), the Customer Relationship Management (CRM) project, sharing that the new system went live in June 2023. there is still much work to be done with refining the system to align with specific needs. The Communications Team is working on a new website which will be integrated with USHER. There is much excitement about Clergy Conference as there is an impressive slate of presenters and workshop leaders. Paula Tobon, Executive Director of St. Vincent's House, and Cynthia Kittredge, Dean and President of Seminary of the Southwest presented institutional reports. Allen Kight, President of Camp Allen reported that the summer was very successful with over 2,000 campers and no trips to the emergency room. Thus far, \$4.3 million dollars have been raised toward the \$8.9 million dollar capital campaign and all is going well.

Wednesday, December 13, 2023:

The Executive Board conducted a hybrid meeting. Bishop Doyle appointed the Rev. Andrew Ellison to fill the vacancy on a Council Committee - Supervisors and Tellers. The Governance Committee continues their review of Title III. Chair, Anthony Chapple will be transitioning off the Executive Board in the new year and Bishop Doyle thanked him for his leadership and work done. The Mission Committee reported on their conversation with the Rev. Terry Pierce, Vicar of St. James, Taylor, and Kelley McRay, Area Missioner for Northwest Convocation, who shared about their unique missional engagement in the Taylor area. The Finance Committee gave reports on current financial statements, assessments, and grant funding. There was also a review of the 2024 Diocesan Budget. A motion made to approve the budget as presented and refer it to Diocesan Council in February 2024, passed with no objection. A motion made to increase EDOT car allowance from \$700 to \$760 per month for two employees passed with no objection. The Housing Allowance Resolutions were presented for 2024 and were approved with no objection. Institutional reports were given by Episcopal Health Foundation's President and CEO, Dr. Ann Barnes and Camp Allen's President and CEO, Allen Kight. Canon Paul reported that internal staff have been using and testing the new Customer Relationship Management system (USHER) and that the hope is for the system to become public facing some time after Council. Canon Faulstich reported on clergy transitions, and churches at different stages in the search process. She also announced that Council is coming up February 9-10 in Waco, and that there will be some resolutions and constitutional canon proposals to be discussed.

Marcea Paul, Secretary

DIOCESAN FOUNDATIONS

THE BISHOP QUIN FOUNDATION

“The Mission of the Bishop Quin Foundation is to Help Build the Church!” Our Mission Statement calls for us to do this “within the Episcopal Diocese of Texas with the advice and counsel of the Bishop of Texas and working with the Diocesan staff and the other foundations of the Diocese by continuing to increase and utilize our resources effectively.

Trustees are appointed to overlapping three-year terms by the Council of the Diocese of Texas. The Bishop and Treasurer of the Diocese are *ex officio* members of the board, with voice and vote. Elected members during the past year included; Mr. Bob Biehl, The Rev. Michael K. Paul, and Ms. Marcela Donadio Little (terms expiring in 2024), and Ms. Merrill Anne Shearer, Leslie Cleaver, and The Rev. Cameron Nations (terms expiring in 2025), The Rev. Bill Fowler, Robert Estrada, and Jennifer Weston (terms expiring in 2026). Officers elected by the Board were The Rev. Bill Fowler, President; Marcela Donadio, Vice- President; Ms. Linda R. Mitchell, Treasurer; Mr. David N. Fisher, Secretary; and Ms. Angela Smith, Assistant Secretary.

The Foundation established the following committees:

- Executive Committee – Conducts foundation business between meetings of the board. Members are; The Bishop of Texas (Chair), Bill Fowler (President & Convener), Marcela Donadio, the Treasurer of the Diocese, and the Director of Foundations.
- Quin / EFT/ GCF Strategic Mission Grants Committee – Joint Venture which supports the growth of congregations within the Episcopal Diocese of Texas. Bishop Quin Foundation members of the SMG Committee are: Merrell Anne Shearer, Leslie Cleavers, Bob Biehl, The Rev. Cameron Nations, and The Rev. Michael Paul.

Again this year, grants were provided to support the Curate/Intern Placement Program. Under this program, the Bishop Quin Foundation funds one half of the salaries of Curates/Interns placed in churches throughout the Diocese of Texas. The Trustees continue to believe that attracting and maintaining high quality talent is vital to the continued growth and success of the Diocese. The Bishop Quin Foundation supports Sabbatical Grants for our clergy. The Bishop Quin Foundation has also funded initiatives from our congregations there were referred by the EDOT Collaboration Team and Mission Amplification teams over the past few years. The Bishop Qun Foundation was also active in 2023 supporting formation initiatives through its Leadership Fund as well health insurance premiums for clergy and lay diocesan staff through its Wellness & Health Fund.

The Strategic Mission Grant program is a collaborative venture with the Episcopal Foundation of Texas and the Great Commission Foundation. The Strategic Mission Grants Committee (SMG) has a dedicated website www.smgedot.org for processing grant applications from EDOT congregations and managing active grants. This interactive website includes videos, stories, and motion graphics that convey information about the grant program using multiple media formats. The site has a complete translation in Spanish. The grant focus includes encouraging congregations to engage with their surrounding communities, focus on invitation, and the funding of missional communities.

Throughout the year, the Trustees relied on the hard work and skills of a dedicated and capable staff. We have been ably advised by Bishop Doyle and Canon Faulstich and we are grateful for and feel blessed by their guidance, advice and support. Our efforts were coordinated throughout the year with the other foundations of the Diocese. It is a privilege to work with this exceptional group of Christians with one accord.

Respectfully submitted,

The Rev. Bill Fowler, President

The Bishop Quin Foundation
(An Instrumentality of the Protestant
Episcopal Church in the Diocese of Texas)

Financial Statements
and Independent Auditors' Report
for the years ended December 31, 2022 and 2021

The Bishop Quin Foundation
(An Instrumentality of the Protestant Episcopal Church in the Diocese of Texas)

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Independent Auditors' Report

To the Board of Trustees of
The Bishop Quin Foundation:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of The Bishop Quin Foundation (an Instrumentality of the Protestant Episcopal Church in the Diocese of Texas), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities and of cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The Bishop Quin Foundation as of December 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of The Bishop Quin Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Bishop Quin Foundation's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and

therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The Bishop Quin Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Bishop Quin Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Blazek & Vetterling

June 22, 2023

The Bishop Quin Foundation
(An Instrumentality of the Protestant Episcopal Church in the Diocese of Texas)

Statements of Financial Position as of December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Cash	\$ 1,004,292	\$ 1,499,054
Due from other Diocesan operating entities	241,455	39,121
Notes receivable (<i>Note 3</i>):		
Church Corporation	501,695	490,789
Other related entities, net	351,861	458,483
Investments (<i>Notes 4 and 5</i>)	269,663,716	36,020,368
Land	<u>167,241</u>	<u>167,241</u>
TOTAL ASSETS	<u>\$ 271,930,260</u>	<u>\$ 38,675,056</u>
 LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	\$ 700	\$ 11,037
Grants payable (<i>Note 6</i>): Other		
related entities, net	938,832	730,633
Diocesan operating entities	<u>1,970,681</u>	<u>1,245,953</u>
Total liabilities	<u>2,910,213</u>	<u>1,987,623</u>
Net assets without donor restrictions:		
Board-designated revolving fund	(224,057)	(395,417)
Board-designated permanent fund	30,969,380	37,082,850
Board-designated wellness and health fund	182,303,291	
Board-designated leadership fund	<u>55,971,433</u>	<u> </u>
Total net assets without donor restrictions	<u>269,020,047</u>	<u>36,687,433</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 271,930,260</u>	<u>\$ 38,675,056</u>

See accompanying notes to financial statements.

The Bishop Quin Foundation
(An Instrumentality of the Protestant Episcopal Church in the Diocese of Texas)

Statements of Activities for the years ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
REVENUE:		
Net investment return (<i>Note 4</i>)	\$ (20,937,887)	\$ 4,984,140
Support from Diocesan operating entities:		
The Episcopal Health Foundation	260,000,000	
Episcopal Foundation of Texas	711,712	965,966
Interest on notes receivable from other related entities	14,679	19,635
Interest on notes receivable from Diocesan operating entities	10,905	10,906
Other revenue	<u>9,000</u>	<u>103,047</u>
Total revenue	<u>239,808,409</u>	<u>6,083,694</u>
EXPENSES:		
Program services:		
Grants to other related entities	1,604,140	1,575,946
Grants to Diocesan operating entities	<u>5,388,133</u>	<u>165,000</u>
Total program services	6,992,273	1,740,946
Management and general:		
Diocesan operating entities – administrative services	456,832	425,507
Other management and general	<u>26,690</u>	<u>31,730</u>
Total expenses	<u>7,475,795</u>	<u>2,198,183</u>
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS	232,332,614	3,885,511
Net assets without donor restrictions, beginning of year	<u>36,687,433</u>	<u>32,801,922</u>
Net assets without donor restrictions, end of year	<u>\$ 269,020,047</u>	<u>\$ 36,687,433</u>

See accompanying notes to financial statements.

The Bishop Quin Foundation
(An Instrumentality of the Protestant Episcopal Church in the Diocese of Texas)

Statements of Cash Flows for the years ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in net assets without donor restrictions	\$ 232,332,614	\$ 3,885,511
Adjustments to reconcile changes in net assets without donor restrictions to net cash provided (used) by operating activities:		
Partnership (income) loss	21,834,607	(4,263,531)
Gain on sale of land		(93,953)
Changes in operating assets and liabilities: Due from Diocesan operating entities	(202,334)	674,138
Accounts payable and accrued expenses	(10,337)	(284)
Grants payable	<u>932,927</u>	<u>(742,931)</u>
Net cash provided (used) by operating activities	<u>254,887,477</u>	<u>(541,050)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Distributions from EH Investment Fund, L.P.		975,038
Proceeds from sales of investments	4,500,000	
Purchase of investments	(260,000,000)	
Change in money market mutual funds held as investments	22,045	841,354
Proceeds from sale of land		107,313
Advances made on notes receivable	(25,584)	(12,171)
Payments received on notes receivable	<u>121,300</u>	<u>14,323</u>
Net cash provided (used) by investing activities	<u>(255,382,239)</u>	<u>1,925,857</u>
NET CHANGE IN CASH	(494,762)	1,384,807
Cash, beginning of year	<u>1,499,054</u>	<u>114,247</u>
Cash, end of year	<u>\$ 1,004,292</u>	<u>\$ 1,499,054</u>

See accompanying notes to financial statements.

The Bishop Quin Foundation
(An Instrumentality of the Protestant Episcopal Church in the Diocese of Texas)

Notes to Financial Statements for the years ended December 31, 2022 and 2021

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization – The Bishop Quin Foundation (the Foundation) is a Texas nonprofit corporation created in 1943 to commemorate the 25th anniversary of the consecration of the Right Reverend Clinton S. Quin as Bishop. It was incorporated in 1955 and organized under Title V, Canon 2, as amended, of the Constitution and Canons of the Protestant Episcopal Church in the Diocese of Texas (the Diocese). The Diocese is an ecclesiastical territory that extends from the Louisiana border to portions of central, eastern, and southeastern Texas. The authority of the Diocese is vested in the Bishop, the Council of the Diocese, and a standing committee. The broad objectives of the Foundation include such religious, charitable, and educational activities as determined by the Bishop and the Board of Trustees to be in furtherance of the spiritual and physical welfare of the Diocese. Members of the Board of Trustees are elected by the Council of the Diocese on nomination by the Bishop and include the Bishop as an ex-officio member and Chair of the Board of Trustees.

Related entities – The Executive Board of the Diocese is composed of the Bishop and fifteen members elected by the Council of the Diocese. Pursuant to various Canons, the Executive Board has certain oversight responsibilities relating to the affairs of the Foundation and the following related Diocesan operating entities:

- *Episcopal Diocese of Texas (EDOT)* is an operating unit of special accounts used to carry out the ministry of the Diocese and is supported primarily by parish assessments.
- *EDOT Financial Services Corporation (FSC)* was created to provide human resource, accounting, financial, and investment management services support to the related Diocesan operating entities, as well as administering health benefits for clergy and certain lay employees throughout the Diocese.
- *Protestant Episcopal Church Council of the Diocese of Texas (Church Corporation)* receives, holds, manages, and administers funds and properties acquired by gift or purchase for the use and benefit of the Diocese and any Diocesan institution. Additionally, it may also receive, hold, and manage funds held for the use and benefit of any parish or mission in the Diocese.
- *The Great Commission Foundation (GCF)* was created in 2013 to support missionary and church planting strategies of the Diocese.
- *Episcopal Foundation of Texas (EFT)* was created to hold and administer certain assets for the purpose of providing grants and loans for religious, educational, and charitable purposes to designated Diocesan entities.
- *The Episcopal Health Foundation (EHF)* was created in 2013 with proceeds from the transfer of the membership of the St. Luke's Episcopal Health System to an unrelated not-for-profit entity. The focus of EHF is to promote the health and well-being of the 10 million people in the 57 counties of the Episcopal Diocese of Texas.

The Foundation routinely engages in transactions with Diocesan operating entities and other related entities that are directly or indirectly governed by the Council of the Diocese. Other related entities include parishes, schools, and missions.

Basis of presentation – These financial statements include only the assets, liabilities, net assets, and activities of the Foundation. The accompanying financial statements do not include the assets, liabilities, net assets, and activities of the related Diocesan operating entities or other related entities. Each of these related entities is an operating entity distinct from the Foundation, maintains separate financial records, and administers its own services and programs.

Federal income tax status – The Foundation is exempt from federal income tax under §501(c)(3) of the Internal Revenue Code as a religious organization and is classified as a public charity under §170(b)(1)(A)(i) under the group exemption of the Protestant Episcopal Church in the United States of America.

Cash concentration – Bank deposits exceed the federally insured limit per depositor per institution.

Notes receivable are reported at estimated net realizable value. Allowances for notes receivable are provided when it is believed they may not be collected in full and are adjusted annually to reflect changes in the expected future cash flows from impaired notes. The amount of bad debt expense recognized each period and the resulting adequacy of the allowance at the end of each period are determined using a specific analysis of each receivable balance. A note receivable is considered impaired when it is considered probable that the Foundation will not collect all principal and interest amounts due under the terms of the agreement. No interest is accrued on impaired notes. It is possible that management's estimate regarding the collectability of these balances will change in the near term resulting in a change in the carrying value of receivables. At December 31, 2022, all known impaired loans have been reserved in the allowance for loan losses.

Investments are reported at fair value. Mineral interests are reported at cost less depletion and are fully depleted. Investment return is reported in the statement of activities as an increase in *net assets without donor restrictions* unless the use of the income is limited by donor-imposed restrictions.

Land is reported at cost.

Net asset classification – Net assets, revenue, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Net assets without donor restrictions are not subject to donor-imposed restrictions even though their use may be limited in other respects such as by contract or board designation. The board designations are described as follows:

- *Revolving fund* receives a transfer of income from the permanent fund and interest and other income related to non-investment assets. These funds may be loaned or granted for any purposes that the Bishop and Board of Trustees (the Board) may determine to be in furtherance of the spiritual and physical welfare of the Diocese.
- *Permanent fund* receives revenue from investments and royalties after the transfer of income to the revolving fund. By the Board's action, income transfers are made from the permanent fund to the revolving fund based on 5% of the average fair market value of the fund for the prior three years. The investment return may be used at the discretion of the Board.
- *Wellness and health fund* was created with a \$200 million grant from EHF for the benefit of clergy of EDOT, lay employees, and their families. This fund may be used to underwrite the cost of health insurance funding emergency health needs for clergy, lay employees and their families, and provide pastoral resources to the parishioners of the Diocese. Spending from the fund is limited to 4% of the average fair market value of the fund for the prior three years. The Board may modify the spending policy or use a portion of the principal at its discretion.

- *Leadership fund* was created with a \$60 million grant from EHF to help raise up new clergy and lay leaders for the Diocese. This fund may be used to provide financial support to seminarians, prepare lay and clergy for leadership in the Episcopal Church, support programs and initiatives for seminaries related to EDOT, and support for the development of new or better forms of ministry. Spending from the fund is limited to 4% of the average fair market value of the fund for the prior three years. The Board may modify the spending policy, or use a portion of the principal at its discretion.

Grants made are recognized as expense at fair value when the Foundation approves an unconditional commitment to a grant recipient. Commitments made, but not yet funded are reported as grants payable and are discounted to estimate the present value of future cash flows, if material. Conditional grants are subject to one or more barriers that must be overcome before the recipient is entitled to receive or retain funding. Conditional grants are recognized in the same manner when the conditions are met by the recipient.

Functional allocation of expenses – Expenses are reported by their functional classification. Program services are the direct conduct or supervision of activities that fulfill the purposes for which the organization exists. Management and general activities are not directly identifiable with specific program activities. All of the Foundation's expenses are directly attributable to either program activities or management and general.

Estimates – Management must make estimates and assumptions to prepare financial statements in accordance with generally accepted accounting principles. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, the amounts reported as revenue and expenses, and the allocation of expenses among various functions. Actual results could vary from the estimates that were used.

NOTE 2 – LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use within one year of December 31 comprise the following:

	<u>2022</u>	<u>2021</u>
Financial assets:		
Cash	\$ 1,004,292	\$ 1,499,054
Due from other Diocesan operating entities	241,455	39,121
Notes receivable, net	853,556	949,272
Investments	<u>269,663,716</u>	<u>36,020,368</u>
Total financial assets	271,763,019	38,507,815
Less:		
Board-designated funds, less amounts appropriated for expenditure in the coming year	(259,768,478)	(34,741,897)
Notes receivable due in more than one year:		
Church Corporation	(501,695)	(490,789)
Other related entities	<u>(301,661)</u>	<u>(431,383)</u>
Total financial assets available for general expenditure	<u>\$ 11,191,185</u>	<u>\$ 2,843,746</u>

For purposes of analyzing resources available to meet expenditures over a 12-month period, the Foundation considers all expenditures related to its ongoing religious, charitable, and educational activities, as well as the conduct of services undertaken to support those activities, to be general expenditures.

As part of the Foundation's liquidity management, it structures its financial assets to be available as its general expenditures and liabilities become due or as additional funding opportunities are presented. The Foundation's investments are invested for long-term appreciation, but remain available to be spent at the Board's discretion. Generally, 5% of the three-year average value of the Foundation's portfolio is designated by the Board as available to meet general expenditures.

NOTE 3 – NOTES RECEIVABLE

Diocesan operating entities

The Foundation has a note agreement with Church Corporation at an interest rate of 2.5%. The Board of the Foundation has deferred payment on the past due note. The balance includes principal plus accrued interest.

Other related entities

The Foundation provides loans to Diocesan institutions to finance Diocesan projects. Repayment terms and interest rates vary and are flexible to meet the needs of the related entities. Interest rates range from 2.5% to 6.0% and repayment terms require periodic payments of principal and interest over periods ranging from 1 to 15 years.

Notes receivable from related entities consist of the following:

	<u>2022</u>	<u>2021</u>
Notes secured by real and other property	\$ 374,961	\$ 456,137
Unsecured notes receivable	<u>107,237</u>	<u>132,683</u>
Total notes receivable from other related entities	482,198	588,820
Allowance for loan losses	<u>(130,337)</u>	<u>(130,337)</u>
Notes receivable from related entities, net	<u>\$ 351,861</u>	<u>\$ 458,483</u>

NOTE 4 – INVESTMENTS AND INVESTMENT RETURN

Investments consist of a partnership interest in the EH Investment Fund, L.P. (the Fund). The Fund is a Delaware limited partnership that was created on June 1, 2014. HCP EHF Management LLC (General Partner), a U. S. Securities and Exchange Commission registered advisor and wholly owned subsidiary of Hall Capital Partners LLC, is the General Partner to the Fund. There are five limited partners in the Fund, all of which are Diocesan operating entities. As of December 31, 2022, the Foundation had a 17.36% interest in the Fund.

The Fund is a global multi-asset class fund that primarily seeks to increase its net asset value by an amount in excess of inflation (as defined by the Consumer Price Index). The Fund also seeks to maximize investment returns and to reduce portfolio volatility by investing in diversified asset classes and capital markets. The asset classes that the Fund will invest in include global equities (developed and emerging), hedge funds, hybrids, private equity, real assets, fixed-income, and cash and cash equivalents.

At any given time, 20% of the Fund's portfolio assets can be liquidated within a 30-day time period. Redemptions are allowed at the end of each month with 10 days' prior written notice provided that such request does not require the Fund to sell any illiquid investments or incur any penalty. There are no unfunded commitments at December 31, 2022.

The invested assets of the Fund are summarized by investment type as follows:

	<u>2022</u>	<u>2021</u>
Portfolio funds:		
Private equity	27.6%	22.7%
Equity strategies	22.7%	23.1%
Absolute return	13.4%	14.3%
Equity hedge	3.7%	4.6%
Other	0.6%	0.8%
Global stock, fixed-income and hard asset mutual funds	16.1%	17.1%
Marketable securities:		
Common stock	10.7%	12.4%
Depository receipts	0.1%	0.4%
Cash and cash equivalents	<u>5.1%</u>	<u>4.6%</u>
Total	<u>100%</u>	<u>100%</u>

Portfolio fund investments are subject to the terms of the respective portfolio fund's agreements, offering documents and other governing agreements. Additionally, most, if not all, of the portfolio funds in which the Fund invests may restrict both the transferability of the Fund's interest and the Fund's ability to withdraw. Due to these restrictions, investments in certain portfolio funds are viewed as illiquid and subject to liquidity risk.

Investments are exposed to various risks such as interest rate, market and credit risks. Alternative investments such as the Fund include additional risks because of their complex nature and limited regulations resulting in a greater risk of losing invested capital. Such risks include, but are not limited to, limited liquidity, absence of oversight, dependence upon key individuals, emphasis on speculative investments (both derivatives and nonmarketable investments), and nondisclosure of portfolio composition. Because of these risks, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position and statement of activities.

Legal, tax, and regulatory changes could occur during the term of the Foundation's investment in the Fund. The regulatory environment for alternative investment funds is evolving, and changes in the regulation of these funds may adversely affect the value of investments held by the Foundation. The Foundation believes that the effect of any future regulatory change in the Foundation's assets would not materially impact the value.

Investment return consists of the following:

	<u>2022</u>	<u>2021</u>
Partnership income	\$ (21,834,607)	\$ 4,263,531
Mineral royalty income	1,067,012	812,840
Foreign taxes and mineral interests' production expenses	(121,311)	(65,031)
Investment management fees	<u>(48,981)</u>	<u>(27,200)</u>
Net investment return	<u>\$ (20,937,887)</u>	<u>\$ 4,984,140</u>

NOTE 5 – INVESTMENTS AND FAIR VALUE MEASUREMENTS

Generally accepted accounting principles require that certain assets and liabilities be reported at fair value and establish a hierarchy that prioritizes inputs used to measure fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The three levels of the fair value hierarchy are as follows:

- *Level 1* – Inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the reporting date. The types of investments included in Level 1 are securities traded and valued based upon a public exchange.
- *Level 2* – Inputs are quoted prices in nonactive markets or in active markets for similar assets or liabilities, or inputs which are either directly or indirectly observable with observable market data at the reporting date.
- *Level 3* – Inputs are not observable and are based on the reporting entity's assumptions about the inputs market participants would use in pricing the asset or liability.

There are no investments that are categorized as Level 2 or Level 3 investments at December 31, 2022 and 2021. In accordance with Accounting Standards Update 2015-07, *Fair Value Measurements*, investments for which fair value is measured at net asset value per share (or its equivalent) (NAV-PE) using the practical expedient have not been categorized in the fair value hierarchy.

Assets measured at fair value at December 31, 2022 are as follows:

<u>LEVEL 1</u>		<u>NAV- PE</u>	<u>TOTAL</u>
Investments:			
EH Investment Fund, L.P.		\$ 269,583,192	\$ 269,583,192
Money market mutual funds	\$ 80,524		80,524
Total assets measured at fair value	\$ 80,524	\$ 269,583,192	\$ 269,663,716

Assets measured at fair value at December 31, 2021 are as follows:

<u>LEVEL 1</u>		<u>NAV- PE</u>	<u>TOTAL</u>
Investments:			
EH Investment Fund, L.P.		\$ 35,917,799	\$ 35,917,799
Money market mutual funds	\$ 102,569		102,569
Total assets measured at fair value	\$ 102,569	\$ 35,917,799	\$ 36,020,368

Valuation methods used for assets measured at fair value are as follows:

- *EH Investment Fund, L.P.* is valued at the net asset value (or its equivalent) as a practical expedient to report the fair value of the investment. The fair value of the Fund is based on information provided by the General Partner of the Fund. Management takes into consideration consultation with the Fund's investment managers and audited financial statements to determine the overall reasonableness of the recorded value.
- *Mutual funds* are valued at the reported net asset value of shares held at year end.

These valuation methods may produce a fair value that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Foundation believes its valuation methods are appropriate, the use of different methods or assumptions could result in a different fair value measurement at the reporting date.

NOTE 6 – GRANTS PAYABLE

At December 31, 2022, grants approved and committed for future payments are payable as follows:

2023	\$ 2,808,263
2024	81,250
2025	<u>20,000</u>
Total grants payable	<u>\$ 2,909,513</u>

The Foundation has made approximately \$497,000 in conditional grants to Diocesan operating entities and other related entities that are conditioned upon certain events occurring and have not been recognized either as payable or expense at December 31, 2022.

NOTE 7 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 22, 2023, which is the date that the financial statements were available for issuance. As a result of this evaluation, no events were identified that are required to be disclosed or would have a material impact on reported net assets or changes in net assets.

CHURCH CORPORATION

The Protestant Episcopal Church Council of the Diocese of Texas, popularly known as the “Church Corporation,” serves the diocese by providing a vehicle for professional investment management to congregations and institutions throughout the diocese. This vehicle is called the Participating Fund and allows participants to pool their funds with others to achieve economies of scale and quality fiduciary management. Accounts of all sizes are accepted and invested together with the Church Corporation’s own funds in a consolidated investment pool with the other foundations in the diocese.

The Church Corporation also serves the diocese by holding title to property used by churches, day schools, outreach ministries, and other diocesan entities and by administering the Clergy Housing Trust and the Episcopal Housing Trust. The Church Corporation assists these entities in the stewardship of those properties through oversight and advice on planning, maintenance, expansion, and financing in furtherance of their mission. The financial activities of the Church Corporation are summarized in the statements that follow. The seven trustees: Bishop Doyle, The Rev. Sharron Cox, Steve Fallon, The Rev. Sean Steele, Gloria Rose, Jay Hebert, and I were ably assisted in 2023 by Linda R. Mitchell, Assistant Treasurer, David N. Fisher, Assistant Secretary/Treasurer, and Angela Smith, Assistant Secretary.

Questions related to the report or any other matters may be addressed to Mr. David Fisher or the undersigned.

Mark S. Browning, President

Protestant Episcopal Church Council of the Diocese of Texas

**(An Instrumentality of the Protestant
Episcopal Church in the Diocese of Texas)**

Financial Statements
and Independent Auditors' Report
for the years ended December 31, 2022 and 2021

Protestant Episcopal Church Council of the Diocese of Texas
(An Instrumentality of the Protestant Episcopal Church in the Diocese of Texas)

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Independent Auditors' Report

To the Board of Trustees of
Protestant Episcopal Church Council of the Diocese of Texas:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Protestant Episcopal Church Council of the Diocese of Texas (an Instrumentality of the Protestant Episcopal Church in the Diocese of Texas), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities and of cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Protestant Episcopal Church Council of the Diocese of Texas as of December 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Protestant Episcopal Church Council of the Diocese of Texas and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Protestant Episcopal Church Council of the Diocese of Texas' ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and

therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- ☐ Exercise professional judgment and maintain professional skepticism throughout the audit.
- ☐ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Protestant Episcopal Church Council of the Diocese of Texas' internal control. Accordingly, no such opinion is expressed.
- ☐ Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Protestant Episcopal Church Council of the Diocese of Texas' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Blazek & Vetterling

September 29, 2023

Protestant Episcopal Church Council of the Diocese of Texas
(An Instrumentality of the Protestant Episcopal Church in the Diocese of Texas)

Statements of Financial Position as of December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Cash	\$ 1,937,173	\$ 1,810,870
Interest receivable	48,116	65,136
Notes receivable (<i>Note 3</i>):		
Clergy	118,919	145,397
Parishes and schools, net of allowance of \$17,000 in 2022 and 2021	8,000	16,000
Other, net of allowance of \$249,000 in 2022 and 2021	248,880	260,481
Land and buildings held for sale	585,549	585,549
Investments (<i>Notes 4 and 5</i>)	75,407,507	75,801,074
Property, net (<i>Note 6</i>)	<u>9,851,165</u>	<u>9,949,188</u>
TOTAL ASSETS	<u>\$ 88,205,309</u>	<u>\$ 88,633,695</u>
 LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	\$ 368,243	\$ 57,354
Grants payable to other related entities (<i>Note 7</i>)	706,083	1,148,083
Due to Diocesan operating entities	2,532,967	513,931
Funds held for other related entities	35,312,868	30,904,123
Notes payable (<i>Note 8</i>)	<u>6,729,237</u>	<u>6,729,237</u>
Total liabilities	<u>45,649,398</u>	<u>39,352,728</u>
Commitments and contingencies (<i>Note 9</i>)		
Net assets (<i>Note 12</i>):		
Without donor restrictions (<i>Note 10</i>)	18,534,058	22,027,229
With donor restrictions (<i>Note 11</i>)	<u>24,021,853</u>	<u>27,253,738</u>
Total net assets	<u>42,555,911</u>	<u>49,280,967</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 88,205,309</u>	<u>\$ 88,633,695</u>

See accompanying notes to financial statements.

Protestant Episcopal Church Council of the Diocese of Texas
(An Instrumentality of the Protestant Episcopal Church in the Diocese of Texas)

Statement of Activities for the year ended December 31, 2022

WITHOUT DONOR RESTRICTIONS		WITH DONOR RESTRICTIONS	TOTAL
REVENUE:			
Contributions	\$ 199,185	\$ 1,414,114	\$ 1,613,299
Net investment return (<i>Note 4</i>)	(2,700,654)	(3,666,407)	(6,367,061)
Interest on notes receivable	21,395		21,395
Support from Diocesan operating entities	<u>358,056</u>	<u></u>	<u>358,056</u>
Total revenue	(2,122,018)	(2,252,293)	(4,374,311)
Net assets released from restrictions:			
Participating fund distributions	679,592	(679,592)	
Program expenditures	<u>300,000</u>	<u>(300,000)</u>	<u></u>
Total	<u>(1,142,426)</u>	<u>(3,231,885)</u>	<u>(4,374,311)</u>
EXPENSES:			
Program services:			
Grants made:			
Unrelated entities	543,986		543,986
Other related entities	453,696		453,696
Diocesan operating entities	397,432		397,432
Imputed interest on note payable to The Great Commission Foundation (<i>Note 8</i>)	258,056		258,056
Depreciation	98,023		98,023
Repairs and maintenance	32,941		32,941
Interest	<u>10,906</u>	<u></u>	<u>10,906</u>
Total program services	1,795,040		1,795,040
Management and general:			
Diocesan operating entities – administrative services	467,906		467,906
Other	<u>87,799</u>	<u></u>	<u>87,799</u>
Total expenses	<u>2,350,745</u>	<u></u>	<u>2,350,745</u>
CHANGES IN NET ASSETS	(3,493,171)	(3,231,885)	(6,725,056)
Net assets, beginning of year	<u>22,027,229</u>	<u>27,253,738</u>	<u>49,280,967</u>
Net assets, end of year	<u>\$ 18,534,058</u>	<u>\$ 24,021,853</u>	<u>\$ 42,555,911</u>

See accompanying notes to financial statements.

Protestant Episcopal Church Council of the Diocese of Texas
(An Instrumentality of the Protestant Episcopal Church in the Diocese of Texas)

Statement of Activities for the year ended December 31, 2021

WITHOUT DONOR RESTRICTIONS		WITH DONOR RESTRICTIONS	TOTAL
REVENUE:			
Contributions	\$ 96,564	\$ 160,946	\$ 257,510
Net investment return <i>(Note 4)</i>	2,565,598	3,380,629	5,946,227
Interest on notes receivable	75,868		75,868
Support from Diocesan operating entities	<u>276,632</u>	<u></u>	<u>276,632</u>
Total revenue	3,014,662	3,541,575	6,556,237
Net assets released from restrictions:			
Participating fund distributions	832,758	(832,758)	
Program expenditures	<u>200,000</u>	<u>(200,000)</u>	<u></u>
Total	<u>4,047,420</u>	<u>2,508,817</u>	<u>6,556,237</u>
EXPENSES:			
Program services:			
Grants made:			
Unrelated entities	415,525		415,525
Other related entities	3,127,692	3,127,692	
Diocesan operating entities	840,966		840,966
Imputed interest on note payable to The Great Commission Foundation <i>(Note 8)</i>	157,325		157,325
Depreciation	98,023		98,023
Repairs and maintenance	51,560		51,560
Interest	<u>10,906</u>	<u></u>	<u>10,906</u>
Total program services	4,701,997		4,701,997
Management and general:			
Diocesan operating entities – administrative services	428,349		428,349
Other	<u>128,565</u>	<u></u>	<u>128,565</u>
Total expenses	<u>5,258,911</u>	<u></u>	<u>5,258,911</u>
CHANGES IN NET ASSETS	(1,211,491)	2,508,817	1,297,326
Net assets, beginning of year	<u>23,238,720</u>	<u>24,744,921</u>	<u>47,983,641</u>
Net assets, end of year	<u>\$ 22,027,229</u>	<u>\$ 27,253,738</u>	<u>\$ 49,280,967</u>

See accompanying notes to financial statements.

Protestant Episcopal Church Council of the Diocese of Texas
(An Instrumentality of the Protestant Episcopal Church in the Diocese of Texas)

Statements of Cash Flows for the years ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in net assets	\$ (6,725,056)	\$ 1,297,326
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	98,023	98,023
Notes receivable and related interest converted to grants		2,280,493
Net realized and unrealized gain on investments		(132,648)
Partnership income	11,000,765	(9,551,745)
Support from Diocesan operating entities designated for endowment		10,000,000
Changes in operating assets and liabilities:		
Interest receivable	17,020	(52,950)
Accounts payable and accrued expenses	310,889	51,394
Grants payable to other related entities	(442,000)	523,000
Due to Diocesan operating entities	2,019,036	(1,188,031)
Funds held for other related entities	<u>4,408,745</u>	<u>6,385,738</u>
Net cash provided by operating activities	<u>10,687,422</u>	<u>9,710,600</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments received on notes receivable	78,578	51,772
Advances on notes receivable	(32,499)	
Proceeds from sales of investments		175,081
Purchases of investments	(2,233,475)	(10,000,000)
Net change in money market mutual funds held as investments	(8,373,723)	132,314
Purchases of property	<u>(36,961)</u>	<u>(36,961)</u>
Net cash used by investing activities	<u>(10,561,119)</u>	<u>(9,677,794)</u>
NET CHANGE IN CASH	126,303	32,806
Cash, beginning of year	<u>1,810,870</u>	<u>1,778,064</u>
Cash, end of year	<u>\$ 1,937,173</u>	<u>\$ 1,810,870</u>

See accompanying notes to financial statements.

Protestant Episcopal Church Council of the Diocese of Texas
(An Instrumentality of the Protestant Episcopal Church in the Diocese of Texas)

Notes to Financial Statements for the years ended December 31, 2022 and 2021

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization – Protestant Episcopal Church Council of the Diocese of Texas (Church Corporation) is a Texas nonprofit corporation created by the Protestant Episcopal Church in the Diocese of Texas (the Diocese), which was organized in Texas in 1836 and is a part of the Protestant Episcopal Church in the United States of America. The Diocese is an ecclesiastical territory that extends from the Louisiana border to portions of central, eastern, and southeastern Texas. The authority of the Diocese is vested in the Bishop, the Council of the Diocese, and a standing committee.

Church Corporation, created in 1886, is authorized to receive, hold, manage, and administer funds and properties acquired by gift or purchase for the use and benefit of the Diocese and any Diocesan institution. Additionally, it receives, holds, and manages funds held for the use and benefit of any parish or mission in the Diocese. Church Corporation is composed of the following funds:

- *Episcopal Housing Trust* provides residential housing or housing allowances for the Bishops of the Diocese and other clergy on the Diocesan staff.
- *Clergy Housing Trust* assists in providing residential housing loans or housing allowances for clergy canonically residents and engages in full-time work within the Diocese.
- *Diocesan Properties Fund* holds property not being used by a constituent of the Diocese and facilitates the purchase and sale of real property within the Diocese.
- *Participating Funds* is an investment pool managed by Church Corporation. Church Corporation holds and manages portfolios of investments that are comprised of its own assets, as well as custodial assets held on behalf of related parishes and schools and other related Diocesan entities.

Related entities – The Executive Board of the Diocese is composed of the Bishop and fifteen members elected annually by the Council of the Diocese. The Executive Board is responsible for the supervision and direction of Church Corporation and the following related Diocesan operating entities:

- *Episcopal Diocese of Texas (EDOT)* is an operating unit of special accounts used to carry out the ministry of the Diocese and is supported primarily by parish assessments.
- *EDOT Financial Services Corporation* was created to provide human resource, accounting, financial, and investment management services support to the related Diocesan operating entities, as well as administering health benefits for clergy and certain lay employees throughout the Diocese.
- *The Great Commission Foundation (GCF)* was created in 2013 to support missionary and church planting strategies of the Diocese.
- *Episcopal Foundation of Texas (EFT)* was created to hold and administer certain assets for the purpose of providing grants and loans for religious, educational, and charitable purposes to designated entities of the Diocese.
- *The Bishop Quin Foundation (Bishop Quin)* was created in 1943 to commemorate the 25th anniversary of the consecration of the Right Reverend Clinton S. Quin as Bishop. The broad objectives of Bishop Quin include such religious, charitable, and educational activities as determined by the Bishop and the Board of Trustees to be in furtherance of the spiritual and physical welfare of the Diocese.

- *The Episcopal Health Foundation (EHF)* was created in 2013 with proceeds from the transfer of the membership of the St. Luke's Episcopal Health System to an unrelated not-for-profit entity. The focus of EHF is to promote the health and well-being of the 10 million people in the 57 counties of the Episcopal Diocese of Texas.

Church Corporation routinely engages in transactions with Diocesan operating entities and other related entities that are directly or indirectly governed by the Council of the Diocese. Other related entities include parishes, schools, and missions.

Basis of presentation – These financial statements include only the assets, liabilities, net assets and financial activities of Church Corporation. The accompanying financial statements do not include the assets, liabilities, net assets, and financial activities of the other Diocesan operating entities, or other related entities. Each of these related entities is an operating entity distinct from Church Corporation, maintains separate financial records, and administers its own services and programs.

Federal income tax status – Church Corporation is exempt from federal income tax under §501(c)(3) of the Internal Revenue Code as a religious organization and is classified as a public charity under §170(b)(1)(A)(i) under the group exemption of the Protestant Episcopal Church in the United States of America.

Cash concentration – Bank deposits exceed the federally insured limit per depositor per institution.

Notes receivable are reported at estimated net realizable value. Allowances for notes receivable are provided when it is believed they may not be collected in full and are adjusted annually to reflect changes in the expected future cash flows from impaired notes. The amount of bad debt expense recognized each period and the resulting adequacy of the allowance at the end of each period are determined using a specific analysis of each receivable balance. A note receivable is considered impaired when it is probable that Church Corporation will not collect all principal and interest amounts due under the terms of the agreement. No interest is accrued on impaired notes. It is possible that management's estimate regarding the collectability of these balances will change in the near term resulting in a change in the carrying value of receivables.

Land and buildings held for sale are reported at the lower of cost or fair value (net of selling costs).

Investments are reported at fair value. Purchases and sales of investments are reported on a trade-date basis. Realized and unrealized gains and losses on investments are determined by comparison of average costs of acquisitions to proceeds at the time of disposal or stated fair value at the last day on the fiscal year, respectively. Interest and dividends are recognized as earned. Investment return is reported in the statement of activities as an increase in *net assets without donor restrictions* unless the use of the income is limited by donor-imposed restrictions.

Property is reported at cost if purchased and at fair value at the date of gift if donated. Title for all real property acquired or contributed to the Diocese is held by Church Corporation, except for real property whose title is held by EFT, GCF, EHF, and Bishop Quin. These financial statements include only property used for the Diocesan Center, closed parishes, college ministries, and housing for bishops and clergy of the Diocese. Property transferred to Church Corporation by a parish no longer functioning as a church is reported at fair value at the time it is transferred from the congregation. Land and buildings for housing not utilized for Diocesan operations are not depreciated and are reported at cost.

Funds held for other related entities consist of amounts collected on behalf of related entities where Church Corporation acts as a custodial agent in collecting, disbursing, and investing funds. The transactions for these custodial accounts are not reflected as revenue or expenses in the statement of activities.

Net asset classification – Net assets, revenue, gains, and losses are classified based on the existence or absence of donor-imposed restrictions, as follows:

- *Net assets without donor restrictions* are not subject to donor-imposed restrictions even though their use may be limited in other respects such as by contract or board designation.
- *Net assets with donor restrictions* are subject to donor-imposed restrictions. Restrictions may be temporary in nature, such as those that will be met by the passage of time or use for a purpose specified by the donor, or may be perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Net assets are released from restrictions when the stipulated time has elapsed, or purpose has been fulfilled, or both. Donor-restricted endowment earnings are released when those earnings are appropriated in accordance with spending policies and are used for the stipulated purpose.

Contributions are recognized as revenue at fair value when an unconditional commitment is received from the donor. Contributions received with donor stipulations that limit their use are classified as *with donor restrictions*. Conditional contributions are subject to one or more barriers that must be overcome before Church Corporation is entitled to receive or retain funding. Conditional contributions are recognized as revenue at fair value when the conditions have been met. Funding received before conditions are met is reported as refundable advances.

Grants made are recognized as expense at fair value when Church Corporation approves an unconditional commitment to a grant recipient. Conditional grants are recognized in the same manner when the conditions have been met by the recipient. Commitments made but not yet funded are reported as grants payable.

Functional allocation of expenses – Expenses are reported by their functional classification. Program services are the direct conduct or supervision of activities that fulfill the purposes for which the organization exists. Management and general activities are not directly identifiable with specific program activities. All of Church Corporation's expenses are directly attributable to either program activities or management and general activities.

Estimates – Management must make estimates and assumptions to prepare financial statements in accordance with generally accepted accounting principles. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, the amounts reported as revenue and expenses, and the allocation of expenses among various functions. Actual results could vary from the estimates that were used.

NOTE 2 – LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use within one year of December 31 comprise the following:

	<u>2022</u>	<u>2021</u>
Financial assets:		
Cash	\$ 1,937,173	\$ 1,810,870
Interest receivable	48,116	65,136
Notes receivable, net	375,799	421,878
Investments	<u>75,407,507</u>	<u>75,801,074</u>
Total financial assets	77,768,595	78,098,958
Less financial assets not available for general expenditure:		
Donor-restricted and board-designated endowments, less amounts appropriated for expenditure	(37,318,126)	(43,486,952)
Funds held for related entities	(35,312,868)	(30,904,123)
Notes receivable due in more than one year	(297,221)	(370,107)
Other donor-restricted assets subject to satisfaction of restriction	<u>(650,232)</u>	<u>(650,232)</u>
Total financial assets available for general expenditure	<u>\$ 4,190,148</u>	<u>\$ 2,687,544</u>

For purposes of analyzing resources available to meet general expenditures over a 12-month period, Church Corporation considers all expenditures related to its ongoing program activities, as well as the conduct of services undertaken to support those activities, to be general expenditures. As part of Church Corporation's liquidity management, it structures its financial assets to be available as its general expenditures and liabilities become due or as additional funding opportunities are presented.

Church Corporation's assets are invested for long-term appreciation and current income, but the Board of Trustees (the Board) has designated a portion of its resources without donor restrictions as board-designated for endowment to be spent at the Board's discretion. Church Corporation's spending policy provides for an annual spending rate not to exceed 3% of the board-designated and donor-restricted endowment average market value of investments over the prior three years as of December 31 preceding the fiscal year in which the distribution is planned. This policy acknowledges the potential for additional withdrawals to fund ministry needs with approval from the Board.

NOTE 3 – NOTES RECEIVABLE

Church Corporation provides housing loans to bishops of the Diocese, clergy on Diocesan staff, and clergy working within the Diocese. Interest rates range from 5% to 6% and repayment terms require periodic payments of principal and interest over periods ranging through 2038. These notes receivable are secured by land and houses. Additionally, Church Corporation provides property loans to parishes and missions within the Diocese. Church Corporation holds title to these properties. Interest rates range from 0% to 6.0% and repayment terms require periodic payments of principal and interest over periods ranging through 2023.

Notes receivable from others are from two external organizations for the purchase of property with interest rates ranging from 2.5% to 7.25%. Payment terms require periodic payments of principal and interest. The notes are secured by land and buildings.

NOTE 4 – INVESTMENTS AND INVESTMENT RETURN

Investments consist of the following:

	<u>2022</u>	<u>2021</u>
Investment in EH Investment Fund, L.P.	\$ 64,984,908	\$ 73,985,673
Money market mutual funds	10,189,124	1,815,401
Balanced fund	<u>233,475</u>	<u></u>
Total investments	<u>\$ 75,407,507</u>	<u>\$ 75,801,074</u>

EH Investment Fund, L.P. (the Fund) is a Delaware limited partnership that was created on June 1, 2014. HCP EHF Management LLC (General Partner), a U. S. Securities and Exchange Commission registered advisor and wholly-owned subsidiary of Hall Capital Partners LLC, is the General Partner to the Fund. There are five limited partners in the Fund, all of which are Diocesan operating entities. As of December 31, 2022, Church Corporation has a 4.18% interest in the Fund. The Fund is a global multi- asset class fund that primarily seeks to increase its net asset value by an amount in excess of inflation (as defined by the Consumer Price Index). The Fund also seeks to maximize investment returns and to reduce portfolio volatility by investing in diversified asset classes and capital markets. The asset classes that the Fund will invest in include global equities (developed and emerging), hedge funds, hybrids, private equity, real assets, fixed-income, and cash and cash equivalents. At any given time, 20% of the Fund's portfolio assets can be liquidated within a 30-day time period. Redemptions are allowed at the end of each month with 10 days' prior written notice provided that such request does not require the Fund to sell any illiquid investments or incur any penalty. There are no unfunded commitments at December 31, 2022.

The invested assets of the Fund at December 31 are summarized by investment type as follows:

	<u>2022</u>	<u>2021</u>
Portfolio funds:		
Private equity	27.6%	22.7%
Equity strategies	22.7%	23.1%
Absolute return	13.4%	14.3%
Equity hedge	3.7%	4.6%
Other	0.6%	0.8%
Global stock, fixed-income and hard asset mutual funds	16.1%	17.1%
Marketable securities:		
Common stock	10.7%	12.4%
Depository receipts	0.1%	0.4%
Cash and cash equivalents	<u>5.1%</u>	<u>4.6%</u>
Total	<u>100%</u>	<u>100%</u>

Portfolio fund investments are subject to the terms of the respective portfolio fund's agreements, offering documents and other governing agreements. Additionally, most, if not all, of the portfolio funds in which the Fund invests may restrict both the transferability of the Fund's interest and the Fund's ability to withdraw. Due to these restrictions, investments in certain portfolio funds are viewed as illiquid and subject to liquidity risk.

Investments are exposed to various risks such as interest rate, market and credit risks. In addition to risks associated with other investments, alternative investments in securities other than stocks and bonds include additional risks because of their complex nature and limited regulations resulting in a greater risk of losing invested capital. Such risks include, but are not limited to, limited liquidity, absence of oversight, dependence upon key individuals, emphasis on speculative investments (both derivatives and nonmarketable investments), and nondisclosure of portfolio composition. Because of these risks, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position and statement of activities.

Legal, tax, and regulatory changes could occur during the term of Church Corporation's investment in the Fund. The regulatory environment for alternative investment funds is evolving, and changes in the regulation of these funds may adversely affect the value of investments held by Church Corporation. Church Corporation believes that the effect of any future regulatory change in its assets would not materially impact the value.

Investment return consists of the following:

	<u>2022</u>	<u>2021</u>
Partnership income	\$(11,000,765)	\$ 9,551,745
Interest and dividends	12,171	162
Net realized and unrealized gain		132,648
Investment management and custodial fees	<u>(30,000)</u>	<u>(30,000)</u>
Total investment return	(11,018,594)	9,654,555
Less: Investment return allocated to funds held for related entities	<u>4,651,533</u>	<u>(3,708,328)</u>
Net investment return	<u>\$ (6,367,061)</u>	<u>\$ 5,946,227</u>

NOTE 5 – INVESTMENTS AND FAIR VALUE

Generally accepted accounting principles require that certain assets and liabilities be reported at fair value and establish a hierarchy that prioritizes inputs used to measure fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The three levels of the fair value hierarchy are as follows:

- *Level 1* – Inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the reporting date. The types of investments included in Level 1 are securities traded and valued based upon a public exchange.
- *Level 2* – Inputs are quoted prices in nonactive markets or in active markets for similar assets or liabilities, or inputs which are either directly or indirectly observable with observable market data at the reporting date. Level 2 investments are priced by independent, industry recognized vendors contracted by Church Corporation's custodian or independent appraisals.
- *Level 3* – Inputs are not observable and are based on the reporting entity's assumptions about the inputs market participants would use in pricing the asset or liability. Inputs are unobservable for the asset and include situations where there is little, if any, market activity for the investment.

In accordance with Accounting Standards Update 2015-07, *Fair Value Measurements*, investments for which fair value is measured at net asset value per share (or its equivalent) (NAV-PE) using the practical expedient have not been categorized in the fair value hierarchy. There are no investments categorized as Level 2 or Level 3 investments at December 31, 2022 and 2021.

Assets measured at fair value at December 31, 2022 are as follows:

<u>LEVEL 1</u>		<u>NAV- PE</u>	<u>TOTAL</u>
Investments:			
EH Investment Fund, L.P.		\$ 64,984,908	\$ 64,984,908
Money market mutual funds	\$ 10,189,124		10,189,124
Balanced fund	<u>233,475</u>		<u>233,475</u>
Total assets measured at fair value	<u>\$ 10,422,599</u>	<u>\$ 64,984,908</u>	<u>\$ 75,407,507</u>

Assets measured at fair value at December 31, 2021 are as follows:

<u>LEVEL 1</u>		<u>NAV- PE</u>	<u>TOTAL</u>
Investments:			
EH Investment Fund, L.P.		\$ 73,985,673	\$ 73,985,673
Money market mutual funds	\$ <u>1,815,401</u>		<u>1,815,401</u>
Total assets measured at fair value	<u>\$ 1,815,401</u>	<u>\$ 73,985,673</u>	<u>\$ 75,801,074</u>

Valuation methods used for assets measured at fair value are as follows:

- *EH Investment Fund, L.P.* is valued at the net asset value (or its equivalent) as a practical expedient to report the fair value of the investment. The fair value of the Fund is based on information provided by the General Partner of the Fund. Management takes into consideration consultation with the Fund's investment managers and audited financial statements to determine the overall reasonableness of the recorded value.
- *Mutual funds* and the *balanced fund* are valued at the reported net asset value.

These valuation methods may produce a fair value that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while Church Corporation believes its valuation methods are appropriate, the use of different methods or assumptions could result in a different fair value measurement at the reporting date.

NOTE 6 – PROPERTY

Property consists of the following:

	<u>2022</u>	<u>2021</u>
Buildings used in ministry:		
Diocesan Center	\$ 3,436,640	\$ 3,436,640
Other ministries	<u>434,100</u>	<u>434,100</u>
Total depreciable assets	3,870,740	3,870,740
Less: Accumulated depreciation	<u>(1,830,964)</u>	<u>(1,732,941)</u>
Net depreciable assets	2,039,776	2,137,799
Land used for ministry:		
Diocesan Center	2,220,000	2,220,000
Other ministries	101,470	101,470
Land and buildings held for anticipated future parish or school use	1,531,105	1,531,105
Land and buildings – Diocesan clergy housing	<u>3,958,814</u>	<u>3,958,814</u>
Property, net	<u>\$ 9,851,165</u>	<u>\$ 9,949,188</u>

NOTE 7 – GRANTS PAYABLE

At December 31, 2022, grants approved and committed for future payments are payable as follows:

2023	\$ 606,083
2024	<u>100,000</u>
Total grants payable	<u>\$ 706,083</u>

NOTE 8 – NOTES PAYABLE

Notes payable consist of the following:

	<u>2022</u>	<u>2021</u>
Non-interest bearing note payable to GCF.	\$ 6,293,007	\$ 6,293,007
Note payable to Bishop Quin with interest only at rate of 2.5%.	<u>436,230</u>	<u>436,230</u>
Total notes payable	<u>\$ 6,729,237</u>	<u>\$ 6,729,237</u>

The note payable to GCF is to be repaid from the net proceeds of land and buildings that are no longer being used as church sites. At December 31, 2022, land and buildings reported at approximately \$586,000 are being marketed for sale. The note payable to Bishop Quin of \$436,230 is interest only until the remaining principal is due in June 2023.

Interest expense for the years ended December 31, 2022 and 2021 was approximately \$269,000 and \$168,000, respectively. The 2022 and 2021 amounts include imputed interest at a rate of approximately 4.1% and 2.5%, respectively, totaling \$258,000 and \$157,000 related to the non-interest bearing note payable to GCF, respectively.

NOTE 9 – COMMITMENTS AND CONTINGENCIES

Church Corporation, and its related Diocesan operating entities, purchase professional and general liability insurance to cover losses that may result from asserted claims, as well as claims from unknown incidents that may be asserted in the future. Management does not expect such losses to have a material adverse effect on the financial position of Church Corporation.

Church Corporation is the guarantor on a \$1,000,000 line of credit for the Diocese. At December 31, 2022, there is no outstanding balance on this line of credit. Additionally, Church Corporation assists related entities such as parishes and schools in obtaining construction loans and acts as a guarantor on approximately \$237,000 of such loans with loan maturities through 2027.

NOTE 10 – NET ASSETS WITHOUT DONOR RESTRICTIONS

Net assets without donor restrictions are comprised of the following:

	<u>2022</u>	<u>2021</u>
Diocesan Properties Fund	\$ 2,399,261	\$ 2,640,489
Board-designated endowment:		
Disaster relief	9,721,301	11,322,750
Ethel J. Ogden – unrestricted	2,327,011	3,193,267
The Joseph and John Talbot Fund for Racial Reconciliation	2,121,347	2,477,506
The Henrietta Wells Fund for Racial Reconciliation	995,304	1,287,342
Other	327,913	331,150
Clergy Housing Trust	294,710	380,667
Episcopal Housing Trust	<u>347,211</u>	<u>394,058</u>
Total net assets without donor restrictions	<u>\$ 18,534,058</u>	<u>\$ 22,027,229</u>

NOTE 11 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted as follows:

	<u>2022</u>	<u>2021</u>
Subject to expenditure for specified purpose:		
Church growth and expansion (We Are One Campaign)	\$ 650,232	\$ 650,232
Congregational leaders – racial injustice and inequality	<u>300,000</u>	<u>600,000</u>
Total subject to expenditure for specified purpose	<u>950,232</u>	<u>1,250,232</u>
Endowments subject to spending policy and appropriation:		
Joan Golden Estate for support of abused children	6,063,606	7,362,207
Elise Casey Episcopal Trust for senior adult support	4,596,095	5,557,727
Robert Maxey Episcopal Bequest benefits All Saints Chapel, Austin and St. David's Church, Austin	3,270,162	3,901,220
Ethel J. Ogden Restricted Episcopal Trust for youth education	2,613,723	2,501,305
Bishop's Leadership Council Endowment benefits – EHF	1,244,390	1,453,015
John A. Logan, Jr. Clergy fund for continuing education	945,820	
Episcopal Endowment Fund for bishop support	594,897	722,948
Valda McWhirter Estate – Scholarship for St. Alban's, Waco	483,225	584,664
Wallace O. Breedlove Family Fund for missions	463,189	540,841
Elma Robertson Estate for family support	375,928	449,700
Ralph Spence Clergy Spouses Fund	337,266	413,569
Bishop Kinsolving Memorial Scholarship Fund	260,218	376,394
The Reverend William David Roberts Memorial Fund for Iona School	241,632	282,143
Wimberly Legacy Fund	231,580	270,406
Kathy Wheless Memorial Scholarship Fund	215,288	251,385
SLEHC 15th Anniversary Endowment benefits – EHF	211,601	247,072
Valda McWhirter Estate – Scholarship for St. Alban's, Waco	205,709	240,195
Cynthia M. Hess Fund benefits – St. Cyprian's Church	160,368	187,251
Francis Emmett Stevens Fund for needs of the impoverished	143,011	166,984
Diocesan Scholarship Fund for nursing	104,389	121,883
Other	<u>309,524</u>	<u>372,597</u>
Total endowments	<u>23,071,621</u>	<u>26,003,506</u>
Total net assets with donor restrictions	<u>\$ 24,021,853</u>	<u>\$ 27,253,738</u>

NOTE 12 – ENDOWMENT FUNDS

Participating Funds of Church Corporation include approximately 40 individual funds that were established for a variety of purposes. Endowment assets include those assets of donor-restricted funds that Church Corporation must hold in perpetuity or for a donor-specified period, as well as board- designated funds.

Endowment net asset composition as of December 31, 2022:

ORIGINAL GIFTS	WITH DONOR RESTRICTIONS			
	BOARD- DESIGNATED ENDOWMENT	AND ACCUMULATED NET INVESTMENT RETURN	REQUIRED TO BE MAINTAINED IN PERPETUITY	TOTAL
Donor-restricted endowment funds		\$17,409,678	\$ 5,661,943	\$23,071,621
Board-designated endowment funds	<u>\$15,492,876</u>			<u>15,492,876</u>
Endowment net assets	<u>\$15,492,876</u>	<u>\$17,409,678</u>	<u>\$ 5,661,943</u>	<u>\$38,564,497</u>

Endowment net asset composition as of December 31, 2021:

ORIGINAL GIFTS	WITH DONOR RESTRICTIONS			
	BOARD- DESIGNATED ENDOWMENT	AND ACCUMULATED NET INVESTMENT RETURN	REQUIRED TO BE MAINTAINED IN PERPETUITY	TOTAL
Donor-restricted endowment funds		\$20,715,811	\$ 5,287,695	\$26,003,506
Board-designated endowment funds	<u>\$18,612,015</u>			<u>18,612,015</u>
Endowment net assets	<u>\$18,612,015</u>	<u>\$20,715,811</u>	<u>\$ 5,287,695</u>	<u>\$44,615,521</u>

Changes in endowment net assets are as follows:

ORIGINAL GIFTS	WITH DONOR RESTRICTIONS			
	BOARD- DESIGNATED ENDOWMENT	AND ACCUMULATED NET INVESTMENT RETURN	REQUIRED TO BE MAINTAINED IN PERPETUITY	TOTAL
Endowment net assets, December 31, 2020	<u>\$17,363,285</u>	<u>\$18,553,917</u>	<u>\$ 4,740,772</u>	<u>\$40,657,974</u>
Contributions and related support	97,233	160,946		258,179
Net investment return	2,565,598	2,833,706	546,923	5,946,227
Distribution to fund operations		(108,000)		(108,000)
Other administrative costs	(46,247)	(107,801)		(154,048)
Distributions	<u>(1,367,854)</u>	<u>(616,957)</u>		<u>(1,984,811)</u>
Endowment net assets, December 31, 2021	<u>18,612,015</u>	<u>20,715,811</u>	<u>5,287,695</u>	<u>44,615,521</u>
Contributions and related support	80,200	414,115	1,000,000	1,494,315
Transfer		28,062	(28,062)	
Net investment return	(2,700,654)	(3,068,717)	(597,690)	(6,367,061)
Other administrative costs	(28,578)	(49,878)		(78,456)
Distributions	<u>(470,107)</u>	<u>(629,715)</u>		<u>(1,099,822)</u>
Endowment net assets, December 31, 2022	<u>\$15,492,876</u>	<u>\$17,409,678</u>	<u>\$ 5,661,943</u>	<u>\$38,564,497</u>

Church Corporation's funds include both donor-restricted endowment funds and funds designated by the Board to function as endowments. Donor-restricted endowment funds are subject to the Texas Uniform Prudent Management of Institutional Funds Act (TUPMIFA). The Board has interpreted TUPMIFA as allowing Church Corporation to appropriate for expenditure or accumulate as much of a fund as it determines is prudent for the uses, benefits, purposes, and duration for which the endowment fund was established, subject to explicit donor stipulations.

Donor-restricted endowment net assets are classified as *net assets with donor restrictions* until appropriated in accordance with spending policies and used for the stipulated purpose, if any. In the absence of explicit donor stipulations otherwise, Church Corporation classifies contributions to an endowment as *net assets with donor restrictions* required to be maintained in perpetuity. Contributions that donors have specified do not have to be maintained in perpetuity and unappropriated investment earnings on donor-restricted endowments are classified as *net assets with donor restrictions*. The Board has interpreted TUPMIFA as not precluding Church Corporation from spending below the amount required to be maintained in perpetuity subject to prudent standards. An endowment fund is *underwater* if the fair value of the fund's investments falls below the amount required to be maintained in perpetuity because of declines in the fair value of investments and/or continued appropriation and spending in accordance with prudent measures.

Board-designated endowment funds are classified as *net assets without donor restrictions* and represents funds the Board has internally designated to be invested to provide support for the Diocese generally for a long term, but not necessarily a specified period of time. The Board retains discretion over the use of these funds.

Return Objectives and Investment Strategies

Church Corporation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs and entities supported by its endowments while seeking to maintain the purchasing power of the endowment assets. Under this policy, as approved by the Board, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of a portfolio that is invested 60% in the S&P 500 Index and 40% in the Barclays Intermediate Bond Index while assuming a moderate level of investment risk. Church Corporation expects its endowment funds, over time, to provide an average rate-of-return of approximately 5% annually. Actual returns in any given year may vary from this amount.

To satisfy its long-term rate-of-return objectives, Church Corporation relies on a total return strategy in which investment return is achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). Church Corporation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy

Church Corporation has a policy of not appropriating more than 3% of the Participating Funds' average market value over the prior three years as of December 31 preceding the fiscal year in which the distribution is planned. In establishing this policy, Church Corporation considered the long-term expected return and the effects of inflation on its endowments. Accordingly, over the long term, Church Corporation expects the current spending policy to allow its endowment to grow at an average rate of 2% annually. This is consistent with Church Corporation's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term, as well as to provide additional real growth through new gifts and investment return. From time to time, the fair value of assets associated with

individual donor-restricted endowment funds may fall below the level that the donor or TUPMIFA requires Church Corporation to retain the fund as a fund of perpetual duration. In accordance with generally accepted accounting principles, deficiencies of this nature are reported in *net assets with donor restrictions*. There were no fund deficiencies at December 31, 2022 or 2021.

NOTE 13 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through September 29, 2023, which is the date that the financial statements were available for issuance. As a result of this evaluation, no events were identified that are required to be disclosed or would have a material impact on reported net assets or changes in net assets.

EPISCOPAL FOUNDATION OF TEXAS

The Episcopal Foundation of Texas predominantly supports institutions of the Diocese of Texas.

The assets of the Episcopal Foundation of Texas were valued at \$83.8 million as of December 31, 2022. This foundation's investment portfolio is invested with the other foundations of the diocese in a consolidated investment pool, over which the Diocesan Investment Committee has oversight.

Below are its 2023 grants:

St. Vincent's House	\$ 500,000
El Buen Samaritano	500,000
Seminary of the Southwest	1,253,334
Camp Allen	310,500
Bishop Quin Foundation	1,325,640
Bishop Quin Foundation Strategic Mission Grants	234,965
Sewanee – University of the South	200,000
Tithe Grants	<u>516,400</u>
Total	\$4,840,839

In 2023, The Episcopal Foundation of Texas was pleased to co-fund the Strategic Mission Grant program. These grants are awarded to congregations with compelling projects that engage with their surrounding communities. There is a dedicated website that provides information on how to apply, video examples of previously funded projects, and other information: www.smgedot.org

Again this year, the Episcopal Foundation of Texas used ten percent of its gross income to issue tithe grants. These grants are made to entities, located anywhere in the world, that are not a part of the Episcopal Diocese of Texas.

The accounting firm of Blazek & Vetterling LLP has completed auditing the Episcopal Foundation of Texas for the year 2022. There were no significant changes recommended in our accounting procedures.

Bruce McDonald, President

Episcopal Foundation of Texas
(An Instrumentality of the Protestant
Episcopal Church in the Diocese of Texas)
Financial Statements
and Independent Auditors' Report
for the years ended December 31, 2022 and 2021

Episcopal Foundation of Texas
(An Instrumentality of the Protestant Episcopal Church in the Diocese of Texas)

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Independent Auditors' Report

To the Board of Trustees of
Episcopal Foundation of Texas:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Episcopal Foundation of Texas (an Instrumentality of the Protestant Episcopal Church in the Diocese of Texas), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities and of cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Episcopal Foundation of Texas as of December 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Episcopal Foundation of Texas and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Episcopal Foundation of Texas' ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and

therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Episcopal Foundation of Texas' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Episcopal Foundation of Texas' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Blazek & Vetterling

June 22, 2023

Episcopal Foundation of Texas
(An Instrumentality of the Protestant Episcopal Church in the Diocese of Texas)

Statements of Financial Position as of December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Cash	\$ 378,614	\$ 220,314
Investment income receivable	4,430,237	326,902
Due from other Diocesan operating entities	2,538,093	2,998,273
Investments (<i>Notes 3 and 4</i>)	76,159,539	91,734,917
Operating right-of-use asset, net (<i>Note 5</i>)	294,414	370,774
Land held for future missions	<u>64,506</u>	<u>64,506</u>
TOTAL ASSETS	<u>\$ 83,865,403</u>	<u>\$ 95,715,686</u>
 LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	\$ 19,096	
Grants payable (<i>Note 6</i>):		
Diocesan operating entities	3,678,437	\$ 1,383,515
Other related entities, net	5,745,031	1,436,696
Unrelated entities	<u>77,000</u>	<u>77,000</u>
Total liabilities	<u>9,442,564</u>	<u>2,897,211</u>
Net assets without donor restrictions:		
Coffield income fund	(6,540,197)	(978,757)
Coffield principal fund	80,596,691	93,340,778
Memorial fund	<u>366,345</u>	<u>456,454</u>
Total net assets without donor restrictions	<u>74,422,839</u>	<u>92,818,475</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 83,865,403</u>	<u>\$ 95,715,686</u>

See accompanying notes to financial statements.

Episcopal Foundation of Texas
(An Instrumentality of the Protestant Episcopal Church in the Diocese of Texas)

Statements of Activities for the years ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
REVENUE:		
Net investment return (<i>Note 3</i>)	\$ (6,805,232)	\$ 16,444,816
Rent income from Diocesan operating entities (<i>Note 5</i>)	59,616	59,616
Other income	<u>18,000</u>	<u>3,155</u>
Total revenue	<u>(6,727,616)</u>	<u>16,507,587</u>
EXPENSES:		
Grants to Diocesan operating entities	3,657,503	876,800
Grants to other related entities	6,987,113	1,704,623
Grants to unrelated entities	<u>390,000</u>	<u>287,600</u>
Total program grants	<u>11,034,616</u>	<u>2,869,023</u>
Supporting services:		
Diocesan operating entities – administrative services	487,395	453,761
Amortization of right-of-use assets	76,360	76,360
Other administrative	<u>69,649</u>	<u>36,106</u>
Total supporting services	<u>633,404</u>	<u>566,227</u>
Total expenses	<u>11,668,020</u>	<u>3,435,250</u>
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS	(18,395,636)	13,072,337
Net assets without donor restrictions, beginning of year	<u>92,818,475</u>	<u>79,746,138</u>
Net assets without donor restrictions, end of year	<u>\$ 74,422,839</u>	<u>\$ 92,818,475</u>

See accompanying notes to financial statements.

Episcopal Foundation of Texas
(An Instrumentality of the Protestant Episcopal Church in the Diocese of Texas)

Statements of Cash Flows for the years ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in net assets without donor restrictions	\$(18,395,636)	\$ 13,072,337
Adjustments to reconcile changes in net assets without donor restrictions to net cash used by operating activities:		
Partnership (income) loss	12,292,128	(13,435,367)
Amortization of right-of-use assets	76,360	76,360
Changes in operating assets and liabilities:		
Investment income receivable	(4,103,335)	19,266
Due from other Diocesan operating entities	460,180	1,421,669
Accounts payable and accrued expenses	19,096	(1,281)
Grants payable	<u>6,526,257</u>	<u>(11,506,972)</u>
Net cash used by operating activities	<u>(3,124,950)</u>	<u>(10,353,988)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Distributions from partnerships	1,303,745	14,178,059
Capital investments in partnerships	(657,500)	(893,000)
Change in money market mutual funds held as investments	<u>2,637,005</u>	<u>(3,553,242)</u>
Net cash provided by investing activities	<u>3,283,250</u>	<u>9,731,817</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	158,300	(622,171)
Cash and cash equivalents, beginning of year	<u>220,314</u>	<u>842,485</u>
Cash and cash equivalents, end of year	<u>\$ 378,614</u>	<u>\$ 220,314</u>

See accompanying notes to financial statements.

Episcopal Foundation of Texas
(An Instrumentality of the Protestant Episcopal Church in the Diocese of Texas)

Notes to Financial Statements for the years ended December 31, 2022 and 2021

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization – Episcopal Foundation of Texas (the Foundation), a Texas nonprofit corporation, is an instrumentality of the Protestant Episcopal Church in the Diocese of Texas (the Diocese). The organization of the Foundation is set forth in Title V, Canon 9, as amended, of the Constitution and Canons of the Diocese. The Diocese is an ecclesiastical territory that extends from the Louisiana border to portions of central, eastern, and southeastern Texas. The authority of the Diocese is vested in the Bishop, the Council of the Diocese, and a standing committee. The Foundation was designated by the Diocese to hold and administer certain assets for the purpose of providing grants and loans for religious, educational, and charitable purposes to eight specific entities connected with the Diocese as established by Canon. The Foundation is governed by a Board of Trustees that is elected by the Council of the Diocese upon nomination of the Diocesan Bishop.

Related entities – The Executive Board (the Board) of the Diocese is composed of the Bishop and fifteen members elected annually by the Council of the Diocese. Pursuant to various Canons, the Board has certain oversight responsibilities relating to the affairs of the Foundation and the following related Diocesan operating entities:

- *Episcopal Diocese of Texas (EDOT)* is an operating unit of special accounts used to carry out the ministry of the Diocese and is supported primarily by parish assessments.
- *EDOT Financial Services Corporation* was created to provide human resource, accounting, financial and investment management services support to the related Diocesan operating entities, as well as administering health benefits for clergy and certain lay employees throughout the Diocese.
- *Protestant Episcopal Church Council of the Diocese of Texas (Church Corporation)* receives, holds, manages, and administers funds and properties acquired by gift or purchase for the use and benefit of the Diocese and any Diocesan institution. Additionally, it may also receive, hold, and manage funds held for the use and benefit of any parish or mission in the Diocese.
- *The Great Commission Foundation (GCF)* was created in 2013 to support missionary and church planting strategies of the Diocese.
- *The Bishop Quin Foundation (Bishop Quin)* was created in 1943 to commemorate the 25th anniversary of the consecration of the Right Reverend Clinton S. Quin as Bishop. The broad objectives of Bishop Quin include such religious, charitable, and educational activities as determined by the Bishop and the Board of Trustees to be in furtherance of the spiritual and physical welfare of the Diocese.
- *The Episcopal Health Foundation (EHF)* was created in 2013 with proceeds from the transfer of the membership of the St. Luke's Episcopal Health System to an unrelated not-for-profit entity. The focus of EHF is to promote the health and well-being of the 10 million people in the 57 counties of EDOT.

The Foundation routinely engages in transactions with Diocesan operating entities and other related entities that are directly or indirectly governed by the Council of the Diocese. Other related entities include parishes, schools, and missions.

Basis of presentation – These financial statements include only the assets, liabilities, net assets, and activities of the Foundation. The accompanying financial statements do not include the assets, liabilities, net assets, and activities of the related Diocesan operating entities and other related entities. Each of these related entities is an operating entity distinct from the Foundation, maintains separate financial records, and administers its own services and programs.

Federal income tax status – The Foundation is exempt from federal income tax under §501(c)(3) of the Internal Revenue Code as a religious organization and is classified as a public charity under §170(b)(1)(A)(i) under the group exemption of the Protestant Episcopal Church in the United States of America.

Cash concentration – Bank deposits exceed the federally insured limit per depositor per institution.

Investments are reported at fair value, except mineral rights, which are valued at cost less depletion and are fully depleted. Investment return is reported in the statement of activities as an increase in *net assets without donor restrictions* unless the use of the income is limited by donor-imposed restrictions.

Property with a cost of \$500 or more and an estimated useful life of more than one year is capitalized and reported at cost, if purchased, or at fair value at the date of gift if donated. Depreciation is provided on a straight-line basis over the life of the associated lease for periods of 5 to 20 years.

Net asset classification – Net assets, revenue, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. *Net assets without donor restrictions* are not subject to donor-imposed restrictions even though their use may be limited in other respects such as by contract or board designation. The Board has designated net assets without donor restrictions for the following purposes:

- *Coffield income fund* is designated to support the operating costs of the Foundation, as well as for gifts, grants and loans to eight entities designated by Canon and other charitable trusts, nonprofit organizations and national organizations affiliated with the Protestant Episcopal Church in the United States of America and other Anglican and charitable organizations throughout the world.
- *Coffield principal fund* is comprised of all assets received from the Estate of H. H. Coffield, net of investment gains and losses and net oil and gas and lignite royalties. These funds are designated for loans to Bishop Quin and for gifts, grants, loans, or advances for the purpose of establishing memorials to H. H. Coffield. By the Board's action, income transfers are made from the principal fund to the income fund based on a percentage of the average fair market value of the fund for the prior twelve months. The percentage used in this calculation was 4% for both 2022 and 2021. In addition, the Board has elected to transfer one-half of the annual net oil and gas royalties from the principal fund to the income fund.
- *Memorial fund* is comprised of assets other than those received from the Estate of H. H. Coffield and income from this fund is to be used to support seminarians, clergy and other charitable entities within the Diocese.

Grants made are recognized as expense at fair value when the Foundation approves an unconditional commitment to a grant recipient. Commitments made, but not yet funded are reported as grants payable and are discounted to estimate the present value of future cash flows, if material. Conditional grants are subject to one or more barriers that must be overcome before the recipient is entitled to receive or retain funding. Conditional grants are recognized in the same manner when the conditions are met by the recipient.

Functional allocation of expenses – Expenses are reported by their functional classification. Program services are the direct conduct or supervision of activities that fulfill the purposes for which the organization exists. Management and general activities are not directly identifiable with specific program activities. All of the Foundation’s expenses are directly attributable to either program activities or management and general.

Estimates – Management must make estimates and assumptions to prepare financial statements in accordance with generally accepted accounting principles. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, the amounts of reported revenue and expenses, and the allocation of expenses among various functions. Actual results could vary from the estimates that were used.

NOTE 2 – LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use within one year of December 31 comprise the following:

	<u>2022</u>	<u>2021</u>
Financial assets:		
Cash and cash equivalents	\$ 378,614	\$ 220,314
Investment income receivable	4,430,237	326,902
Due from other Diocesan operating entities	2,538,093	2,998,273
Investments	<u>76,159,539</u>	<u>91,734,917</u>
Total financial assets	83,506,483	95,280,406
Less financial assets not available for general expenditure in the coming year (based upon 4% approval for expenditures in 2022 and 2021)	<u>(82,182,910)</u>	<u>(90,057,291)</u>
Total financial assets available for general expenditure	<u>\$ 1,323,573</u>	<u>\$ 5,223,115</u>

For purposes of analyzing resources available to meet expenditures over a 12-month period, the Foundation considers all expenditures related to its ongoing activities of providing grants and loans to eight specific entities as established by Canon, as well as the conduct of services undertaken to support those activities, to be general expenditures.

As part of the Foundation’s liquidity management, it structures its financial assets to be available as general expenditures and liabilities become due or as additional funding opportunities are presented by maintaining a significant portion of its assets in mutual funds. All operating cash is held by EDOT Financial Services Corporation on behalf of the Foundation.

The Foundation’s investments are invested for long-term appreciation, but remain available to be spent at the Board’s discretion. By the Board’s action, income transfers are made from the principal to the income fund. Generally, 4% of the three-year average value of the Foundation’s portfolio is designated by the Board as available to meet general expenditures.

NOTE 3 – INVESTMENTS AND INVESTMENT RETURN

Investments consist of the following:

	<u>2022</u>	<u>2021</u>
EH Investment Fund, L.P.	\$ 64,469,757	\$ 75,788,300
Private equity partnerships	10,458,096	12,077,926
Money market mutual funds	<u>1,231,686</u>	<u>3,868,691</u>
Total investments	<u>\$ 76,159,539</u>	<u>\$ 91,734,917</u>

EH Investment Fund, L.P.

EH Investment Fund, L.P. (the Fund) is a Delaware limited partnership that was created on June 1, 2014. HCP EHF Management LLC (General Partner), a U. S. Securities and Exchange Commission registered advisor and wholly-owned subsidiary of Hall Capital Partners LLC, is the General Partner to the Fund. There are five limited partners in the Fund all of which are Diocesan operating entities. As of December 31, 2022, the Foundation had a 4.2% interest in the Fund.

The Fund is a global multi-asset class fund that primarily seeks to increase its net asset value by an amount in excess of inflation (as defined by the Consumer Price Index). The Fund also seeks to maximize investment returns and to reduce portfolio volatility by investing in diversified asset classes and capital markets. The asset classes that the Fund invests in include global equities (developed and emerging), hedge funds, hybrids, private equity, real assets, fixed-income, and cash and cash equivalents. At any given time, at least 20% of the Fund's assets can be liquidated within a 30-day time period. Redemptions are allowed at the end of each month with 10 days' prior written notice provided that such request does not require the Fund to sell any illiquid investments or incur any penalty. There are no unfunded commitments at December 31, 2022.

The invested assets of the Fund are summarized by investment type as follows:

	<u>2022</u>	<u>2021</u>
Portfolio funds:		
Private equity	27.6%	22.7%
Equity strategies	22.7%	23.1%
Absolute return	13.4%	14.3%
Equity hedge	3.7%	4.6%
Other	0.6%	0.8%
Global stock, fixed-income and hard asset mutual funds	16.1%	17.1%
Marketable securities:		
Common stock	10.7%	12.4%
Depository receipts	0.1%	0.4%
Cash and cash equivalents	<u>5.1%</u>	<u>4.6%</u>
Total	<u>100%</u>	<u>100%</u>

Portfolio fund investments are subject to the terms of the respective portfolio fund's agreements, offering documents and other governing agreements. Additionally, most, if not all, of the portfolio funds in which the Fund invests may restrict both the transferability of the Fund's interest and the Fund's ability to withdraw. Due to these restrictions, investments in certain portfolio funds are viewed as illiquid and subject to liquidity risk.

Private Equity Partnerships

Private equity partnerships include seven partnerships: one which invests primarily in private equity funds that invest in developing economies and emerging markets, and the other six invest in private equity strategies that may include venture capital, buyouts, natural resources, credit and distressed investments. Distributions are made solely at the discretion of the general partners. The Foundation has no ability for redemption until certain conditions exist for the partnership dissolution. At December 31, 2022, the Foundation has unfunded commitments for these partnerships totaling \$1,836,887.

Investments are exposed to various risks such as interest rate, market and credit risks. Private equity investments include additional risks because of their complex nature and limited regulations resulting in a greater risk of losing invested capital. Such risks include, but are not limited to, limited liquidity, absence of oversight, dependence upon key individuals, emphasis on speculative investments (both derivatives and nonmarketable investments), and nondisclosure of portfolio composition. Because of these risks, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position and statement of activities.

Legal, tax, and regulatory changes could occur during the term of the Foundation's investment in the Fund. The regulatory environment for private equity investment funds is evolving, and changes in the regulation of these funds may adversely affect the value of investments held by the Foundation. The Foundation believes that the effect of any future regulatory change in the Foundation's assets would not materially impact the value.

Investment return includes earnings on cash and consists of the following:

	<u>2022</u>	<u>2021</u>
Partnership income (loss)	\$(12,292,128)	\$ 13,435,367
Interest and dividends	24,113	46
Mineral income	6,111,130	3,346,609
Mineral interests' production expenses	(389,392)	(219,302)
Investment management fees	<u>(258,955)</u>	<u>(117,904)</u>
Net investment return	<u>\$ (6,805,232)</u>	<u>\$ 16,444,816</u>

NOTE 4 – FAIR VALUE MEASUREMENTS

Generally accepted accounting principles require that certain assets and liabilities be reported at fair value and establish a hierarchy that prioritizes inputs used to measure fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The three levels of the fair value hierarchy are as follows:

- *Level 1* – Inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the reporting date. The types of investments included in Level 1 are securities traded and valued based upon a public exchange.
- *Level 2* – Inputs are quoted prices in nonactive markets or in active markets for similar assets or liabilities, or inputs which are either directly or indirectly observable with observable market data at the reporting date. Level 2 investments are priced by independent, industry recognized vendors contracted by the Foundation's custodian or independent appraisals.

- *Level 3* – Inputs are not observable and are based on the reporting entity’s assumptions about the inputs market participants would use in pricing the asset or liability. Inputs are unobservable for the asset and include situations where there is little, if any, market activity for the investment.

There are no investments that are categorized as Level 2 or Level 3 investments at December 31, 2022 or 2021. In accordance with Accounting Standards Update 2015-07, *Fair Value Measurements*, investments for which fair value is measured at net asset value per share (or its equivalent) (NAV-PE) using the practical expedient have not been categorized in the fair value hierarchy.

Assets measured at fair value at December 31, 2022 are as follows:

<u>LEVEL 1</u>		<u>NAV-PE</u>	<u>TOTAL</u>
Investments:			
EH Investment Fund, L.P.		\$ 64,469,757	\$ 64,469,757
Private equity partnerships		10,458,096	10,458,096
Money market mutual funds	\$ 1,231,686		1,231,686
Total assets measured at fair value	\$ 1,231,686	\$ 74,927,853	\$ 76,159,539

Assets measured at fair value at December 31, 2021 are as follows:

<u>LEVEL 1</u>		<u>NAV-PE</u>	<u>TOTAL</u>
Investments:			
EH Investment Fund, L.P.		\$ 75,788,300	\$ 75,788,300
Private equity partnerships		12,077,926	12,077,926
Money market mutual funds	\$ 3,868,691		3,868,691
Total assets measured at fair value	\$ 3,868,691	\$ 87,866,226	\$ 91,734,917

Valuation methods used for assets measured at fair value are as follows:

- *EH Investment Fund, L.P.* is valued at the net asset value utilized as a practical expedient to report the fair value of the investment. The fair value of the Fund is based on information provided by the general partner of the Fund. Management takes into consideration consultation with the Fund’s investment managers and audited financial statements to determine the overall reasonableness of the recorded value.
- *Private equity partnerships* are valued at net asset value as a practical expedient provided by fund management and supported by the audited financial statements.
- *Mutual funds* are valued at the net asset value of shares held at year end.

These valuation methods may produce a fair value that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Foundation believes its valuation methods are appropriate, the use of different methods or assumptions could result in a different fair value measurement at the reporting date.

NOTE 5 – PROPERTY

Operating right-of-use assets consist of leasehold improvements, as follows:

	<u>2022</u>	<u>2021</u>
Right-of-use assets:		
Episcopal Diocesan Center in Austin	\$ 1,323,050	\$ 1,323,050
Accumulated amortization	<u>(1,028,636)</u>	<u>(952,276)</u>
Operating right-of-use assets, net	<u>\$ 294,414</u>	<u>\$ 370,774</u>

In 2008, the Foundation entered into a 20-year lease agreement with the Episcopal Theological Seminary of the Southwest. In lieu of rental payments, renovations were made by the Foundation. Subsequent to renovation, the building was subleased by the Foundation to the Diocese for use as the Episcopal Diocesan Center in Austin through 2029. Rent income recognized in 2022 and 2021 from the Diocese was approximately \$59,616.

Rent income from the Diocese at December 31, 2022 is expected to be collected as follows:

2023	\$ 59,616
2024	59,616
2025	59,616
2026	59,616
2027	59,616
Thereafter	<u>84,456</u>
Total	<u>\$ 382,536</u>

NOTE 6 – GRANTS PAYABLE

Grants payable at December 31, 2022 are expected to be paid as follows:

2023	\$ 5,311,771
2024	1,300,000
2025	1,300,000
Thereafter	<u>1,900,000</u>
Total grants payable	9,811,771
Discount to net present value at approximately 4%	<u>(388,303)</u>
Grants payable, net	<u>\$ 9,423,468</u>

NOTE 7 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 22, 2023, which is the date that the financial statements were available for issuance. As a result of this evaluation, no events were identified that are required to be disclosed or would have a material impact on reported net assets or changes in net assets.

THE GREAT COMMISSION FOUNDATION

The purpose of The Great Commission Foundation (“GCF”) is set forth in Title V, Canon 15.1: “to support the missionary and church-planting strategy of the Diocese.”

The GCF clergy trustees are The Rev. Les Carpenter, The Rev. Aaron Zimmerman, and The Rev. Miles Brandon. The lay trustees are Teddy Adams, Jim Kracht, Jane Smith, L.E. “Chap” Chapman, Debra Watson, and John Owen. Bishop Doyle is the Chair of the GCF; Teddy Adams is the President; The Rev. Aaron Zimmerman is the Vice President; Linda Mitchell is the Treasurer; David Fisher is the Secretary and Assistant Treasurer; and Angela Smith serves as the Assistant Secretary.

The GCF Real Estate Committee is chaired by L.E. “Chap” Chapman. Teddy Adams serves as GCF’s representative to the Diocesan Investment Committee. The Diocesan Investment Committee provides oversight for the consolidated investment pool where all of the foundations of the diocese maintain their investment assets.

During 2023, the GCF continued to financially support the existing missions of the Episcopal Diocese of Texas as well as support the expansion of our footprint and mission within the geographic boundaries of the Diocese. This included support for new church plants and the purchase of property for future church sites. The GCF also provided support to campus missions.

Also in 2023, the GCF was proud to continue to provide additional funding for The Rev. Thomas Cain Fund which is a component of the Missionary Vision for Racial Justice that Bishop Doyle announced at Diocesan Council in February of 2020.

Additionally in 2023, the GCF worked in conjunction with the Bishop Quin Foundation and the Episcopal Foundation of Texas to jointly fund the Strategic Mission Grants program. The Strategic Mission Grants Committee (SMG) has a dedicated website www.smgedot.org for processing grant applications from EDOT congregations. The grant focus areas include encouraging congregations to engage with their surrounding communities, emphasis on invitation, and the funding of missional communities.

The GCF continues to work closely with the Protestant Episcopal Church Council of the Diocese of Texas (“Church Corp.”), the Bishop Quin Foundation, and the Episcopal Foundation of Texas. Coordination with these foundations of the Diocese will continue in 2024.

Throughout the year, the trustees have been guided by Bishop Doyle and are grateful for his vision and support. The trustees have also worked closely with and relied heavily upon the diligence and excellent work of the entire Diocesan Staff. We look forward to continuing our journey and service in 2024.

Respectfully submitted, Teddy Adams, President

The Great Commission Foundation
(An Instrumentality of the Protestant
Episcopal Church in the Diocese of Texas)

Financial Statements
and Independent Auditors' Report
for the years ended December 31, 2022 and 2021

The Great Commission Foundation
(An Instrumentality of the Protestant Episcopal Church in the Diocese of Texas)

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Independent Auditors' Report

To the Board of Trustees of
The Great Commission Foundation:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of The Great Commission Foundation (an Instrumentality of the Protestant Episcopal Church in the Diocese of Texas), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities and of cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The Great Commission Foundation as of December 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of The Great Commission Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Great Commission Foundation's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

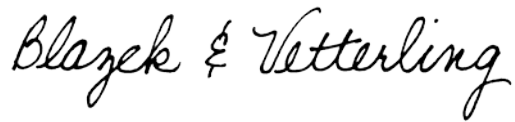
Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The Great Commission Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Great Commission Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

A handwritten signature in cursive script that reads "Blazeck & Vetterling".

June 22, 2023

The Great Commission Foundation
(An Instrumentality of the Protestant Episcopal Church in the Diocese of Texas)

Statements of Financial Position as of December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Cash	\$ 4,700,706	\$ 8,166,330
Other assets	237,532	395,512
Operating lease right-of-use assets, net (<i>Note 6</i>)	208,408	
Investments (<i>Notes 3 and 4</i>)	90,180,743	108,250,644
Notes receivable (<i>Note 5</i>):		
Church Corporation	6,293,007	6,293,007
Other related entities	768,448	3,977,609
Land and improvements	<u>3,245,802</u>	<u>3,069,828</u>
TOTAL ASSETS	<u>\$ 105,634,646</u>	<u>\$ 130,152,930</u>
 LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	\$ 264,982	\$ 510,244
Due to Diocesan operating entities	124,991	424,741
Grants payable:		
Other related entities	9,466,770	3,692,401
Diocesan operating entities	1,032,854	1,346,685
Operating lease liabilities (<i>Note 6</i>)	<u>220,374</u>	
Total liabilities	11,109,971	5,974,071
Net assets without donor restrictions	<u>94,524,675</u>	<u>124,178,859</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 105,634,646</u>	<u>\$ 130,152,930</u>

See accompanying notes to financial statements.

The Great Commission Foundation
(An Instrumentality of the Protestant Episcopal Church in the Diocese of Texas)

Statements of Activities for the years ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
REVENUE:		
Net investment return (<i>Note 3</i>)	\$ (15,010,874)	\$ 13,293,524
Support from Diocesan operating entities:		
Imputed interest on note receivable from Church Corporation (<i>Note 5</i>)	258,056	157,325
The Episcopal Health Foundation		500,000
The Bishop Quin Foundation	166,331	156,577
Contributions	423,057	188,617
Interest on notes receivable from other related entities	77,063	66,852
Grant reversion		399,618
Other income	<u>343</u>	<u>2,607</u>
Total revenue	<u>(14,086,024)</u>	<u>14,765,120</u>
EXPENSES:		
Program services:		
Missional grants	11,153,790	5,032,940
Salaries and benefits	3,338,775	2,880,149
Other program expenditures	<u>69,990</u>	<u>91,266</u>
Total program services	14,562,555	8,004,355
Management and general:		
Diocesan operating entities – administrative services	570,424	518,504
Other management and general	<u>435,181</u>	<u>131,889</u>
Total expenses	<u>15,568,160</u>	<u>8,654,748</u>
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS	(29,654,184)	6,110,372
Net assets without donor restrictions, beginning of year	<u>124,178,859</u>	<u>118,068,487</u>
Net assets without donor restrictions, end of year	<u>\$ 94,524,675</u>	<u>\$ 124,178,859</u>

See accompanying notes to financial statements.

The Great Commission Foundation
(An Instrumentality of the Protestant Episcopal Church in the Diocese of Texas)

Statements of Cash Flows for the years ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in net assets without donor restrictions	\$ (29,654,184)	\$ 6,110,372
Adjustments to reconcile changes in net assets without donor restrictions to net cash used by operating activities:		
Net realized and unrealized (gain) loss on investments	42,383	(28,386)
Partnership (income) loss	14,971,803	(13,292,117)
Changes in operating assets and liabilities:		
Other assets	157,980	(33,987)
Accounts payable and accrued expenses	(245,262)	329,220
Due to Diocesan operating entities	(299,750)	(543,745)
Grants payable to other related entities	5,460,538	243,623
Operating lease liabilities	<u>11,966</u>	<u></u>
Net cash used by operating activities	<u>(9,554,526)</u>	<u>(7,215,020)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments	(260,307)	(493,284)
Proceeds from sales of investments	3,209,027	306,549
Distribution from EH Investment Fund, L.P.		15,750,000
Net change in money market mutual funds held as investments	106,995	2,536,209
Advances made on notes receivable from other related entities	(133,448)	(635,000)
Payments received on notes receivable from other related entities	3,342,609	
Purchase of land and improvements	<u>(175,974)</u>	<u>(2,140,743)</u>
Net cash provided by investing activities	<u>6,088,902</u>	<u>15,323,731</u>
NET CHANGE IN CASH	(3,465,624)	8,108,711
Cash, beginning of year	<u>8,166,330</u>	<u>57,619</u>
Cash, end of year	<u>\$ 4,700,706</u>	<u>\$ 8,166,330</u>

Supplemental disclosure of cash flow information:

Lease right-of-use assets financed by operating lease liabilities \$51,176

See accompanying notes to financial statements.

The Great Commission Foundation (An Instrumentality of the Protestant Episcopal Church in the Diocese of Texas)

Notes to Financial Statements for the years ended December 31, 2022 and 2021

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization – The Great Commission Foundation (the Foundation) is a Texas nonprofit corporation created in 2013 to support the missionary and church planting strategies of the Protestant Episcopal Church in the Diocese of Texas (the Diocese). The organization of the Foundation is set forth in Title V, Canon 15, as amended, of the Constitution and Canons of the Diocese. The Diocese is an ecclesiastical territory that extends from the Louisiana border to portions of central, eastern, and southeastern Texas. The authority of the Diocese is vested in the Bishop, the Council of the Diocese, and a standing committee. Members of the Board of Trustees of the Foundation are elected by the Council of the Diocese upon nomination by the Bishop and include the Bishop as an ex-officio member and Chair of the Board of Trustees.

Related entities – The Executive Board of the Diocese is composed of the Bishop and fifteen members elected by the Council of the Diocese. Pursuant to various Canons, the Executive Board has certain oversight responsibilities relating to the affairs of the Foundation and the following related Diocesan operating entities:

- *Episcopal Diocese of Texas (EDOT)* is an operating unit of special accounts used to carry out the ministry of the Diocese and is supported primarily by parish assessments.
- *EDOT Financial Services Corporation (FSC)* was created to provide human resource, accounting, financial, and investment management services support to the related Diocesan operating entities, as well as administering health benefits for clergy and certain lay employees throughout the Diocese.
- *Protestant Episcopal Church Council of the Diocese of Texas (Church Corporation)* receives, holds, manages, and administers funds and properties acquired by gift or purchase for the use and benefit of the Diocese and any Diocesan institution. Additionally, it may also receive, hold, and manage funds held for the use and benefit of any parish or mission in the Diocese.
- *Episcopal Foundation of Texas (EFT)* was created to hold and administer certain assets for the purpose of providing grants and loans for religious, educational, and charitable purposes to designated Diocesan entities.
- *The Bishop Quin Foundation (Bishop Quin)* was created in 1943 to commemorate the 25th anniversary of the consecration of the Right Reverend Clinton S. Quin as Bishop. The broad objectives of Bishop Quin include such religious, charitable, and educational activities as determined by the Bishop and the Board of Trustees to be in furtherance of the spiritual and physical welfare of the Diocese.
- *The Episcopal Health Foundation (EHF)* was created in 2013 with proceeds from the transfer of the membership of the St. Luke's Episcopal Health System to an unrelated not-for-profit entity. The focus of EHF is to promote the health and well-being of the 10 million people in the 57 counties of the Episcopal Diocese of Texas.

The Foundation routinely engages in transactions with Diocesan operating entities and other related entities that are directly or indirectly governed by the Council of the Diocese. Other related entities include parishes, schools, and missions.

Basis of presentation – These financial statements include only the assets, liabilities, net assets, and activities of the Foundation. The accompanying financial statements do not include the assets, liabilities, net assets, and activities of the related Diocesan operating entities or other related Diocesan entities. Each of these related entities is an operating entity distinct from the Foundation, maintains separate financial records, and administers its own services and programs.

Federal income tax status – The Foundation is exempt from federal income tax under §501(c)(3) of the Internal Revenue Code as a religious organization and is classified as a public charity under §170(b)(1)(A)(i) under the group exemption of the Protestant Episcopal Church in the United States of America.

Investments are reported at fair value. Investment return is reported in the statement of activities as an increase in *net assets without donor restrictions* unless the use of the income is limited by donor-imposed restrictions.

Note receivable from Church Corporation is reported at face value, with interest imputed annually, because the repayment terms on this note are not fixed and the discount rate is not determinable based upon the nature of the agreement.

Notes receivable from other related entities is reported at estimated realizable value. An allowance for the notes receivable is provided when it is believed a note may not be collected in full and is adjusted annually to reflect changes in the expected future cash flows. The amount of bad debt expense recognized each period and the resulting adequacy of the allowance at the end of each period is determined using a specific analysis of the receivable balance. A note receivable is considered impaired when it is considered probable that the Foundation will not collect all principal and interest amounts due under the terms of the agreement. It is possible that management's estimate regarding the collectability of this balance will change in the near term resulting in a change in the carrying value of the receivables. At December 31, 2022, no amounts have been reserved.

Land and improvements are reported at cost if purchased and at fair value at the date of gift if donated. The title of all real property acquired or contributed to the Diocese is held by Church Corporation, except for real property whose title is held by the Foundation, EFT and Bishop Quin. These financial statements include only property held for future parishes.

Net asset classification – Net assets, revenue, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. *Net assets without donor restrictions* are not subject to donor-imposed restrictions even though their use may be limited in other respects such as by contract or board designation.

Contributions are recognized as revenue at fair value when an unconditional commitment is received from the donor. Contributions received with donor stipulations that limit their use are classified as *with donor restrictions*. Donor-restricted contributions whose restrictions are satisfied in the same year the contribution is received are recognized as contributions without donor restrictions. Conditional contributions are subject to one or more barriers that must be overcome before the Foundation is entitled to receive or retain the funding. Conditional contributions are recognized in the same manner when the conditions have been met. Funding received before conditions are met is reported as refundable advances.

Grants made are recognized as expense at fair value when the Foundation approves an unconditional commitment to a grant recipient. Commitments made, but not yet funded are reported as grants payable and are discounted to estimate the present value of future cash flows, if material. Conditional grants are subject to one or more barriers that must be overcome before the recipient is entitled to receive or retain funding. Conditional grants are recognized in the same manner when the conditions are met by the recipient. All grants are payable within one year.

Functional allocation of expenses – Expenses are reported by their functional classification. Program services are the direct conduct or supervision of activities that fulfill the purposes for which the organization exists. Management and general activities are not directly identifiable with specific program activities. All of the Foundation's expenses are directly attributable to either program or management and general activities.

Estimates – Management must make estimates and assumptions to prepare financial statements in accordance with generally accepted accounting principles. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, the amounts reported as revenue and expenses, and the allocation of expenses among various functions. Actual results could vary from the estimates that were used.

NOTE 2 – LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use within one year of December 31 comprise the following:

	<u>2022</u>	<u>2021</u>
Financial assets:		
Cash	\$ 4,700,706	\$ 8,166,330
Other assets	9,424	178,593
Investments	90,180,743	108,250,644
Note receivable from Church Corporation	6,293,007	6,293,007
Note receivable from other related entities	<u>768,448</u>	<u>3,977,609</u>
Total financial assets	101,952,328	126,866,183
Less financial assets not available for general expenditure:		
Notes receivable due in more than one year	(7,011,455)	(10,235,616)
Board-designated for impact investing	(500,000)	(500,000)
Investments, less amount available to be spent under spending policy	<u>(84,212,720)</u>	<u>(102,426,728)</u>
Total financial assets available for general expenditure	<u>\$ 10,228,153</u>	<u>\$ 13,703,839</u>

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Foundation considers all expenditures related to its ongoing outreach program and grantmaking activities, as well as the conduct of services undertaken to support those activities, to be general expenditures.

As part of the Foundation's liquidity management, it structures its financial assets to be available as general expenditures and liabilities become due or as additional funding opportunities are presented. The Foundation's assets are invested for long-term appreciation, but remain available to be spent at the Board of Trustees' discretion. The Foundation operates with a balanced budget and determines the spending level for each year as part of the annual budget process. The Foundation's spending policy provides for an annual spending rate not to exceed 5% of the five-year average asset balance. This policy acknowledges the potential for one-time withdrawals from the investment portfolio, with approval of the Board of Trustees, to fund non-recurring gifts or capital investments in accordance with the Foundation's long-term plan for new church starts.

NOTE 3 – INVESTMENTS AND INVESTMENT RETURN

Investments consist of the following:

	<u>2022</u>	<u>2021</u>
EH Investment Fund, L.P.	\$ 82,278,638	\$ 100,250,441
Land	7,331,079	7,331,760
Interest in Church Corporation participating funds	485,293	476,396
Money market mutual funds	<u>85,052</u>	<u>192,047</u>
Total investments	<u>\$ 90,180,062</u>	<u>\$ 108,250,644</u>

EH Investment Fund, L.P. (the Fund) is a Delaware limited partnership that was created on June 1, 2014. HCP EHF Management LLC (General Partner), a U. S. Securities and Exchange Commission registered advisor and wholly- owned subsidiary of Hall Capital Partners LLC, is the General Partner to the Fund. There are five limited partners in the Fund all of which are Diocesan operating entities. As of December 31, 2022, the Foundation had a 5.3% interest in the Fund.

The Fund is a global multi-asset class fund that primarily seeks to increase its net asset value by an amount in excess of inflation (as defined by the Consumer Price Index). The Fund also seeks to maximize investment returns and to reduce portfolio volatility by investing in diversified asset classes and capital markets. The asset classes that the Fund will invest in include global equities (developed and emerging), hedge funds, hybrids, private equity, real assets, fixed-income, and cash and cash equivalents.

At any given time, at least 20% of the Fund's assets can be liquidated within a 30-day time period. Redemptions are allowed at the end of each month with 10 days' prior written notice provided that such request does not require the Fund to sell any illiquid investments or incur any penalty. There are no unfunded commitments at December 31, 2022.

The invested assets of the Fund are summarized by investment type as follows:

	<u>2022</u>	<u>2021</u>
Portfolio funds:		
Private equity	27.6%	22.7%
Equity strategies	22.7%	23.1%
Absolute return	13.4%	14.3%
Equity hedge	3.7%	4.6%
Other	0.6%	0.8%
Global stock, fixed-income and hard asset mutual funds	16.1%	17.1%
Marketable securities:		
Common stock	10.7%	12.4%
Depository receipts	0.1%	0.4%
Cash and cash equivalents	<u>5.1%</u>	<u>4.6%</u>
Total	<u>100%</u>	<u>100%</u>

Portfolio fund investments are subject to the terms of the respective portfolio fund's agreements, offering documents and other governing agreements. Additionally, most, if not all, of the portfolio funds in which the Fund invests may restrict both the transferability of the Fund's interest and the Fund's ability to withdraw. Due to these restrictions, investments in certain portfolio funds are viewed as illiquid and subject to liquidity risk.

Investments are exposed to various risks such as interest rate, market and credit risks. Alternative investments such as the Fund include additional risks because of their complex nature and limited regulations resulting in a greater risk of losing invested capital. Such risks include, but are not limited to, limited liquidity, absence of oversight, dependence upon key individuals, emphasis on speculative investments (both derivatives and nonmarketable investments), and nondisclosure of portfolio composition. Because of these risks, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position and statement of activities.

Legal, tax, and regulatory changes could occur during the term of the Foundation's investment in the Fund. The regulatory environment for alternative investment funds is evolving, and changes in the regulation of these funds may adversely affect the value of investments held by the Foundation. The Foundation believes that the effect of any future regulatory change in the Foundation's assets would not materially impact the value.

Investment return includes earnings on cash and consists of the following:

	<u>2022</u>	<u>2021</u>
Partnership income (loss)	\$ (14,971,803)	\$ 13,292,117
Interest and dividends	28,312	104
Net realized and unrealized gain (loss) on investments	(42,383)	28,386
Investment management fees	<u>(25,000)</u>	<u>(27,083)</u>
Net investment return	<u>\$ (15,010,874)</u>	<u>\$ 13,293,524</u>

NOTE 4 – FAIR VALUE MEASUREMENTS

Generally accepted accounting principles require that certain assets and liabilities be reported at fair value and establish a hierarchy that prioritizes inputs used to measure fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The three levels of the fair value hierarchy are as follows:

- *Level 1* – Inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the reporting date. The types of investments included in Level 1 are securities traded and valued based upon a public exchange.
- *Level 2* – Inputs are quoted prices in nonactive markets or in active markets for similar assets or liabilities, or inputs which are either directly or indirectly observable with observable market data at the reporting date. Level 2 investments are priced by independent appraisals or corroborating factual comparative inputs as accumulated by management to support estimated fair value.
- *Level 3* – Inputs are not observable and are based on the reporting entity’s assumptions about the inputs market participants would use in pricing the asset or liability.

Investments for which fair value is measured using net asset value or its equivalent as a practical expedient are not required to be categorized in the fair value hierarchy.

Assets measured at fair value at December 31, 2022 are as follows:

	<u>LEVEL 1</u>	<u>LEVEL 2</u>	<u>LEVEL 3</u>	<u>TOTAL</u>
Investments:				
Land		\$ 7,331,760		\$ 7,331,760
Interest in Church Corporation participating funds			\$ 485,293	485,293
Money market mutual funds	\$ 85,052			85,052
Total	\$ 85,052	\$ 7,331,760	\$ 485,293	7,902,105
Other investments measured at net asset value using the practical expedient:				
Investment in EH Investment Fund, L.P.				82,278,638
Total investments measured at fair value				\$ 90,180,743

Assets measured at fair value at December 31, 2021 are as follows:

	<u>LEVEL 1</u>	<u>LEVEL 2</u>	<u>LEVEL 3</u>	<u>TOTAL</u>
Investments:				
Land		\$ 7,331,760		\$ 7,331,760
Interest in Church Corporation participating funds			\$ 476,396	476,396
Money market mutual funds	\$ 192,047			192,047
Total	\$ 192,047	\$ 7,331,760	\$ 476,396	8,000,203
Other investments measured at net asset value using the practical expedient:				
Investment in EH Investment Fund, L.P.				100,250,441
Total investments measured at fair value				\$ 108,250,644

Valuation methods used for assets measured at fair value are as follows:

- *Land* is valued based on appraised fair value.
- *Interest in Church Corporation participating funds* is valued at the Foundation’s pro-rata share of the fair value of the underlying investments and its pro-rata share of the interest and dividends and net realized and unrealized gains and losses of the participating funds as investment return.
- *Mutual funds* are valued at the reported net asset value of shares held at year end.
- *Investment in EH Investment Fund, L.P.* is valued at the net asset value utilized as a practical expedient as determined by the general partner and supported by the audited financial statements of the fund.

These valuation methods may produce a fair value that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Foundation believes its valuations methods are appropriate, the use of different methods or assumptions could result in a different fair value measurement at the reporting date.

NOTE 5 – NOTES RECEIVABLE

The Foundation has entered into a note agreement with Church Corporation totaling \$6,500,000 to pay debt incurred in connection with the acquisition of real property to support the missionary and church planting strategies of the Diocese. The note is non-interest bearing and will be repaid with the proceeds from sales of land and buildings that are no longer being used as church sites and for which the Foundation did not provide the funding for the purchase of the property. After the note is repaid, Church Corporation is further obligated to pay 50% of the proceeds of sales of churches not funded by the Foundation to the Foundation. All proceeds from sales of property paid for by the Foundation will be paid to the Foundation. Imputed interest income and program expense of approximately \$258,000 in 2022 and \$157,000 in 2021 has been recognized based on an implied interest rate of 2.50% in 2022 and 2.75% in 2021.

Notes receivable from other related parties are as follows:

	<u>2022</u>	<u>2021</u>
Note receivable for bridge funding for construction. Note bears interest at 2.0% through December 31, 2041, with annual payments of principal and interest. Any proceeds from construction financing received must be used to repay the note.	\$ 500,000	\$ 500,000
Note receivable for bridge funding for construction. Note bears interest at 2.0% with principal and interest due on the earlier of a) the collection of capital campaign or other contributions receivable or b) December 31, 2026.	135,000	135,000
Note receivable for building acquisition with available borrowings up to \$1 million. Note bears interest at 2.0% with outstanding principal and interest due March 15, 2024.	133,448	
Note receivable for the acquisition of real property. Note bears interest at 2.0% and is to be repaid with proceeds from sale of property. All outstanding principal and interest is due at the time of sale.		3,342,609
Total notes receivable	<u>\$ 768,448</u>	<u>\$ 3,977,609</u>

The scheduled maturities of notes receivable are as follows:

2023	\$ 50,000
Through December 31, 2027 and thereafter	<u>718,448</u>
Total	<u>\$ 768,448</u>

NOTE 6 – LEASES

The Foundation adopted Accounting Standards Codification Topic 842, *Leases*, effective January 1, 2022, using a modified retrospective method without restating any prior year amounts or disclosures. There was no one-time cumulative effect of adopting this new standard on beginning net assets for the year ended December 31, 2022. The following accounting policy elections were made in connection with the implementation of this new standard:

- *Short-term leases* – The Foundation has elected to not apply the new guidance to leases with terms of 12 months or less. Instead, these leases are recognized as expense on a straight-line basis over the lease term.
- *Discount rates* – The Foundation elected to use its incremental borrowing rate as the discount rate when the rate implicit in a lease is not readily determinable.

- *Lease and non-lease components* – The Foundation elected the practical expedient to choose whether to separate non-lease components from lease components by class of underlying assets or account for them as a single lease component. The Foundation elected to not separate lease and non-lease components for property leases where components were explicitly stated.

At December 31, 2022, operating lease right-of-use assets and lease liabilities included real property. Right-of-use assets are recognized at the present value of the lease payments at the inception of the lease adjusted, as appropriate, for certain other payments and allowances related to obtaining the lease and placing the asset in service. Operating lease right-of-use assets are amortized so that lease costs remain constant over the lease term.

Lease costs recognized during the year ended December 31, 2021, prior to adoption of the new accounting standard, were \$106,736. Cash paid for amounts included in the measurement of lease liabilities during the year ended December 31, 2022 was \$101,135.

The weighted-average term and discount rates for operating leases outstanding as of December 31, 2022 were 27 months and 3.15%.

Undiscounted cash flows related to operating lease liabilities at December 31, 2022 are as follows:

	<u>OPERATING</u>
2023	\$ 101,135
2024	112,315
2025	<u>22,280</u>
Total undiscounted cash flows	235,730
Less discount to present value	<u>(15,356)</u>
Total discounted present value of lease liabilities	<u>\$ 220,374</u>

NOTE 7 – RETIREMENT PLANS

The Foundation is a participating employer in pension plans sponsored and administered by The Church Pension Fund (the Pension Fund). The Pension Fund, a corporation chartered in 1914 by the Legislature of the State of New York, was established by the General Convention of the Episcopal Church. The Pension Fund and its affiliates are official agencies of the Episcopal Church and operate under the Canons of the Episcopal Church.

The Clergy Pension Plan (the Plan) is a defined benefit plan providing retirement, death and disability benefits to eligible clergy of the Episcopal Church. The Plan is exempt from federal income tax and, as church plans are exempt from the Employee Retirement Income Security Act of 1974, the Plan is not subject to Pension Benefit Guaranty Corporation requirements.

The assets of the Plan are pooled along with other assets of the Pension Fund solely for investment purposes for the benefit of all participants. The Pension Fund may amend, terminate or modify the terms of the Plan, including the employer assessment rate, at any time, without notice and for any reason. Should the Plan terminate, the Pension Fund has the authority to distribute assets in accordance with the terms of the respective Plan's documents.

All bishops, priests and deacons who are canonically resident in a domestic diocese of the Episcopal Church and who are not participating in the International Clergy Pension Plan must participate in the Plan if the cleric receives \$200 or more per month in compensation for three or more consecutive months from the same employer. Participating employers pay assessments to the Plan on behalf of the eligible participants. Assessments for the Plan are equal to 18% of the applicable participants' compensation, which includes salaries, other cash compensation and the value of housing. Assessments are not held in individual accounts, but are invested in a general fund of pooled contributions for all employees participating in the Plan.

The Foundation recognizes its assessments in the period that the related services are provided by the clergy. During 2022 and 2021, the Foundation recognized assessments to the Plan totaling approximately \$422,000 and \$417,000, respectively.

The funding positions of the Plan as of March 31, 2022 and 2021, as reported in the Pension Fund's latest audited financial statements, are summarized below:

	<u>2022</u>	<u>2021</u>
Net assets available for pension benefits – after amount designated for assessment deficiencies	\$ 14,822,517,000	\$ 13,901,084,000
Less: Actuarial present value of accumulated plan benefit obligations	<u>(6,683,016,000)</u>	<u>(6,636,310,000)</u>
Surplus	<u>\$ 8,139,501,000</u>	<u>\$ 7,264,774,000</u>
Funding percentage	222%	209%

NOTE 8 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 22, 2023, which is the date that the financial statements were available for issuance. As a result of this evaluation, no events were identified that are required to be disclosed or would have a material impact on reported net assets or changes in net assets.

EPISCOPAL HEALTH FOUNDATION

The past year was filled with reflecting on the past nine years of Episcopal Health Foundation (EHF) and imagining its future. After research and more than a year of gathering input and feedback from a diverse cross-section of partners, grantees, colleagues, and congregational leaders, Episcopal Health Foundation released its [new 2024-2030 strategic framework](#) in November. This new chapter builds on our groundbreaking work over the past eight years by challenging Texans to go beyond the doctor's office to address underlying non-medical factors that impact health. We are using the new framework in our continuing mission to promote equity by improving health, not just health care in Texas.

As part of this new chapter, CEO, **Dr. Ann Barnes**, announced that EHF's next five years will include a focus on three critical health priorities in which differences in health outcomes exists for some populations in Texas: food and nutrition security, maternal health, and diabetes prevention.

Disparities in these three priority areas result in negative, but preventable, health-related conditions that are deeply affected by underlying non-medical drivers of health – factors and conditions outside the health care system that significantly influence a person's overall health and well-being.

EHF's research activities continue to show that people with lower incomes and those living in underserved communities are more likely to be affected by these chronic health issues that cannot be improved by medical care alone. EHF is betting that by confronting and addressing these three Priorities for Change, the foundation can make the biggest impact in reducing preventable differences in health outcomes based on income, race/ethnicity, or where a person lives.

Along with the new priorities, EHF will continue to ignite change through groundbreaking action:

- We remain focused on **addressing non-medical drivers of health** like creating and maintaining safe places to exercise, increasing access to healthy foods, and removing barriers to health care access. These remain critical actions that EHF can make to help change-makers tackle the root causes of poor health across the state.
- While everyday lives and health are deeply intertwined, access to medical care is indispensable. EHF will continue its work to make **health and health care services much more accessible and affordable**.
- EHF is working to **strengthen health-minded policy decisions** at every level. This includes policies that increase affordable access to health services, innovative initiatives that address non-medical drivers of health, and decisions that lead to improved community conditions. EHF is specifically focused on improving opportunities for health for people with lower incomes and those from emerging populations that are often overlooked and excluded.

What's next?

EHF's next chapter begins in 2024 with a season of learning and discovery for the organization. Staff will listen to and learn from those with experience and knowledge in food and nutrition security, maternal health, and diabetes prevention: individuals and communities with lived experience, clinical and public health experts, and local and national organizations committed to improving health in these areas. EHF will invite old and new partners to join the journey. The goal is for EHF to thoughtfully identify the most impactful strategies to address these complex health needs and the best metrics for measuring the impact of EHF's efforts.

EHF leaders anticipate releasing 2025 Grant Guidance in the Fall of 2024. This document will reference the new strategic plan and include details about funding priorities, grant cycles, and the application process.

A future in which everyone enjoys nutritious food, safe pregnancies, and a life without chronic disease is the goal EHF is committed to pursue. No group can do this work alone, but working with partners across Texas, EHF can be bold in ***Igniting Change*** that leads to individuals and families experiencing improved health in ALL Texas communities.

Grantmaking: Between January and December 2023, EHF awarded grants to 112 organizations for a total of \$36,372,132. During 2023, EHF awarded several grants to diocesan-related organizations including \$480,000 to support diocesan operating expenses and \$104,938 (The Beacon and ECHOS) to support community-based enrollment services.

Community engagement: EHF's Community Engagement team continues to provide capacity-building support to our grantees and community partners, as well as our three primary audiences: collaboratives, community health leaders, and community organizations.

To support collaboratives, the team built on the successful launch of the **Collaborating for Healthy Communities Initiative (CHCI)** with the provision of \$10,000 in financial support to each collaborative in the first Peer Learning Network. As a result, these groups went on to achieve the following outcomes:

- Increased program enrollment by 39% by hosting community engagement events for children, teens, and seniors in Spring Branch (The WholeLife® Collaborative)

- Trained groups to increase the number of designated Texas Community Partners in Waco who can aid with SNAP & Medicaid benefit enrollment (Access to Healthcare)
- Supported community-developed pilot projects: a community refrigerator, restorative justice workshops, Zumba and nutrition classes (5th Ward SDOH Collaborative)
- Developed a network of Community Health Workers to deepen knowledge and demystify immigration impacts on benefits usage (Connect for Healthcare)

Our team launched a second CHCI cohort in 2023 with five new collaboratives from three counties in EHF's service area: McLennan, Harris, and Galveston. Throughout the year, these groups refined their collaborative practices within the Peer Learning Network and through the lens of CHCI's four pillars: shared purpose, shared leadership, strategic action, and sustainability.

Additionally, these collaboratives each received \$10,000 in financial support and will share their outcomes, lessons learned, and impact in March 2024. Planning ahead for opportunities in EHF's new strategic framework, the team has built an online, collaborative registry. This registry will map the presence of collaboratives and coalitions across EHF's 80-county service area for future capacity-building offerings and partnership in addition to serving as a public-facing resource.

To support community health leaders, our **Community of Practice** spent the year developing and documenting the method for the work (The Practice), values, and core principles. Over the last six months, the members have co-led learning sessions based on their own expertise to expand what we would consider best practices. We are excited to see this group of practitioners continue to build this much needed body of work.

For Community Organizations, our **Activating Community Voice** initiative supported 10 grantees with tailored programs that aid in developing and implementing a community engagement plan. This year's focus was on advancing the plans to move across the continuum of engagement to more impactful levels of engagement. Similarly, our team continued to provide the Essentials of Facilitation, a skill-building workshop. With three offerings this year, the team imparted skills and experience to 63 participants representing more than 17 organizations.

Congregational engagement: EHF's Congregational Engagement team continued to see a determined readiness, energy, and desire from congregations to engage with neighbors. In 2023, the Congregational Engagement team was significantly engaged with 82 congregations in the diocese.

Key engagements include:

- EHF hosted two regional ***In Common: Rooted*** gatherings in Waco and in Galveston. The regional *In Common* gatherings focus on building knowledge,

skills and community for lay and clergy leaders. The focus was “Being Rooted in Your Community” and the events featured workshops on Food Security and Food Systems, Mental Health and Community Well-being, Understanding Privilege, Multicultural Ministry (led in Spanish with English interpretation) and Being a Neighbor-Focused Church. Workshops were led by consultants, EHF staff, lay and clergy leaders with 37 congregations and organizations in attendance.

- In partnership with Kaleidoscope Institute, EHF concluded Cohort 5 of the **Holy Currencies Ministry Incubation Program** and launched a re-coaching “reunion” cohort in August for four congregations/groups who had participated in previous cohorts. The Reunion Cohort was developed in response to our Holy Currencies evaluation as teams have recruited additional leadership in their community-engaged work.
- The **Transformation Cohort** launched with seven congregations that wanted to move from charity-focused, transactional ministries to more transformative, community-partnered ministries. The cohort exposes congregations to innovative ways to interact with their community.
- EHF’s Racial Justice work continued with a return of the **“Traces of the Trade”** film and dialogue tour to the Diocese of Texas in partnership with four congregations. Dain and Constance Perry led the dialogue following the screening and they also led two workshops on Unpacking Privilege at the Waco *In Common* gathering. EHF’s Congregational Engagement team continues to support One Human Race in their workshops and convened an online conversation on the intersection of race and mental health.
- EHF continued a series of meetings with **Hispanic ministry leaders** to share the new priority areas of food and nutrition security, maternal health, and diabetes prevention to identify how EHF could support churches in these areas. The group also identified the need for bi-lingual nonprofit support and resources that serve Latino parishes in the diocese.
- EHF’s Congregational Engagement team, in partnership with EHF’s research and evaluation team, launched the second **comprehensive survey of Episcopal congregations** since the work began in 2015. The survey was distributed diocesan-wide to all heads of congregations, Senior and Bishop’s Wardens, and other church leaders who have worked with EHF. The purpose of this survey was to gain feedback on our work, understand how the congregations view the needs of their communities, and increase congregational awareness of EHF.

The survey yielded responses from more than 170 individuals representing 160 congregations. Community concerns of congregations include mental health, poverty and basic needs, health care access, and food insecurity. The survey

found that 73% of congregations partner with other groups in their outreach efforts.

- The **Health and Justice Advocacy Network (HJAN)** in partnership with EHF worked to educate parishes about the new counselor policy for public schools to ensure that school districts hire certified counselors, not simply persons who do counseling. They also educated parishes about the constitutional amendment election, met or contacted their legislators, and prepared documents to assist others in reaching out to their representatives to affect policy decisions.
- EHF produced a series of **storytelling videos** that highlighted the transformative community work of St. Luke's, Livingston's mental health initiative, and the food systems work of both St. Isidore/Abundant Harvest, Spring and Grace Episcopal, Alvin.
- The **Mental Health Learning Network** convened six virtual meetings that explored strategies for promoting mental health and well-being, challenges for children and youth, communities of color, and mental health realities for the LGBTQIA community. In addition, two workshops on mental health were presented at the Galveston *In Common* gathering.
- EHF's Congregational Engagement team assembled and sponsored 35 attendees from 20 congregations and multiple community organizations to participate in the **Baylor Collaborative on Hunger and Poverty Annual Together at the Table Summit**. This effort has resulted in the creation of the EHF Food Security Learning Network to provide ongoing conversation and learning for congregations serving in work related to food/hunger.

Research: EHF has continued to produce reports, analyses, and mapping resources for congregations, organizations, and other community partners to help them navigate and use complex health-related data.

EHF's [reports](#) in 2023 covered a spectrum of issues, including strategies for Texas Medicaid to address non-medical drivers of health, Medicaid claims data analysis on high-risk pregnancies, a first-of-its-kind learning collaborative between nonprofits and managed care organizations that provide Medicaid health insurance, research on food security strategies, and our annual Texas health policy poll on health care access and affordability.

These reports, along with existing EHF support to engage leaders of Texas Medicaid and Medicaid health insurance plans through the learning collaborative, have been critical in positioning the foundation to be an important leader in shaping policy conversations around improving health, not just health care in Texas.

Most importantly, our efforts influenced the passage of HB 1575, a bill that allows community health workers and doulas to be reimbursed under Texas Medicaid's Children and Pregnant Women's program. EHF's efforts also led to the release of Texas Medicaid's groundbreaking Non-Medical Drivers of Health Action Plan that focuses on addressing food insecurity, housing, and transportation issues through Medicaid and CHIP programs. These policy successes are an extraordinary opportunity to address underlying factors that impact health on a larger scale with sustainable funding across the state.

In addition, EHF's research team continued to implement Texas Accountable Communities for Health Initiative and the Texas Pathway Community Hub Network, two pilot initiatives aimed at developing local, sustainable strategies to address health across the diocese.

While 2023 was a year of planning and looking forward, it was also a year of continued progress on the vision to promote equity by addressing health, not just healthcare. With our continued focus on addressing non-medical, upstream drivers of health, building organizational capacity and community collaboration efforts around local health concerns, and spot-lighting systems-level approaches to improving health, we have seen transformative work emerge across the diocese and Texas. Our goal remains to work with partners to help everyone in our state have a just and fair opportunity to be healthy.

Ann Barnes, President

The Episcopal Health Foundation
(An Instrumentality of the Protestant
Episcopal Church in the Diocese of Texas)

Financial Statements
and Independent Auditors' Report
for the years ended December 31, 2022 and 2021

The Episcopal Health Foundation
(An Instrumentality of the Protestant Episcopal Church in the Diocese of Texas)

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Independent Auditors' Report

To the Board of Trustees of
The Episcopal Health Foundation:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of The Episcopal Health Foundation (an Instrumentality of the Protestant Episcopal Church in the Diocese of Texas), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities, of functional expenses, and of cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The Episcopal Health Foundation as of December 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of The Episcopal Health Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Episcopal Health Foundation's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- ☐ Exercise professional judgment and maintain professional skepticism throughout the audit.
- ☐ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The Episcopal Health Foundation's internal control. Accordingly, no such opinion is expressed.
- ☐ Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Episcopal Health Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Blazek & Vetterling

August 24, 2023

The Episcopal Health Foundation
(An Instrumentality of the Protestant Episcopal Church in the Diocese of Texas)

Statements of Financial Position as of December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Cash and cash equivalents (<i>Notes 3 and 6</i>)	\$ 15,771,422	\$ 19,695,664
Other assets	1,654,143	1,036,695
Program note receivable, net of allowance of \$200,000 in 2022 and 2021 (<i>Note 4</i>)	3,488,590	4,581,488
Investments (<i>Notes 5 and 6</i>)	1,071,513,496	1,567,298,179
Property, net (<i>Note 7</i>)	<u>7,250,466</u>	<u>7,710,073</u>
TOTAL ASSETS	<u>\$ 1,099,678,117</u>	<u>\$ 1,600,322,099</u>
 LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	\$ 6,546,969	\$ 6,203,572
Grants payable, net (<i>Note 8</i>)	<u>20,958,603</u>	<u>19,064,137</u>
Total liabilities	<u>27,505,572</u>	<u>25,267,709</u>
Net assets without donor restrictions:		
Undesignated	600,364,033	855,455,296
Contractually-restricted (<i>Note 9</i>)	<u>471,808,512</u>	<u>719,599,094</u>
Total net assets without donor restrictions	<u>1,072,172,545</u>	<u>1,575,054,390</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,099,678,117</u>	<u>\$ 1,600,322,099</u>

See accompanying notes to financial statements.

The Episcopal Health Foundation
(An Instrumentality of the Protestant Episcopal Church in the Diocese of Texas)

Statements of Activities for the years ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
REVENUE:		
Partnership income (<i>Note 5</i>)	\$ (214,784,683)	\$ 186,408,124
Contributions	20,500,000	
Other revenue	<u>599,204</u>	<u>107,328</u>
Total revenue	<u>(193,685,479)</u>	<u>186,515,452</u>
EXPENSES:		
Program services:		
Grants made	296,193,562	39,435,174
Research	5,350,191	4,087,233
Program management	2,403,127	2,589,774
Community engagement	<u>2,188,411</u>	<u>1,978,518</u>
Total program services	<u>306,135,291</u>	<u>48,090,699</u>
Management and general:		
Diocesan operating entities – administrative services	737,592	716,112
Other management and general	<u>2,323,483</u>	<u>1,768,739</u>
Total management and general	<u>3,061,075</u>	<u>2,484,851</u>
Total expenses	<u>309,196,366</u>	<u>50,575,550</u>
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS	(502,881,845)	135,939,902
Net assets without donor restrictions, beginning of year	<u>1,575,054,390</u>	<u>1,439,114,488</u>
Net assets without donor restrictions, end of year	<u>\$ 1,072,172,545</u>	<u>\$ 1,575,054,390</u>

See accompanying notes to financial statements.

The Episcopal Health Foundation
(An Instrumentality of the Protestant Episcopal Church in the Diocese of Texas)

Statements of Functional Expenses for the years ended December 31, 2022 and 2021

	GRANTS MADE		PROGRAM MANAGEMENT	COMMUNITY ENGAGEMENT	TOTAL PROGRAM SERVICES	MANAGEMENT AND GENERAL	2022 TOTAL
		RESEARCH					
Grants	\$ 35,843,562				\$ 35,843,562		\$ 35,843,562
Grants to related entities	260,350,000				260,350,000		260,350,000
Payroll and related benefits		\$ 1,261,100	\$ 1,685,708	\$ 1,322,018	4,268,826	\$ 1,054,647	5,323,473
Professional fees		3,766,455	292,186	366,523	4,425,164	670,597	5,095,761
Diocesan operating entities – administrative services						737,592	737,592
Depreciation		128,338	180,683	158,282	467,303	94,642	561,945
Information technology		75,629	106,476	93,275	275,380	55,772	331,152
Occupancy		58,706	85,040	73,280	217,026	68,132	285,158
Other		59,963	53,034	175,033	288,030	379,693	667,723
Total expenses	<u>\$ 296,193,562</u>	<u>\$ 5,350,191</u>	<u>\$ 2,403,127</u>	<u>\$ 2,188,411</u>	<u>\$ 306,135,291</u>	<u>\$ 3,061,075</u>	<u>\$ 309,196,366</u>

	GRANTS MADE		PROGRAM MANAGEMENT	COMMUNITY ENGAGEMENT	TOTAL PROGRAM SERVICES	MANAGEMENT AND GENERAL	2021 TOTAL
		RESEARCH					
Grants	\$ 37,751,841				\$ 37,751,841		\$ 37,751,841
Grants to related entities	1,683,333				1,683,333		1,683,333
Payroll and related benefits		\$ 1,161,694	\$ 1,620,870	\$ 1,312,427	4,094,991	\$ 933,352	5,028,343
Professional fees		2,653,009	590,101	294,853	3,537,963	393,132	3,931,095
Diocesan operating entities – administrative services						716,112	716,112
Depreciation		152,120	219,354	195,842	567,316	106,376	673,692
Information technology		56,360	81,270	72,559	210,189	39,412	249,601
Occupancy		41,240	61,277	55,049	157,566	52,351	209,917
Other		22,810	16,902	47,788	87,500	244,116	331,616
Total expenses	<u>\$ 39,435,174</u>	<u>\$ 4,087,233</u>	<u>\$ 2,589,774</u>	<u>\$ 1,978,518</u>	<u>\$ 48,090,699</u>	<u>\$ 2,484,851</u>	<u>\$ 50,575,550</u>

See accompanying notes to financial statements.

The Episcopal Health Foundation
(An Instrumentality of the Protestant Episcopal Church in the Diocese of Texas)

Statements of Cash Flows for the years ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in net assets without donor restrictions	\$ (502,881,845)	\$ 135,939,902
Adjustments to reconcile changes in net assets without donor restrictions to net cash used by operating activities:		
Depreciation	561,945	673,692
Partnership income	214,784,683	(186,408,124)
Changes in operating assets and liabilities:		
Other assets	(617,448)	(80,301)
Accounts payable and accrued expenses	343,397	83,937
Grants payable	<u>1,894,466</u>	<u>4,316,248</u>
Net cash used by operating activities	<u>(285,914,802)</u>	<u>(45,474,646)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Program note receivable	1,092,898	(16,488)
Purchases of investments	(15,000,000)	
Distributions from EH Investment Fund, L.P.	296,000,000	43,000,000
Purchases of property	<u>(102,338)</u>	<u>(191,803)</u>
Net cash provided by investing activities	<u>281,990,560</u>	<u>42,791,709</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(3,924,242)	(2,682,937)
Cash and cash equivalents, beginning of year	<u>19,695,664</u>	<u>22,378,601</u>
Cash and cash equivalents, end of year	<u>\$ 15,771,422</u>	<u>\$ 19,695,664</u>

See accompanying notes to financial statements.

The Episcopal Health Foundation (An Instrumentality of the Protestant Episcopal Church in the Diocese of Texas)

Notes to Financial Statements for the years ended December 31, 2022 and 2021

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization – The Episcopal Health Foundation (EHF), a Texas nonprofit corporation, was created on March 27, 2013 to promote human health (including, without limitation, complete physical, mental and social well-being and not just merely the absence of disease or infirmity), healthcare excellence, advances in medical science, and improvements in community health services to benefit the 80 counties that comprise the ecclesiastical territory that extends from the Louisiana border to portions of central, eastern, north, and southeastern Texas. EHF is organized under Title V, Canon 5, as amended, of the Constitution and Canons of the Protestant Episcopal Church in the Diocese of Texas (the Diocese). The Diocese is the sole member of EHF. The authority of the Diocese is vested in the Bishop, the Council of the Diocese, and a standing committee.

Related entities – The Executive Board of the Diocese is composed of the Bishop and fifteen members elected by the Council of the Diocese. Pursuant to various Canons, the Executive Board has certain oversight responsibilities relating to the affairs of EHF and the following related Diocesan operating entities:

- ❑ *Episcopal Diocese of Texas (EDOT)* is an operating unit of special accounts used to carry out the ministry of the Diocese and is supported primarily by parish assessments.
- ❑ *EDOT Financial Services Corporation* was created to provide human resource, accounting, financial, and investment management services support to the related Diocesan operating entities, as well as administering health benefits for clergy and certain lay employees throughout the Diocese.
- ❑ *Protestant Episcopal Church Council of the Diocese of Texas (Church Corporation)* receives, holds, manages, and administers funds and properties acquired by gift or purchase for the use and benefit of the Diocese and any Diocesan institution. Additionally, it may also receive, hold, and manage funds held for the use and benefit of any parish or mission in the Diocese.
- ❑ *The Great Commission Foundation (GCF)* was created in 2013 to support missionary and church planting strategies of the Diocese.
- ❑ *Episcopal Foundation of Texas (EFT)* was created to hold and administer certain assets for the purpose of providing grants and loans for religious, educational, and charitable purposes to designated Diocesan entities.
- ❑ *The Bishop Quin Foundation (Bishop Quin)* was created in 1943 to commemorate the 25th anniversary of the consecration of the Right Reverend Clinton S. Quin as Bishop. The broad objectives of Bishop Quin include such religious, charitable, and educational activities as determined by the Bishop and the Board of Trustees to be in furtherance of the spiritual and physical welfare of the Diocese.

EHF routinely engages in activities with and provides grants to Diocesan operating entities and other related entities that are directly or indirectly governed by the Council of the Diocese. Other related entities include parishes, schools and missions.

Basis of presentation – These financial statements include only the assets, liabilities, net assets, and activities of EHF. The accompanying financial statements do not include the assets, liabilities, net assets, and activities of the related Diocesan operating entities or other related entities. Each of these related entities is an operating entity distinct from EHF, maintains separate financial records, and administers its own services and programs.

Federal income tax status – EHF is exempt from federal income tax under §501(c)(3) of the Internal Revenue Code and is classified as a Type I supporting organization under §509(a)(3).

Cash equivalents are highly liquid financial instruments with original maturities of three months or less which are available for grant and operating expenditures.

Program note receivable is carried at the unpaid principal balances, less an allowance for uncollectible note receivable balances.

Investments are reported at fair value. Investment return is reported in the statement of activities as an increase in *net assets without donor restrictions* unless the use of the income is limited by donor-imposed restrictions.

Property with a cost of \$500 or more and an estimated useful life of more than one year is capitalized and reported at cost, if purchased, or at estimated fair value at the date of gift, if donated. EHF provides for depreciation using the straight-line method based upon estimated useful lives of 3 to 40 years.

Net asset classification – Net assets, revenue, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. *Net assets without donor restrictions* are not subject to donor-imposed restrictions even though their use may be limited in other respects such as by contract or board designation.

Grants made are recognized as expense at fair value when EHF approves an unconditional commitment to a grant recipient. Commitments made, but not yet funded are reported as grants payable and are discounted to estimate the present value of future cash flows using a risk-free rate-of-return, if material. Conditional grants are subject to one or more barriers that must be overcome before the recipient is entitled to receive or retain funding. Conditional grants are recognized in the same manner when the conditions are met by the recipient.

Functional allocation of expenses – Expenses are reported by their functional classification. Program services are the direct conduct or supervision of activities that fulfill the purposes for which the organization exists. Management and general activities are not directly identifiable with specific program activities. Expenses that are attributable to more than one activity are allocated among the activities benefitted. Salaries and related costs are allocated on the basis of estimated time and effort expended. Depreciation and occupancy costs are allocated based on square footage. Information technology costs are allocated based on estimates of time and costs of specific technology utilized.

Estimates – Management must make estimates and assumptions to prepare financial statements in accordance with generally accepted accounting principles. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, the amounts reported as revenue and expenses, and the allocation of expenses among various functions. Actual results could vary from the estimates that were used.

NOTE 2 – LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use within one year of December 31 comprise the following:

	<u>2022</u>	<u>2021</u>
Financial assets:		
Cash and cash equivalents	\$ 15,771,422	\$ 19,695,664
Program note receivable, net	3,488,590	4,581,488
Investments	<u>1,071,513,496</u>	<u>1,567,298,179</u>
Total financial assets	1,090,773,508	1,591,575,331
Less financial assets not available for general expenditure:		
Program note receivable due in more than one year, net		(3,742,857)
Investments	<u>(1,027,713,496)</u>	<u>(1,505,298,179)</u>
Total financial assets available for general expenditure	<u>\$ 63,060,012</u>	<u>\$ 82,534,295</u>

For purposes of analyzing resources available to meet expenditures over a 12-month period, EHF considers all expenditures related to its ongoing charitable activities, as well as the conduct of services undertaken to support those activities, to be general expenditures.

As part of EHF's liquidity management, it structures its financial assets to be available as general expenditures and liabilities become due. EHF's assets are invested for long-term appreciation, but remain available to be spent at the Board of Trustees' discretion. EHF operates with a balanced budget and determines the spending level for each year as part of the annual budget process.

NOTE 3 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents are comprised of the following:

	<u>2022</u>	<u>2021</u>
Money market mutual funds	\$ 7,779,545	\$ 10,692,620
Demand deposits	<u>7,991,877</u>	<u>9,003,044</u>
Total cash and cash equivalents	<u>\$ 15,771,422</u>	<u>\$ 19,695,664</u>

NOTE 4 – PROGRAM NOTE RECEIVABLE

During 2020, EHF entered into a \$4.8 million note agreement with the Texas Clinic Emergency Loan Fund, LLC (the Loan Fund). The proceeds were used by the Loan Fund to make secured loans to clinics to meet emergency community and working capital needs arising from the COVID-19 pandemic and to fund strategic revenue producing opportunities. The note is noninterest bearing through September 30, 2021, bears interest at 1% through September 30, 2022, and then at 2% through the maturity date of September 30, 2023. Quarterly payments of principal and interest are due beginning December 31, 2021. The remaining balance on the program note receivable of \$3,688,590 is due to be collected in 2023.

NOTE 5 – INVESTMENTS AND INVESTMENT RETURN

Investments consist of a partnership interest in the EH Investment Fund, L.P. (the Fund). The Fund is a Delaware limited partnership that was created on June 1, 2014. HCP EHF Management LLC (General Partner), a U. S. Securities and Exchange Commission registered advisor and wholly owned subsidiary of Hall Capital Partners LLC, is the General Partner to the Fund. There are five limited partners in the Fund, all of which are Diocesan operating entities. As of December 31, 2022, EHF had a 69% interest in the Fund.

The Fund is a global multi-asset class fund that primarily seeks to increase its net asset value by an amount in excess of inflation (as defined by the Consumer Price Index) and the actual spending rate of EHF over full market cycles of seven to ten years. The Fund also seeks to maximize investment returns and to reduce portfolio volatility by investing in diversified asset classes and capital markets. The asset classes that the Fund will invest in include global equities (developed and emerging), hedge funds, hybrids, private equity, real assets, fixed-income, and cash and cash equivalents.

At any given time, 20% of the Fund's portfolio assets can be liquidated within a 30-day time period. Redemptions are allowed at the end of each month with 10 days' prior written notice provided that such request does not require the Fund to sell any illiquid investments or incur any penalty. There are no unfunded commitments at December 31, 2022.

The invested assets of the Fund are summarized by investment type as follows:

	<u>2022</u>	<u>2021</u>
Portfolio funds:		
Private equity	27.6%	22.7%
Equity strategies	22.7%	23.1%
Absolute return	13.4%	14.3%
Equity hedge	3.7%	4.6%
Other	0.6%	0.8%
Global stock, fixed-income and hard asset mutual funds	16.1%	17.1%
Marketable securities:		
Common stock	10.7%	12.4%
Depository receipts	0.1%	0.4%
Cash and cash equivalents	<u>5.1%</u>	<u>4.6%</u>
Total	<u>100%</u>	<u>100%</u>

Portfolio fund investments are subject to the terms of the respective portfolio fund's agreements, offering documents and other governing agreements. Additionally, most, if not all, of the portfolio funds in which the Fund invests may restrict both the transferability of the Fund's interest and the Fund's ability to withdraw. Due to these restrictions, investments in certain portfolio funds are viewed as illiquid and are subject to liquidity risk.

Investments are exposed to various risks such as interest rate, market and credit risks. Alternative investments such as the Fund include additional risks because of their complex nature and limited regulations resulting in a greater risk of losing invested capital. Such risks include, but are not limited to, limited liquidity, absence of oversight, dependence upon key individuals, emphasis on speculative investments (both derivatives and nonmarketable investments), and nondisclosure of portfolio composition. Because of these risks, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position and statement of activities.

Legal, tax, and regulatory changes could occur during the term of EHF's investment in the Fund. The regulatory environment for alternative investment funds is evolving, and changes in the regulation of these funds may adversely affect the value of investments held by EHF. EHF believes that the effect of any future regulatory change in EHF's assets would not materially impact the value.

Partnership Income

Partnership income from investment in the Fund consists of the following:

	<u>2022</u>	<u>2021</u>
Realized and unrealized gain (loss)	\$ (222,594,824)	\$ 175,442,257
Interest and dividends	9,966,460	18,000,669
Investment management and sub-advisory fees	<u>(2,156,319)</u>	<u>(7,034,802)</u>
Total partnership income	<u>\$ (214,784,683)</u>	<u>\$ 186,408,124</u>

NOTE 6 – FAIR VALUE MEASUREMENTS

Generally accepted accounting principles require that certain assets and liabilities be reported at fair value and establish a hierarchy that prioritizes inputs used to measure fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The three levels of the fair value hierarchy are as follows:

- *Level 1* – Inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the reporting date. The types of investments included in Level 1 are securities traded and valued based upon a public exchange.
- *Level 2* – Inputs are quoted prices in nonactive markets or in active markets for similar assets or liabilities, or inputs which are either directly or indirectly observable with observable market data at the reporting date.
- *Level 3* – Inputs are not observable and are based on the reporting entity's assumptions about the inputs market participants would use in pricing the asset or liability.

There are no investments that are categorized as Level 2 or Level 3 investments at December 31, 2022 and 2021. In accordance with Accounting Standards Update 2015-07, *Fair Value Measurements*, investments for which fair value is measured at net asset value per share (or its equivalent) (NAV-PE) using the practical expedient have not been categorized in the fair value hierarchy.

Assets measured at fair value at December 31, 2022 are as follows:

	<u>LEVEL 1</u>	<u>NAV-PE</u>	<u>TOTAL</u>
Investments:			
EH Investment Fund, L.P.		\$ 1,071,513,496	\$ 1,071,513,496
Cash equivalents:			
Money market mutual funds	\$ 7,779,545		7,779,545
Total assets measured at fair value	<u>\$ 7,779,545</u>	<u>\$ 1,071,513,496</u>	<u>\$ 1,079,293,041</u>

Assets measured at fair value at December 31, 2021 are as follows:

	<u>LEVEL 1</u>	<u>NAV-PE</u>	<u>TOTAL</u>
Investments:			
EH Investment Fund, L.P.		\$ 1,567,298,179	\$ 1,567,298,179
Cash equivalents:			
Money market mutual funds	\$ 10,692,620		10,692,620
Total assets measured at fair value	<u>\$ 10,692,620</u>	<u>\$ 1,567,298,179</u>	<u>\$ 1,577,990,799</u>

Valuation methods used for assets measured at fair value are as follows:

- ☐ *EH Investment Fund, L.P.* is valued using the net asset value (or its equivalent) as a practical expedient to report the fair value of the investment. The fair value of the Fund is based on information provided by the General Partner of the Fund. Management takes into consideration consultation with Fund investment managers and audited financial information to determine the overall reasonableness of the recorded fair value.
- ☐ *Mutual funds* are valued at the published net asset value of shares held at year end.

These valuation methods may produce a fair value that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while EHF believes its valuation methods are appropriate, the use of different methods or assumptions could result in a different fair value measurement at the reporting date.

NOTE 7 – PROPERTY

Property is comprised of the following:

	<u>2022</u>	<u>2021</u>
Land	\$ 750,000	\$ 750,000
Buildings and improvements	10,710,172	10,699,019
Furniture, fixtures and equipment	<u>937,202</u>	<u>846,017</u>
Total property, at cost	12,397,374	12,295,036
Accumulated depreciation	<u>(5,146,908)</u>	<u>(4,584,963)</u>
Property, net	<u>\$ 7,250,466</u>	<u>\$ 7,710,073</u>

NOTE 8 – GRANTS PAYABLE

At December 31, 2022, grants approved and committed for future payments are payable as follows:

2023	\$ 16,570,901
2024	2,309,947
2025	750,000
2026	750,000
2027	<u>800,000</u>
Total grants payable	21,180,848
Discount to net present value at 0.98% to 2.46%	<u>(222,245)</u>
Grants payable, net	<u>\$ 20,958,603</u>

EHF provided a \$200,000,000 grant in 2022 and a \$835,000 grant in 2021 to a related Diocesan operating entity to fund a portion of clergy health insurance costs for all Diocesan entities. EHF also provided a \$60,000,000 grant in 2022 to a related Diocesan operating entity to establish a Diocesan Leadership fund. EHF provided other grants to related Diocesan entities totaling approximately \$350,000 in 2022 and \$850,000 in 2021. At December 31, 2022 and 2021, grants payable to related Diocesan operating entities were \$0 and \$1,183,334, respectively.

NOTE 9 – CONTRACTUALLY-RESTRICTED NET ASSETS

Under the Definitive Agreement (the Agreement), EHF received approximately \$1.26 billion in consideration for the transfer of a membership in St. Luke's Episcopal Health System (SLEH) from the Diocese to a national nonprofit hospital system. In the Agreement, EHF agreed that a minimum of 85% of the proceeds would be used for health initiatives and that a minimum of 85% of the proceeds would be used in the 57 Texas counties that comprise the Diocese. Transactions and balances related to such restrictions are as follows:

Contractually-restricted net assets, January 1, 2021	\$ 769,369,387
Expenditure of funds for specified purposes	<u>(49,770,293)</u>
Contractually-restricted net assets, December 31, 2021	719,599,094
Expenditure of funds for specified purposes	<u>(247,790,582)</u>
Contractually-restricted net assets, December 31, 2022	<u>\$ 471,808,512</u>

NOTE 10 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through August 24, 2023, which is the date that the financial statements were available for issuance. As a result of this evaluation, no events were identified that are required to be disclosed or would have a material impact on reported net assets or changes in net assets.

CANONICAL REPORTS

COMMISSION ON MINISTRY

The Role of the Commission on Ministry

According to the Constitutions and Canons of the Episcopal Church, the Commission shall advise and assist the Bishop in the:

- implementation of Title III, Canons 6, 8 and 10 pertaining to ordination
- determination of present and future opportunities and needs for the ministry of all baptized persons, and
- design and oversight of the ongoing process for recruitment, discernment, formation for ministry, and assessment of readiness.

The Committee for the Diaconate is a part of the Commission on Ministry and provides the same advice and support to the Bishop for those on the diaconate track.

Leadership

The Right Reverend Kathryn (Kai) Ryan is the Executive for Ministry overseeing the work of the Commission on Ministry, the Committee for the Diaconate and the Iona School for Ministry.

The Rev. John Newton, Rector at St. Michael's, Austin, serves as the Chair of the Commission on Ministry.

The Reverend Jan Halstead, Deacon, is the Chair for the Committee for the Diaconate, working with the Executive for Ministry and the Chair for the Commission on Ministry providing focused attention to those discerning a call to the diaconate.

Current Active Students

The Diocese of Texas currently has 36 students at various stages preparing for ordination. Here is a breakdown:

- Preparing for the diaconate at Iona School: 6
- Preparing for the bi-vocational priesthood at Iona School: 8
- Preparing for the priesthood at seminaries: 22

The numbers above do not include the 21 aspirants interviewed in November 2023 by the Commission on Ministry and the Committee for the Diaconate.

The Discernment Process/Discovery Retreats

In 2023, 2 Discovery Retreats were held. The dates were May 12-14 (24 participants) and September 15-17 (25 participants). In 2024, 3 Discovery Retreats will be held on February 23-25, May 3-5, and September 13-15. The Discovery Retreat is highly recommended but no longer required. Registration for the

Discovery Retreat is handled by Camp Allen www.campallen.org/events.

Discernment committees are a required part of the ordination process. Committees may be either regional or local. The decision as to which to use is made by the Head of Congregation and if desired, in consultation with the Chair of the Commission on Ministry. We are grateful for all those who have volunteered to serve on discernment committees.

September 1st is the deadline to submit all portions of the applications for Holy Orders. This deadline applies to all orders: diaconate, priesthood and those already ordained in another denomination seeking to be received into the Episcopal church. Interviews for these aspirants are held in mid-November, following the September 1st application deadline.

Commission on Ministry Meetings

The COM meets each November over a period of three days and two nights to interview all applicants who applied by the September 1st deadline. This meeting takes place at Camp Allen. In January, the annual vocations conference takes place at Camp Allen, which is held for all postulants in formation, whether they attend Iona or a different seminary. During this time, the COM meets with middlers and seniors (though juniors attend and interact with the COM informally at the vocations conference). In April, the COM holds miscellaneous meetings, usually with Canon 10 applicants or applicants who have been asked to return for a second meeting. Virtual meetings are also held from time to time, when circumstances dictate.

The “ordination process” website has been revised to provide more detail and clarity concerning the ordination process. <https://www.epicenter.org/diocese/discovery-retreat/ordination-process/>

A heartfelt “Thank you” to all of you who volunteered to be trained and serve as Discovery Retreat faculty and staff and those who served on discernment committees.

As we head into another year, your continued prayers are appreciated for the Commission, its members and all those answering God’s call to serve.

John Newton, Chair

EXAMINING CHAPLAINS

The Examining Chaplains continued to experience transition during 2023. We bid farewell to the Rev'd Mark Crawford, a long-time member of the examining chaplains who also spent many years writing and grading General Ordination Exams. We are deeply grateful for his service to the diocese, and we will miss his erudition and wisdom and years of experience. We also added two new members: The Rev'd Jacob Breeze and the Rev'd Carissa Baldwin-McGinnis, to bring us back to our full complement of six chaplains. The Rev'd Patrick Hall continues as chair.

The Examining Chaplains are now playing a larger role in the work of the Commission on Ministry. Several of our members participated in postulancy interviews hosted by the Commission at Camp Allen on November 7-8, 2023. We are grateful to Bishop Ryan and the Rev'd John Newton for including us in their important work.

As is our custom, in 2023 we administered canonical exams, and provided correspondence tutoring to postulants who were assigned remedial work at the conclusion of those exams. The Examining Chaplains administered the written portion of said exams over email on the 3rd thru the 6th of January, 2023, and we conducted the oral portion of those exams at the Vocations Conference, on the 9th and 10th of January, 2023. Performances on these exams were generally good, though several exam-takers were assigned remedial work arising from their performance. After these exams and all remedial work was completed, we approved thirteen of the fourteen postulants we interviewed for ordination: Le Anna Brun, Eric Bumgardner, Eric Ellis, Laura Warner Gilmer, Cole Jodon, Allen Junek, Garrett Lane, Leesa Lewis, Sarah Mast, Amy Moehnke, Gavin Tomlin Steven Tomlinson, Victoria Umana. On October 23, 2023, just prior to Clergy Conference we conducted our deacon's exams, and certified the same thirteen postulants for ordination to the priesthood.

We have completed the questions for the 2024 canonical exams and look forward to meeting our next crop of postulants in January.

Patrick Hall, Chair

DEACON'S REPORT

There are 53 deacons in the diocese, 34 deacons who are active in parish ministry and several who are retired and are serving in various capacities.

Parish Ministry: Deacons led bible studies and book studies. One served as Safeguarding God's Children and People trainer. They serve as chaplain/spiritual advisors for Daughters of the King, Congregational Care, Outreach committees. They have led and supported parishioners in various outreach activities in the community. Other groups facilitated by deacons include Walking the Mourners Path, a support group for families affected by Alzheimer's Disease and Dementia, and weekly addiction meetings. They have been active in participating or leading online services of the daily offices, meditations, and group discussions.

Community Ministry: Serving in the community, many deacons sat on various boards of nonprofits who serve people who are experiencing food scarcity, and homelessness. They have worked with interfaith groups in their areas and have worked for legislative changes. They have worked with programs who serve at-risk students, students who have developmental challenges, and students who are in and those aging out of the foster care system. Two were involved with college campus ministries. Senior adults are visited by deacons. Workshops and support groups addressing grief are provided. Another facilitates groups for caregivers. Two have served in missional communities. Information and services for sexual assault were provided. One deacon works in a crisis center. Two have worked with Health Justice Advocacy Network. Several deacons either lead or participate in Racial Justice Ministry and Sacred Ground Dialogue Circles. Partnerships were formed with schools and social service agencies to provide needed funds and work completed for those partners. Students are provided with clothing and one deacon teaches ESL for Afghan mothers associated with the school. Funds were raised so that medical debt could be purchased by RIP Medical Debt to alleviate the burden on families. Families were provided with food during the holidays. Deacons are involved in refugee resettlement. Two hosted AA meetings. Two are active and leaders in Refugee Resettlement Ministry. Several deacons provided pastoral care for residents of care facilities and led pastoral care teams in their church. One participated in EHF Transformation out of Poverty Cohort. Homelessness was addressed by working with Habitat for Humanity, and a Tiny House community as well as other activities. One is involved in Laundry Love. One works with veterans and another began a partnership with Camp Hope with veterans with PTSD. A community garden was planted and maintained. One is very active working with juvenile offenders, others in prison ministry, and reentry after incarceration. One collaborated to provide a community wide service during Crime Victims' Rights Week. Other deacons are active in the area of mental health, addiction recovery, and veteran's advocacy. Several deacons were active in voter registration, providing information of nonbiased sites for informed voting, facilitating candidate forums, and activities on election day.

Iona School for Ministry: One served as the Deacon Fieldwork Supervisor for the

Iona School of Ministry. Three deacons have been a deacon mentor for Thriving in Bi-Vocational Ministry program through the Iona Collaborative, Seminary of the Southwest. Three deacons taught classes at Iona. Several deacons mentored students attending Iona and newly ordained deacons.

Diocesan Ministry: Two served on the EHF Kitchen Cabinet. One was the chair of the Committee for the Diaconate.

Larger Church Ministry: One deacon serves on boards of deacons' organizations (AED, the Fund, DOTAC). One deacon serves as CREDO faculty.

Deacons who are retired from active ministry continue to provide pastoral care, lead an international meditation group, and serve liturgically at special services.

Jan Halstead, Dean of the Deacons
Clericus

BI-VOCATIONAL PRIESTS REPORT

The Bivocational Priest Convocation had an encouraging year, with several events and initiatives aimed at supporting and connecting bivocational priests across the diocese. This is particularly important because bivocational priests often cannot attend their geographic convocation meetings because of conflicts with their secular work. The following is a summary of our activities in 2023:

1. **Bivocational Priest Private Social Network:** We created a private social network for bivocational priests to allow online support, sharing, and ideas for ministry. The network has provided a valuable platform for bivocational priests to connect with one another.
2. **Bivocational Priest Breakfast at the 2023 Diocesan Council:** We hosted a breakfast at the 2023 Diocesan Council, which was attended by over 20 bivocational priests from across the diocese. The breakfast provided an opportunity for the priests to connect with one another, plan together, and share their experiences.
3. **Monthly Zoom Meetings:** We held monthly Zoom meetings throughout the year to support one another and provide ideas and feedback. These meetings provided a valuable forum for discussion and collaboration.
4. **Planned the First Bivocational Priest Retreat:** We planned the first Bivocational Priest retreat, which is scheduled to be held in May 2024. The retreat will be led by Br. David Vryhof, SSJE, and will provide an opportunity for bivocational priests to come together for spiritual renewal and fellowship.
5. **In-Person Meeting at Clergy Conference:** We held an in-person meeting attended by over 25 bivocational priests at the Clergy Conference in October. The meeting included a training session on “Organizing Tools for Building Your Congregation” by Mr. Doug Greco of Central Texas Interfaith. The training was well-received and provided valuable insights into effective strategies for building congregations and neighborhood engagement.

As we move into 2024, we are committed to building camaraderie among bivocational priests, supporting our own spiritual lives, and helping each other navigate the unique challenges we face.

Paul Skeith, Dean

STANDING COMMITTEE

The Standing Committee of the Episcopal Diocese of Texas consists of three priests and three lay communicants within the diocese, elected by Council for a three-year term. Additionally, after the reunification council in the summer of 2022, two observers from the north region of the diocese were invited to attend meetings of the Standing Committee. It functions as a committee of advice to the bishop and is called at the bishop's discretion, or it may meet of its own accord. The Standing Committee votes for consent for persons to become candidates for Holy Orders, consent for ordinations, and consent to elections of bishops in other dioceses. When there is no bishop or bishop coadjutor, the Standing Committee becomes the ecclesiastical authority of the diocese.

It has been my honor to serve as President of the Standing Committee for the Episcopal Diocese of Texas and to labor alongside such faithful members.

Committee Members

To 2024

The Rev. Hannah E. Atkins Romero, President

Rebecca Brindley, Secretary

To 2025

The Rev. Simon Bautista

Yvonne Carter-Johnson

To 2026

The Rev. Eileen O'Brien

Jennifer Mc Gowan

Observers from the north region

The Rev. Tony Hiatt

Mollee Westfall

During the year the Standing Committee met with Bishop Doyle to learn of, discuss and act on matters pertaining to the Diocese of Texas, gave consent to candidates for holy orders in our diocese, and gave consent in most of the elections of bishops across the Episcopal Church.

Hannah E. Atkins Romero, President

DISCIPLINARY BOARD

This Disciplinary Board members serving from Council 2023-Council 2024 were the Rev. Leica Brannon, Director of Development, Seminary of the Southwest; the Rev. Keith Giblin, Retired Clergy; Steven Greenlee, St. James, Houston; Ann O'Connell, St. Matthews, Austin; Carmen Pratt, St. Mark's Houston; the Rev. Minerva Skeith, St. John's Austin; and the Rev. Janice Krause, non-Parochial.

The Board convened March 2, 2023 to elect a President, electing Janice Krause.

Three matters were taken up by the Reference Panel of the Disciplinary Board in the past year. Of those, one resulted in a pastoral response and two in an Accord. Both Accords involved the surrender of Holy Orders.

The Rev. Janice Krause, Sylvia Matthews and the Rev. Leica Brannon complete their terms at Diocesan Council 2023.

The Board thanks our Chancellor David Harvin, the Rev. Canon Lisa Burns, the Rev. Canon Christine Faulstich, and the Rt. Rev. Andy Doyle for their assistance to the Board.

On a personal note, as this is the end of my term on the Board and as President, I am thankful for the privilege to serve on this Board. Caring for our Clergy, Congregations, and all people is at the heart of what we do. We are so blessed to have a pastorally minded Diocesan staff.

Janice Krause, President

EDOT FINANCE

2024 PROPOSED BUDGET FORMULA

Outlined below is the budget formula used to determine the Diocesan and Insurance Assessments for each parish and mission in the Diocese of Texas. The original formula was passed by the 143rd Council. As a result of the movement to one budget, the Formula has been amended to eliminate the Asking for the Missionary Budget. There was a one-time reset of the breakpoints in 2014 that had been in place since 1995 and a reduction in the rates for calculating assessments. In 2023, the Insurance Assessment portion was eliminated.

Diocesan Budget

GOAL: To allocate equitably to parishes and missions the monies that will be used to fund the Diocesan Budget.

METHOD:

A. Multiply Total Operating Revenue by the Percentage Factor (PF) using the break points noted below to determine the Maximum Formula (B) (MFB):

2024 Base Percentage Total					
<u>Operating Revenue PF</u>					
UP TO			\$	259,817	6%
\$	259,818	to	\$	394,284	7%
\$	394,285	to	\$	656,381	8%
\$	656,382	to	\$	1,048,386	9%
	OVER		\$	1,048,386	10%

The four break points have been adjusted annually by an amount equal to the change in Consumer Price Index (CPI), which was 6.5% for the 2024 calculation. Such adjustments to the break points shall be rounded to the nearest thousand dollars.

B. Determine the Formula (B) Request (FBR) –

For 2024 the **MFB** (Maximum Formula B Request) was compared to the MFB of the preceding year and adjusted, if necessary, so as not to increase more than 10 percent or decrease more than 20 percent. Under no circumstances, however, is the current year MFB to constitute less than 5 percent or more than 10 percent of a church's Operating Revenue.

NOTE:

The Operating Revenue used for both Formula (A) and Formula (B) is the parish's operating revenue (as reported in their parochial report) for the year that is two years before the budget year. (For 2024, the Operating Revenue used was that of 2022.)

Linda Riley Mitchell, CFO

2024 DIOCESAN BUDGET

The Episcopal Diocese of Texas



Confidential

THE EPISCOPAL DIOCESE OF TEXAS

2024 Proposed Budget

	<u>2022 Budget</u>	<u>2023 Budget</u>	<u>2024 Budget</u>	Notes:
Assessments				
Diocesan	\$ 7,846,464	\$ 8,622,198	\$ 8,681,746	AT HE PR
Insurance	\$ 517,277			
Less: Allowance for Uncollectible Accounts	(167,275)	(82,620)	(86,817)	
Net Assessment Revenue	8,196,466	8,539,578	8,594,929	
Foundation Support and Overhead Allocation				
Church Corporation	725,052	797,557	839,063	
Bishop Quin Foundation	432,099	489,556	517,560	
The Episcopal Foundation of TX	466,704	513,372	2,076,800	
Episcopal Health Foundation	905,827	1,018,849	1,064,994	
Great Commission Foundation	418,171	489,387	526,167	
Compass Rose Society Reimbursement	75,000	75,000	75,000	
Episcopal Seniors Foundation	35,000	35,000	35,000	
Total Foundation Overhead Payments	3,057,853	3,418,721	5,134,584	
Program Revenues				
IONA Program Revenue	85,000	160,000	125,055	LF
Commission on Ministry Revenue	10,000	10,000	10,000	
Congregational Vitality	7,000	7,000	7,000	
Formation/Youth Event Revenue	68,650	50,000	50,000	
Unified Commission Revenues	7,000	7,000	7,000	
Other Program Revenue	27,000	27,000	27,000	
Total Program Revenues	204,650	261,000	226,055	
Other Revenues				
Diocesan Magazine Contributions	1,000	1,000	1,000	
Bequests and Donations	1,000	1,000	1,000	
Diocesan Council	182,000	183,364	260,000	
Miscellaneous Income	15,000	15,000	115,000	
Brochures Sales	1,000	1,000	1,000	
Other	-	-	17,000	
Total Other Revenues	200,000	201,364	395,000	
TOTAL REVENUES	\$11,658,969	\$12,420,663	\$14,350,568	

EXPENDITURES

OFFICE OF THE BISHOP

Clergy Compensation

Clergy Salaries

Bishop of Texas	374,957	391,755	404,390
Bishop Suffragan - Tyler	122,881	137,153	142,689
Bishop Suffragan - Austin	110,881	165,153	170,689
Assisting Bishop - South Region	120,881	135,153	140,689
Assisting Bishop - North Region	-	62,576	64,553
Visiting Bishops	12,000	12,000	12,000
Canon to the Ordinary	118,866	132,974	138,447
Chief of Staff	84,000	111,496	108,224
Secretary of the Diocese	7,615		
Total Clergy Salaries	952,081	1,148,260	1,181,681

Housing Allowance and Maintenance

Bishop of Texas	30,000	30,000	30,000
Bishop Suffragan - Tyler	48,000	48,000	48,000
Bishop Suffragan - Austin	60,000	20,000	20,000
Assisting Bishop - South Region	50,000	50,000	50,000
Assisting Bishop - North Region	-	30,000	30,000
Canon to the Ordinary	50,000	50,000	50,000
Chief of Staff	47,000	47,000	47,000
Rectory Maintenance	86,643	86,644	90,000
Secretary of the Diocese	8,000		
Total Housing Allowance and Maintenance	379,643	361,644	365,000

Pension and Social Security Reimbursement

Bishop of Texas	136,506	154,004	160,373
Bishop Suffragan - Tyler	69,024	73,998	80,754
Bishop Suffragan - Austin	69,024	73,998	80,754
Assisting Bishop - South Region	69,024	73,998	80,754
Assisting Bishop - North Region	-	36,999	39,760
Canon to the Ordinary	57,349	63,045	65,548
Chief of Staff	49,015	57,761	58,079
Life Insurance	20,000	22,500	22,500
Other Defined Contributions	30,000	30,000	35,000
Secretary of the Diocese	5,843		
Total Pension and SS Reimbursement	505,785	586,303	623,522

Total Clergy Compensation

1,837,509	2,096,207	2,170,203
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Lay Staff Compensation

Salaries	565,342	695,774	689,152
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Pension	50,881	60,233	62,024
Employer FICA	43,249	53,227	52,720
Total Lay Staff Compensation	659,472	809,234	803,896

OFFICE OF THE BISHOP - Cont'd

Business and Travel Expense

Bishop of Texas	130,000	130,000	160,000
Bishop Suffragan - Tyler	50,000	50,000	75,000
Bishop Suffragan - Austin	50,000	50,000	75,000
Assisting Bishop - South Region	50,000	50,000	75,000
Assisting Bishop - North Region	-	25,000	30,000
Visiting Bishops	7,500	7,500	9,000
Canon to the Ordinary	20,000	35,000	35,000
Chief of Staff	17,625	17,625	21,000
Retired Diocesan Bishops	3,750	3,750	3,750
Business and Travel - Staff	18,000	20,000	25,000
Vehicle Depreciation	58,462	68,328	58,273
Secretary of the Diocese	1,125		
Archdeacon and Deacons	6,000		
Lambeth Conference Travel Expenses	150,000		
Total Business and Travel Expense	562,462	457,203	567,023

Clergy Conference	120,000	140,000	180,000
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TOTAL OFFICE OF THE BISHOP	3,179,443	3,502,644	3,721,122
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COMMUNICATION DEPARTMENT

Communication Staff Compensation	417,175	441,786	511,726
Diocesan Magazine	40,000	65,000	100,000
Communications Department	25,000	25,000	25,000
New Initiatives Marketing and communications	65,000	50,000	70,000
Communication Other	10,000	20,000	25,000
Business and Travel	21,000	21,000	21,000
Depreciation: Website Redesign	15,000		25,000
TOTAL COMMUNICATIONS	593,175	622,786	777,726

CANONICAL EXPENSES

Diocesan Council	272,002	324,950	330,000
Historian and Archives	8,000	7,000	10,000
Commission on Ministry	73,300	90,000	90,000
Executive Board	10,000	10,000	11,000
Standing Committee	1,000	1,000	1,000
General Convention	50,000		65,000
TOTAL CANONICAL EXPENSES	414,302	432,950	507,000

GC

MINISTRY EXPENSES**Ministry Staff Compensation**

Salaries, Stipends and Housing	546,100	647,274	666,659
Total Ministry Staff Compensation	546,100	647,274	666,659

Transition Ministry

Travel & Business - Transition Minister	17,000	17,000	17,000
Bishop's Fellows	130,000	135,000	135,000
Total Transition Ministry	147,000	152,000	152,000

MINISTRY EXPENSES - Cont'd**Wellness and Care Ministry**

Business and Travel	11,250	10,000	8,000
Safe Church (Congregational Wellness /Care)	64,050	67,300	58,300
Clergy & Family Wellness/Care	41,000	47,800	45,800
Recovery Ministry	6,000	6,000	6,000
Total Wellness and Care Ministry	122,300	131,100	118,100

Other Ministry Expenses

Interfaith and Ecumenical Work	2,500	3,000	3,000
Chaplains to the Retired	6,000	6,000	7,200
Consultant for Schools	12,500	12,500	10,000
Support for Congregations	70,000	70,000	50,000
Calling & Moving	110,000	100,000	100,000
Iona School and Center	230,000	230,000	-
Clergy Training (Clericus, Curates, Cont. Educ. & FTIC)	64,000	64,000	20,000
Conferences & Clergy Gatherings	90,000	120,000	124,000
Total Other Ministry Expenses	585,000	605,500	314,200

CC**TOTAL MINISTRY EXPENSES**

1,400,400	1,535,874	1,250,959
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MISSION AMPLIFICATION**Mission Amplification**

Mission Amplification Compensation	955,187	1,162,124	1,094,509
Business/Travel - Mission Amp Team	65,000	115,000	115,000
Congregational Vitality	85,600	78,350	77,750
Youth Ministry	100,350	117,900	51,000
Young Adults	18,500	18,000	10,000
TOTAL MISSION AMPLIFICATION EXPENSES	1,224,637	1,491,374	1,348,259

SERVICE AND OUTREACH

Support of the Episcopal Church	1,436,311	1,539,864	1,935,591
Support of the Anglican Communion	300,000	500,000	600,000
Support for the University of the South	5,000	5,000	5,000

DA

Provincial Synod Assessment	13,750	13,750	13,750
Sustainable Development Goals	82,004	83,352	100,000
EDOT Global Partnership	25,000	25,000	25,000
Companion Dioceses	50,000	50,000	75,000
Unified Commissions Expense	96,500	88,000	88,000
Prison & Restorative Justice Missions	40,000	35,000	50,000
TOTAL SERVICE AND OUTREACH	2,048,565	2,339,966	2,892,341

ADMINISTRATIVE EXPENSES

Lay Staff Compensation

Salaries	970,671	1,319,440	1,349,394
Reserve for Salary Increases	50,000	50,000	50,000
Total Staff Compensation	1,020,671	1,369,440	1,399,394

Diocesan Center Operating Expense

Information Technology	280,000	516,000	585,271	OH
Utilities	80,000	90,000	100,000	OH
Janitorial, Maint. & Repair	191,000	200,000	160,000	OH
Houston office rent PECC	98,000	98,000	98,000	OH
Rent - Austin & Tyler Offices	96,216	96,216	96,216	
Storage	22,000	22,000	32,500	
Total Diocesan Center Operating Expense	767,216	1,022,216	1,071,987	

General Office Expense

Office Equip Lease/Maint	45,000	50,600	77,300
Office Supplies/Printing	40,000	43,000	38,000
Communications-Telephone	35,000	35,000	37,289
Postage/Delivery Expense	20,000	21,000	22,000
Miscellaneous Office Expense	10,000	10,000	10,000
Payroll Processing Expense	13,000	13,500	15,000
Depreciation	90,500	105,000	116,000
Total General Office Expense	253,500	278,100	315,589

Insurance

Diocesan Property & Casualty Insurance	95,847	102,000	125,000	OH
Diocesan Workers' Compensation Insurance	50,000	60,000	60,000	OH
Automobile Insurance for Diocesan Vehicles	35,000	41,300	41,300	
Other Health Insurance Costs (insurance reserve)	75,000	75,000	100,000	
Group Health Insurance	869,750			HE
Total Insurance	1,125,597	278,300	326,300	

Other Administrative Expenses

Overhead reimbursement to the EDOT FSC	321,787	336,662	368,310
Legal Expense	75,000	75,000	55,000
Diocesan Audit	25,000	26,000	29,500
Interest and Bank Fees	10,000	16,000	16,000

Business/Travel-Finance Staff	66,750	50,000	50,000	OH
Subsidy Pension - Retired Clergy	4,000	4,000	4,000	
Diocesan Staff meetings	24,000	25,000	25,000	
HR Consulting & other transition costs	20,000	20,000	20,000	
Employee training and development	25,000	25,000	25,000	
Miscellaneous Operating Expense	5,000	10,000	10,000	
Consulting	50,000			
Total Other Admin	626,537	587,662	602,810	
TOTAL ADMINISTRATIVE EXPENSES	3,793,521	3,535,718	3,716,080	
TOTAL EXPENSES	12,654,043	13,461,312	14,213,487	
NET CHANGE IN ASSETS	(995,074)	(1,040,649)	137,081	

NOTES:

Assessment - The Diocesan Assessments are higher due to operating revenue growth. The North Region was added in 2023 following reunification.

Health Insurance Costs - Bishop Quin Foundation pledged to cover costs related to providing health insurance for clergy within the Diocese and Diocesan staff. Thanks to the generous pledge, Insurance Assessment has been eliminated as well as group health insurance expense.

Allowance for Uncollectible Accounts - This amount is 1% of the Assessments and represents an estimate of amounts potentially to be unpaid. All amounts have been paid in recent years.

Leadership Fund - Represents expenditures expected to be absorbed by the newly created Quin Foundation Leadership Fund.

General Convention - The General Convention is the governing body of The Episcopal Church. Every three years it meets as a bicameral legislature that includes the House of Deputies and the House of Bishops, composed of deputies and bishops from each diocese.

Clergy Conference - Increase is due to expected higher attendance and costs.

Diocesan Asking - The Diocese has reached its goal to meet the TEC asking (15% of revenues).

Overhead - These amounts represent reimbursement to the Diocese for overhead expenses incurred on behalf of the Foundations.

Linda Riley Mitchell, CFO

SUMMARY OF 2024 BUDGET CHANGES



The Episcopal Diocese of Texas

SUMMARY OF 2024 BUDGET CHANGES Increase/Decrease from 2023 Budget to 2024 Budget (in 000)

<u>Changes in Revenues</u>	Favorable (unfavorable)*	
-		
Coffield Reunification Grant II, net	1,460	
Increase in other Foundations support	256	
Increase in Interest Revenue	101	
Increase in Assessment Revenue	60	**
Changes in Youth Ministry and other	58	
Change in allowance for doubtful accounts	(4)	
		<hr/>
Total Increase in Revenues		<u>1,930</u>
 <u>Changes in Expense</u>		
Support of the Episcopal Church Compensation	(396)	
Cost of Living Adjustment--3%	(179)	
Staffing reductions	117	
New Positions	<u>(57)</u>	
Compensation Total	(119)	
Business Travel	(110)	
Anglican Communion Support	(100)	
Communication department	(85)	
Information Technology	(69)	
General Convention	(65)	
Service and Outreach (Other)	(57)	
Diocesan Operating expenses	(37)	
Insurance	(48)	
Clergy Conference	(40)	

Diocesan Council	(5)
Mission Amp department	76
Ministry department	304

Increase in total expenditures

\$ (752)

Net Revenues over Expenses

\$1,178

* Favorable = Increases in revenues or decreases in expenses
(Unfavorable) = Decrease in revenues or increases in expenses

** Increase in Assessments net of Forth Worth
Moratorium

Linda Riley Mitchell, CFO

2022 DIOCESAN ASSESSMENTS

Church	City	Church Type	2023 Assessment	2024 Proposed Assessment
Grace	Alvin	Parish	14,099	15,509
Trinity	Anahuac	Mission	2,233	2,220
Holy Comforter	Angleton	Parish	15,493	17,042
All Souls [formerly St Alban]	Arlington	Parish	12,834	13,026
St. David's	Austin	Parish	354,857	379,574
Good Shepherd	Austin	Parish	315,514	337,531
Resurrection	Austin	Mission	13,624	14,986
St. Michael's	Austin	Parish	79,445	87,390
St. Matthew's	Austin	Parish	111,156	122,272
St. James'	Austin	Parish	67,663	74,429
St. Mark's	Austin	Parish	59,005	64,906
St. George's	Austin	Parish	14,261	15,687
San Francisco De Asis	Austin	Mission	3,338	3,672
St. John's	Austin	Parish	14,069	15,438
St. Alban's	Austin	Parish	26,078	26,603
SoCo	Austin	Mission	1,032	1,135
St. Christopher's	Austin	Parish	16,802	18,482
All Saints'	Austin	Parish	104,788	90,850
St. Luke's on the Lake	Austin	Parish	88,278	75,720
Calvary	Bastrop	Parish	25,344	27,878
St. Mark's	Bay City	Parish	18,160	19,371
Trinity	Baytown	Parish	32,293	25,834
St. Mark's	Beaumont	Parish	87,929	96,722
St. Stephen's	Beaumont	Parish	28,941	25,401
St. Mary's	Bellville	Parish	11,550	12,705
St. Peter's	Brenham	Parish	29,654	27,003
St. Andrew's	Bryan	Parish	59,325	50,849
Epiphany	Burnet	Parish	8,293	9,122
Epiphany	Calvert	Mission	902	722
All Saints'	Cameron	Mission	4,430	4,873
St. John's	Carthage	Mission	2,321	2,553
Christ Church	Cedar Park	Parish	12,256	13,482
St. John's	Center	Mission	2,396	2,596
St. Francis'	College Station	Parish	9,575	10,487
St. Thomas'	College Station	Parish	48,327	48,876
St. John's	Columbus	Mission	3,664	4,030

St. James the Apostle	Conroe	Parish	54,722	43,778
St. Martin's	Copperas Cove	Mission	3,186	3,387
All Saints'	Crockett	Mission	991	1,008
St. Aidan's	Cypress	Parish	37,493	41,242
St. Mary's	Cypress	Parish	44,859	40,693
Church of the Resurrection	Decatur	Mission	2,790	2,232
Holy Trinity	Dickinson	Parish	13,429	12,420
Christ Church	Eagle Lake	Parish	7,978	6,792
All Saints	Fort Worth	Parish	124,023	107,707
Trinity	Fort Worth	Parish	101,761	105,716
St Christopher	Fort Worth	Mission	21,956	19,105
St Lukes-In-The-Meadow	Fort Worth	Mission	11,784	10,854
St. Paul's	Freeport	Parish	1,827	2,010
Good Shepherd	Friendswood	Parish	22,358	22,072
Trinity	Galveston	Parish	71,075	72,404
Grace	Galveston	Parish	15,278	16,806
St. Augustine of Hippo	Galveston	Mission	1,741	1,915
Grace	Georgetown	Parish	70,853	75,316
Good Shepherd	Granbury	Parish	19,243	20,607
St. Philip's	Hearne	Mission	921	1,013
St. Bartholomew's	Hempstead	Parish	2,629	2,892
St. Matthew's	Henderson	Parish	7,380	5,904
St Mary	Hillsboro	Mission	1,504	1,654
All Saints'	Hitchcock	Mission	1,724	1,379
St. Mark's	Houston	Parish	118,599	130,459
Christ Church Cathedral	Houston	Parish	441,153	461,685
St. Dunstan's	Houston	Parish	101,898	112,088
St. Thomas'	Houston	Parish	37,077	40,785
St. James'	Houston	Parish	47,090	51,799
Grace	Houston	Mission	13,500	14,850
St. Andrew's	Houston	Parish	46,864	51,550
Trinity	Houston	Parish	80,611	88,672
Epiphany	Houston	Parish	41,454	44,103
Ascension	Houston	Parish	29,890	27,292
Santa Maria Virgen	Houston	Mission	11,975	13,173
Hope	Houston	Parish	5,614	5,693
Redeemer	Houston	Mission	4,925	4,648
St. Luke the Evangelist	Houston	Parish	4,503	4,113
St. Christopher's	Houston	Parish	22,913	22,880
St. Alban's	Houston	Mission	5,260	4,282
San Pablo/St. Paul's	Houston	Mission	10,313	11,109
Christ the King (Alief)	Houston	Mission	11,201	11,891

St. Thomas the Apostle	Houston	Parish	51,520	56,672
St. Stephen's	Houston	Parish	122,876	117,768
Lord of the Streets	Houston	Mission	10,431	8,345
San Mateo	Houston	Parish	23,681	26,049
Palmer Memorial	Houston	Parish	189,904	178,808
Holy Spirit	Houston	Parish	89,002	81,510
Emmanuel	Houston	Parish	45,302	36,242
St. Cuthbert's	Houston	Parish	64,288	51,430
St. Francis'	Houston	Parish	238,709	231,191
St. Martin's	Houston	Parish	1,719,334	1,692,253
St. John the Divine	Houston	Parish	787,797	866,577
Christ the King (Atascocita)	Humble	Parish	20,612	20,836
St. Stephen's	Huntsville	Parish	19,395	21,335
St Stephen	Hurst	Mission	5,854	6,439
Trinity	Jacksonville	Mission	2,280	2,508
Trinity	Jasper	Parish	3,296	3,272
Christ Church	Jefferson	Mission	3,540	3,894
St. Paul's	Karnack	Mission	500	400
St. Paul's	Katy	Parish	25,793	28,372
Holy Apostles'	Katy	Parish	112,268	89,814
St. Paul's	Kilgore	Mission	4,685	5,090
St. Christopher's	Killeen	Parish	14,556	11,645
Good Shepherd	Kingwood	Parish	83,505	91,856
St. Michael's	La Marque	Mission	8,153	8,200
St. James'	LaGrange	Parish	34,688	27,750
St. Peter's	Lago Vista	Mission	2,008	-
St. Timothy's	Lake Jackson	Parish	23,628	22,122
Church of the Cross	Lake Travis	Mission	15,290	16,819
St. Mary's	Lampasas	Parish	9,244	9,867
St. John's	LaPorte	Parish	15,857	12,772
St. Christopher	League City	Parish	49,183	50,714
St. Paul's	Leigh	Mission	500	-
St. Stephen's	Liberty	Parish	12,200	12,514
St. Luke's	Lindale	Mission	3,769	3,015
St. Luke's	Livingston	Parish	6,055	6,105
Trinity	Longview	Parish	67,298	74,028
St. Michael & All Angels	Longview	Parish	8,565	8,638
St. Cyprian's	Lufkin	Parish	42,920	46,290
Holy Innocents'	Madisonville	Mission	875	963
St. Mary Magdalene	Manor	Mission	6,395	5,116
Trinity	Marble Falls	Parish	35,149	35,249
St. John's	Marlin	Parish	2,228	2,322

Trinity	Marshall	Parish	29,868	23,894
Christ Church	Matagorda	Mission	2,394	2,261
Christ Church	Mexia	Mission	3,094	3,173
St. Catherine's	Missouri City	Parish	25,246	27,771
Christ Church	Nacogdoches	Parish	45,401	40,640
St. Paul's	Navasota	Parish	2,849	3,134
St. Paul's	Orange	Mission	8,316	6,653
St. John's	Palacios	Mission	1,563	1,702
St. Philip's	Palestine	Parish	18,168	14,534
San Pedro/St. Peter's	Pasadena	Mission	20,172	22,189
St. Andrew's	Pearland	Parish	46,171	41,569
Holy Trinity	Port Neches	Parish	8,485	7,852
St. Francis of Assisi	Prairie View	Parish	3,735	4,109
St. Mark's	Richmond	Parish	20,928	22,558
Calvary	Richmond	Parish	47,466	49,049
St. Thomas'	Rockdale	Mission	1,346	1,250
St. Richard's	Round Rock	Parish	42,152	46,367
St. Julian of Norwich	Round Rock	Mission	22,912	25,203
St. Joseph's	Salado	Mission	5,313	5,319
Christ Church	San Augustine	Mission	5,180	4,144
St. John's	Sealy	Parish	3,715	4,087
St. John's	Silsbee	Mission	5,331	5,395
St Martin	Southlake	Parish	38,916	36,801
St. Isidore's	Spring	Mission	16,444	18,088
Holy Comforter	Spring	Parish	36,827	29,462
All Saints'	Stafford	Parish	19,415	18,542
St Luke	Stephenville	Parish	14,117	15,529
Holy Cross	Sugar Land	Parish	46,695	39,342
St. James'	Taylor	Mission	2,963	3,259
St. Francis'	Temple	Parish	18,495	20,345
Christ Church	Temple	Parish	46,668	50,440
St. George's	Texas City	Parish	8,569	6,855
Trinity	The Woodlands	Parish	154,468	145,172
Good Shepherd	Tomball	Parish	35,046	36,561
St. Francis'	Tyler	Parish	18,102	19,912
St. Clare's	Tyler	Mission	2,557	2,813
Christ Church	Tyler	Parish	166,028	168,163
St. John's	Tyler	Mission	1,216	1,258
St. Alban's	Waco	Parish	67,543	74,297
St. Paul's	Waco	Parish	138,962	126,844
Holy Spirit	Waco	Parish	26,525	21,308
St. Mary's	West Columbia	Parish	10,269	8,795

St. Thomas'	Wharton	Parish	15,020	13,386
Faith	Wichita Falls	Mission	4,881	5,369
St. Paul's	Woodville	Mission	3,260	2,608
TOTAL			8,622,198	8,681,746

Linda Riley Mitchell, CFO

**FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS REPORT FOR
THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

Episcopal Diocese of Texas

(An operating unit of the Protestant Episcopal Church in the Diocese of Texas)

Financial Statements
and Independent Auditors' Report
for the years ended December 31, 2022 and 2021

Episcopal Diocese of Texas
(An operating unit of the Protestant Episcopal Church in the Diocese of Texas)

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Independent Auditors' Report

To the Council of
the Protestant Episcopal Church in the Diocese of Texas:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Episcopal Diocese of Texas (an operating unit of the Protestant Episcopal Church in the Diocese of Texas), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities, of functional expenses, and of cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Episcopal Diocese of Texas as of December 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' *Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Episcopal Diocese of Texas and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Episcopal Diocese of Texas' ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and

therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Episcopal Diocese of Texas' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Episcopal Diocese of Texas' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Blazek & Vetterling

June 22, 2023

Episcopal Diocese of Texas
(An operating unit of the Protestant Episcopal Church in the Diocese of Texas)

Statements of Financial Position as of December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Cash	\$ 786,663	\$ 559,716
Accounts receivable, net:		
Support from Diocesan operating entities	953,952	1,520,421
Assessments receivable from parishes and missions	280,767	194,651
Other	72,466	115,770
Grants receivable from Diocesan operating entities	5,751,881	4,270,337
Prepaid expenses	210,354	223,208
Operating right-of-use assets, net (<i>Note 3</i>)	1,306,059	
Property, net (<i>Note 4</i>)	<u>1,453,421</u>	<u>1,087,474</u>
TOTAL ASSETS	<u>\$10,815,563</u>	<u>\$ 7,971,577</u>
 LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	\$ 961,601	\$ 658,860
Deferred program fees	109,768	116,971
Operating lease liabilities (<i>Note 3</i>)	1,307,818	
Funds held for other related entities	<u>140,409</u>	<u>84,158</u>
Total liabilities	<u>2,519,596</u>	<u>859,989</u>
Net assets:		
Without donor restrictions	7,970,565	6,625,674
With donor restrictions (<i>Note 5</i>)	<u>325,402</u>	<u>485,914</u>
Total net assets	<u>8,295,967</u>	<u>7,111,588</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$10,815,563</u>	<u>\$ 7,971,577</u>

See accompanying notes to financial statements.

Episcopal Diocese of Texas
(An operating unit of the Protestant Episcopal Church in the Diocese of Texas)

Statement of Activities for the year ended December 31, 2022

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
OPERATING REVENUE:			
Diocesan assessments of parishes and missions	\$ 8,502,432		\$ 8,502,432
Support from Diocesan operating entities:			
Episcopal Foundation of Texas	3,466,704		3,466,704
Protestant Episcopal Church Council of the Dioceses of Texas	1,270,052		1,270,052
The Episcopal Health Foundation	868,124		868,124
The Bishop Quin Foundation	439,599		439,599
The Great Commission Foundation	418,171		418,171
Contributions	17,346	\$ 261,607	278,953
Program fees	<u>532,898</u>		<u>532,898</u>
Total operating revenue	15,515,326	261,607	15,776,933
Net assets released from restrictions:			
Disaster relief and recovery	357,800	(357,800)	
Diocesan services	<u>64,319</u>	<u>(64,319)</u>	
Total	<u>15,937,445</u>	<u>(160,512)</u>	<u>15,776,933</u>
OPERATING EXPENSES:			
Program services	9,836,648		9,836,648
Management and general	2,909,744		2,909,744
Unallocated payments for support of the National Episcopal Church and the Anglican Communion	<u>1,736,311</u>		<u>1,736,311</u>
Total operating expenses (Note 7)	<u>14,482,703</u>		<u>14,482,703</u>
Changes in net assets from operations	1,454,742	(160,512)	1,294,230
OTHER CHANGES:			
Transfer from Episcopal Church in North Texas	615,921		615,921
Reunification transition expenses	<u>(725,772)</u>		<u>(725,772)</u>
CHANGES IN NET ASSETS	1,344,891	(160,512)	1,184,379
Net assets, beginning of year	<u>6,625,674</u>	<u>485,914</u>	<u>7,111,588</u>
Net assets, end of year	<u>\$ 7,970,565</u>	<u>\$ 325,402</u>	<u>\$ 8,295,967</u>

See accompanying notes to financial statements.

Episcopal Diocese of Texas
(An operating unit of the Protestant Episcopal Church in the Diocese of Texas)

Statement of Activities for the year ended December 31, 2021

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
REVENUE:			
Diocesan assessments of parishes and missions	\$ 8,161,124		\$ 8,161,124
Support from Diocesan operating entities:			
Episcopal Foundation of Texas	445,903		445,903
Protestant Episcopal Church Council of the Dioceses of Texas	1,247,528		1,247,528
The Episcopal Health Foundation	860,564		860,564
The Bishop Quin Foundation	426,100		426,100
The Great Commission Foundation	388,174		388,174
Contributions	4,480	\$ 1,381,577	1,386,057
Program fees	<u>283,868</u>		<u>283,868</u>
Total revenue	11,817,741	1,381,577	13,199,318
Net assets released from restrictions:			
Disaster relief and recovery	637,300	(637,300)	
Diocesan services	<u>878,350</u>	<u>(878,350)</u>	
Total	<u>13,333,391</u>	<u>(134,073)</u>	<u>13,199,318</u>
EXPENSES:			
Program services	9,718,219		9,718,219
Management and general	2,536,906		2,536,906
Unallocated payments for support of the National Episcopal Church and the Anglican Communion	<u>1,701,036</u>		<u>1,701,036</u>
Total expenses (Note 7)	<u>13,956,161</u>		<u>13,956,161</u>
CHANGES IN NET ASSETS	(622,770)	(134,073)	(756,843)
Net assets, beginning of year	<u>7,248,444</u>	<u>619,987</u>	<u>7,868,431</u>
Net assets, end of year	<u>\$ 6,625,674</u>	<u>\$ 485,914</u>	<u>\$ 7,111,588</u>

See accompanying notes to financial statements.

Episcopal Diocese of Texas
(An operating unit of the Protestant Episcopal Church in the Diocese of Texas)

Statement of Functional Expenses for the year ended December 31, 2022

	PROGRAM SERVICES	MANAGEMENT AND GENERAL	UNALLOCATED PAYMENTS	TOTAL
Payroll and related benefits	\$ 5,037,889	\$ 1,778,163		\$ 6,816,052
Support of the National Episcopal Church and the Anglican Communion			\$ 1,736,311	1,736,311
Grants to other related entities	1,618,490			1,618,490
Travel and meals	999,020	98,685		1,097,705
Occupancy	370,033	251,558		621,591
Professional fees	222,516	262,856		485,372
Technology	294,820	100,576		395,396
Grants to others	385,405			385,405
Venue and equipment rental	364,104			364,104
Grants to Diocesan operating entities	350,000			350,000
Financial services support provided by FSC		321,787		321,787
Office supplies and expenses	211,360	34,787		246,147
Depreciation and amortization	177,290	18,204		195,494
Insurance	150,960	25,343		176,303
Other	<u>380,533</u>	<u>17,785</u>		<u>398,318</u>
Total expenses	10,562,420	2,909,744	1,736,311	15,208,475
Less reunification expenses	<u>(725,772)</u>			<u>(725,772)</u>
Total operating expenses	<u>\$ 9,836,648</u>	<u>\$ 2,909,744</u>	<u>\$ 1,736,311</u>	<u>\$14,482,703</u>

See accompanying notes to financial statements.

Episcopal Diocese of Texas
(An operating unit of the Protestant Episcopal Church in the Diocese of Texas)

Statement of Functional Expenses for the year ended December 31, 2021

	PROGRAM SERVICES	MANAGEMENT AND GENERAL	UNALLOCATED PAYMENTS	TOTAL
Payroll and related benefits	\$ 4,754,425	\$ 1,601,502		\$ 6,355,927
Support of the National Episcopal Church and the Anglican Communion			\$ 1,701,036	1,701,036
Grants to other related entities	2,136,611			2,136,611
Travel and meals	407,786	70,675		478,461
Occupancy	305,532	225,039		530,571
Professional fees	344,875	198,516		543,391
Technology	186,711	67,733		254,444
Grants to others	161,963			161,963
Venue and equipment rental	463,249			463,249
Grants to Diocesan operating entities	384,063			384,063
Financial services support provided by FSC		290,264		290,264
Office supplies and expenses	139,928	27,365		167,293
Depreciation and amortization	161,236	18,038		179,274
Insurance	99,578	25,551		125,129
Other	<u>172,262</u>	<u>12,223</u>		<u>184,485</u>
Total	<u>\$ 9,718,219</u>	<u>\$ 2,536,906</u>	<u>\$ 1,701,036</u>	<u>\$13,956,161</u>

See accompanying notes to financial statements.

Episcopal Diocese of Texas
(An operating unit of the Protestant Episcopal Church in the Diocese of Texas)

Statements of Cash Flows for the years ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in net assets	\$ 1,184,379	\$ (756,843)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation and amortization	195,494	179,274
Gain on sale of property		(6,624)
Changes in operating assets and liabilities:		
Accounts receivable	523,657	470,695
Grants receivable from Diocesan operating entities	(1,481,544)	887,843
Prepaid expenses	12,854	79,590
Operating right-of-use assets	(1,306,059)	
Accounts payable and accrued expenses	302,741	134,517
Refundable advance		(823,400)
Deferred program fees	(7,203)	94,525
Funds held for other related entities	56,251	26,042
Operating lease liabilities	<u>1,307,818</u>	<u> </u>
Net cash provided by operating activities	<u>788,388</u>	<u>285,619</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property	(561,441)	(670,352)
Proceeds from sale of property	<u> </u>	<u>16,889</u>
Net cash used by investing activities	<u>(561,441)</u>	<u>(653,463)</u>
NET CHANGE IN CASH	226,947	(367,844)
Cash, beginning of year	<u>559,716</u>	<u>927,560</u>
Cash, end of year	<u>\$ 786,663</u>	<u>\$ 559,716</u>

Supplemental disclosure of cash flow information:

Lease right-of-use assets financed by new operating lease liabilities	\$340,994
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See accompanying notes to financial statements.

Episcopal Diocese of Texas
(An operating unit of the Protestant Episcopal Church in the Diocese of Texas)

Notes to Financial Statements for the years ended December 31, 2022 and 2021

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization – Episcopal Diocese of Texas (EDOT) is an operating unit of the Protestant Episcopal Church in the Diocese of Texas (the Diocese). EDOT was organized in 1836 in the State of Texas and is a constituent of the Protestant Episcopal Church of the United States of America. The Diocese is an ecclesiastical territory that extends from the Louisiana border to portions of northern, central, eastern, and southeastern Texas. The authority of the Diocese is vested in the Bishop, the Council of the Diocese, and a standing committee. EDOT carries out the ministry of the Diocese and is supported primarily through assessments from parishes within the Diocese. EDOT functions in coordination with the operations of the Protestant Episcopal Church Council in the Diocese of Texas, which guarantees its outstanding liabilities and provides Diocesan operating facilities and other support.

In carrying out the ministry of the Diocese, EDOT hosts the annual council and clergy conferences, supports new church planting and missions and ministries of the Diocese, provides training for lay leaders who wish to become active leaders in the Episcopal Church, provides grants and other assistance to Diocesan operating entities, related Diocesan entities and others, and provides funding to the National Episcopal Church and the Anglican Communion.

Related entities – The Executive Board (the Board) of the Diocese is composed of the Bishop and fifteen members elected by the Council of the Diocese. The Board is responsible for the governance of EDOT and pursuant to various Canons, the Board has certain oversight responsibilities relating to the affairs of the following related Diocesan operating entities:

- *EDOT Financial Services Corporation (FSC)* was created to provide human resource, accounting, financial, and investment management services support to the related Diocesan operating entities, as well as administering health benefits for clergy and certain lay employees throughout the Diocese.
- *Protestant Episcopal Church Council of the Diocese of Texas (Church Corporation)* receives, holds, manages, and administers funds and properties acquired by gift or purchase for the use and benefit of the Diocese and any Diocesan institution. Additionally, it may also receive, hold, and manage funds held for the use and benefit of any parish or mission in the Diocese.
- *The Great Commission Foundation (GCF)* was created in 2013 to support missionary and church planting strategies of the Diocese.
- *Episcopal Foundation of Texas (EFT)* was created to hold and administer certain assets for the purpose of providing grants and loans for religious, educational, and charitable purposes to designated Diocesan entities.
- *The Bishop Quin Foundation (BQ)* was created in 1943 to commemorate the 25th anniversary of the consecration of the Right Reverend Clinton S. Quin as Bishop. The broad objectives of BQ include such religious, charitable, and educational activities as determined by the Bishop and the Board of Trustees to be in furtherance of the spiritual and physical welfare of the Diocese.
- *The Episcopal Health Foundation (EHF)* was created in 2013 with proceeds from the transfer of the membership of the St. Luke's Episcopal Health System to an unrelated not-for-profit entity. The focus of EHF is to promote the health and well-being of the 10 million people in the 57 counties of the Episcopal Diocese of Texas.

EDOT routinely engages in transactions with Diocesan operating entities and other related entities that are directly or indirectly governed by the Council of the Diocese. Other related entities include parishes, schools, and missions.

Basis of presentation – These financial statements include only the assets, liabilities, net assets, and activities of EDOT. The accompanying financial statements do not include the assets, liabilities, net assets, and activities of the related Diocesan operating entities, and other related entities. Each of these other related entities is an operating entity distinct from EDOT, maintains separate financial records, and administers its own services and programs.

Federal income tax status – The Protestant Episcopal Church in the Diocese of Texas is exempt from federal income tax under §501(c)(3) of the Internal Revenue Code as a religious organization and is classified as a public charity under §170(b)(1)(A)(i) under the group exemption of the Protestant Episcopal Church in the United States of America.

Cash concentration – Bank deposits exceed the federally insured limit per depositor per institution.

Accounts receivable represent the right to consideration that are conditioned only upon the passage of time. An allowance for accounts receivable is provided when it is believed that the balance may not be collected in full. The amount of bad debt expense recognized each period and the resulting adequacy of the allowance at the end of each period are determined using a combination of historical loss experience and a specific analysis of each receivable balance. There was no allowance for uncollectible accounts at December 31, 2022. The allowance for uncollectible accounts was approximately \$70,000 at December 31, 2021.

Grants receivable that are expected to be collected within one year are reported at net realizable value. Grants receivable that are expected to be collected in future years are discounted, if material, to the present value of the expected future cash flows. Grants receivable at December 31, 2022 are expected to be collected within one year.

Property with a cost of \$500 or more and an estimated useful life of more than one year is capitalized and reported at cost, if purchased, and at fair value at the date of gift if donated. EDOT provides for depreciation using the straight-line method based upon estimated useful lives of 3 to 7 years.

Net asset classification – Net assets, revenue, gains, and losses are classified based on the existence or absence of donor-imposed restrictions, as follows:

- *Net assets without donor restrictions* are not subject to donor-imposed restrictions even though their use may be limited in other respects such as by contract or board designation.
- *Net assets with donor restrictions* are subject to donor-imposed restrictions. Restrictions may be temporary in nature, such as those that will be met by the passage of time or use for a purpose specified by the donor, or may be perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Net assets are released from restrictions when the stipulated time has elapsed, or purpose has been fulfilled, or both.

Diocesan assessments of parishes and missions – In order to provide funds for its operation, the Diocese levies assessments on its parishes and missions based on the size of operating revenues and certain other factors. Revenue is recognized in the amount that EDOT expects to be entitled to collect when the assessment is levied.

Contributions are recognized as revenue at fair value when an unconditional commitment is received from the donor. Contributions received with donor stipulations that limit their use are classified as *net assets with donor restrictions*. Conditional contributions are subject to one or more barriers that must be overcome before EDOT is entitled to receive or retain funding. Conditional contributions are recognized in the same manner when the conditions have been met. Funding received before conditions are met is reported as refundable advances.

Program fees are recognized as revenue at a point in time when the event occurs and the performance obligations are satisfied. Program fees are billed in advance and are due when billed. Payments collected but not yet recognized are deferred and recognized in the following year when the event occurs. Deferred program fees were \$109,768 in 2022, \$116,971 in 2021 and \$22,446 in 2020.

Donated materials, use of facilities and services are recognized at fair value as unrestricted contributions when an unconditional commitment is received from the donor. The related expense is recognized as the item is used. Contributions of services are recognized when services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. A substantial number of volunteers have contributed significant amounts of time in connection with programs, administration and fundraising for which no amount has been recorded in the financial statements because the services did not meet the criteria for recognition under generally accepted accounting principles.

Changes in net assets from operations – EDOT includes in its definition of operations all revenues and expenses that are an integral part of its programs and supporting activities. Contributions and transition expenses associated with the reunification with the North Texas Diocese are excluded from the changes in net assets from operations.

Functional allocation of expenses – Expenses are reported by their functional classification. Program services are the direct conduct or supervision of activities that fulfill the purposes for which the organization exists. Management and general activities are not directly identifiable with specific program activities. Expenses that are attributable to more than one activity are allocated among the activities benefitted. Salaries and related costs are allocated on the basis of estimated time and effort expended. Depreciation and occupancy costs are allocated based on square footage. Information technology costs are allocated based on estimates of time and costs of specific technology utilized.

Estimates – Management must make estimates and assumptions to prepare financial statements in accordance with generally accepted accounting principles. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, the amounts reported as revenue and expenses, and the allocation of expenses among various functions. Actual results could vary from the estimates that were used.

NOTE 2 – LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use within one year of December 31 comprise the following:

	<u>2022</u>	<u>2021</u>
Financial assets:		
Cash	\$ 786,663	\$ 559,716
Accounts receivable, net	1,307,185	1,830,842
Grants receivable from Diocesan operating entities	<u>5,751,881</u>	<u>4,270,337</u>
Total financial assets	7,845,729	6,660,895
Less financial assets not available for general expenditure:		
Donor-restricted net assets subject to satisfaction of restrictions	(25,222)	(37,958)
Funds held for other related entities	<u>(140,409)</u>	<u>(84,158)</u>
Total financial assets available for general expenditure	<u>\$ 7,680,098</u>	<u>\$ 6,538,779</u>

For purposes of analyzing resources available to meet expenditures over a 12-month period, EDOT considers all expenditures related to its ongoing program activities and disaster relief, as well as the conduct of services undertaken to support those activities, to be general expenditures.

EDOT is supported by assessments from related parishes and missions and by support from Diocesan operating entities. Assessments are approved annually by the Diocesan Council. EDOT monitors liquidity required to meet its operating budget and other contractual commitments. In addition to financial assets available to meet general expenditures, EDOT has a \$1.0 million line of credit with a bank with an interest rate of prime less 0.75% (6.75% at December 31, 2022) and a 2.8% floor, expiring in March 2024. The line of credit is guaranteed by Church Corporation. There were no amounts outstanding on the line of credit at December 31, 2022 or 2021. EDOT operates with a balanced budget, approved annually by the Board, and anticipates collecting sufficient revenue to cover general expenditures not provided for by donor-restricted resources.

In April 2020, EDOT received a Paycheck Protection Program (PPP) loan of \$823,400 through the Small Business Administration (SBA). EDOT received notice of forgiveness in April 2021 and recognized the forgiveness as a contribution in fiscal year 2021.

NOTE 3 – LEASES

EDOT adopted Accounting Standards Codification Topic 842, *Leases*, effective January 1, 2022, using a modified retrospective method without restating any prior year amounts or disclosures. There was no one-time cumulative effect of adopting this new standard on beginning net assets for the year ended December 31, 2022. The following accounting policy elections were made in connection with the implementation of this new standard:

- *Short-term leases* – EDOT has elected to not apply the new guidance to leases with terms of 12 months or less. Instead, these leases are recognized as expense on a straight-line basis over the lease term.
- *Discount rates* – EDOT elected to use its incremental borrowing rate as the discount rate when the rate implicit in a lease is not readily determinable.

- *Lease and non-lease components* – EDOT elected the practical expedient to choose whether to separate non-lease components from lease components by class of underlying assets or account for them as a single lease component. EDOT elected to not separate lease and non-lease components for property leases where components were explicitly stated.

At December 31, 2022, operating lease right-of-use assets and lease liabilities included real property. Right-of-use assets are recognized at the present value of the lease payments at the inception of the lease adjusted, as appropriate, for certain other payments and allowances related to obtaining the lease and placing the asset in service. Operating lease right-of-use assets are amortized so that lease costs remain constant over the lease term.

Lease costs recognized during the year ended December 31, 2021, prior to adoption of the new accounting standard, were approximately \$140,000. Cash paid for amounts included in the measurement of lease liabilities during the year ended December 31, 2022 was approximately \$120,000.

The weighted-average term and discount rates for operating leases outstanding as of December 31, 2022 were 170 months and 3.14%.

Undiscounted cash flows related to operating leases as of December 31, 2022 are as follows:

2023	\$ 167,441
2024	170,290
2025	173,253
2026	175,280
Thereafter	<u>910,970</u>
Total undiscounted cash flows	1,597,234
Less discount to present value	<u>(289,416)</u>
Total present value of lease liabilities	<u>\$ 1,307,818</u>

NOTE 4 – PROPERTY

Property consists of the following:

	<u>2022</u>	<u>2021</u>
Furniture, fixtures and equipment	\$ 2,394,110	\$ 1,975,608
Vehicles	<u>405,165</u>	<u>307,039</u>
Total property, at cost	2,799,275	2,282,647
Accumulated depreciation	<u>(1,345,854)</u>	<u>(1,195,173)</u>
Property, net	<u>\$ 1,453,421</u>	<u>\$ 1,087,474</u>

NOTE 5 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted as follows:

	<u>2022</u>	<u>2021</u>
Subject to expenditure for specified purpose:		
Disaster relief program	\$ 300,180	\$ 447,956
Scholarships and missions	<u>25,222</u>	<u>37,958</u>
Total net assets with donor restrictions	<u>\$ 325,402</u>	<u>\$ 485,914</u>

NOTE 6 – RETIREMENT PLANS

Clergy Plan

EDOT is a participating employer in pension plans sponsored and administered by The Church Pension Fund (the Fund). The Fund, a corporation chartered in 1914 by the Legislature of the State of New York, was established by the General Convention of the Episcopal Church. The Fund and its affiliates are official agencies of the Episcopal Church and operate under the Canons of the Episcopal Church.

The Clergy Pension Plan (the Clergy Plan) is a defined benefit plan providing retirement, death and disability benefits to eligible clergy of the Episcopal Church. The Clergy Plan (the Plan) is exempt from the federal income taxes and, as church plans are exempt from the Employee Retirement Income Security Act of 1974, the Plan is not subject to Pension Benefit Guaranty Corporation requirements.

The assets of the Plan are pooled along with other assets of the Fund solely for investment purposes for the benefit of all participants. The Fund may amend, terminate or modify the terms of the Plan, including the employer assessment rate, at any time, without notice and for any reason. Should the Plan terminate, the Fund has the authority to distribute assets in accordance with the terms of the respective Plan's documents.

All bishops, priests and deacons who are canonically resident in a domestic diocese of the Episcopal Church and who are not participating in the International Clergy Pension Plan must participate in the Clergy Plan if the cleric receives \$200 or more per month in compensation for three or more consecutive months from the same employer. Participating employers pay assessments to the Plan on behalf of the eligible participants. Assessments for the Clergy Plan are equal to 18% of the applicable participants' compensation, which includes salaries, other cash compensation and the value of housing. Assessments are not held in individual accounts, but are invested in a general fund of pooled contributions for all employees participating in the Plan.

EDOT recognizes its assessments in the period that the related services are provided by the clergy. During 2022 and 2021, EDOT recognized assessments to the Plan totaling approximately \$453,000 and \$435,000, respectively.

The funding positions of the Plan as of March 31, 2022 and 2021, as reported in the Fund's latest audited financial statements, are summarized below.

	<u>2022</u>	<u>2021</u>
Net assets available for pension benefits – after amount designated for assessment deficiencies	\$ 14,822,517,000	\$ 13,901,084,000
Less: Actuarial present value of accumulated plan benefit obligations	<u>(6,683,016,000)</u>	<u>(6,636,310,000)</u>
Surplus	<u>\$ 8,139,501,000</u>	<u>\$ 7,264,774,000</u>
Funding percentage	221%	209%

Non-clergy employees

EDOT sponsors a defined contribution benefit plan for non-clergy employees, which is qualified under §403(b) of the Internal Revenue Code. EDOT makes contributions based on employees' annual compensation. EDOT contributed approximately \$388,000 and \$304,000 to this plan in 2022 and 2021, respectively.

NOTE 7 – RELATED ENTITY TRANSACTIONS

EDOT uses Camp Allen Camp and Conference Center (Camp Allen) facilities for meetings and conferences and recognized expenses for use of those facilities totaling approximately \$472,000 and \$552,000 during 2022 and 2021, respectively. EDOT recognized expenses provided by FSC for administrative support totaling approximately \$322,000 in 2022 and \$290,000 in 2021, and for health costs totaling approximately \$350,000 in 2022 and \$300,000 in 2021. EDOT paid EFT \$60,000 for rent in both 2022 and 2021. EDOT paid Church Corporation \$122,200 for rent in both 2022 and 2021. The amounts are included in expenses in these financial statements.

NOTE 8 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 22, 2023, which is the date that the financial statements were available for issuance. As a result of this evaluation, no events were identified that are required to be disclosed or would have a material impact on reported net assets or changes in net assets.

Linda Riley Mitchell, CFO

HEALTH INSURANCE

The Diocese of Texas purchases its health insurance coverage through the group medical plans offered by the Episcopal Church Medical Trust (an affiliate of the Church Pension Fund). These plans cover all eligible active clergy, retired clergy, clergy spouses, diocesan lay employees, lay employees of churches, schools and institutions and the eligible dependents of each of these groups.

To active participants the Diocese currently offers ten Medical Trust Plans:

1. Cigna Consumer Directed Health Plan -20 HSA
2. Anthem Blue Cross Blue Shield Consumer Directed Health Plan -20 HSA
3. Cigna Consumer Directed Health Plan -40 HSA
4. Anthem Blue Cross Blue Shield Consumer Directed Health Plan -40 HSA
5. Cigna Open Access Plus PPO 90
6. Cigna Open Access Plus PPO 80
7. Cigna Open Access Plus PPO 70
8. Anthem Blue Cross Blue Shield PPO 90
9. Anthem Blue Cross Blue Shield PPO 80
10. Anthem Blue Cross Blue Shield PPO 70

In 2023, the Episcopal Medical Trust shared news dental plans were changing. Cigna Dental will no longer be offered in the 2024 plan year. Delta Dental will be the new dental vendor. Members must select a Delta Dental plan to have the Medical Trust dental coverage in 2024. 500 active diocesan dental participants were impacted by this transition. Post-65 retirees that were enrolled in a Cigna Dental plan were not required to take action during Annual Enrollment. The Medical Trust automatically selected a comparable retiree dental plan option to their Cigna dental plan. In addition to the above benefit plan array options, the Employee Assistance Program (EAP) is available to all diocesan Clergy, Lay employees, and dependents enrolled in medical coverage. For those employees who do not have active medical coverage, the EAP is also available as a stand-alone plan. All medical plans include integrated Behavioral Health benefits. In addition, the Medical Trust will provide Hearing Aid benefits to employees and dependents enrolled in any of the active or retiree medical plans. Hearing Aid benefits coverage includes a \$1,500 per year allowance every three years. Employees are encouraged to contact their health plan carrier for information about Hearing Aid benefits.

Overall, the cost of health insurance for active diocesan clergy increased by 2% in 2024. Parishes and institutions' health insurance cost rose by 6.99% for plan year 2024. This increase is less than the average for premium increases across the United States. As a reminder, the Insurance Task Force recommended to the Executive Board, and the Board passed, the following resolution: Effective January 1, 2022, all eligible clergy and lay diocesan staff will have medical coverage for family paid for by the Diocese. Clergy and diocesan lay staff can elect single, family, spouse, and child(ren) coverage depending upon their personal circumstances at no cost to them. This medical provision does not apply to lay employees of churches, schools, and institutions. Those organizations may choose to pay for family coverage for lay employees. Diocesan clergy and lay staff hired before December 31, 2014, will continue to retain their benefits up to the family tier at no cost.

In February 2022, the Episcopal Health Foundation granted \$200 Million to the Bishop Quin Foundation for clergy and lay diocesan staff medical. These funds allowed churches in 2023 and beyond to no longer have to fund insurance assessments.

Please call or email Zee Turnbull, Director of Human Resources, at 713-353-2120, zturnbull@epicenter.org for further information regarding health insurance.

Linda Riley Mitchell, CFO

CLERGY LIFE INSURANCE

Since January 1, 2018, the Church Pension Fund increased the life insurance coverage available to clergy and began providing up to \$150,000 in life insurance for all eligible, active clergy. This increased benefit generates imputed taxable income to the clergy person under the Internal Revenue Code. **CPF provides a calculation of this imputed income annually to the Diocese.** Churches will need to include this amount on the clergy person's W-2 each year.

Retired clergy or clergy person with 20 years of credited service will continue to receive \$50,000 of life insurance for retiree life insurance. We emphasize how **extremely important** it is that pension assessments be paid currently for all active clergy. Failure to do so by their parishes could result in the loss of this important life insurance benefit to the clergy. If the pension assessments for a priest are in arrears by more than twelve months and the priest should die, life insurance benefit will not be paid.

Since 2002, Supplemental Life Insurance has been offered to all active clergy and lay employees under the age of 65. This plan offers the option to purchase Supplemental Term Life Insurance for the eligible clergy person or lay employee up to three times the life insurance benefit the Diocese provides. Or they may purchase in increments of \$50,000 to a maximum of \$500,000 of coverage. Spousal coverage is based on the same calculation; however, it is limited to a maximum coverage of \$240,000. Clergy and lay employees will be responsible for the premiums and may apply at the date of hire. Premiums are based upon age and change in five-year increments. The supplemental term life insurance will be automatically reduced by 50% at age 65 and terminates at age 70.

For more information, please call or email Zee Turnbull, Director of Human Resources at the Diocesan Center at 713-353-2120, zturnbull@epicenter.org.

Linda Riley Mitchell, CFO

PENSIONS

Pensions are provided to the clergy through participation in the Church Pension Fund. This is funded by monthly contributions based on the compensation of clergy in each parish. Parishes are responsible for making monthly contributions. Individual clergy should also review their reports from the Pension Fund to assure the accuracy and timeliness of the amounts remitted to the Church Pension Fund. Delay in reporting changes results in retroactive adjustments, which are difficult to manage. In addition, adjustments can only be made for the previous two years, so failure to report adjustments could result in lower pension bases and therefore reduced pensions at retirement.

As of March 31, 2023, the value of CPF's portfolio was \$17 billion, compared to \$18.4 billion the prior fiscal year. Challenges to the financial markets in the first three fiscal quarters of 2024 put pressure on the portfolio. The Pension Fund paid out a total of \$432 million in pensions and other benefits as of December 31, 2022.

As the number of retirees increases in every diocese, the Church Pension Fund, through its ministry to the retired, is available to assist chaplains designated by our bishop in the ministry established in our diocese. Through personal contact and educational services, they are willing to assist the chaplains in interpreting pension benefits as well as introduce proven programs for ministry to and with the retired. The Church Pension Fund, in conjunction with the Diocese, provides training to enhance the pastoral ministry of these chaplains. The Church Pension Fund's Department of Pastoral Care and Education continues to offer Planning for Tomorrow Conferences, presented in each diocese every five years.

Church treasurers should be aware that 30% of the clergy's compensation is the annual housing factor to be used when computing the pension base for a clergy person who lives in a home owned by the church. Amounts reimbursed to clergy for payment of their self-employment social security also form part of the pension base along with salary, housing allowance and utility allowances. Forms for calculation of clergy pension are available on the Diocesan website.

Church treasurers should promptly notify the Church Pension Fund office of all changes in compensation paid to their clergy staff. Monthly Pension assessment statements are issued by the Church Pension Fund and are based upon information on file. For questions or information, contact the Church Pension Group is 866-802-6333 or Zee Turnbull at 713-353-2120 or zturnbull@epicenter.org.

Linda Riley Mitchell, CFO

PROPERTY INSURANCE

Most congregations within the Diocese have property, casualty, and personal property insurance with the Church Insurance Company of Vermont or their product partners. Parishes, Missions, and entities within the Diocese are free to insure their property with any reputable company of their choice, so long as the coverages afforded are in accordance with Title II, Canon 5.2. This Canon requires that the coverages afforded under policies purchased from outside sources be comparable to those from the Church Insurance Company in the Diocesan master policy. Many commercial carriers will not write sexual misconduct insurance for churches and this coverage is required by the Diocese.

It is recommended to perform an annual review of your insurance coverage for general liability, sexual misconduct, non-owned auto, worker's compensation, director's and officer's liability and umbrella liability provisions.

Flood coverage at Church Insurance is a \$1,000,000 maximum limit, which is the minimum coverage to carry for flood. A Blanket Crime provision covers theft within churches with a \$25,000 limit, additional coverage is available at the church's expense. Specific entities may find that they require other more expanded coverages to protect fine art, stained glass, vestments, or other valuable church property. Church Insurance protects their insureds with all these coverages through their policy. They are also available to assist in reviewing coverage.

Church Insurance Agency has obtained product partners to provide quality coverage in several areas at a more affordable rate, such as director's and officer's and umbrella liabilities and this coverage is recommended by the Diocese.

For information and assistance with insurance through the Church Insurance Company, please contact our agent Mr. John Scheffler, Vice President of Client Services, at 972-355-0927 or via email to JScheffler@cpq.org or Jonathan Blaker, Director of Treasury at the Diocesan office at 713-353-2134 or jblaker@epicenter.org.

Linda Riley Mitchell, CFO

COMMITTEES AND BOARDS CREATED BY CANON

AUSTIN CONVOCATION

In 2023, the Austin Convocation had a mid-year hiatus in deanery gatherings as we bade farewell to The Rev. Bertie Pearson, who served as Dean of the Convocation for a number of years and brought clergy together for support of each other during the pandemic time. However, we regathered in the fall and look forward to continued conversations that draw us together as clergy and Episcopalians in the greater Austin area. Joyous events such as the MLK Day March, the Pauli Murray Scholarship fundraiser, the grand opening of the new Harrison Library and Learning Center at the Seminary of the Southwest, ordinations, installations, and St. David's 175th Anniversary brought us together in prayer and rejoicing. The news of Resurrection South Austin's desire to join the Episcopal Church was greeted with great joy, and we eagerly welcomed their clergy into our Clericus gatherings.

Eileen O'Brien, Dean

CENTRAL CONVOCATION

The Rev. Karl Griswold-Kuhn was appointed the campus missionary for Texas A&M and Blinn, Bryan.

Steve Tomlinson was appointed as vicar of Saint John's, Columbus.

The Rev. Ben Sanchez began his work as a church planter in partnership with Saint Andrew's in Bryan to plant a Latino congregation. Saint Andrew's installed a new lighting and video recording system in the historic church.

Holy Innocents in Madisonville undertook major renovations due to weather issues including a new roof, flooring, and carpeting; replaced old metal doors with doors that had glass crosses in them providing a new open lighted area in which to worship; began a seniors game day on Monday's along with the city's help by providing the Madisonville Lake House to meet in; provided space for Celebrate Recovery(at Christian based 12 Step program) averaging about 20 persons each week in that program; with the help of the Diocese Mission AMP Team led the effort to pilot "Walking with Christ" which had 76 attend for the very first retreat.

At Saint Francis of Asisi, Prairie View one infant was baptized at the Easter Sunday service and one person was received by Bishop Kai Ryan during her visit; received funds from the Racial Justice Initiative Cain Fund and the Strategic Welcome Grant to replace the entryway and parish hall floors, repair two sanctuary cut glass windows, and replace exit doors; Ms. Sylvia Cedillo and Mr. Lee French from St. Bartholomew's in Hempstead and the Rev. Andrew Terry continue to support the English as a Second Language (ESL) missional

community which has led to an alliance with the Trinity Lutheran Church in Hempstead; hosted a racial reconciliation dialogue with the Episcopal Health Foundation. The documentary *Traces of the Trade* was viewed, and conversations facilitated by Constance and Dane Perry.

The Rev. Enrique McCartney arrived in December 2022 and took leadership of the Canterbury at A&M, Prairie View. Student participation continues to grow. The students volunteered at the Houston Food Bank and participated in several activities at the church on a regular basis. Those include bible study, Men's Prayer Breakfast, Shrove Tuesday Pancake Supper, and Good Friday Fish Fry. The students hosted a praise and thanksgiving event at the Prairie View student center. Canterbury also received a grant from the diocese to replace kitchen appliances and install a dishwasher.

Daryl Hay, Dean

EAST HARRIS CONVOCATION

2023 was a productive year for the East Harris clericus. The clergy gathered on the fourth Thursday of each month at Saint James', Houston. Our facilitator, Stephanie Jordan of *A Better Me Wellness*, left our group to focus on her growing therapy practice, and we welcomed Jada Washington of *Fuller Life Counseling* as our new facilitator. Since the diocese decided to connect CEUs to clericus attendance, our average numbers grew. At each meeting, we conduct a check-in, which provides an opportunity for each clergy person to share what's been going on in their parish ministries and our personal lives. Our attendance ranges from seven to nine people. In addition, we share resources on counselors, spiritual directors, and I have included them in an online membership for *Amplify Media*, which is a bible study/ Christian formation streaming program through Cokesbury.com. We greatly appreciate the support of Bishop Monterosso, who joins us each November to give us support and provide information from diocese.

Victor J. Thomas, Dean

FORTWORTH CONVOCATION

The Fort Worth Clericus met monthly from September through June at All Saints' Episcopal School where we enjoyed lunch and conversation.

As a wrap-up last June, we met at Tarrant Area Food Bank and volunteered for the morning shift where we sorted groceries of all sorts into bins for distribution. Following our volunteer time, we enjoyed lunch together on Joe T. Garcia's patio.

Our September Clericus meeting was very well attended with many new clergy in the North Region coming for the first time. It was a joy to welcome them and learn of their ministries in the Fort Worth area.

In December, we had a presentation from a non-profit organization called Phoenix that helps sexual abuse/harassment survivors find necessary resources for moving forward. With several colleges and universities in our region, it was helpful to learn of ways to support students who might come forward seeking guidance.

Also in December, we enjoyed gathering at the Diocesan Center for an early Christmas Party with Bishop Doyle and the staff.

We look forward to continuing our journeys together in the Fort Worth Convocation.

Karen A. Calafat, Dean

GALVESTON CONVOCATION

This past year saw three clergy changes in the convocation

- The Rev. David Nelson became rector to St. Andrew's, Pearland
- The Rev. Eric Ellis was appointed deacon-in-charge of St. Augustine of Hippo in Galveston
- The Rev. Jonathan Totty left Grace in Galveston for the diocese of Indiana

Grace Episcopal, Alvin 2023

- Daughter of the King Chapter added 2 new members and 3 rededications; hosted Fall Assembly at Camp Allen
- Formation of First ever Junior DOK chapter at Grace which is thriving (8 young ladies meeting monthly to learn to pray, serve and evangelize) Adopted seminarian, Stephanie Townes, to encourage and support during her 3 years of seminary at Virginia Theological Seminary
- Lay Eucharistic Visitor Ministry with licensed LEV's to bring communion to sick and home-bound back up and running
- Jill Lewis and Kati Garner represented Grace at National Verger Conference in San Diego
- Grace has had 6 baptisms this year.
- Grace had 3 marriages this year.
- Bishop Monterroso's visit on Palm Sunday (April 2): 5 confirmations and receptions!
- Grace voted "Favorite Church" in the Alvin Sun and The Facts for Brazoria County
- Episcopal Health Foundation chose Grace to make a short documentary about food ministry
- Grace is now part of *Together for Alvin*, the ministerial alliance in Alvin
- Fish Fry (285 tickets sold) and First ever Silent Auction was a success. The Women's Shelter received the proceeds from Silent Auction ~(\$4,000)

- Back to School Event (460 backpacks given away in 2021) (656 in 2022 and 825 in 2023)
- Second Annual “Grace All-Church Fishing Trip” in June. 27 were able to attend.
- Partnership with Seminary of the Southwest for Theological Education Sunday (October 1, 2023) loose plate offering given
- Christmas Walk-a-Mile participation
- Brand New Vestments rolled out on December 3, 2023

Our Mobile Food Pantry and Church on the Street...

- This ministry continues to meet the need of feeding our neighbors. 50-85 home-bound folks a week, 230 cars receive food on a drive-by basis. In total, we are blessing nearly 300 families each week by way of this Thursday morning ministry.
 - The Blessing Fridge and Box ministry has expanded and now they are being filled 4-6 times by an army of volunteers.
 - At one time, the priest discretionary account was what funded this...we are now receiving donations from the community
 - Stanfield Properties, Cameron Recycling and Bel Sanchez Elementary volunteer at Food Pantry...along with 20 other community organizations and local churches
- THP:** Between the Mobile Food Pantry, Blessing Box and Refrigerator, over 2000 people a week are being fed in Alvin by Grace.
- THP:** As of October 31, 2023, **695,353 pounds of food has been given away to 26,705 people**

Sant Augustine of Hippo Galveston

The people of Saint Augustine faithfully maintained their worshiping community during a six-month clerical absence. The Lay-Led Community continued outreach with the Seaside Seniors monthly fellowship luncheon, the weekly women’s AA meeting, hosting the weekly ecumenical gospel choral rehearsal, and participation in islandwide Episcopal offerings. New CEd opportunities are being offered and additional fellowship opportunities are being developed to reflect the vibrant attitude of this community.

The bishops committee and senior leadership continued working on a project to establish national historical designation for St Aug, and continued to pursue a financial granting plan with the purpose of restoring the chapel.

In cooperation with Trinity and Grace, a Talbot fund grant has been awarded to honor the earthly resting place of Fr. Cain, 2nd rector of St. Aug, in an Island wide remembrance of his service to the Episcopal Church, St. Aug, and the people of Galveston; reverend Cain died in this service during the 1900 storm.

Celebrating the 140yr, St. Aug is preparing for the ordination of a Priest, commencement of building restoration, growing the outreach community into the college and high school mission field, and continuing the friendship and fellowship that has maintained this congregation through 140 faith filled years.

St. Michael's Episcopal Church, La Marque

The Community of St. Michael's has restarted some of the customs that we discontinued during the pandemic. The "Passing of the Peace" is back and as robust as ever and the offering of the Sacrament of Unction on Sundays has been resumed. We again gather for a Wednesday evening meal and Bible study at the IHOP in La Marque. We also started having an evening meal while watching an episode of "The Chosen" in our Parish Hall followed by discussion. On the last Sunday of the month 12 to 15 folks gather after church at The Olive Garden and enjoy good food and fellowship.

Our Wednesday Lenten soup and salad suppers with guest speakers were well attended and bring in both former active communicants as well as folks from the neighborhood and current active communicants..

The Rev. Eric Ellis was allowed to participate, during his third year at Iona, in his mentoring process at St. Michael's. Our relationship, with Eric and his ordination to the diaconate has been very exciting for St. Michael's and the people of St. Michael's look forward to an ongoing relationship with Fr. Ellis.

St. Thomas the Apostle Episcopal Church, Nassau Bay

St Thomas continues to livestream and record all services and Christian education offerings on YouTube, using streaming equipment that was aided by the diocesan grant a growing pool of volunteers. Streaming has helped newcomers get a feel for the parish before coming, kept us connected with folks who have had to move from life changes, and allowed for funeral attendance from afar. We remain committed to our streaming ministry in 2023 and beyond and have consistently reached 1.5 our in-person attendance through streaming.

Meanwhile, St Thomas continued a monthly fresh food distribution through the Galveston Food Bank, earning recognition an annual partner of excellence, serving a retail value of \$17,000 in food to an average of 425 people each month, underwrote the Have Shears Will Travel training school initiative at more than \$15,000, and continued as a sponsoring parish of Lords of the Streets Episcopal Church in service, contributions, and membership on the Bishop's Committee. The Nearly New Thrift Shop, an all-volunteer resale shop, funded Bay Area Turning Point's mission to abused women and children at more than \$40,000 in proceeds.

A group of parishioners traveled in pilgrimage to South Africa, under the guidance of music director Garmon Ashby, and, formed in the Daily Office, explored the histories of apartheid, colonialism, and reconstruction.

Youth and children's programming continues to grow and develop as St Thomas added a Gril Scout Troop to our two BSA scout troops and Cub Pack. Our youth enjoyed a Lenten journey to adulthood program culminating in an Episco-prom for youth and their parents and family minster Alex Hillis and The Rev. Mike Stone were program leads at Camp Allen summer session 3.

St Thomas completed the final year of a five-year capital pledge drive and looks to re-wire and install an almost 4000 pipe organ. St Thomas has enjoyed the memorial donations of a new stained glass window above the front entrance, and a labyrinth-anchored memorial garden. In 2022, St Thomas was awarded the Talbot Grant to help affect racial reconciliation through a memorial honoring the contributions of black Americans to NASA throughout the last 50+ years and looks to begin construction of a stunning, thoughtful, and interactive memorial in early 2024, to be completed around May with Mjr. General Charlie Bolden, a former Sr. Warden at St Thomas, featured prominently. Parishioner Todd Parker is composing a documentary featuring interviews with Charlie, Bobby Satcher, Vanessa Wyche, Bishop Doyle, to name a few.

St Thomas Confirmed 9 new Episcopalians in December, celebrated 7 baptisms and more than 10 funerals in 2022.

Mike Stone, Dean

NORTHEAST CONVOCATION

Grace and peace to you from the Northeast Convocation!

The status of the Northeast Convocation remains excellent. The clergy continue with their usual meetings on the fourth Tuesdays of the month between September and May and in person. We are always grateful for the generous hospitality of the church family at St. Matthew's in Henderson and their priest, The Rev. Pasty Barham. We also met a Bishop Fisher's Home for the Christmas party, St. Cyprians' in Lufkin, and Christ Church, Tyler.

Our meetings are times for the clergy in the Northeast Convocation to come together for fellowship and discussion of issues around our vocations as clergy. It is also a time for fellowship and support. When we meet in person some continue visiting and even go out to lunch together to continue our discussions.

During this time Bishop Fisher met periodically with the clericus for which we are grateful.

Between the Novembers, 2022 and 2023, the following notable things have occurred:

- We continue to use the <https://www.facebook.com/NortheastConvocation/> Facebook page! So far we have had the background photo alternating images of the various churches in the area. We have also been faithful in placing upcoming events for the whole convocation to see.
- The Rev. Dr. Cole Hartin became Associate Rector of Christ Church in Tyler.
- The Rev. Vivial Shelby became the Associate of Trinity in Longview.
- The Rev. Karl Griswold-Kuhn left Christ Church, Nacogdoches, to become Campus Missioner for Texas A&M Canterbury

- The Rev. Joel McAlister left St. Francis, Tyler, to become Church Plant in Fort Worth.
- The Rev. Jim Watson became long term supply at Christ Church, Nacogdoches.
- The Rev Jim Cook left St. Lukes in Lindale and moved to Fort Worth
- The Rev. Rob Jerger was ordained priest at St. Francis, Tyler and is now Vicar of St. Clare's, Tyler.
- The Rev. Chris DeVore was ordained priest at St. Cyprian's in Lufkin.
- The Rev. Judy Harris moved to NE Convocation.
- The Rev. Kevin Wittmayer became interim rector for Trinity, Marshall.
- The Rev. Tracey Carroll became part-time Area Missioner in the NE Convocation.

I look forward to being a part of growing conversations in our convocation concerning how we can get together and move forward as Episcopalians, members of the Diocese of Texas, and the Northeast Convocation. This year I have included provided reports from lay and clergy heads of congregations.

St. Francis, Tyler

Since last November St. Francis continues to reach out to the greater community. We have participated in the Church Under a Bridge initiative by providing monthly lunches in which we are in our eighth year of doing so. Other ministries are God's Grace and Young at Heart, both of which we share with St. Claire's, Conversations on Race, Tyler Talking Together, among others. We also have invested in a play area for our youth and the neighborhood as well. We hope construction will be complete by this December. We also said Goodbye to Joel, Laura, Max, and Mila McAlister as Joel moved to Fort Worth to start a church plant.

St. Francis Church continues to seek growth in our relationship with God, our neighbors, and each other. In a prayer we say every Sunday, we pray in part that, "We seek [God's] wisdom, discernment and guidance as to how we may serve [God] best and to [God's] glory." Together we got this, with God's help. Together when we Love God and Love neighbor, we change the world.

St. Matthew's Episcopal Church, Henderson

God continues to work through his people in Henderson, Texas! During the Lent, we reflected and refocused together, adding an additional Compline evening service each Wednesday of the season. After celebrating Easter, a weekly adult bible study was restarted, where a time of prayer and study can be enjoyed together before each Sunday worship service. This past October, we continued our outreach with our 19th St. Matthew's Pumpkin Patch, inviting many from the community to celebrate the season with their families during

the whole month. Community invitational events included a Blessing of the Animals service, with animal advocacy booths support from our local Rusk County Animal Shelter and Rusk County Pets Alive, and Pumpkin Painting, with free pumpkins and painting kits for children.

Our Daughter of the King ministry has continued to flourish, offering prayers for our congregation and community, partnering with our local non-profits food pantry to coordinate donations from our church, coordinating meals for parishioners in need, and even preparing a catered breakfast for our local children's advocacy center staff.

During the summer our congregation was quickened by the announcement of The Rev. Patsy Barham's medical leave. We continue under her leadership and guidance, with our lay ministers leading weekly services. Our prayers are ever with our beloved Mother Patsy for healing, and we are especially thankful to the Diocese of Texas staff, our bishops, our Mission Amplification team, our area ministers and minister supply coordinator, and the many others that have helped us during this year with your prayers and support.

St. Matthew's has encountered challenges, but also celebrations –even praising one beloved baptism this year. For, as we know, in all things and in all times let our praise be to God.

Trinity, Longview

Trinity, Longview is rejoicing in the power of the Gospel and seeing the fruit of new clergy and lay staff positions made possible by the generous stewardship of God's People and the prudent management of our endowment fund. We have called the Rev. Vivian Shelby as our Associate Rector. Mother Vivian has added two full sections of EfM and is the clergy liaison to restructured outreach and fellowship committees. She has enhanced our school chapel and other ministry at the Trinity School of Texas and is participating fully in the worship, formation, and pastoral ministries of the parish as well. Rachel White, our youth and children's minister, is a recently confirmed Episcopalian from the Diocese of West Texas. She recently led a confirmation class for six youth, who were joined by an adult confirmand and two reaffirmations of baptismal vows at Bishop Fisher's recent visitation. She is working with lay leadership and both clergy to enhance our ministries with children and youth. We now regularly see between 6 and 12 children on most Sunday mornings, and she is collaborating with a large group of adult volunteers. A popular, lay-led women's Bible study is an additional sign of the Holy Spirit's movement among us. In February and March, we are hosting Traces of the Trade and One Human Race in partnership with the Episcopal Health Foundation, as part of the follow up formation efforts concerning racial reconciliation and justice called for by our participation in the 1919 Project, funded by the Talbot Committee. We continue to regularly see visitors and many of them are becoming engaged with our ministries and small groups and formally affiliating with the parish. We continue to grieve the passing of several beloved church members, having conducted 40 funerals since my arrival as Rector in 2019. At the same time, new leadership and ministry initiatives are emerging. We are grateful to God and are trying to keep ourselves focused on the Good News of Jesus Christ.

St. Michael and All Angels, Longview

St. Michael's has had an incredible year. We have seen growth in our attendance numbers in part, because of a local Disciples congregation closing. Due to the relationship of our music minister with that congregation, many of the parishioners there started coming to St. Michael's. Some of those parishioners will be presented for confirmation next year. The Rev. Tracey Carroll was commissioned in June as the Area Missioner for the North East Convocation. St. Michael's was also commissioned to join Mtr. Tracey in this work. Parishioners accompany her when she visits churches one Sunday a month. St. Michael's is also working on finding a new area of mission. The current interest is in Veteran's ministry, especially since there are so many Veterans at St. Michael's.

Small Churches in the NE Convocation

The Northeast Convocation includes 13 small churches. Of these 13 only 3 have a vicar to serve every Sunday; the remaining 10 rely on the 3 supply clergy available in the Northeast. These 10 churches are blessed to have clergy willing to provide Eucharist at least once a month. Two of the clergy schedule themselves, assistance is provided to the one who has a "day" job. A "master" schedule is created each month to be shared with the churches and Bishop Fisher's office.

The leaders of these same small churches gather for Zoom meetings four times each year. We share our concerns, answer questions, report on church events and generally support one another. The Zooms provide the opportunity to encourage each other, realizing that we are all together and with the love of God we will continue to share that love.

Mitch Tollett, Dean

NORTHWEST CONVOCATION

All Saints, Cameron

All Saints Church in Cameron continues to offer an Episcopal presence in our small town by holding a service of Holy Communion at 9:30 am on Sundays.

In 2023, the church continued to reach out to the community by allowing our facilities to be used for NA/AA and other organizations like the Texas Master Naturalists program. As an outreach offering, All Saints collected foodstuffs to support the Thanksgiving baskets from our local Food Pantry. We also supported a number of local charities with both time and donations.

This year in March we took 22 parishioners to Jerusalem and the surrounding areas to deepen our connection to the Bible and immerse ourselves in the culture and places Jesus lived and preached.

A final highlight of the year was our annual Pet Blessing. We offered pet vaccinations at a discounted rate through our local veterinarian. We blessed and vaccinated over 80 animals. In addition, we had a petting zoo and counted over 150 in attendance.

St. Cornelius, Belton

- Began the year with community discernment about identity and name: submitted and approved as St. Cornelius Episcopal Church: A haven for all.
- Experienced communion with community in unconventional places as we sought to build trust and care between the members of the growing community and be present in the wider world. Places included a park for a game day followed by Communion, in a bowling alley, and after a yoga class, and for a community reading day following by Communion.
- Partnered with Peace Community Church for a joint Palm Sunday procession around the square of downtown Belton.
- Baptized one of our campus ministry students and her baby on Easter Sunday and welcomed new community into our midst.
- Hosted Dr. James Farwell from Virginia Theological Seminary for a Table Talk Potluck conversation on the topic “Is the Holy Spirit Up to Things Outside of Christianity?” in partnership with Peace Community Church, a fellow plant down the street.
- Ended the summer with the baptism of another campus ministry student and five other young adults.
- Gathered for a church Friendsgiving welcoming new members into the community.
- Partnered with Braver Angels to host a community workshop on how to have difficult conversations over politics with people you love. We hosted the conversation in the month of October, calling it Scary Conversations: How to Talk When We Disagree.
- We expanded our worship with a growing acolyte team, music minister, and offering a Rite I Contemplative service every 4th Sunday.
- Closed out our year lease at Level 3 Coworking and moved into a new location of our own. Opened the door as a community on November 19—with one of our youngest members turning the key. We gathered in it for the first time on Christ the King Sunday and are working to settle in and make the space our own.
- Decked the halls for local foster kids living down the street from the church who don't have placement for the holidays. Partnered with a local school to provide holiday baked goods, decorated with community-donated Christmas decorations and partnered with a local civil engineering firm to provide presents to the teens for Christmas, and a group of church members organized and stuffed stockings for them as well.
- Joined with Christ Episcopal Church, Temple, on Advent I and had two members received into the Episcopal Church by Bishop Fisher and one adult and one teen confirmed.
- Hosted the 3rd Annual Longest Night Service: a collaboration between the Belton Church plant, Christ Church Temple, and St. Francis Episcopal in Temple. The service was born out of the sorrow of 2020.
- We closed out the year with a Christmas Eve service in our new location that included candles, carols around a fire pit, and hot cocoa.

Christ Church, Temple

Christ Episcopal Church began our first year in the Way to Lead, a strategic mission training. The congregation saw growth in Average Sunday Attendance. The Rev. Keith Pozzuto saw his first full year as rector, having begun his tenure in 2022. Additionally, the congregation

saw our choir grow, and two pieces of music were specially commissioned for the choir. The church partnered with the Academie Musique of Central Texas and local artists to showcase a choral arrangement.

In outreach, the congregation renewed our connections with local partners Feed My Sheep and CTLC (Churches Touching Lives for Christ).

Christ Church welcomed The Very Rev. Dan Mazimbo, Dean of St. Paul's Cathedral, Blantyre, Malawi, for his winter break from Sewanee, and sent G.A. Whitehead, postulant for Holy Orders, to the Seminary of the Southwest.

All the while, we have kept our eyes on Jesus, the author and perfecter of our faith.

Christ Church, Mexia

Despite losing our Vicar, the Rev. Dr. Ray Bagby, to retirement, and a long-time patriarch who moved to be close to family/healthcare, the church had a pretty good year. We started the Reimaging Program with Mission Amp's the Rev. Thomas Morris. Our Blessing of the Animals provided free rabies vaccinations to over 50 dogs and cats in the community. We enjoyed a visit from Bishop Doyle in late November. The church also continued a long-standing holiday tradition of providing ten needy local families with a large food basket, a hundred-dollar gift card, and clothes and toys for the children. We are blessed with good, dedicated members.

El Buen Pastor, Waco

We faced very big challenges in 2020-2021. However, we achieved our objectives and the mission was accepted as a new community in the 174th diocesan council of 2022 where we officially received our name, Episcopal Church of the Good Shepherd.

First, we are so grateful to our entire congregation for their support and participation in the activities and presence in our worship service, every Sunday at 1:00 PM. We are also grateful to St. Alban's Episcopal Church, Waco, and the Rev. Aaron Zimmerman, for their support of El Buen Pastor in allowing us to use their space. A special thanks to Maria Huerta, our priest's wife, who serves in so many ways.

Some of the programs and activities that were highlights of 2023 were: our priest reading to the children at Cedar Ridge Elementary during Hispanic Heritage Month; a girl from our Hispanic congregation taking part in St. Alban's summer Vacation Bible Camp; teaching Christian education and formation classes; and celebrating Quinceañeras, Baptisms, First Communions, Confirmations, and Receptions. Thank you, Bishop Ryan.

Everything we do, we do for the work of Christ in the world. We are so thankful for our acolytes and altar guild, especially Mrs. Carol Melis and all those who humbly serve before the altar of God.

The Mission's finances presented a challenge, due to the harsh economic reality of our nation and therefore our members. We have grown, though some of our first members left

due to theological and cultural issues. However, we increased the number of members this year.

El Buen Pastor is a place where people seek to reunite with God. We welcome people with warmth, properly identifying ourselves as Episcopalians, displaying our identity with pride.

We are called to be disciples of Jesus Christ, to live and work as disciples to follow the life, mission, and ministry of the Good Shepherd, El Buen Pastor. We have been blessed, and we are called to share our blessings with others. It is a joy to be part of a faith community that wants to make a difference in the world within the Diocese of Texas. May God bless our efforts.

Holy Spirit, Waco

The Rev. Jason Ingalls, our Rector, took a sabbatical in 2023, the first sabbatical the parish has had in over twenty years. The parish was ably led by Dr. LaTrisha Spain (Senior Warden), the Vestry, and staff team, including the Rev. Dr. Larry Adams-Thompson. The parish welcomed Jason back in September and were prepared to keep going at our pre-COVID, pre-sabbatical pace. But we struggled to build back our previous base of volunteer lay teams. We learned our previous pace was unsustainable. So, we're planning to spend 2024 simplifying our ministry for the congregation we actually are. We hope this will help us grow organically into the next stage of our parish's life.

St. Alban's, Waco

Some of the most significant events at St. Alban's Waco in 2023 included launching a Foster Care ministry, expanding our partnerships with local community organizations, sending our youth on a summer mission trip to Galveston, and hosting guest preacher, the Rev. Landon Moore, from the Diocese of Long Island, as our Jonathan Daniels Day speaker. By God's grace, we saw an increase in attendance and membership. We saw 32 baptisms and 67 confirmations/receptions. Our Christmas and Easter attendance were the highest in parish history.

At the beginning of 2023, we successfully completed our third capital campaign in seven years. This allowed us to finish the final pieces of the second phase of our Master Plan: installing a new playground, completely renovating the courtyard, installing a columbarium, and updating our entrance to be safer and more accessible.

A major initiative in 2023 was the fall launch of our fifth Sunday worship service, in response to sustained and rapid growth. The 9:10 service launched on 9/10/23 in our Parish Hall featuring hymns in a folk/Americana style. Ryan Flanigan of Liturgical Folk led the music direction and recruited a trained a team of talented musical volunteers. We have been so encouraged by the response from the congregation. Our Sunday service schedule is more musically and liturgically diverse than ever: 7:30 AM (said Eucharist, Rite I), 9:00 AM (choral Eucharist, Rite II), 9:10 AM (folk Eucharist, Rite II), 11:15 AM (choral Eucharist, Rite II), and 5:30 PM (Choral Evensong from the 1662 Prayer Book, with a Rite I Holy Eucharist). Our ASA before launching this new service was 394. Since the launch of the 9:10 service, our ASA has been 535. Our total combined ASA for the year was 442.

We saw major expansion of our ministries in all areas: increased participation in youth and children's ministry, the launch of a new college ministry, the launch of a new ministry called Prime Time Classics (for those who are "50ish-plus"), growth of our small groups (we now have 16 groups with over 200 participants), more mission and outreach opportunities, and more people discerning their vocation. At the end of 2023, St. Alban's has one candidate for priesthood, two postulants for priesthood, and one postulant for the diaconate. Twelve of our members are part of a Young Adult Discernment cohort, sponsored by a grant from the Lilly Endowment.

Our clergy team welcomed the Rev. Kara Leslie as Assistant Rector and the Rev. Garrett Lane as curate (our third in eight years). Emily Barton Spinks came on board as Director of Children's Ministry. Stephanie Drum, who had previously overseen ministry for children and youth, transitioned to a new role overseeing youth, college, and social media. On the administrative side, Jeff Humphrey joined as Facilities Manager, Robert Brown as Director of Communications and Technology, and Wes Jacobs as Office Coordinator. Our rector, the Rev. Aaron M. G. Zimmerman, celebrated the 10th anniversary of his ministry at St. Alban's. At the end of 2023, our deacon, the Rev. Alberto Melis, began his first sabbatical.

One surprise in 2023 was serving as a filming location for a family-friendly holiday romantic comedy, *A Christmas in New Hope*.

After almost 80 years of ministry in Waco, Texas, St. Alban's continues to flourish, proclaiming to all, in word and deed, the grace of God in Jesus Christ.

St. Christopher's, Killeen

St. Christopher's continued a prayerful time of transition as they search for their next rector.

St. Francis, Temple

2023 proved to be a year of very good tidings for St. Francis. The banner moment occurred late in the year, when St. Francis was able to regularize its relationship with its extended, indefinite term interim, and call the Rev. David Krause as Rector. Due to the disruption caused by COVID, and some unique factors to the parish, this unusual move came with great celebration. Following our Bishop's admonition to simply be kind to one another, and to the world in the wake of COVID recovery, St. Francis counts among our greatest accomplishments, a growth of peacefulness and gentleness in our daily lives. The other great, overarching task that we undertook this last year, was a long preparation for pilgrimage. Involving much of the parish, we spent months studying the geography, history, cultural mores, and current political dimensions of the Holy Land. Although only about two dozen folks were actually going to make the physical pilgrimage, the entire parish was involved in preparation and study. We were to leave in early November. Upon the outbreak of hostilities, we not only had to cancel our plans, but spent the close of the year praying for peace and working to support both Israel and Holy Innocents parish in Maui, Hawaii.

St. John's, Marlin

St. John's continues without a priest but is now served by a partnership of clergy from the Northwest Convocation who visit once a month to celebrate Holy Eucharist.

St. Joseph's, Salado

St. Joseph's Episcopal Church continued its trajectory of growth from the previous year, and the congregation saw new levels of lay leadership as the church worked to chart its course as a congregation with a bivocational priest. Much of the congregation's and bishop's committee's energy this year was also spent managing and preparing for the sale of an inherited property in Belton. It is hoped that the house sale (still pending) can help with a much-needed addition to our Parish Hall, which is quickly becoming too small for our coffee hour gatherings. The usual set of festivals and celebrations dotted the year, including the Blessing of the Pets, our Celtic Service done at the same time as the Salado Gathering of the Scottish Clans, the annual Joseph's Pumpkin Patch (our major fundraiser), and the planting of Poinsettias at the Down Home Ranch (for developmentally disabled adults) that are brought into the chapel for the Christmas Eve Service. St. Joseph's also continued its outreach efforts with our primary community partner, Helping Hands Ministry of Salado, TX, and through our Little Free Library program. The year ended with another group of youth (5) being baptized and a Christmas Concert in which they performed to raise funds to support the building of wells in Africa through Episcopal Relief and Development.

St. Lydia's: The Episcopal Student Center, Waco

St. Lydia's, the Episcopal Student Center in Waco, enters its second year under the name St. Lydia's with a renewed vision and focus on changing realities for both students and the Waco community. Our Sunday Suppers continue to be the highlight of St. Lydia's weekly rhythm. These home-cooked, sit-down meals include a eucharistic liturgy. On Sunday evenings following the meal, we have been reading and discussing the Gospel of Mark. We have been doing this through the lens of Jesus as victor over Death, seeing his healing miracles as restorations to the worshiping community at the Temple. We discuss what such a ministry means for us as ministers of his Gospel.

With so many of our students involved in Greek life, we've had to be creative with scheduling. One-on-one meetings have produced deep and meaningful connections, with topics ranging from practices of prayer, the Catechism, the Book of Job, and reconciling the existence (or non-existence) of evil with a good God. Daily use of the house is reduced with so many students able to find places of study on campus, but our students are eagerly looking for community partners that might use the space during the day, with students serving as hosts and connection points to their city.

St. Martin's, Copperas Cove

St. Martin's Copperas Cove continues to offer an Episcopal presence in our small town by holding a service of Holy Communion at 11:00 am on Sundays. We offer adult formation and children's Godly Play for which there are about 8-10 children who participate regularly.

To the delight of the congregation, our children put on an Epiphany play this year to tell the story of the Three Magi.

By way of offering support and care, our church continued to reach out to the community by allowing our facilities to be used for NA/AA and MS support groups.

We continue to support the Diocesan Cursillo Ministry by way of sending team members, as well as sending 3 participants this year.

This year, our annual Pet Blessing was held at the church complete with a potluck lunch. We added "Pet Blessing to Go" bags, with a small vial of holy water, a prayer, and certificate to be given to neighbors and friends. In November we held our annual Fall Festival to offer a time of fellowship, games, and fun for our families. It was a wonderful intergenerational event.

As has been our custom for many years, St. Martin's gave a donation to the Central Texas Food Bank and purchased turkeys to provide 15 Thanksgiving baskets with a turkey and gift card for groceries for families of students from our neighbor, Walker Elementary School. This year our Children's ministry made place mats, and our parish families wrote Thanksgiving cards to share God's love. By way of extra support, in December we filled 15 backpacks with breakfast and lunch snacks to take home for students who need extra nutritional support during the Winter Break.

In December, our DOK (Daughters of the King) group held a joint meeting with some of the members of the Grace Church-Georgetown DOK. A time of teaching, prayer and sharing was a welcome infusion of encouragement to build our faith.

Our Women's Book Study Group doubled in size this year, and we held 2 different studies via ZOOM which greatly expanded the ability for more to participate.

We sent a team of parish members to both Small Church Gatherings this year. These gatherings are a great way to share ideas, hear about Diocesan initiatives and grow in our skill to identify and offer our gifts to the community at large.

Our St. Martin's community is small, but faithful and we look forward to all that God will do among us and through us in the year ahead. We are committed to being Christ's light and love in our surrounding Copperas Cove and Ft. Cavazos community.

St. Paul's, Waco

Saint Paul's Waco, had a courageous year in 2023. The parish school continued its growth trajectory and reputation for excellence in the Waco ISD area. The parish leadership worked extensively on the qualification process for becoming a National Registered Historic Site, as well as on the process to replace 75% of the roofs on campus, with work to be completed in 2024. The parish also experienced a historic first event in the life of the church, with its rector going on maternity leave for the first part of the year. It was a unique opportunity to invite many different supply priests in to preach and celebrate, bringing fresh voices and

perspectives to our worship life. The congregation took on a new ministry in connection with a national organization, Holy Hikes. Once a month, the church invites anyone who would be interested to meet on a local trail to spend time hiking and conversing while experiencing a stational Eucharist. It became a foundational monthly event for our families and pet owners who enjoyed meeting outdoors for an adventure, especially when the weather was nice! Attendance at our principal worship services each week increased slightly. The parish also spent time discerning the most effective process to govern itself by considering both the vestry size and method of election, with any potential adjustments to be determined at the Annual Meeting in 2024. It was a full year in the life of Saint Paul's, and there is great hope that the momentum will continue into 2024.

St. Thomas, Rockdale

This fall, St. Thomas welcomed a new vicar, the Rev. Dr. Heath Dewrell. We celebrated Heath's installation with Bishop Kai Ryan on December 16.

Other highlights of this year included installing a peace pole on our property and assessing maintenance and improvement needs.

St. Thomas is a small congregation but a vibrant one. Our members have participated in local events, including the lighting of the Christmas tree in Rockdale, where we distributed candy with inspirational Christmas messages attached.

We look forward to continuing to grow together in 2024.

Aaron Zimmerman, Dean

SAN JACINTO CONVOCATION

The clergy of the San Jacinto Convocation meet the first Wednesday of each month for worship, lunch, and fellowship.

At these meetings, we begin with a collegial celebration of the Holy Eucharist, with Lunch following. There is a time for "checking in". Each person offering a professional and personal experience from the past month. This allows a time of encouragement, and support for one another. Topics of common concern and/or interest are also explored.

Meetings are held in several parishes during the year, with Trinity, The Woodlands being "base camp", given that it is the most central location within the convocation. On alternating months, the clergy travel to host parishes to enjoy their hospitality and have the opportunity to see the facilities of others in the Convocation.

There have been several changes within the Parishes of the San Jacinto Convocation in the past year, they include:

1. St. Mary's, Cypress: The Rev. Kurt Unangst was called as Rector.

2 Saint Steven's Huntsville: The Rev. Blake Rider was installed as their new Rector.

3. Saint Isadore, Spring: The Rev. Kurt Unangst moved to St. Mary's and The Rev. Geoff Gwynne left to take a teaching position at St Thomas School

4. Holy Comforter, Spring: The Rev. Deacon Bob Lowry retired at the end of 2023

5. Saint Dunston, Houston: The Reverend Beth Anne Nelson leaves as Curate and The Rev. Lessa Lewis joins as Curate in July

Gerald Sevick, Dean

SOUTHEAST CONVOCATION

St. Paul's Episcopal Church, Orange

St. Paul's is a very friendly and welcoming community that comes together to show God's love. We are blessed to have Rev. Meg Lovejoy for the first Sunday of the month and Rev. Mark Wood for the other Sundays and to have Deacon Margaret Light to help at St. Paul's.

For Veteran's Day we invited the City of Refuge veterans for our service and a luncheon in the parish hall. We also gave them a donation to help them with their repairs. On the First Sunday of Advent, we will have a Chrisom tree. Each family will place an ornament on the tree which represents many aspects of our faith.

We help our local Salvation Army by ringing the bell to help them during this Christmas season. We are in an area where two local plants will be closing and the Salvation Army is in a greater need. We also help with outreach to Orange Christian services and Salvation Army during the year.

We are still being affected by the pandemic but will continue to keep spreading God's word.

St. John's Episcopal Church, Silsbee

St. John's is active in the Silsbee community, providing office space for the Samaritan Counseling Center of Southeast Texas to provide counseling services to low- and moderate-income clients, as well as meeting space for a number of community organizations. These include 12-step groups, girl scouts, the garden club, the Silsbee Women's Club, a retired teachers' organization, coin collecting club, and as a polling place, among others. Depending on the number of teams in a given season, we make a practice field available for the local little league. We continue to support the Christian Care Center, an outreach ministry formed 30-plus years ago by area churches to coordinate outreach efforts. Our support includes financial support to serve our neighbors in need. Parishioners volunteer at CCC, and two months each year we take our turn along with the other supporting faith communities in the area to receive donations of food and other essentials for CCC. At Christmas we adopt families from the CCC giving tree.

The life of our small community is centered on gathering for worship, prayer and fellowship. Everyone pitches in and most have two or three jobs.

We started livestreaming our services a couple of years ago and, because many of our more vulnerable members have yet to return to in-person worship, we have continued the livestream. Some weeks, during the course of the following week or two, more people view livestream than attended in person. We've tried to engage that group to learn more about them, but that has proven to be a challenge.

Though we are well-established in the Silsbee community, we are always looking for new ways to engage the community around us.

St. Mark's Episcopal Church, Beaumont

2023 has been a year of rewarding and inspiring ministry at St. Mark's. Beginning at their vestry retreat in February, St. Mark's began working with Reb Scarborough in a process to discern and develop a strategic plan for the next 3-4 years. This involved monthly events that culminated in a strategic document compiled in July. St. Mark's is excited to lean into this shared sense of God's mission in Beaumont.

Worship is foundational at St. Mark's. The choir led in two services of Evensong (Lent and All Saints), Lessons and Carols in December, and leading and hosting a hymn fest featuring the Southeast Texas chapter of the American Guild of Organists. Several guest organists from SE Texas joined us at St. Mark's in September.

Our children and youth ministry continues its process of renewal. VBS in June saw over 50 participants. An Easter egg hunt, movie night, kid's night out are some of the events that brought members of our community onto St. Mark's campus.

The year would hardly be complete without mentioning our 82nd Chili Supper and Bazar. Bishop Jeff Fisher and several clergy were some of the guests to join us in November for a bowl(s) of hot chili. Between take-out and dine-in, over 1,300 bowls of chili were served. From the proceeds from the chili supper and St. Mark's Treasure House resale shop, financial grants will be given to non-profit organizations in SE Texas. In 2023, St. Mark's was able to give out over \$53,000 in grants.

There is excitement and energy felt throughout St. Mark's and a deep sense of anticipation for what God will do in 2024.

St. Stephen's Episcopal Church, Beaumont

St. Stephen's had year of growth (after a few years of declining membership) in 2023, which was highlighted in the celebration of the church's 70th Anniversary. Coming out of the pandemic and a clergy departure, the church saw an increase in average Sunday attendance from 48 to 57. St. Stephen's had been prepared to offer children's formation (Godly Play) for a while and finally began having regular children in attendance in September.

Adult formation included a review of the Catechism and a study of The Parables. Attendance averaged 12 and got as high as 21. A special event was offered, Become Who You Are, where seven adults explored their gifts for ministry. St. Stephen's participated with 5 other churches in a Lenten Interfaith Series held at St. Anne's Roman Catholic Church and will host this event in 2024. This year, we reintroduced in-person Lenten potlucks and teachings.

The Rev. Emmanuel Onyemaobi joined us on staff for Sunday worship this past year and we added Ms. Kaitlin McCarter to assist with our webpage and social media. Our outreach projects included multiple collections for Ubi Caritas, participation in Some Other Place's Tasting and a breakfast honoring the teachers at All Saints Episcopal School.

St. Stephen's celebrated the confirmation of 3 when Bp. Fisher visited. These are the first confirmations in a few years. We continued the tradition of having a Beatles Sunday as part of our fellowship. The year saw the reintroduction of a Welcoming Team. We had 117 first time visitors in 2023 and 12 have become part of the parish as well as 3 returning parishioners who left during COVID.

A Racial Equity and Social Justice group was begun in the fall with 11 participants who are having discussions and discerning projects for 2024. In November and December, we undertook and congregational assessment (Holy Cow) to examine our strengths and areas that need improvement as we look towards the possibility of calling a rector.

James Pevehouse, Dean

SOUTHWEST CONVOCATION

For much of the year many of the clergy in this deanery began noticing in their own parishes, in various ways, a welcomed turn of energy and fortune, if you will; attendance increases, for some, and excitement and willingness for new missional attempts and worship experiences, in others. This, of course, has colored how we've gathered and shared in Clericus meetings. Which has seemingly afforded us all with a buoyancy of spirit amongst us not felt in recent years. In short, we have enjoyed a year of conscious blessing as a whole. From parts apart, we serve in concert, and are honored to share our experiences of 2023:

We begin with a word from our newest called rector, The Reverend Jeremy Bradley, shepherding *St. Marks in Richmond*:

In the year of our Lord, 2023, the congregation of St. Mark's Episcopal Church in Richmond has called the Rev. Jeremy Bradley to be their rector. With a lot of support and guidance from the Episcopal Diocese of Texas, the church was able to navigate this past transitional year and would like to express its deep gratitude.

Our dedicated sewing guild made and donated over 65 blankets and pillowcases to the Women's Shelter in Fort Bend County. We hosted a Trunk-or-Treat for the community and had roughly 350 guests at our church, where we had games, free food, a bounce house, and lots of toys and candy.

St. Mark's Music Ministry, in partnership with Century Fine Arts, held our annual Magic of Broadway performance at the church with many guests and guest musicians in attendance. And while we made the hard decision to close St. Mark's Episcopal School, we were happy to contract that space to another preschool that serves our area.

We participated in the Miracle on Morton Street for the first time, where we passed out flyers for Advent and Christmas services, handed out free water, had Christmas crafts for kids, and gave away a gift basket and many other giveaways.

And from our other newly called rector to the convocation, The Reverend Margarita Arroyo of *Christ Episcopal Church in Eagle Lake* reports her own news of God's blessing:

The year began by making an offer to Rev. Margarita Arroyo as the rector of Christ Episcopal Church. She started her ministry on June 18, 2023. Prior to her arrival, we had several challenges. Our interim rector fell, was injured, and was unable to work for us for a couple of months. At the end, he returned in good health, and we gave him a great farewell.

Several of our church members had serious medical concerns all within the same timeframe. Fortunately, everyone has either recovered or on their way to improved health. During this time, we also took over the Lenten Luncheon that the Methodist Church sponsors because their church membership has decreased significantly. They are not able to support it anymore.

Since the arrival of our new rector, we began a Spanish Service. On Christ the King Sunday, we had 4 baptisms, and 6 young adults receive communion instruction for the Spanish Service. Our English Service, Rite II, has slowly improved in attendance. We had past friends of the church visit, a few past members return, and a few new people join us. In September, the new rector participated in 5 distinct fundraising events for programs that different members of the church support and are leaders of the community.

The 5 events included: Colorado County Go Texan scholarships, Public Library, Starry Nights for the EDOT, Masons from Eagle Lake, and the Rice Eagle Lake Hospital Gala. In October, we had an official Stewardship Campaign and witness a significant increase in past pledges. The new rector preached at the Ministerial Alliance Thanksgiving Service and gave an Advent Reflection at the Methodist Women's Advent by Candlelight Event.

We, Christ Church, look forward to deepening our fellowship and to a great 2024 ministry year.

God's blessings abound at *St. Catherine of Sienna in Missouri City*, as reported by Her rector, The Reverend Andrew Ellison:

This year we experienced more growth coming out of the COVID pandemic, a slow but steady growth. Even with that, we had a very busy year. We had multiple bible studies throughout the year. We also began small home groups this past fall. After COVID we realized Sunday formation was not working anymore, so we tried to move our studies mid-week, into our homes.

During Holy Week we had put on a Tenebrae service for the first time. We had members of the Ridge Point High School choir come and sing with us, which was a wonderful addition to our choir. We also had a packed church at Easter.

Over the summer we sent a group down to Costa Rica to work and explore. 10 of us went to San Jose and stayed at the Diocesan center. We primarily worked with the El Buen Pastor (Good shepherd) in San Jose. We led a VBS, led an acolyte workshop, as well as painted a medical room. We also spent time exploring the schools and churches in and around San Jose.

This fall we began the process of discerning who we are and who we want to be in this post Pandemic world. We did this in a parish meeting where we asked ourselves who we are, who we want to be, and how to get there. One of the big things that came out of that meeting was the importance of sharing our stories. We will continue doing this discernment work over the next year. We also began our once a month contemporary service that takes place on the last Wednesday of the month.

We had a very busy October at St. Catherine's where we saw many of our neighbors in Sienna and Missouri City cross over the levee to visit our church. We had a pet blessing, a fall festival, and a trunk or treat which brought out 300 trunk-or-treaters.

We had a productive 2023, and are looking forward to an even more productive 2024.

The Reverend William 'Bill' Bullard, vicar, shares of *St' John's* growing energy in *Palacios, Texas*:

Saint John's continues to sustain its mission in Palacios, Texas as it has for the last 101 years. Church attendance and revenue remain steady although

some reduction in giving is noted but the year is not yet ended and no programs have been impacted.

Children's formation and nursery remain active with upwards of 10-12 children under age 12 participating with sufficient numbers of safeguarding certified volunteers available. We continue to have plenty of licensed lay Eucharistic Ministers, readers, and Altar Guild volunteers.

The Community Blessing Box, a continuously accessible self-service food pantry started in 2022, remains a vital church ministry for addressing local food security concerns. The Ministerial Alliance has recently started to financially contribute to this ministry as well.

St. John's lay members continue to regularly participate in Small Church Network workshops and Diocesan Council.

Community participation in the annual Shrove Tuesday Pancake Supper continued to rebound to near pre-pandemic levels, and Ash Wednesday ashes-to-go and evening service were well attended. In Holy Week, the Diocesan Bishop visited St. John's on Maundy Thursday, baptizing an infant and consecrating a new memorial-stained glass window. In addition to the Maundy Thursday visitation, Good Friday Stations of the Cross, Easter Vigil and Easter Sunday services were also well attended. St. John's collaborated with the Episcopal Health Foundation (EHF) and the Sanford Community Center to host a workshop and showing of the documentary film "Traces of the Trade" in April.

The church property and furnishings remain in excellent condition and suffered no weather or climate related damage as has been the case in two recent prior years. A plan to apply for a Mission Amp grant to update restroom facilities is being explored.

The Vicar is in his fifth year and continues to be active in the Chamber of Commerce, and Palacios Ministerial Alliance. The Vicar also continues to serve on the Board of Directors for the Palacios HUB, a local 501.c.3 coordinating a variety to community outreach services including child literacy and ESL/GED training, health and indigent care, wellness programs, vocational assistance and legal aid to the local community. In March, the Vicar began a once-a-month Holy Eucharist at Christ Church, Matagorda when supply clergy were not available. The Vicar also assisted with a summer camp session, the July Missionpalooza youth week in Galveston, and a Camp Chaplain week.

In *Bay City*, The Reverend Jack Meyers, Rector of *St. Marks* reports:

We started off 2023 at Saint Marks with a Wedding. This event was extra special because the couple had lost an infant in Aril of 22 and their

marriage was an emotional victory. (By the way, they just had their second son 12.10.23!). After the new vestry got on board, we decided to restore our old, old, organ., had a pledge drive and begin. Reconstruction will begin in earnest in January.

Along with assorted baptisms and, confirmations, we saw Dr. Fr. Jim Ely join in marriage after having lost his dear Linda a few years ago, and after coming through cancer surgery and chemo treatments!.

The big summer event was a purge of the Church hoy junk. - “St Marks Yard Sale, which helped us get rid of a lot of junk to make room for new possibilities. The sale was huge and we unloaded much. In part it was designed to help us get ready for our organ restoration, but more importantly, everyone worked well together, we made some money and we grew some community good will.

Our youth rediscovered a big puppet stage and we had a Sunday morning gospel performance about the Road to Emmaus. I hope it will get more traction in the months ahead,. Finally we started talking with an architect to see about making the building more handicapped accessible and improve the flow of people from the parking lot through the parish hall and into the church. Except for the death of our long time and deeply loved organist, Mary Ellen Fallis, it was a good year!

Swinging to the other end of the convocation, The Reverend Roy Varghese, vicar of *Good Shepherd Episcopal Indian Church*, shares of the blessings in *Stafford*:

Good Shepherd Episcopal Indian Church continues to grow as a church plant and positively impacting the Indian Community in the Greater Houston area. Good Shepherd is a welcoming space for those who are distanced or detached from the traditional Indian churches.

Our strength and energy is rooted in our commitment to love and serve the Lord in the cultural uniqueness and be a non-judgmental space for individuals of Indian descent in the rich tradition of the Episcopal Church and bring the beauty of diversity in the fabric of the Diocese of Texas.

Good Shepherd has positively impacted the community through its unique outreach program called “Be with the Buddies”, which is catering to the children in the community through free music lessons every week. It’s been successfully running for the last two years and as a result there are newcomers to our congregation who begin as visitors and eventually become part of the life and mission of our congregation.

During the year we were actively engaged in various community services initiatives. We were able to organize a “Back to School” program for

children in the community and provided backpacks and school materials. We are also engaged in a mentorship program of the Fort Bend ISD.

As we share space with All Saints Episcopal Church, we join them in their charity activities such as support for CPS kids by donating Christmas gifts to CPS children.

Good Shepherd was able to participate in the Diocesan Choir Festival, and it was a joyful experience for our members to sing in the choir. As we continue to experience the grace of God in the congregation in its comprehensive growth, we are thankful for the Diocese of Texas for the leadership and support.

Good Shepherd shares the space & campus with *All Saints in Stafford*, shepherded by The Reverend James Morgan:

In January 2023 the Bishop appointed The Rev. James C. Morgan to serve as the Priest in Charge and the Bishops Committee contracted him to serve part time until December 31.

During the past year we continued all of the regular activities of worship, study, outreach and pastoral care. Attendance has stabilized and the income level has remained consistent. The overall moral of the congregation has improved. The congregation is very diversified and continues to become even more diversified.

The church is uplifted by the close relationship we share with Good Shepherd Indian Episcopal Church with whom we share our facilities and sometimes even worship together.

From *Wharton*, The Rev. Michael Kiju Paul, rector of *St. Thomas* reports of God's Spirit moving:

In 2023, our highest priorities are worship and the sacrament, growing in relationship with Jesus, and sharing His Good News with others. Our priorities remain constant and guide us in the use of all of our parish resources and everything we do. We are creatively and joyfully making space for all who are called to worship with us. Jesus has not called us to become comfortable or rest in our faith. We are continually invited to step out of the boat and walk in faith with the Lord.

It's been a good year with a lot for which to thank God. We are also grateful to our church family for encouragement, prayer, and practical help. We sing songs of worship and praise and pray and learn about God's amazing love through the spoken word.

Here are some of the highlights.

- Growth in numbers, slow but sure.

- Growing faith and trust in God.
- The confirmation of two men and one teenager.

Our hall continues to be a great asset, and we regularly welcome a couple of groups throughout the week from both the internal and external groups that engage and support our community in a variety of different ways. Our church is also used for several concerts. We have continued to carry on with the work of renovating, especially this year we had to replace old water pipes as some were beginning to leak.

Our facilities are able to bless the local community in many ways. We have a wonderful team of volunteers who look after our little ones, engaging them in play, telling them stories, helping them make crafts and much more! While we have snacks, the story of the day is told, usually using props in a 'godly play' style. They love listening to the stories and asking and answering questions. I am often struck by how 'in tune' with God our little ones are. After this the children have a chance to respond to the story through play or craft, and to continue with their other play activities too.

We continue to see small groups as a vital part of our church life at St Thomas Episcopal Church. In a larger church it can be very difficult to get to know people in a meaningful way just by attending on a Sunday. Small groups help with this in creating smaller communities for people to get to know each other and they also contribute significantly to the growth of faith through Bible study and prayer together.

Our Outreach Committee acts as a link between members of St Thomas' and various mission partners the church supports. In 2022 most of our mission partners were recovering from the two pandemic years and, through these, had found new ways of working which have helped their causes as well as St. Thomas's. We are looking forward to the coming year with hope trusting God and emerging ourselves in the Word of Scripture "And I am sure of this, that he who began a good work in you will bring it to completion at the day of Jesus Christ. (Philippians 1:6).

And as massive blessing for Reverend Kiju, he was called back to his homeland with a very special call in Central Equatoria State in the Republic of South Sudan. Ordained in the Episcopal Diocese of Kajokeji, Reverend Paul will take on the role as the next President/Principal of Kajokeji Christian College (KKCC), a school he and his colleague founded in 1993.

Our longest tenured rector in the convocation, The Reverend SA 'Scott' Thompson reports from *Holy Cross in Sugarland*:

Holy Cross continues to recover from COVID at a good to reasonable pace, and the trends are all headed in a desirable direction.

In October, after a two-year hiatus, the church held its 15th annual pumpkin patch in Fort Bend County. This was the second pumpkin patch since the pandemic, and patch is recovering some of its former ground with pumpkins, live entertainment, concessions, bounce house, playground, blessing of the animals, maze, and hayride. This in addition to growth in regular and ongoing ministry to men, women, teens, and children.

From our Deanery's hub, where the majority of our meetings are held, The Reverend Ralph Morgan, rector of *Calvary - Richmond* is pleased to share the many blessings upon Her campus:

Calvary Church in Richmond has enjoyed a good year together. In the midst of construction/renovation of our sanctuary, we have stayed strong in numbers, true in giving and firm in faith. We know that in all things, God is Good and we are thankful.

We don't put lots of stock in numbers, but, in 2023 we have had 11 baptisms, 8 confirmations, 4 burials, three weddings (not on site) and 30 new members come through our first New Members class who joined the church and just recently 18 new members and joined and most are awaiting confirmation in January.

We were blessed by the ordination of our Curate Jeremy Bradley who has now gone on to serve as Rector of St. Mark's Episcopal in Fort Bend. We wish him well and look forward to a wonderful working relationship with our neighbors to our south.

Calvary Episcopal Preparatory School continues to grow and flourish in FB County. Our Jr. High Students placed first in State last April in One Act Play (PSIA) and just last month, October of 23, our High School placed first in Region and third in State (TAPS) for One Act Play. CEPS is a wonderful Fine Arts Preparatory School in the greater West Houston Area.

And moving southward to other end of the convocation, The Reverend Christopher Weis, vicar of *St. Paul's in Freeport* proclaims a very successful year:

We continued our weekly collection of goods as an offering, but we also acted in good stewardship of our neighbors and did one specific item drive for the most needed items for the community.

For the season of Eastertide, we decided to givers after coming through the season of Lent and abstaining. We spoke to the Brazosport Cares Food Pantry about what their pressing needs were, and all through the season of Easter we collected diapers and diaper pads. People could either gather these items or donate funds for a large purchase. On Pentecost

Sunday, we blessed \$1200 worth of goods for the community and transported them over to the Food Pantry the next day.

Our Adult Formation for the year 2024 included a Lenten series on the Penitential Psalms, a study of The Letter of James, and an Advent study connecting the readings from Gospel of Mark to Advent.

In January we did a Facebook live service for the Chalking of the Door during the late afternoon on Epiphany and we welcomed Bishop Ryan for a Sunday visit. In February we had a fabulous Pancake luncheon the Sunday before Ash Wednesday. On Easter Sunday we had a parish breakfast with a 3-table spread of all sorts of items, followed by our Easter service in which attendance totaled almost 50 people.

In May we celebrated our high school graduates with a blessing and congregational gift. In October we had our 2nd annual "Homecoming Sunday" in which we invited former members, family, or people who have been lost to us to come back for one Sunday and have fun in worship and have a luncheon afterwards.

In November we celebrated the "Saints of St. Paul's" as our birthday of 104 years came, and we honored the greatness of all those years until now. In December 2022, St. Paul's got together after Advent 3 service for a cookie exchange, in which the members baked/brought their favorite cookies and laid them all out for everyone to take and eat and have merry fellowship and we will do so again in 2023.

Concluding in *Angleton*, The Reverend Travis Smith, rector, shares of the good work God is doing with *Holy Comforter*.

Holy Comforter enjoyed a year of continued blessing and growth. For some time, the parish has planned the next phase of campus improvements. This year we felt the time was right to proceed; choosing to focus on repairing the office and remodeling the bathrooms in the church and refurbishing the grounds around the church and the school- lofty goals for which we all agreed we could accomplish. And by God's guidance and with hard work of many the main construction on each was completed by year's end. Wonderfully, the real accomplishment has been residual; it has been endearingly noticed by both priests how patient and supportive was the entire membership during the 'ugly' time in the construction process. Instead of being anxious the good folks of Holy Comforter let the process be what it needed to be, choosing, remarkably, to collectively see the potential in the process.

The goodwill and spirit amongst the congregation was not limited to the campus renewal. Amidst the disorder the good people of this sweet parish seemed open to dreaming of new ministries and tweaking existing ones. This

general clarity began with a new culinary Bible study which we spent the year adjusting and practicing to get it ready to unveil in the new year. As well, we decided to streamline the existing home-bound food ministry, thus making it less fatiguing for our volunteers which has seemed to make it more communal for them. And this has seemingly afforded more energy and heart to our patrons each week, with more intentionality in the form of fresh produce and more involved recipes.

We expanded our baptismal lamb ministry making it a time of fellowship and mentoring. The meetings are filled with more confident seamstresses and lots of laughter and productivity. We now have an abundance of lambs around the office.

As the year closes, we have begun the work of discerning a more fulfilling role for the campus at large; there are those on the Vestry whose heart seems buoyant for at risk kids in our city. Leadership is eager to be a value to the community around us, which has fostered a lovely sense of purpose.

This sense of courage, beginning with the leadership, is nurturing a sense of excitement and imagination. From being brave enough to remodel, re-thinking how to do Sunday school (with the current space challenges), re-starting Wednesday evening Bible study, trying more involved musical rites such as Evensongs and more challenging Feast day eucharists (musically). All of this as a parish seeks to put meaning to their faith-dreaming up new ways of meeting needs where our talents allow.

God has, indeed, maintained (and added to) a stalwart group of shepherds to nurture His endeared parishes in this part of the Diocese. We continue to be humbly awed and appreciative of the work the Spirit is doing.

And we are proud of the bond we share within this Clericus, having long been close and continue to be so. A goodly amount of credit for this goes to our monthly facilitator, Maureen Bacchi. We are most grateful for her and pleased that she will continue to be with us for years to come.

We live and move in God's gracious abundance.

Travis Smith, Dean

WEST HARRIS CONVOCATION

It is an honor to begin service as Dean of the West Harris Convocation of the Diocese of Texas. Clergy in our convocation met bi-monthly throughout the year for noonday prayer and lunch. These lunch gatherings provided an important and necessary time for peer support, collaboration, and collegiality. I am grateful to our hosting parishes in 2023. In 2024 we will increase the frequency of our meetings, gathering eight months during the year.

There have been several clergy changes in the parishes of the West Harris Convocation this year, including:

Title	First Name	Last Name	Start Date	New Title	New Church/ Institution
The Rev.	Ray	Wilson	21-Nov-2023	Interim Assisting Clergy	Christ Church Cathedral, Houston
The Rev.	Becky	Zartman	1-Sep-2023	Interim Rector	Christ the King, Alief
The Rev.	Christine	Brunson	1-Aug-2023	Interim Associate Priest	St. Matthew's, Austin
The Rev.	Wendy	Wilkinson	11-Jun-2023	Interim Rector	Grace, Houston
The Rev.	James	Cunningham	1-May-2023	To Retirement	NA
The Rev. Dr.	Susannah "Suse"	McBay	22-May-2023	Nonparochial	NA
The Rev.	Josh	Condon	11-Jun-2023	Rector	St. Bartholomew's, Nashville; Diocese of Tennessee
The Rev.	James "Jim"	Morgan	1-Jan-2023	Priest-in-Charge	All Saints, Stafford
The Rev.	Lyn	Briggs	1-Jan-2023	Rector	Hope, Houston

In addition, the following parishes in West Harris have provided the following updates on their work in 2022:

Grace Episcopal Church

Grace Episcopal Church in Houston, reaches out to others in our community through the Braes Interfaith Ministries. We help supply food for their Food Pantry with our financial assistance as well as through food and supplies. We just supported the Turkey Drive to provide turkeys for Thanksgiving to our neighbors. Working together with other churches in this neighborhood we help those who need financial assistance for utilities, gas, food, health resources and counseling. Braes Interfaith Ministries is welcoming the stranger and those we know in our own community.

Grace's Community Garden provides fresh vegetables for our neighbors during the growing season.

Together with Corpus Christi we are looking at beginning an ESL program again that was shut down during COVID. We have Grace2Go bags with food for those who show up at our church's door in need.

Our school provides much needed childcare and education beginning with infants for this neighborhood. This fall a sibling drop-in was added for those families already enrolled so that when HISD is closed the parents have somewhere for the siblings to go that is safe and offering meals and educational enrichment for the day. This is another way Grace is reaching out to our neighborhood families.

St. Andrew's Episcopal Church

2023 was a busy year for St. Andrew's. We signed a contract with Kegg Pipe Organ builders to construct a new pipe organ for the nave, which is slated for installation in 1Q of 2025. Seven aging HVAC units were replaced across our campus. In addition, thirty-seven iron frame single pane windows were replaced with energy efficient double pane argon filled windows. We selected Ziegler Cooper as our architectural partner to complete the design for interior changes for our buildings. Our parish garden produced over 1,900 pounds of fresh produce for the Heights Interfaith Ministries Food Pantry.

Hope Episcopal Church

Hope is an aging congregation with lots of heart. We are dealing with property maintenance issues and have been very grateful for the financial support of the Thomas Cain Fund. We just completed a complete renovation of our restrooms, with Bishop Monterosso blessing them at his annual visitation in October. Our music is lively, as we have engaged a local recording artist who accompanies our singing on Sunday morning. Diversity and flexibility is what sets Hope apart. We strive to walk the Way of Love together, in the name of Jesus.

Jimmy Grace, Dean

CAMP ALLEN CONFERENCE AND RETREAT CENTER

Division of Diocesan Camps

Camp Allen had over 60,000 visitors in 2023 including over 6,000 youth in our Discovery Education Program. Camp Allen hosted 2005 youth in summer camp during 30 summer camp sessions. This year's summer camp tuition is \$894.

Camp Allen embarked on a new capital campaign named, Back to Nature. The goal is to raise \$8.9M that will focus on nature, campers, our chapel and our conference center guests. The largest portion of the funds will be focused on building a new hotel building.

The Starry Nights fundraising events were held in Austin and Houston allowing for over \$185,000 in camper scholarships to be awarded.

2023 was a record year in revenue and exceeded our forecast. The Camp Allen budget for 2023 was \$7.4 million with a surplus of \$297,000. The 2023 year will end with a surplus thanks to our donors and continued heavy usage by our Episcopalian groups. Camp Allen continues to closely survey its guests and focus on our mission to honor God, serve our guests and strive for excellence in our facilities.

2022 Audited Results

Revenues:

Conference Center Fees	\$3,512,661
Summer Camp Fees	\$1,381,121
Campsites and Cabins	\$615,238
Discovery Fees	\$722,912
Gift Shop Sales	\$62,693
Contribution & Fundraising	\$1,722,390
Equestrian and other income	\$187,702
Total Revenues	\$8,204,717

Expenses:

Program services	\$6,544,514
Management and general	\$848,486
Fundraising expenses	\$388,499
Total expenses (less depreciation)	\$7,781,913

Net change in assets	\$422,804
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Allen Kight, President Elect



The Episcopal Diocese of Texas

FINANCIAL CATEGORY SUMMARY* REPORT

*Summary by Categories Only
2022 vs. 2023 through October

Organization Name: Camp Allen

2022 (full year)		2023 (through October)
Income	\$8,229,717.56	\$7,995,584.70
Cost Of Sales	\$112,855.62	\$99,432.88
Gross Profit	\$8,116,861.94	\$7,896,151.82
Expenses	\$7,671,659.30	\$6,748,311.97
Operating Profit	\$445,202.64	\$1,147,839.85
Other Grants/Etc.	\$2,056,731.08	\$3,029,306.94
Other Expenses	\$1,409,629.48	\$1,198,768.03
Net Profit/(Loss)	\$1,092,304.24	\$2,978,378.76

Allen Kight, President Elect

CHAPLAINS TO THE RETIRED

Austin, Central and Northwest Convocations

I am thankful to serve as chaplain to the retired clergy households living in Austin, Central, and Northwest Convocations.

This group consists of 136 households, some consisting of clergy with spouses, others single clergy, and we have 32 clergy widows/widowers. Approximately 60% of our folks are canonically resident in the Diocese of Texas and 40% have retired to this area from various other dioceses. The Pastoral Care office of the Church Pension Group (CPG) is now including all non-stipendiary clergy when they turn 70 years old. Of course, not everyone in this group considers themselves retired and work every Sunday, just like many other retired clergy do.

Much of my chaplain's work is done via mail, e-mail, text, or phone and I rely on folks to let me know of pastoral needs. Every person in our group gets a birthday card and, when I learn of illnesses and deaths, I am able to support folks with a phone call, e-mail, or condolence note. I also try to notify our bishops when I learn of particular issues facing any of our retired folks as well as get folks in touch with the right staff at CPG or at the Diocese.

Many of our folks attended the Camp Allen October Retreat for Retired Clergy Households and enjoyed the time together. Several have expressed thankfulness that this event is offered at no cost to participants, just like Clergy Conference. And everyone enjoyed visiting with both Bishop Doyle and Bishop Fisher.

The CPG Chaplain's Office did a marvelous job of supporting the national group of chaplains. We have regular zoom meetings with the Rev. Laura Queen and Sean Scheller. These were great for support, fellowship, and ideas; CPG also hosted a major conference for chaplains and spouses.

The CPG continues to provide dependable support to all church retirees and I encourage any retiree to check out the CPG webpages and take advantage of the very informative articles, podcasts, and videos. I try to send emails to my group of retirees informing them of especially helpful CPG items as well as communication around especially challenging pastoral issues.

Again, I am thankful to serve in this position. It is especially a privilege to serve with our other Diocese of Texas Chaplains with the support of Bishop Fisher. A special thanks goes to Kathy Dunn in the Tyler office and Haley Townsend in the Austin office. Both are always so very helpful and encouraging.

Janne Alrø Osborne, Chaplain

East Harris and West Harris Convocations

The Pastoral Care Department of the Church Pension Group (CPG), under the direction of the Rev. Laura Queen and Mr. Sean Scheller, initiated and supports the Chaplains to the Retired Clergy and Surviving Spouses program. In each diocese that participates in this program (to date at least 86 out of 109), chaplains are appointed by the bishop to serve the retired clergy and spouses (including non-stipendiary clergy) and surviving spouses that are physically resident in that diocese as an extension of the pastoral care of the bishop. In the Diocese of Texas there are five clergy and their spouses who serve as chaplains under the supervision of the Rt. Rev. Jeff Fisher.

During 2023 we sent birthday cards to 115 retirees, Christmas cards to 97 families, condolence cards to two spouses, attended the funeral of one retired clergy spouse, made personal contact with 58 retirees, made 17 phone calls, sent 12 emails and texts, received correspondence from eight retirees, and participated in eight zoom meetings and webinars with Church Pension Group. In October (3-6) we attended the Regional Chaplains Meeting for Provinces V, VI & VII in Kansas City Missouri, during which we received updates on the health of the Church Pension Fund and learned about the changes to our Health Insurance and Dental plans for 2024.

In October ((9-11) we also participated in the Retired Clergy Conference at Camp Allen which was attended by over 40 people, including several retirees from the new North Region of the Diocese.

In December 48 retirees attended the Christmas Lunch for retired clergy and spouses hosted by the Rt. Rev. and Mrs. Andrew Doyle.

If you are a retired cleric or surviving spouse, please help us keep in contact with you by informing the Church Pension Group of any changes to your home address, email, or telephone numbers. The Church Pension Group can be reached at 19 East 34th Street, New York NY 10016 or by phone (800) 223-6602 or by internet at www.cpg.org

Also, all retired clergy spouses are urged to establish their own account with CPG apart from the cleric's own account. At the death of a cleric, the cleric's account is locked by CPG, which can delay any benefits the surviving spouse should receive. So, if you are the spouse of a retired cleric, contact CPG and establish your own account now.

John R. Bentley, Jr., Chaplain
Pamela Z. Bentley, Chaplain

Galveston and Southwest Convocations

We serve as chaplains to the retired clergy and spouses residing in Galveston and Southwest convocations and to the surviving spouses residing in those convocations. Our list also includes non-stipendiary clergy in this area. This list includes 75 people living in 53 households who reside in these two convocations. We have lost one clergy spouse who died this year and a few people have moved away. We've gained about the same number in new retirees during the past 12 months.

We remember those on our list with birthday cards and anniversary cards as well as sending e-greetings at Christmas, Easter and Thanksgiving. We have used email, snail mail, zoom and phone calls to keep in touch with most of our members. In the Galveston convocation, there is a group of us who gather face to face (when possible) for lunch once a month at a local restaurant. This kind of gathering for fellowship is a blessing to those who attend.

We continue to have the ability to travel and to meet face to face with those to whom we minister and those with whom we minister. The first week in October, we traveled to Kansas City to meet with the Rev. Laura Queen and Sean Scheller of the Church Pension Group and with other chaplains from 3 convocations. This was a blessed time of fellowship and an great opportunity to exchange ideas and learn more about how the Church Pension Group supports the retired clergy around the nation. The second week in October found us at Camp Allen where about 50 retired clergy, spouses and surviving spouses from around the diocese gathered to fellowship and learn more about a number of different topics. Bishop Doyle gave an address and visited with us. On December 1st, we enjoyed a luncheon for the retired clergy hosted by Bishop Doyle. It was a blessing to be together for such an occasion.

Nan L. Doerr, Chaplain
Samuel P. Doerr, Chaplain

Northeast Convocation

The job description of the Chaplain to the Retired mainly includes communication to the retire folk (Priests, Deacons, and Spouses) and providing special pastoral care, where appropriate. From my perspective in 2023, communication was provided in the following ways:

1. Mailing of Birthday cards
2. Mailing of anniversary cards for ordination to the Diaconate
3. Mailing of anniversary cards for ordination to the Priesthood
4. Mailing of anniversary cards for consecration as Bishop
5. Sending Easter and Christmas greetings via email
6. Resending special notices and information from the Church Pension Fund
7. Reminders to enroll for health coverage in October-November

In addition to the communications, I followed-up on pastoral needs in the convocation as “*heard-it-through-the grapevine*” or received notices from Bishop Fisher’s office.

In 2023, we especially invited and encouraged all retired clergy and spouses to attend the enhanced Retreat for the Retire Clergy and Spouses held in October at Camp Allen. With the reunion with our Ft. Worth brothers and sister, Camp Allen can no longer house all clergy—active and retired—for a Diocesan Clergy Retreat, so the diocesan staff worked very hard to beef-up the Retired Retreat.

In 2023, the Bishops invited all the Retired Clergy and Spouses to attend the Convocational Holiday parties or to attend a special party for the retired hosted at the home of Bishop Doyle.

Cliff Rucker, Chaplain

San Jacinto and Southeast Convocations

We serve as Chaplains to the Retired in two Convocations: Southeast and San Jacinto. We live in The Woodlands and serve this Convocation and also the SE Convocation that we called home for 12+ years.

There are approximately 30 retired clergy and surviving spouses in our two areas. We have tried to faithfully serve them in a variety of ways:

- We hosted a dinner at our home for two of the retired couples in our group that live near by. It was a wonderful time of storytelling and comradery. All three male clergy had fathers who were clergy and who had known each other in the Diocese of Texas.
- Sending personal birthdays cards.
- Sending special occasion cards, get well cards, and sympathy cards when appropriate. Our friends especially seem to like the Jacquie Lawson cards that they receive as they can then respond back to us.
- Pastorally following up on situations with phone calls, encouragement and prayers and offering support to the family
- Visiting clergy when they have been hospitalized
- Informing clergy and spouses of the Employee Assistance options available to them when they need confidential counseling. Of special note is the CareLinx program offered by United Healthcare for household assistance up to 2 hours a week.
- Visiting with retired clergy at social functions: retired retreats, parties, etc.
- Providing extra emotional and spiritual support when families are facing difficult situations (attending to an elderly parent, supporting a spouse with Alzheimer's).

Clergy Pension Group (CPG) supports our ministry with monthly Zoom meetings that help us share ideas with other chaplains to the retired all over the United States.

Other things of special note:

We were able to gather at Camp Allen for a Retired Clergy Gathering in early October. Bishop Fisher and Kathy Dunn always create a conference that is both great fun and informational. It's great to be able to see friends who have moved away, like Rod Pierce and his wife Angela when they come from Missouri to be with us. Several retired clergy from the Diocese of Northwest Texas attended as well as clergy friends who had moved to New Mexico.

Nancy attended the National Chaplains meeting in Kansas City this past year meeting other chaplains from our surrounding states. We welcomed into our fold a new chaplain: Bill Stanford, now shepherding the Northwest Convocation. Information received was helpful and passed on to our retirees.

It is always a challenge to have updated Retired Clergy and Surviving Spouses lists. We persevere in the midst of bounced emails, returned snail mail and phone numbers that have been disconnected. The bishop's office has assisted greatly in getting bi-vocational priests and permanent deacons added to our lists.

Because of sickness, we were unable to attend the Bishop's Christmas Luncheon held early December in Houston. We shall make every effort to attend next year as it is a festive occasion with so many friends that have been dear to us for decades.

Nancy DeForest, Chaplain
Bill DeForest, Chaplain

COMMISSION ON SCHOOLS

The EDOT sponsored a day-conference at Camp Allen for the heads & directors of our Episcopal schools on March 30, 2023. At this gathering, Southwestern Association of Episcopal Schools Executive Director Rob Devlin spoke on the most significant challenges faced by school leaders, the chair of the Commission on Schools gave a presentation on the vocation of school leadership, and The Rev. Canon Lisa Burns (in her role as Canon for Wellness) presented on the care of the soul in challenging times. Building on the success of this event, another diocesan-sponsored day conference at Camp Allen has been planned for March 2024. The overall objective of these efforts is to support the resilient leadership of Episcopal schools within this diocese.

Faced with continued declining enrollment, the following 3 schools closed during the reporting period, October 2022 to October 2023: St. Thomas the Apostle Episcopal School, Nassau Bay, St. Mark's Episcopal School, Richmond, and Holy Trinity Episcopal School, Houston. Also, when 2 programs combined for reporting purposes, the total number of reporting schools further decreased by 1. Year-over-year, while the number of schools declined from 58 to 54 schools, total enrollment across the diocese increased by 184 students, for a total of 12,442 students. This marks the highest enrollment since I began tracking in 2018. The smallest schools (those ≤ 50 students) actually decreased as a group by 92 students. While mid-sized schools gained modestly, much of the enrollment gain was found in the group of larger schools (those >300 students).

Keeping track of accreditation: 2 of the closed schools (noted above) had been accredited. Among existing schools, Trinity Episcopal School, Fort Worth was accredited by SAES during the 2022-2023 reporting period. Another school, First Steps Montessori, Houston (St. John the Divine), has a site visit with American Montessori Society (AMS) scheduled for the first week of December, 2023.

There were 11 transitions of top leadership in schools, a number which remains historically high but is trending in the direction of greater stability compared to the 16 turnovers in the

Holy Cross Kids Preschool, Sugar Land	Lisa Hebert , Director
St. Cuthbert School, Houston	Melinda Wahl , Director
Trinity School of Texas	Cindy Verhalen , Head of School
Grace Episcopal School, Houston	Caitlin Powell , Head of School
St. Francis Episcopal School, Houston	Dr. Chelsea Collins , Head of School
All Saints' Episcopal School, Tyler	Dr. Mark Desjardins , Head of School
Good Shepherd Episcopal School, Austin	Rachel Duree , Interim Head of School
Archway Academy, Houston	Andrew Warren , Clinical Director
Trinity Episcopal School, Galveston	Mark Fallo , Head of School
St. Stephen's Episcopal School, Houston	Dr. Troy Roddy , Head of School
St. Mark's Episcopal Day School, Austin	Becky Simpson , Head of School

previous reporting period (2021-2022). The 11 new heads/directors in place as of the 2023 Annual Report are as follows:

David C. Dearman, Chair

School Summary, 2023-2024 Reporting Period

EDOT Schools Total Number of Students: 12,442 ▲					
<i>Schools by Highest Grade Level</i>			<i>Schools by Total Enrollment Groupings</i>		
Preschool/Kinder (may include Infant-Kinder)	31	▼	with ≤ 50 students	11	▼
Elementary (may include up to 5 th Grade)	3	▼	with > than 50 students and < 300 students	32	▼
Middle School (may include up to 8 th Grade)	9		with > 300 students	11	
High School (may include up to 12 th Grade)	11				
Total Schools in the EDOT	54		Total Schools in the EDOT	54	

Other Stats	
Students of Color - Total Enrollment: 3,271 (approx. 26%) ▲	Total # of Employees: 2,868 ▲
Students Receiving Financial Aid: 1,873 (approx....15%) ▼	# Accredited Schools: 43 (80%) ▼ ▲ ¹

¹ The total # of accredited schools decreased by 1, but the percentage increased from 76% (2022-2023) to 80% partially due to the decrease in reporting schools from 58 to 54.

Location of Schools by City

Angleton	Holy Comforter
Austin	All Saints'
	Good Shepherd
	St. Andrew's
	St. David's
	St. George's
	St. Mark's
	St. Matthew's
	St. Michael's
	St. Stephen's
	Trinity
Bastrop	Calvary
Beaumont	All Saints'
Bellaire	Episcopal High
Bellville	St. Mary's
College Station	St. Thomas'
Conroe	St. James'
Friendswood	Good Shepherd

Fort Worth	All Saints'
	Trinity
Galveston	Trinity
Georgetown	Grace
Houston	Archway Academy
	Ascension
	Cathedral House
	First Steps Montessori
	Grace
	Holy Spirit
	St. Andrew's
	St. Christopher's
	St. Cuthbert's
	St. Francis'
	St. Mark's
	St. Martin's
	St. Stephen's
	St. Thomas'
Killeen	St. Christopher's
Kingwood	Good Shepherd
LaGrange	St. James'
Lindale	St. Luke's
Longview	Trinity
Lufkin	St. Cyprian's
Marshall	Trinity
Missouri City	St. Catherine of Sienna
Nacogdoches	Christ
Pearland	St. Andrew's Academy
Richmond	Calvary
Round Rock	St. Richard's
Sugar Land	Holy Cross
Temple	St. Francis'
The Woodlands	Trinity
Tyler	All Saints'
Waco	St. Paul's
Woodville	St. Paul's

David C. Dearman, Chair

SEMINARY OF THE SOUTHWEST

Established in 1952 by the Rt. Rev. John Elbridge Hines, the fourth Bishop of Texas and eventual Presiding Bishop of The Episcopal Church, Seminary of the Southwest was born from the need to educate more Episcopal priests during a period of rapid postwar growth in The Episcopal Church. Bishop Hines' vision was expansive: he sought to create a seminary for "the whole church ... centered around dialogue between the Christian faith and culture."

One of nine Episcopal seminaries, Seminary of the Southwest stands boldly at this intersection of tradition and innovation. Rooted in the theology, liturgy, and rich history of The Episcopal Church, Southwest lives within the fertile conversation about the identity and role of the church in the contemporary world. Offering formation for ordination, spiritual direction, and mental health counseling and resourcing local formation for leadership throughout the Episcopal Church, Seminary of the Southwest has a unique profile among its peers.

Mission/Vision/Core Values

In May of 2021, the Board of Trustees of Seminary of the Southwest adopted a new mission and vision statement in conjunction with a new strategic plan.

Mission

Rooted in the reconciling ministry of Christ, the mission of Seminary of the Southwest is to form people for vocations of ministry, service, and healing.

Vision

The insight and creativity with which Seminary of the Southwest engages the Christian tradition with the reality of the contemporary world makes it a leader among institutions of higher learning, both within and beyond The Episcopal Church. Sustained by innovative teaching and research, Southwest forms servant leaders who minister in a diverse culture with confidence and humility. The seminary has the financial and spiritual capacity to discern and develop new programs to advance God's mission of healing and reconciliation.

Core Values

The following core values describe what Seminary of the Southwest stands for and believes in:

- Hospitality: creating a common life that welcomes difference and ensures that all voices are heard
- Mutuality: nurturing a collaborative environment that promotes mutual inquiry and accountability
- Respect: cultivating the virtues of patience, justice, and charity, so as to affirm the dignity of every member of the community
- Rootedness: embodying the richness of the Episcopal and Anglican traditions in particular contexts, especially that of the American Southwest and its Hispanic cultures
- Celebration: glorifying and enjoying God in worship, prayer, study, service, and fellowship, so as to create a community of gratitude and gift
- Conversation: listening to and critically engaging a variety of cultural and religious voices in order to commend the Christian tradition and discover fresh wisdom

Strategic Plan

In May of 2021, the Board of Trustees adopted a new strategic plan to guide the seminary through 2025. The plan led to the revision of Southwest's mission and vision statement, and created 24 goals organized into 4 areas of focus toward achieving 9 visionary outcomes. These areas of focus, or 'pillars,' are:

- Beloved Community: Seminary of the Southwest will envision and embody the Beloved Community reflected in its diversity of faculty, staff, and students, in culture, race, gender, and sexual orientation.
- Resourced and Resilient: Seminary of the Southwest will have strong community and financial support and will create and maintain the financial and physical resources to sustain and grow its vision.
- Formation and Teaching: Seminary of the Southwest will have a model MDiv program, the leading MHC program, and a Church-wide Iona Collaborative.
- Community Treasure: Seminary of the Southwest will be known as one of the educational and cultural treasures of Austin, a place that convenes interdisciplinary conversations about things that matter most and serves the community in times of challenge.

The 24 measurable goals are divided among these four areas of focus, and each area of focus supports at least one of the 9 visionary outcomes that support the overall Vision Statement of Southwest. Southwest faculty and administration have begun work to carry out the goals in each pillar and remain within the projected timeline. The Board of Trustees continues to monitor progress toward these goals throughout the plan.

Academics and Programs

The seminary offers the following degrees and diplomas:

- Master of Divinity
- Master of Arts in Religion
- Master of Arts in Clinical Mental Health Counseling
- Master of Arts in Spiritual Direction
- Diploma in Anglican Studies

A total of 119 students enrolled at Seminary of the Southwest for Fall 2023. The 35 ordination track students include students from the following dioceses: Arkansas, Central Gulf Coast, Chicago, Colorado, Florida, Michigan, Mississippi, North Carolina, North Dakota, Oklahoma, Olympia, Pennsylvania, Rio Grande, Southern Ohio, Southwest Florida, Texas, Virginia, and West Texas. Additionally, we have two students in our MDiv program from non-Episcopal traditions, increasing the diversity of our student body.

The faculty is made up of nineteen highly qualified scholars who hold faculty positions in Old and New Testament, Church History, Christian Theology, Christian Ethics and Moral Theology, Liturgics and Anglican Studies, Preaching, Church Music, Pastoral Theology (currently open - search in progress), Spirituality, Theology and Arts, Leadership Formation, Counselor Education, and Latinx Studies. The faculty includes five administrators: the Very Rev. Dr. Cynthia Briggs Kittredge, dean and president; Dr. Scott Bader-Saye, academic dean; Dr. Gena St. David, director of the Loise Henderson Wessendorff Center for Counseling and Spirituality; the Rev. Nancy Frausto, director of the Latinx Studies Program, and the Rev. Dr.

Nandra Perry, director of the Iona Collaborative. Additionally, over 12 professionals from the Austin and San Antonio areas teach adjunct in the counseling and spiritual direction programs.

Seminary of the Southwest is providing a 100% tuition scholarship to nearly every graduate student in its Master of Divinity degree program and our Diploma in Anglican studies during the academic year 2023-2024, as was the case last year. Due to a generous gift from the Episcopal Foundation of Texas, our Pastoral Leadership Initiative continues to allow us to provide housing, medical insurance, book and fee grants for many of our students in the Master of Divinity program. Such funding allows Seminary of the Southwest to offer financial support commensurate with awards available from other Episcopal seminaries. In addition, full- and part-time students in most other degree programs were recipients of institutional financial aid funded by the seminary's permanent endowment.

After an extensive process of research and planning the curriculum for the Master of Divinity was revised and launched for entering students in the 2023-24 academic year. The highlights include the addition of a case-based Seminar in Applied Theology that will meet weekly for all three years, a new sequencing of courses that allows for more content overlap and team teaching, a deeper integration of theory, practice, and pastoral identity, and a cross-curricular commitment to preparing students to build beloved community in response to racial injustice and political polarization.

The Clinical Mental Health Counseling (MHC) program offers a 60-hour degree designed for students seeking graduate-level instruction in professional counseling that prepares the student to pass the Texas state LPC qualifying exam and provides an opportunity to integrate professional counseling competencies with spiritual competencies, along with antiracist and social justice practices. All MHC courses address the knowledge, skills, and dispositions required for competent professional counseling practice in a diversity of settings.

Seminary of the Southwest met its goal by enrolling 21 new students in Fall 2022 and 20 new students in Fall 2023 into the Master of Arts in Clinical Mental Health Counseling. Enrollment also met its goal of admitting five new Latinx Counseling Concentration students, expanding the pipeline of potential future graduates to continue sustaining the Richmond Area Bilingual Fellows program to provide Spanish-language counseling services to Latinx children and families in the Richmond/Rosenberg, TX area.

With the approval of the Board of Trustees of the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC), Seminary of the Southwest's continues to offer blended instruction (with both in person and online instruction and student engagement) which enables Seminary of the Southwest's MHC program to fulfill its mission "to prepare counselors through a social justice oriented curriculum and a spiritually integrated foundation so that they can be builders of beloved community," and admit a diversity of students from a variety of backgrounds and stages of life.

In 2023, Southwest completed a two-year pilot program, the Racial Healing Initiative, funded by the Moody Foundation, to train local mental health professionals and clergy in best practices for identifying and addressing racial trauma and promoting racial healing through spiritual and psychosocial resources. The MHC faculty also embarked on a three-year process to evaluate the outcomes of their revised curriculum which now infuses antiracist

practices and spiritual competencies within the entire curriculum across all twenty of the required counselor education courses.

In 2022, the MHC program was also the recipient of a renewed multi-year grant from the Episcopal Health Foundation to further and expand the Harrison Fellows Program, which places Southwest counseling graduates in underserved rural communities. In addition, in 2022, the Richmond Area Bilingual Fellows Program, the Latinx Counseling Concentration, and the Spiritual Integration in Counseling Scholars Program, continued to expand, adding additional student trainees working to develop specialized competencies to provide culturally-responsive mental health care to underserved communities.

There are currently four MHC program alumni employed as Bishop Dena A. Harrison Fellows working at an East Texas mental health organization, Burke, as LPC-Associates, and four Seminary graduates who completed their fellowship and remained at Burke as full-time LPC employees, serving rural clients. Burke administrators have stated that the Harrison Fellows Program is allowing Burke to reach more clients both in the hubs of Lufkin and Nacogdoches but additionally in other areas of East Texas. Harrison Fellows receive additional monthly supervision from Dr. Maria Spellings, LPC-S, and an Assistant Professor in Counseling Education. The Richmond Area Bilingual Fellows Program is modeled after the Harrison Fellows Program, building a pipeline of bilingual MHC graduates who will move to the Richmond area post-graduation to work as LPC-Associates at the Houston Galveston Institute (HGI) providing much-needed counseling services to the Latinx community. We currently have one MHC program alumni employed at HGI.

The Latinx Counseling Concentration led by Dr. Stephanie Ramirez has 10 MHC students enrolled in this specialized concentration. The Latinx Counseling Concentration (LCC) was developed for Clinical Mental Health Counseling students interested in providing a deeper level of culturally responsive counseling services to the Latinx community, currently one of the largest growing minority groups nationally and regionally throughout Texas. Our goal remains to train curious, culturally empathic, accepting, self-aware counselors with or without Spanish-language proficiency. During their time at the seminary, LCC students engage in a differentiated curriculum in Latinx counseling to supplement their clinical mental health counseling training.

The Spiritual Integration in Counseling Scholars Program provides mentorship for MHC students interested in engaging in research, professional development, and service to the field of counseling through written publications and presentations. The MHC program also offers yearly continuing education (CEUs) to our constituents and in the Fall of 2022 Dr. Awa Jangha provided a workshop on Contemplative Photography, along with a presentation on spiritual integration in counseling at the Southern Association of Counselor Education and Supervision conference in Baltimore, MD.

Finally, the Racial Healing Initiative, led by Dr. Marlon Johnson, launched a pilot program training its first cohort of five mental health professionals and clergy to address racial trauma in various communities of service in Central and East Texas.

The seminary launched a curriculum revision in 2021 and 2022 of the Master of Arts in Spiritual Direction and Formation (MSF) degree to train students in the vocation of spiritual

direction for individuals and groups. The new MSF curriculum is scheduled to be offered beginning Fall 2023.

The Master of Arts in Spiritual Direction and Formation (MSF) is now a -39-hour degree that engages the theology and practice of Christian spirituality and spiritual direction. The MSF is designed for students who wish to explore the spiritual tradition of the Christian path as well as for lay and ordained ministers seeking to develop skills in spiritual direction. The MSF curriculum provides a biblical, theological, historical, and ethical foundation for spiritual direction with individuals and with groups and communities.

The Iona Collaborative at Seminary of the Southwest oversees all non-degree educational programming for the seminary. Formerly the Iona Center, it was rebranded as the Iona Collaborative effective June 2021.

In 2022, the Iona Collaborative received an award of \$500,000 through Trinity Church Wall Street Philanthropies to fund *The Equity Project: Improving Access to Continuing Education for Bi-vocational Leaders*. *The Equity Project* seeks to close the access gap to leadership education and networks of leadership development for locally formed and bi-vocational leaders of Spanish- and English-speaking congregations. The project has four goals for the five-year term of the grant which include:

1. To offer a career-long arc of leadership development training and curriculum for every order of ministry, from local diocesan school formation to continuing education for leaders in the field;
2. To expand affordable partnership options for dioceses that only need continuing education resources in leadership development
3. To establish a national, career-spanning network for bi-vocational and locally formed leaders in collaboration with The Episcopal Church partners
4. To create a Spanish-language leadership curriculum in Asset-Based Community Development, plus provide Spanish-language closed captioning of all other leadership development curricula

This generous grant will support the Iona Collaborative in its progress toward making free, Zoom-based continuing education for lay and clergy congregational leaders part of its permanent offerings for all dioceses in the Iona network.

The Iona Collaborative itself continues to grow. As of December 2022, it provides curricular resources to 34 dioceses in the United States and is embarking on a pilot project with TEC's Office of Latino/Hispanic Ministries to offer Zoom-based Spanish-language clergy formation. This pilot is set to launch in February 2023. The Iona Collaborative is pursuing a second pilot project with CAPA (Communion of Anglican Provinces in Africa) to resource a school of local formation in the Diocese of Cape Coast, Ghana. To date, the seminary has awarded 231 certificates in theological studies to Iona Collaborative diocesan graduates, as well as 49 Certificates in CPE/Pastoral Care Education.

Curriculum development is expanding into two new areas: pedagogical support/program

assessment and Spanish-language curriculum. In 2022 we embarked on the creation of original Spanish-language content (supported by a \$100,000 grant from Trinity Church Wall Street), closed captioning in Spanish, and the creation of a Spanish-language curriculum in Asset Based Community Development (in partnership with Episcopal Relief & Development, the Episcopal Church, and TEC's Latino/Hispanic Ministries). 2022 also marked the introduction of our skills-based assessment matrix for diaconal formation, which distills the competencies outlined by the Association of Episcopal Deacons into a user-friendly format suitable for course planning and for student and program assessment. This project is part of a larger initiative that will support the dissemination throughout the Iona Collaborative of clear benchmarks for priest, diaconal, and lay-leader formation.

The Iona Collaborative is in its fourth year of Thriving in Bi-Vocational Ministry, a continuing education and mentoring program supporting new and recently ordained bi-vocational priests and deacons serving in pastoral settings throughout the Church. Generously funded by a \$1M grant from Lilly Endowment, Inc., the program facilitates the building of relationships with peers and experienced clergy who serve as role models to guide participants through key leadership challenges at critical moments in their early ministerial careers. To date, the program has served 181 clergy in course offerings in Spiritual Formation, Preaching, CPE, Pastoral Care, Small-Group Formation, Congregational Leadership, and Asset-Based Community Development. In 2022, Lilly Endowment invited the Iona Collaborative to apply for a sustainability grant to transition this program into a permanent offering. Using the bulk of our grant from Trinity Church Wall Street Philanthropies as matching funds, we will be applying for the full \$500,000 sustainability grant in 2023.

In support of our grant writing work, The Iona Collaborative was awarded a \$15,000 Reflective Practices Grant through Leadership Education at Duke Divinity and the Lilly Endowment. This grant has supported our collaboration with Institutional Advancement to develop a strategic plan for the long-term financial viability of the Iona Collaborative, with special attention to the development of our alumni networks through continuing education offerings.

Thriving Bi-Vocational Congregations is a program launched in 2021 through a second \$1M grant from Lilly Endowment that invites participating bi-vocational congregations to enter a three-year collaborative peer learning community that will focus on understanding and embodying bi-vocational ministry. The first cohort of 13 congregations is in its second year of peer learning. Our second cohort of 6-8 churches will begin meeting in January 2023. Also focused on congregational vitality, the Video Collection for Congregations now offers 65 teaching videos designed for use in all Iona Collaborative congregations.

In keeping with our stated goals in the Strategic Plan, the Iona Collaborative is working to become a trusted voice throughout TEC on bi-vocational ministry and small-church vitality. In 2022, we made two important steps in that direction. On Sept 12-14 in San Antonio, the Iona Collaborative partnered with Gathering of Leaders, the Diocese of Wyoming, and the Bishop Kemper School for Ministry to offer the first GOL event for bi-vocational clergy (priests and deacons). This initial gathering is part of a broader strategy to strengthen networks of support for bi-vocational clergy. Participants representing six Iona Collaborative Dioceses were in attendance. We are also planning our first TEC-wide event. The Iona Collaborative Un-Conference: A Collaboration to Imagine Bi-Vocational Futures is set for July 31-Aug 3, 2023 at Camp Allen. We envision this conference as a fully collaborative experience, with carefully

structured processes for engagement and collective experimentation on key questions. We are inviting and seeking input from important stakeholders at this stage.

Finances

The seminary's investment portfolio is managed by Episcopal Church Foundation, New York, with State Street Global Advisors, Boston as portfolio manager. The portfolio had a market value of \$44.6 million at 2 QE 2023, up 10.11% since June 30, 2022, net of fees, investment income, capital contributions, and preauthorized endowment fund distributions.

During the second quarter, the portfolio achieved a net return of 3.47%, underperforming its 3.71% benchmark by 0.25%. An additional \$865,141 in cash was held in the seminary's Frost National Bank endowment fund checking account, raising the total market value of the endowment to \$45.46 million at June 30, 2023. The asset allocation is aligned with policy. Three-year performance return is 8.9% versus 8.08 benchmark.

On October 2, 2023, Montemayor Britton Bender, PC—the seminary's independent external auditors—delivered to the Audit Committee the financial statement audit and federal awards audit reports for the fiscal year ended May 31, 2023. The firm has delivered unmodified (clean) opinions for both audits and there are no adverse findings.

The consolidated statement of financial position for the fiscal year ended May 31, 2023, reports \$89 million in total assets, up \$5.66 million since a year ago; \$3.86 million in current debt, of which ~ \$3 million is for construction-in-progress; \$85.16 million in net assets, up \$1.62 million since a year ago; and a change in net assets of <\$0.25> million.

The consolidated statement of financial activities for the fiscal year ended May 31, 2023, reports \$12.8 million in revenue and \$9.4 million in expenses, resulting in a net operating gain of \$3.4 million for the year, of which \$785,000 is without donor restriction. Cash flows from operating activities produced \$2.79 million. The seminary closed fiscal year 2023 with no long-term or bank-financed debt.

The seminary completed a \$23 million construction renovation project on its campus on September 13, 2023, opening a new learning complex and the Bishop Dena A. Harrison Library.

The Board of Trustees, chaired by The Rt. Rev. Kathryn M. Ryan, bishop suffragan, has established several objectives described in the seminary's strategic plan including, for example:

- Seminary of the Southwest's MDiv program will train a diverse group of ordained leaders for the church with a curriculum rooted in Jesus Christ and the organic dynamism of the Anglican tradition, the antiracist vision of beloved community, the exploration of new models of ministry, and the centrality of conversation and collaboration with others inside and outside the church.
- Seminary of the Southwest will be known as one of the educational and cultural treasures of Austin, a place that convenes interdisciplinary conversations about

things that matter most and serves the community in times of challenge.

Toward this end, the seminary is focusing tactical efforts and resources to achieve this objective:

Academic Scholarship Awards

During academic year 2022-2023, the seminary has awarded scholarships funded by endowments created in support of racial justice initiatives, subject to the limits of our endowment spending policy:

Pauli Murray Scholarship

AY 20-21: 2 students, \$25,000

AY 21-22: 1 student, \$10,000

AY 22-23: 4 students, \$50,000

AY 23-24: 7 students, \$75,000

David Franklin Taylor Scholarship

AY 21-22: 4 students, \$23,567

AY 22-23: 1 student, \$500

AY 23-24: awards pending

The Bertha Sadler Means Endowment has funded the appointments of the seminary's Black Religious Scholar Visiting Professor, The Rev. Stephen Ray, our Beloved Community program, and programmatic expenses related to the seminary's racial justice initiatives. Among those include the faculty and students' participation in the annual Jonathan Daniels Pilgrimage. This year, the Bertha Means Endowment funded \$63,108 in program.

Institutional Advancement

The Office of Institutional Advancement (IA) is a strong and thriving fundraising engine that drives sophisticated and comprehensive fundraising campaigns that comprises strategies in the areas of, but are not limited to: annual fund, capital campaigns, endowments, planning giving, alumni relations, events, and special projects.

In alignment with the seminary's strategic plan, Institutional Advancement aims to grow fundraising programs by >5% year over year. In 2022, the annual fund met and exceeded its goal of \$1,075,000 with a total of \$1,085,000.

Also implemented in 2022 was the endowment campaign for the Dean and President's Chair, the Cynthia Briggs Kittredge Leadership Endowment Fund, which raised >\$3.5M that was additional to the annual fundraising goals and plans. This fund was announced and presented in the Dean's honor at Commencement in May 2023.

In the Spring of 2023 Charley Scarborough announced his retirement from the seminary and a nation-wide search was conducted to identify and fill the position of Vice President of Institutional Advancement. Joanna Linden, fundraising and public relations executive, was appointed by the Dean on May 9, 2023.

Key strategic program-related grants have also been secured to fortify our efforts within the following Southwest initiatives:

<u>Donor</u>	<u>Amount</u>	<u>Purpose</u>
Episcopal Diocese of Texas	\$2,500,000 over 5 years	Direct Student Support grants
Trinity Church Wall Street	\$500,000 over 5 years	Iona Collaborative - Access to Continuing Education for Bivocational Leaders
Trinity Church Wall Street	\$150,000 over 2 years	Parish Administrative education curriculum research & development
Trinity Church Wall Street	100,000 over 2 years	Spanish Language video curriculum translation

Accreditation and Leadership

Seminary of the Southwest is accredited by The Southern Association of Colleges and Schools Commission on Colleges and the Commission on Accrediting of the Association of Theological Schools of the United States and Canada. The seminary is also accredited by the Council for Accreditation of Counseling & Related Educational Programs for our Master of Arts in Clinical Mental Health Counseling degree.

In the summer of 2023, the Very Rev. Cynthia Briggs Kittredge began her eleventh year as dean and president. The focus of the seminary's leadership is the formation of Christian leaders in community for the vitality of the church and to advance God's mission of reconciliation. Dean Kittredge believes that critical engagement with scripture, tradition, and context, energized by imagination, and grounded in prayer is the center of formation for mission. Dean Kittredge is the eighth dean and president of Seminary of the Southwest. She was appointed in 2013 after serving on the faculty as Professor of New Testament and as academic dean.

An outstanding Board of Trustees chaired by the Rt. Rev. Kathryn "Kai" Ryan, Diocese of Texas, leads the seminary. Other trustees include Clarke Heidrick, executive chair, Diocese of Texas; the Rev. Morgan Allen, Seminary Treasurer, Diocese of Massachusetts; the Very Rev. Cynthia Briggs Kittredge, Ex Officio, (non-voting member) Dean and President, Seminary of the Southwest; Dr. Awa Jangha, faculty representative (non-voting member), Seminary of the Southwest; Ryan Lee, student representative, Seminary of the Southwest; the Rev. Bert Baetz, Diocese of West Texas; Ms. Taylor Bowles, Diocese of Texas; Mr. John Hancock, Diocese of Texas; Ms. Josephine Hicks, Diocese of North Carolina; the Very Rev. Miguelina Howell, Diocese of Connecticut; the Rt. Rev. Carlye Hughes, Diocese of Newark;

Ms. Shannon Hunter, Diocese of Texas; the Rev. Justin Lindstrom, Diocese of West Texas; the Honorable Lora Livingston, Diocese of Texas; the Rev. Lisa Mason, Diocese of New York; Mrs. Lynn Meredith, Diocese of Texas; the Rev. Hugh Page, Diocese of Northern Indiana; the Rev. Kathy Pfister, Alumni Representative, Diocese of Texas; the Rev. Genevieve Razim, Diocese of Texas; the Rev. Rhonda Rogers, Diocese of Texas; the Rev. Roman Roldan, Diocese of Texas; Mr. Timothy Saunders, Diocese of Connecticut; the Rt. Rev. Brian Seage, Diocese of Mississippi; the Rev. Jemonde Taylor, Diocese of North Carolina; the Very Rev. S. Chadwick “Chad” Vaughn, Diocese of Atlanta; the Rev. Greg Warren, Diocese of Arkansas.

Details about the seminary's programs, faculty and news can be found at <http://www.ssw.edu>.

Cynthia Briggs Kittredge, Dean and President



The Episcopal Diocese of Texas

COMPARATIVE FINANCIAL STATEMENTS

Organization Name: The Episcopal Theological Seminary of the Southwest

FYE 2022 STATEMENT OF FINANCIAL POSITION ASSETS

Cash & Investments	\$61,183,093
Fixed (net)	13,993,780
Other	<u>7,531,629</u>
Total Assets	<u>\$82,708,502</u>

LIABILITIES AND NET ASSETS

LIABILITIES

Current	1,778,611
Non-current	<u>0</u>
Total Liabilities	1,778,611

NET ASSETS

Without donor restriction	24,382,200
With donor restriction	<u>56,547,691</u>
Total Net Assets	80,929,891

Total Liabilities and Net Assets \$82,708,502

FYE 2021 STATEMENT OF FINANCIAL ACTIVITIES

Revenues \$8,216,037

Expenses

Program	7,062,694
Administrative	1,167,740
Fundraising	<u>1,072,158</u>
Total Expenses	9,302,592

Change in Net Assets <\$1,086,555>

FYE 2023 STATEMENT OF FINANCIAL POSITION ASSETS

Cash & Investments	\$52,970,448
Fixed (net)	26,493,679
Other	<u>9,557,639</u>
Total Assets	<u>\$89,021,766</u>

LIABILITIES AND NET ASSETS

LIABILITIES

Current	3,861,114
Non-current	<u>0</u>
Total Liabilities	3,861,114

NET ASSETS

Without donor restriction	25,049,559
With donor restriction	<u>60,111,093</u>
Total Net Assets	85,160,652

Total Liabilities and Net Assets \$89,021,766

FYE 2022 STATEMENT OF FINANCIAL ACTIVITIES

Revenues \$12,798,166

Expenses

Program	7,263,840
Administrative	998,745
Fundraising	<u>1,135,263</u>
Total Expenses	9,397,848

Change in Net Assets \$3,400,318

Cynthia Briggs Kittredge, Dean and President

EPISCOPAL HIGH SCHOOL

Founding

Founded in 1983, Episcopal High School is a four-year coeducational day school within the Episcopal Diocese of Texas. The school community is faith-centered and provides instruction to 813 college-bound students with a wide range of abilities.

Episcopal High School admits students of all races, colors, and national/ethnic origins to all the rights, privileges, programs, and activities accorded or made available to students at the School. The School does not discriminate on the basis of race, color, or national/ethnic origin in the administration of its educational and admission policies, scholarship and loan programs, or athletic and other school-administered programs.

Mission

Episcopal High School, founded and guided by the Diocese of Texas, is an inclusive and joyful Christian community where students discover and develop their individual talents through the Four Pillars – academics, arts, athletics and religion – preparing for meaningful lives in service to others.

Accreditation and Memberships

The School is accredited by the Independent Schools Association of the Southwest. EHS also holds memberships in the National Association of Independent Schools, the National Association of Episcopal Schools, the Council for the Advancement and Support of Education, the Educational Records Bureau, the Collage Board, the National Association for College Admission Counseling, and the Southwest Preparatory Conference.

Guiding Principles:

As shared by The Rt. Rev. C. Andrew Doyle, The core values of Episcopal High School were established with great care in order that the School might encourage the best in our students and ensure each of them a well-founded and well-rounded high school experience. Through the Four Pillars of academics, arts, athletics and religion, we hope to form virtuous citizens today who will become effective leaders tomorrow. Our alumni certainly bear this out, reflected in their many different careers, in every corner of the globe. We work to nurture a student's unique, God-given gifts in every part of life so that our students will flourish.

School Leadership and Overview

Ned Smith, Head of School

Rev. Tyler Montgomery, Associate Head of School - Academics & Student Life

Evelyn Cambria, Associate Head of School - Finance & Operations

Dr. Antonio Avalos, Principal

Jason Grove, Director of Athletics

Rev. Beth Holden, Director of Spiritual Life

Wayne Jones, Director of Community and Inclusion

Paul Revas, Dean of Arts

EHS is in its 40th year of operation with an enrollment of 813 students.

448 girls and 365 boys

20 percent of our students self-report as students of color

18 percent are Episcopalian

222 new students, 218 freshmen (2027), and 4 juniors (2025)

Representing 38 different zip codes and 40 different feeder schools

Other interesting facts in the class of 2027:

8 sets of twins

75 Siblings

8 children of alumni

Academics

This year's average class size is 14 students, which allows for highly personalized and effective teaching and learning. Students have access to 180 unique courses with 22 of those being AP and 23 designated as Honors courses. The faculty of 92 men and women, with over 60% holding advanced degrees, is committed to preparing EHS students for college and a significant life thereafter.

Each year, the academics pillar sees increasing numbers for students taking 2 department courses simultaneously with some taking three. For this school year, we are thrilled to report:

- Computer Science: 166 students are taking one of four computer science courses: Introduction to CS, CS Principles AP, CS AP or Projects in CS Post-AP
- AP Statistics: 60 students in 4-sections are taking Statistics AP
- Linear Algebra and Differential Equations Post-AP: we continue to see freshmen place out of Algebra I and Geometry, which places them on track for this post calculus level class
- Finite Math (Mathematics of Finance): In its first year (22-23) students embraced learning the concepts of finance with an enrollment of 12. This year we have 20 students in the class.

- High-level STEM classes: This year, 122 junior and senior students (30% enrolled in these grades) are enrolled in engineering and AP sciences classes.
- English, History and Social Sciences: students continue to expand their knowledge with significant enrollment in at least two of the respective subjects.

For 2023, 332 AP students took 685 AP exams. 67% scored a score of 3 or higher.

Out of the 332 AP students:

- 49 AP Scholars: Scores a 3 or higher on 3 or more AP exams
- 21 AP Scholars with Honor: Scores a 3 or higher on 4 or more AP exams
- 27 AP Scholars with Distinction: Scores a 3 or higher on 5 or more AP exams

Interim Term

Interim Term, typically held for two weeks at the beginning of each January, provides students a unique opportunity to enrich their high school experience through the inquiry of diverse topics unavailable in the regular curricular program. Interim electives encourage students to explore personal interests or dive into new areas of study, through which they can discover and develop their individual talents.

College Counseling

Members of the Class of 2023 (187 students) were accepted to 216 different colleges and universities and attended a total of 71 schools. Together, the Class of 2023 was offered slightly over \$18 million in merit scholarships.

The Class of 2023:

38% attended a private university

46% of students remaining in Texas

3 National Merit Finalist

5 Commended Students

10 National Recognition Program Honorees

Faculty

EHS recruits, sustains, and appropriately compensates a faculty and staff of the highest academic and moral standards who are fully committed to the School's mission and who will instill excellence in the Four Pillars. The School's faculty represents diversity in age, experience and ethnicity with 60% holding advanced degrees. Respect and personal honor, reflected in daily attitudes and behaviors, are expected of those who belong to, serve, and support the EHS community.

Campus

EHS has a premier campus with three new buildings and several new fields completed as part of the *Lead The Way* campaign which concluded in 2020. The self-contained campus is best in class and was built without one dollar in borrowed funds. Currently, EHS is launching the construction of the long-awaited Visual and Performing Arts Center (VPAC) bringing the Arts into the middle of campus. In addition to the VPAC, fundraising is now under way for a new Benitez Chapel and an increased endowment. The VPAC and new Benitez Chapel will not only complete the 2014 Master Plan but will transform the Campus.

Fundraising

The success of these projects is reflective of the community's belief in an institution that is committed to its mission and guiding principles. In the 2022-2023 academic year, generous gifts from parents, trustees, alumni, alumni parents, grandparents, friends, and foundations totaled \$2.85 million in support of the School's \$36 million operating budget. Furthermore, approximately 10% of EHS's operating revenue is allocated to Financial Aid. The Endowment Fund had total assets of \$52 million as of June 30, 2023.

Our students are smart, capable, and well rounded, and our school spirit is second to none. Whether in the classroom, on the field, in the Chapel, in the studio, or on stage, our students live joyful lives with enthusiastic support from the entire Knight family.

Arts

Having the Arts as one of the Four Pillars, EHS students not only fulfill their required participation in 4- classes but exceed the requirement with additional coursework. The overall participation in the arts for the class of 2023 saw graduates with approximately 6 arts classes as opposed to the required 4. With 47 different arts courses, students have an array of options and have demonstrated their growing interest in the arts throughout their time in high school.

In the 22-23 school year, the performing arts saw over 5,000 in audience combined for a total of 22 full public performances. *Emerging*, the August dance concert, debuted with the start of the school year and the curtains continue to rise throughout the year with additional dance, theater performances and the school spring musical, *Mama Mia*.

Scholastics regional competition for the visual arts saw EHS students receive, 15 gold-key, 19 silver-key, and a total of 71 awards with 91 awards across all competitions. The Publications Program celebrated last year's yearbook receiving its eleventh Yearbook Gold Leaf award for excellence. And an EHS student movie won the Jury Award for the top film.

Religion

Within the Religion Pillar, students are enriched with 4-years of academic religious study that strives for scriptural literacy, an understanding of our own faith traditions as well as those of our neighbors, and a framework for ethical decision making. We ask big questions and we explore our understanding of God. The religion curriculum includes the study of the Old Testament, New Testament, World Religions/History of Western Culture and Belief and Ethics.

Outside the classroom and chapel, the religion pillar continues to nurture the faith of students through engagement in faith-based clubs. All students are welcome to participate in them and the hope is that their faith will be strengthened and a strong foundation established for life beyond high school. These clubs include: The Canterbury Circle, Chapel Ministries, Choices Student Advocacy Committee, Diversity in Action,

Fellowship of Christian Athletes, Interfaith Chapel Advisory Group, Jewish Heritage Group, Mental Wellness Club and SOS, our service organization.

A staggering 72 students applied to be SOS leaders (filling 30 spots). Rather than attempting to have service partnerships with four organizations, with a smattering of occasional service projects with other organizations, SOS organized itself around five service needs: Animal Protection, Education, Environment, Homelessness, and Hunger. A sixth “cabinet” called “Special Events” students will offer occasional events to address needs beyond those as well as service projects on campus.

Additionally, as part of EHS’s growing mental health resource program, the School worked with the diocese to become a placement site for a Curate for the 2022-2024 school years. The Rev. Katie Gould joined EHS in August 2022. Katie works alongside the Reverends Art Callaham and Beth Holden in the leadership of daily Chapel, preaching, and pastoral care, and as part of the teaching faculty within the Religion Department. In addition, Rev. Tyler Montgomery has come to EHS as the Associate Head of School and complements the efforts of our mental health counselors Gurpreet Singh, and Beth Luvisia. Thomson Ivins, the Choices Education Specialist is provided through our partnership with the Council on Recovery and is available for both students and parents.

Athletics

And lastly, under the Athletics Pillar, 2022-2023 proved to be another amazing year for Knight athletics. Student athletes were celebrated in three commitment ceremonies recognizing their ongoing dedication to play at the next level in college. These student athletes will be representing an array of D1, D2, and D3 schools spanning the United States.

As for our current school year, we have already seen considerable success from the hard work and dedication of our student-athletes. The Knights captured four SPC championship titles: Boys Volleyball, Football, and both Girls and Boys Cross Country. In addition to the four championships, the Girls Volleyball team finished as 4A runners-up while the Field Hockey team earned their highest finish (3rd) in decades.

Conclusion

In 1983 when EHS was founded, the intent was to provide a co-educational, college preparatory experience that fostered potential and unlimited opportunities for every student. Now celebrating our 40th year, EHS has continued to build upon the guiding principles of our founders by instilling excellence in the Four Pillars – academics, arts, athletics, and religion – in which each student is both challenged and nurtured, known and loved.

C. Edward Smith, Head of School



The Episcopal Diocese of Texas

FINANCIAL CATEGORY SUMMARY* REPORT

*Summary by Categories Only

Organization Name: Episcopal High School

2022-2023 Final Budget		2023-2024 Final Budget	
REVENUE		REVENUE	
Tuition & Fees	\$26,725,000	Tuition & Fees	\$28,277,000
Annual Giving	\$ 2,846,000	Annual Giving	\$ 2,960,000
Auxiliary Services	\$ 2,527,000	Auxiliary Services	\$ 2,709,000
Endowment Distribution	\$ 1,380,000	Endowment Distribution	\$ 1,532,000
Other Income	\$ 356,000	Other Income	\$ 665,000
Total Revue	\$33,834,000	Total Revue	\$36,143,000
EXPENSES		EXPENSES	
Compensation	\$15,255,000	Compensation	\$16,057,000
Benefits	\$ 5,060,000	Benefits	\$ 5,630,000
Total Compensation & Benefits	\$20,315,000	Total Compensation & Benefits	\$21,687,000
Instructional	\$ 2,049,000	Instructional	\$ 2,134,000
Plant Maintenance	\$ 3,245,000	Plant Maintenance	\$ 3,645,000
Transfer to PPRSM	\$ 986,000	Transfer to PPRSM	\$ 1,050,000
Auxiliary Services	\$ 1,696,000	Auxiliary Services	\$ 1,827,000
General & Administrative	\$ 2,189,000	General & Administrative	\$ 2,244,000
Financial Aid	\$ 3,354,000	Financial Aid	\$ 3,556,000
Total Expenses	\$33,834,000	Total Expenses	\$36,143,000

C. Edward Smith, Head of School

ST. STEPHEN'S EPISCOPAL SCHOOL

St. Stephen's Episcopal School, a coeducational boarding and day school for students in grades 6-12, is a caring and diverse community, grounded in the Christian tradition that nurtures moral growth and values the potential and dignity of every human being. The school challenges motivated students to live intelligently, creatively and humanely as contributing members of society, developing the whole person by providing rigorous academic preparation, stimulating physical activities, and rich opportunities in the fine arts.

The school continues to benefit from the leadership of Christopher Gunnin, the twelfth Head of School. Under Chris' leadership, we opened the 2023-2024 school year with strong enrollment after realizing record retention and yield for both day and boarding openings.

Bishop Hines' founding vision of a talented and diverse student population is alive and well at St. Stephen's. The total enrollment of the school for 2023-24 is 712. Our 176 boarding students represent 7 states, 23 cities in Texas, and 19 foreign countries, bringing an unmatched diversity of race, ethnicity, and religion to our campus. Students of color represent approximately 52 percent of the student body institution-wide when including international students. \$5.7 million in need-based and merit, financial assistance was awarded to 146 students (21 percent of the student body) for 2023-24. St. Stephen's admissions and enrollment trends are extraordinarily strong allowing the school to meet our strategic enrollment goals with well-qualified, mission-appropriate candidates. The Admissions team saw a 10% increase in applications as well as 95% retention rate among eligible students.

Additionally, we saw an increase in faculty retention, replacing only 5 faculty members following the 2022-2023 school year, with turnover driven by retirements. In an effort to continue to support, retain, and hire faculty of excellence to educate our students for years to come, we promoted a long-time faculty member to a re-imagined Dean of Faculty role, with a focus on professional development, employee orientation, curriculum oversight, and continuing education for our teams. Our new employee orientation this year was robust and purposeful.

Through collaborative work with the Head of School and Human Resources Director and with guidance from the Board of Trustees, St. Stephen's administered a Faculty and Staff Morale Survey at the conclusion of last school year and have been evaluating the results this year through a newly formed Heads' Advisory Council. The Heads' Advisory Council is made up of 10 individuals across departments and divisions including faculty, staff, the Dean of Faculty, Director of Equity and Inclusion, HR Director and Head of School. The two highest scoring areas in the survey were "Leadership Trust and Values Alignment" and "Belonging." An observation gathered from the data was that there is a direct correlation between the tenure of the faculty member and a higher rate of satisfaction. The threat areas that were illuminated in the survey and have been identified as the two focus areas for the Heads' Advisory Council are: creating a

path for professional development and understanding what constitutes a manageable workload.

We have worked strategically and intentionally to strengthen the idea of support in the Department of Learning Services, whose members work hand in hand with the Counseling Services department. The integrated support helps students build both academic and social-emotional strategies resulting in greater confidence in our classrooms. We have elevated the notion that all students learn differently and that has increased the sense of belonging and academic success of students who previously struggled. Additionally, the Learning Specialists have expanded their work to include faculty assistance, coaching, and professional development. Through a close look at the support of the Learning Specialist center, we have appointed a Director of Learning Support with increased roles and responsibilities in educating and training faculty on differentiated learning and pedagogical strategies for teachers.

We raised a record \$1.77 in our Annual Fund, including over \$1 million from current parents. St. Stephen's is in the advanced gifts phase of a five-year, \$75 million comprehensive campaign. To date, donors have committed over \$33 million, including a \$17 million gift from the Still Water Foundation toward the construction of a natatorium and a \$5 million gift from an anonymous donor toward the construction of a new science facility. We are thrilled to recognize these as signs of institutional strengths as we enter the second year of the campaign.

St Stephen's is able to celebrate the conclusion of our "Spark 2023" Strategic Plan and reflect on all of the remarkable work that was dedicated to rearticulating the school's mission and vision now and for the future, as well as evaluate the work that needs to be ongoing. The vision of the strategic plan reads "By 2023, St. Stephen's Episcopal School will be a vibrant and inclusive community inspiring all learners for lives and of meaning and impact from the Hill to the world." St. Stephen's completed 44 initiatives over 5 years and a proposed further implementation for the next 5 years. When we wrapped our Spark 2023 Strategic Plan we knew the work would have to be continued and ongoing in order to be considered a success. The next steps include the implementation of a DEI Strategic Plan, which has included hiring a new Associate Director of Equity and Inclusion for Student Programming, and working with the Board of Trustees to craft the next strategic plan that will focus, in addition to DEI priorities, supports faculty and staff excellence, fundraising, and construction projects.

Throughout the year, we are beginning to prepare celebrations for our 75th school year (2025-26) as well as beginning to prepare for our year of ISAS self-study (2024-2025).

Christopher Gunnin, Head of School



The Episcopal Diocese of Texas

FINANCIAL CATEGORY SUMMARY* REPORT

*Summary by Categories Only

Organization Name: St Stephen's Episcopal School, Austin, TX

	2022-2023	2023-2024
Revenue		
Tuition	\$29,037,050	\$31,169,300
Fee Revenue	\$528,874	\$566,000
Other Revenue	\$1,142,113	\$1,000,750
Auxiliary Services	\$4,139,509	\$4,284,501
Total Revenue	\$34,847,546	\$37,020,551
Expenses		
Instruction & Student Services	\$15,574,353	\$17,135,888
Administration	\$5,871,749	\$6,740,532
General Institution	\$1,043,414	\$1,220,500
Plant Operations	\$6,529,924	\$5,177,490
Financial Aid	\$4,496,409	\$5,115,570
Remission	\$493,880	\$407,400
Auxiliary Services	\$4,764,821	\$4,611,753
Total Expenses	\$38,774,550	\$40,409,132
Gifts, Funding & Transfers		
Annual Giving - Unrestricted	\$1,763,775	\$1,750,000
Annual Giving - Restricted	\$1,957,457	-
Subtotal Annual Fund	\$3,721,232	\$1,750,000
Transfers & Endowment		
Transfer - Restricted Funds	-	\$500,000
Transfer - Restricted	\$1,089,056	\$1,187,942
Endowment		
Subtotal Transfers	\$1,089,056	\$1,772,443
Total Transfers & Gifts	\$4,810,288	\$3,522,443
Principal debt payments	-	-
Reserves - Financial Aid	\$100,000.00	\$100,000
Total Debt & Reserves	\$100,000.00	\$133,862
Net Change in General Fund	\$783,284	-
Fiscal year runs from August 1 to July 31		

Christopher Gunnin, Head of School

EL BUEN SAMARITANO

We are grateful to the Episcopal Diocese of Texas and the Episcopal Foundation of Texas for the opportunity to lead the mission of El Buen Samaritano Episcopal Mission (El Buen). The accomplishments outlined in El Buen's annual report are possible due to your unwavering support and our mutual commitment to El Buen's mission to ensure access to healthcare, education, and essential needs.

The Fiscal Year 2023 (FY23) annual report provides a summary of El Buen's programmatic achievements for **Fiscal Year 2023—October 1, 2022, to September 30, 2023 (FY23)**—and introduces initiatives for Fiscal Year 2024 (FY24).

EQUITY|ACCESS|FY23 IMPACT

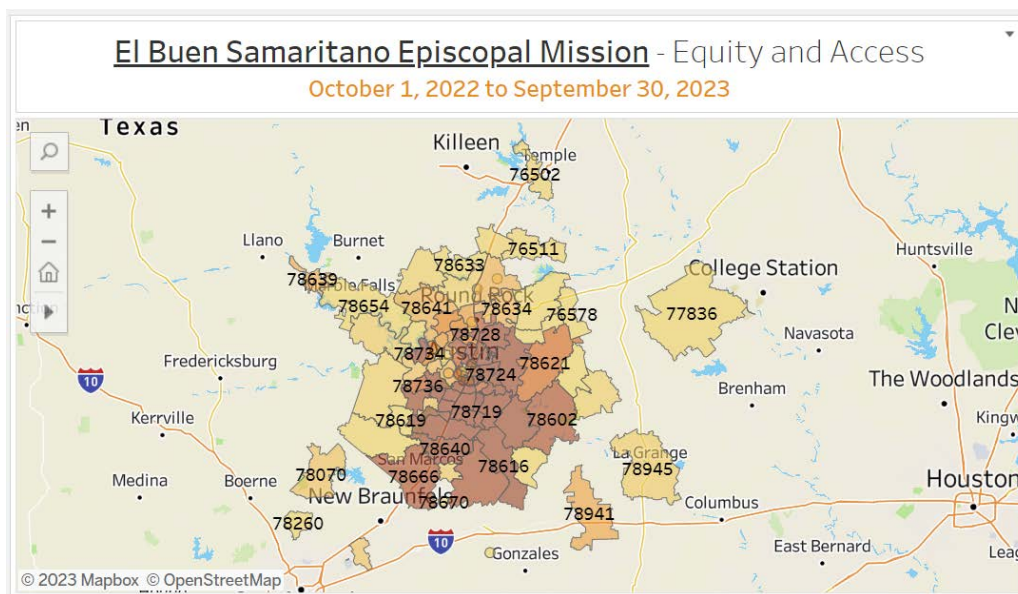
El Buen was founded in 1987 to improve access to food and health services, while focusing on the systemic factors and social determinants of health negatively affecting Austin Latino communities. For 36 years, El Buen's trusted programs, services, and partners have served as a bridge to resources and opportunities, moving Central Texas communities closer to equity and mutual prosperity. The organization's mission remains critical: 82% of the community served identify as Latino immigrants, living in Central Texas on incomes below 200% of the federal poverty level.

FY23 was a year of tremendous programmatic growth reflecting the continued challenges experienced by the community. Below is a summary of our Mission accomplishments in FY23:

- **Food Access:** 31,721 individuals accessed our drive-thru pantry, mobile pantry, and services via our partners.
- **Youth Academic Center for Excellence:** 166 youth participated in El Buen's out of school time services and summer camps – providing youth exposure to STEM skills, creative arts, technology, and social emotional learning.
- **Adult Education and Workforce Development:** 555 unduplicated students participated in El Buen's virtual English as a Second Language (ESL) and 20 students in our digital literacy classes.
- **Community Health Worker (CHW) Training Center:** 27 individuals completed the 160-hr CHW State Certification Program and 120 CHWs participated in El Buen's CHW CEU Training Series.
- **Coordinated Care Network Services:** 1157 individuals received **health education, access to resources**, close-loop referrals, and application assistance.
- **Health access,** we strengthened our reproductive health services to include adolescent health workshops and added an emergency contraception (EC) pilot allowing us to provide EC to individuals.

- **Rental Assistance / Eviction Prevention:** 388 households (768 individuals) at risk of becoming homeless received assistance - distributing \$1,724,065.54 in assistance.
- **Vaccine Program:** 1,372 unduplicated individuals were vaccinated – resulting in the provision of routine adult and childhood vaccines to uninsured individuals, including TDaP, Hepatitis A and B, Pneumococcal and Meningitis (IPD), HPV (human papillomavirus), Shingles, Influenza, MMR, and Varicella. In addition, 1,063 individuals were vaccinated for COVID-19.
- **Equity and Access Evaluation:** The last section in this report includes a summary of El Buen's evaluation efforts to ensure access, equity, and community driven services.

The map below highlights El Buen's services as well as our access and equity efforts. The organization's work spans over a five-county area in Central Texas. A high percentage of clients live in Austin's Eastern Crescent which has the area's highest rates of poverty, unemployment, and uninsured individuals. Through partnerships, El Buen implements a strategic and coordinated effort to reach deeper into multiple and diverse communities.



EL BUEN SERVICES|FY23 ACCOMPLISHMENTS|FY24 INITIATIVES AND PERFORMANCE MEASURES

The following section highlights El Buen's FY23 accomplishments and introduces the FY24 programmatic pillars reflecting our mission to provide access to health services, education, and essential needs. Each section will include, need, strategies, FY23 accomplishments, and FY24 proposed outcomes.

FOOD ACCESS

Equitable access to food is at the center of El Buen's mission, vision, and services. El Buen has been raising awareness about hunger in Central Texas and on the frontline of food access for 36 years – we have become one of the leading food access organizations addressing inequities in food access.

NEED: In Austin, 25% of census tracts are identified as food deserts, many of which are neighborhoods with higher rates of poverty, unemployment, and communities of color. Specifically, Austin's Eastern Crescent has the longest average distances to food retail, lowest household incomes, and fewest transportation options (City of Austin Sustainability Office 2022).

In November of 2022, El Buen began to see a marked increase in food demand, resembling the early days of the COVID-19 pandemic. Simultaneously, El Buen began experiencing decreases in our food supply from the Central Texas Food Bank (CTFB). The decrease in food supply from the CTFB negatively affected our pantry hours of operation as well as our ability to carry out mobile pantry services for a few months. Despite this, El Buen continued to explore options, funding, and partnerships that allowed us to ensure we were meeting the demand for food access for low-income clients with household incomes at or below 200% of the federal poverty income; Eastern Crescent residents; the elderly; and residents disproportionately affected by COVID-19 related impacts on health outcomes, household income, housing stability, and/or employment.

STRATEGY: El Buen has been raising awareness about hunger in Central Texas and on the frontline of food access for 36 years. El Buen provides equitable access to food through our drive-thru pantry, mobile pantries, community garden, prepared meal distribution, and food infrastructure capacity-building movements and partnerships. El Buen has become one of the leading food access organizations specifically addressing inequities and disproportionality in food access for communities in Central Texas.

STRATEGIES: El Buen implements multiple and diverse strategies to address food insecurity in Central Texas. These strategies include:

1. Diverse distribution and access points (drive-through pantry, mobile pantries, home delivery).
2. Application Assistance for public benefits including SNAP.
3. Partnerships
4. Awareness Raising through the Hands for Hope (H4H) Campaign and end-of year event. In addition to serving 1000s of individuals, the H4H campaign raises awareness of hunger and food insecurity in Central Texas and inspires continued and increased involvement from volunteers, donors, and advocates.

FY23 ACHIEVEMENTS: In FY 2023 (October 1, 2022, to September 30, 2023) El Buen's food access services met the following outcomes:

Diverse distribution and access points:

- Provided food access to 31,721 individuals through our drive-thru pantry, mobile pantry, community garden, and home-delivery partnerships. This represents almost a 50% increase from the prior fiscal year.
- Added six (6) mobile pantry sites across Austin, Travis, and surrounding counties. On October 4, 2023, with Healthy Communities partners Del Valle ISD (Independent School District), UT School of Nursing, Todos Juntos, Su Vida Clinic, Thinkery, and Austin Public Health, El Buen inaugurated its new mobile van).

Application Assistance:

- Assisted 300 families to apply for SNAP and other public assistance benefits.

Partnerships:

- In addition to a cohort of 20 partner organizations working with us to expand food access, in FY23, we added the following organizations as partners: Social Resource Center- The University of Texas at Austin, Austin Community College (ACC) – Highland Campus, ACC – Eastview Campus, Mainspring Schools, Su Vida Clinic, Popham Elementary, St. Vincent de Paul, African American Youth Harvest Foundation (AAYHF), and Manor Disaster Relief.

Awareness Raising - Hands for Hope:

- Increased the number of families served from the prior year by 25%:
 - 1,600 families (6,400 individuals) accessed holiday meal kits.
 - 1,183 families (4,979 individuals) received food cards (\$70 each) totaling \$82,810.
 - 500 families living in 3 apartment complexes received family holiday prepared meals (for 4-6 people per household; 2,100 individuals) in 3 apartment complexes.

FY24 PERFORMANCE MEASURES: Using the strategies listed above, El Buen's FY 24 goals are to 1) increase access to and equitable distribution of healthy foods for food-insecure families in Central Texas, including older adults, homebound individuals, youth, and individuals lacking access to cook/prepare meals; 2) expand food pantry geographic reach and infrastructure via mobile food pantries and partnerships; 3) increase food justice community and partner engagement; and 4) assist families to apply for public benefits including SNAP. In FY24 we will report on:

- # of households served via the drive-thru, mobile pantries, partnership food distribution
- # of households served during the end of year Hands for Hope events

- # of food distribution models: pop-up/walk-up pantries, home delivery, holiday meals
- # of community partners engaged in food justice
- # of households served with application assistance

YOUTH EDUCATION SERVICES - YOUTH ACADEMIC CENTER OF EXCELLENCE

El Buen has a rich history of youth academic support and specialized summer camps, successful partner coordination, comprehensive wraparound services, and community and parent involvement. El Buen uses a positive youth development framework to provide STEM, arts, social emotional learning, leadership development, and wellness programming to Latino students year-round in Central Texas. Through our Youth Academic Center of Excellence, we serve elementary and middle school youth, who identify as Latino, English Language Learners (53%), and living at or below 200% of the federal poverty level.

NEED: The families we serve tell us about the dreams they have for their children to “get a good education.” Education is a strong value for the families we serve and yet often they experience extensive challenges accessing high quality education services. Latinos’ education attainment data indicates the range of barriers/challenges Central Texas Latino students face to their academic advancement:

- Lack of access to affordable high-quality educational enrichment
- Lack of access to broadband internet, devices, software, and support for digital learning
- Food insecurity, financial insecurity, lack of access to healthcare, and increased mental health issues

These barriers/challenges primarily revolve around socio-economic disparities and the lack of opportunities for high-quality educational enrichment/support programming. Compounding the challenges is the “aftermath” of the pandemic which has deepened disparities for Latino students, resulting from the global educational constraints that increased learning loss, social isolation, anxiety, and academic decline.

STRATEGIES: El Buen has developed a comprehensive Youth Services Blueprint that provides strategies, goals, impact metrics and continuous process improvement and community engagement throughout the year. El Buen's key Youth Services strategy is to provide every student with the opportunities and experiences to actualize their full potential.

El Buen uses a positive youth development framework to implement multiple and diverse strategies to forward the academic advancement of Latino youth. These strategies include:

1. Out of school time services
 - a. Academic Enrichment – STEM, Arts, and Creative Expression - Afterschool
 - b. Tutoring - Afterschool weekdays in-person and virtual
 - c. Summer Camps and Friday Clubs
2. Youth Leadership Development
3. Digital Equity
4. Comprehensive Wrap-Around Services
5. Parent Engagement & Support

In FY24 El Buen will maintain a high rate of student retention and parent engagement. To do this, youth and their families will be engaged and supported through inclusive activities: drive-in movie nights, bingo, track & field competitions, Friday Clubs, celebrations of achievements, and continuous and accessible learning for parents.

FY23 ACHIEVEMENTS: In FY23 (October 1, 2022, to September 30, 2023) El Buen's youth education services achieved the following outcomes:

Out of school time services

- 166 unduplicated youth participated in year-round out of school time services.
 - 114 students in afterschool academic enrichment and tutoring
 - 54 students participated in summer camps.
 - El Buen held an in-person summer camp for youth entering 1st through 8th grades. The Summer Camp curriculum was developed using nationally accredited models and in partnership with other organizations, including The Thinkery, NXP- Hispanic Education Awareness Team (HEAT), and the Austin School of Film.
 - 62 students participated in Technology Programs
- Of the students that participated in the year-round out of school time services:
 - 100% of youth received individual education plan.
 - 100% of youth who needed access to technology received it
 - 92% of youth increased grades in identified areas of improvement.
 - 92% of youth increased knowledge & interest in at least 2 STEM areas.
 - 86% student retention rate (attended 75% of classes per semester)
 - 54 students participated in summer camps.
- Back to School Event
 - Distributed 1,164 backpacks.
- Outdoor Families Staying Active and Healthy Event
 - On April 15, 2023, El Buen and El Ranchito hosted their annual collaborative Outdoor Families event on the El Buen campus. This event provided access to resources and information about summer camps, essential services for local families, connections to outdoor activities in

Austin and surrounding areas, local educational nature projects, and opportunities to enjoy fresh air.

Youth Leadership Development

El Buen began developing its Youth Leadership Development programming in FY22 and has continued to strengthen this component by:

- Establishing a Youth Advisory Council (YAC) made up of 8th graders.
- Developing a transition to high school program that continues to work with the 8th graders into high school and brings them back as part of the YAC and to serve as mentors and peer educators during the summer.
- Incorporated an intergenerational pilot “Juntos: Sharing our Stories” where 12 middle school students and older adults worked on cultivating skills that lead to intergenerational engagement, volunteerism, and workforce development. *Juntos* allowed participants to engage in the intergenerational educational co-creation for a Photovoice Art Exhibit presented at multiple venues across Austin.
 - Research indicates the need for and effectiveness of intergenerational programs. Data shows the high population of people aged 65 and older living in Central Texas and the growing need for older adults to remain productive and connected to their communities. The younger generation can simultaneously benefit from the support, stimulation, and mentorship that older adults can provide. Intergenerational programs can address specific targeted concerns such as low youth and adult literacy. Bringing together younger and older generations has broader personal and individual impacts such as improved self-esteem and social connection.

Digital Equity:

- 100% of youth/families received access to technology, internet & connectivity to ensure that youth and caretakers could connect to school and after-school related assignments, tutoring, and to access services.

Comprehensive Wrap-Around Services:

- 100% of youth completed a Social Determinants of Health survey (by their parents).
- 100% of youth needing referrals were referred (closed-loop referrals).

Parent Engagement & Support:

- Conducted 5 of 8 parent training workshops proposed.

FY24 PERFORMANCE MEASURES: El Buen’s youth services are grounded in success factors, including evidence-based practices, demonstrated academic achievement, Social Emotional Learning (SEL), English Language Skills (ELS), digital inclusion, parent engagement, student retention, and performance quality improvement.

El Buen believes these success factors will contribute to increased youth and program outcomes, program sustainability, and positive youth development to guide students through life's challenges in school and their communities.

El Buen's FY24 plan includes assessment and evaluation of El Buen's Youth Services Blueprint. In addition, each student/family needs assessment will be monitored and tracked through 1:1 dialogue, and pre and post student and parent/caregiver surveys per semester. In FY24 we will report on:

Out of School Time Services

- Unduplicated youth in year-round out of school time services
- Unduplicated youth in afterschool academic enrichment and tutoring
- Unduplicated youth in summer camps
- Youth participating in Technology Programs
- Improvement Outcomes
 - % of youth receiving individual education plan
 - % of youth receiving access to technology
 - % of youth increasing grades in identified areas of improvement
 - % of youth increasing knowledge and interest in at least 2 STEM areas
 - % student retention rate (attended 75% of classes per semester)
- Back to School Event
- Outdoor Families Staying Active and Healthy Event

Youth Leadership Development

- # of Youth Advisory Council activities
- # of middle school student participating in the YAC and serving as peer educators and mentors
- # of participants in the intergenerational pilot "Juntos: Sharing our Stories"
- Conceptualize and pilot the Puentes (middle school transition to high school program)
- Begin developing the high school programming

Digital Equity

- % of youth/families receiving access to technology, internet, and connectivity
- # of digital literacy sessions for parents
- % of youth/parents engaged in digital literacy sessions

Comprehensive Wrap-Around Services

- % of youth completing a Social Determinants of Health survey (by their parents)
- # of referrals made
- % of referrals completed closed-loop referrals

Parent Engagement & Support

- # of parent training workshops
- % of parents who report increased knowledge after attending sessions
- El Buen is partnering with AVANCE to host Triple P (Positive Parenting Practices) and AIMS (AVANCE Innovative Moms and Dads) weekly programming. In addition, a partnership with Any Baby Can will be established to provide parenting classes on campus

“Cradle to College / Contributor” Collaborative

- This project brings together an alliance of Austin-based nonprofits to increase equitable access to education. The current partners include AVANCE, Todos Juntos, Latinitas, Con Mi Madre, Equidad, Community Coalition for Health, Economic Growth Business Incubator and Wisdom en Familias.

ADULT EDUCATION SERVICES

El Buen has been providing Adult Education Services for well over 30 years. Prior to the pandemic, El Buen held in person English as a Second Language (ESL), Digital Literacy (DL), and Plazas Comunitarias on campus for 300 students per semester. Post pandemic, the number of students decreased to approximately 170 individuals per semester. El Buen is again seeing the need for these services and is partnering with other organizations to meet the demand. In FY23 El Buen added a pilot component to adult education - the Latinas' Education Advancement and Development (LEAD) program. El Buen's adult education services are addressing what the data tells us about the growth of Latinos in Austin and surrounding Central Texas communities. Over the next 10-20 years the fastest growing population will continue to be Latinos, building and contributing to Central Texas communities.

NEED: Educational equity is out of reach for 5.4 million Latino learners across the United States. Female adult learners face numerous barriers obtaining high quality education and workforce development. The City of Austin planning department released a new demographic story map in September of 2023 demonstrating that 69.45% of Austin residents speak only English, while 30.55% speak other languages. The non-English language spoken by the largest group is Spanish, which is spoken by 21.21% of the population (<https://demographics-austin.hub.arcgis.com/>). Additionally of the 1 million residents of Austin, 10% of those residents report they do not speak English very well (<https://www.austintexas.gov/news/city-austin-releases-new-demographic-story-map-focusing-age-trends-austin>)

STRATEGIES: El Buen's adult education strategies are addressing what the data tells us about the growth of Latino English-learners in Austin and surrounding communities. Over the next 10-20 years the fastest growing population will continue to be Latinos, building and contributing to Central Texas.

El Buen will combine research-based curricula, data analysis, technology, and peer-to-peer learning to provide innovative programming to support adult learners using the following adult education and development strategies:

1. English as a Second Language (ESL) Virtual Classes
2. Digital Literacy Classes
3. Latinas' Education Advancement and Development (LEAD) Program

FY23 ACHEIVEMENTS: In FY23 (October 1, 2022, to September 30, 2023) El Buen's adult education services met the following outcomes:

English as a Second Language (ESL) Virtual Classes

- 555 unduplicated adult students participated in El Buen's ESL classes (Fall 2022, Spring 2023, Summer 2023).
 - ESL classes continued virtually, based primarily on participants' needs for online learning to support their work schedules, parenting, and additional education.
 - 20 ESL students attended financial literacy classes facilitated in Spanish.

Digital Literacy Classes

- 20 unique students participated in digital literacy classes. (Fall 2022, Spring & Summer 2023). These students include 6 older adults in the intergeneration program "Juntos."

Latinas' Education Advancement and Development (LEAD) Program

- The LEAD program is a small pilot allowing us to conceptualize the "what's next" for adult ESL students that complete all 4 levels of English and are ready of additional support to enter the workforce. FY23 was the first time we implemented the pilot.
 - 8 Latina English-learners participated in the Spring 2023 semester.
 - 50% of the participants completed the LEAD workshops on health and digital literacy.
 - 100% of the LEAD participants completed comprehensive assessments.
 - 100% of the LEAD participants completed an individualized academic/career planning that guided their learning and experiential curriculum.

FY24 PERFORMANCE MEASURES: In FY24 El Buen will expand partnerships in adult education and will report on:

English as a Second Language (ESL) Virtual Classes

- # of adult students participating in El Buen's ESL classes (Fall 2023, Spring 2024, Summer 2024)
- % of students that advance to the next ESL Level

- % of students that complete ESL semester
- Expansion of El Buen's ESL classes.
 - El Buen is working to expand ESL classes at Wooten Elementary for the parents and families of enrolled students. We are partnering with St. John's to provide ESL classes.

Digital Literacy Classes

- # of unique adult students participating in digital literacy classes. (Fall 2023, Spring 2024, Summer 2023). These students will include the selected older adults participating in the intergeneration program "Juntos."
- % of students improving their digital literacy skills
- % of students completing digital literacy semester

Latinas' Education Advancement and Development (LEAD) Program

- # of individuals participating in LEAD - Spring 2023 semester
- % of participants completing LEAD workshops on health and digital literacy
- % of participants that improved their digital literacy knowledge and skills
- % of the LEAD participants completing comprehensive assessments
- % of the LEAD participants completing individualized academic/career planning

COMMUNITY HEALTH WORKERS

Community Health Workers (CHWs) are a worldwide grassroots movement of self-reliance, partnership, survival, empowerment, and community transformation. In 2012, El Buen became the first DSHS-Certified Bilingual CHW Training Center in Central Texas. Since then, El Buen has strengthened the CHW workforce by certifying and providing Continuing Education Units (CEUs) to hundreds of CHWs at minimum or no cost. In FY23 we continued our 160-hr CHW certification program and the CHW CEU training series.

NEED: Research demonstrates the critical need to include CHWs on collaborative intervention teams within communities of color. Optimizing the potential strengths of the CHW model in community and health care settings, however, requires systematic and rigorous training of CHWs. The development and sustainability of the CHW workforce contributes to upskilling and reskilling adult learners.

STRATEGIES: El Buen will increase the number of credentialed CHWs by focusing on training, leadership development, employment, support, and retention. El Buen builds on many years of program and community advocacy and collaboration among partner organizations to support the CHW workforce and build healthy communities through their work – which is critical to the health care system and delivery of primary and secondary prevention programs as well as social services.

El Buen will combine research-based curricula, popular education methods, technology, and peer-to-peer learning to provide innovative CHW training to support the CHW

workforce in Central Texas using the following adult education and development strategies:

1. State Certification of CHWs
2. CHW CEU Training Series
4. Development of CHW Instructors
5. Collaborative partnerships to facilitate certification and training

FY23 ACHIEVEMENTS: El Buen's CHW Training Center met the following outcomes: (October 2022 to September 2023)

State CHW Certification

- 27 individuals completed the State CHW Certification Program. (18 CHWs Fall 2022; 9 CHWs Fall 23).

CHW CEU Training Series

- 120 CHWs participated in the CHW CEU Training Series (Fall 2022, Spring and Fall 2023).
- El Buen's CHW CEU Training Series included training in adolescent friendly practices, unconscious bias, trauma informed care, role of CHWs in public health, motivational interviewing, and reproductive health. Together, these training sessions provided 16 CEUs to CHWs that need them to maintain their CHW Certification.

Development of CHW Instructors

- El Buen ensured the certification of 1 CHW Instructor

Partnerships

- Established CHW training collaborations for joint CHW training, curricula development and certification, co-development of online training modules (University of Texas at Austin School of Nursing, CARDEA, CONNECT ATX. City of Austin Public Health, others).

FY24 PERFORMANCE MEASURES: In FY24, El Buen will advance innovation, access, and retention of CHW workforce by training and developing CHWs and instructors, engaging CHWs in upstream planning, and collaborating with organizations interested in hiring, developing, and retaining CHWs.

El Buen will continue to offer high quality CHW certification and CEU training. Additionally, El Buen will provide training at times and in formats that are most conducive to participation. In FY24 we will report on:

State CHW Certification

- # of CHW State Certification Courses
- % of CHW student retention
- # of CHWs that gain employment or remain employed
- Update on translation of certification course

CHW CEU Training Series

- # of CHW CEU Training Semesters
- Type of training sessions
- # of CEUs hours provided
- # of CHWs participating in CEU sessions
- % of CHWs reporting increased knowledge, awareness, and skill competency

Development of CHW Instructors

- # of CHW Instructors
- Placement of CHW Instructors

Partnerships

- # of partnerships for joint CHW training, curricula development, certification, online training
- Collaborative efforts to develop a CHW Certification Pilot for High School students
- Spanish translation of the UMEMBA CHW Certification Curriculum.
- # of internship hours by CHWs

HEALTH LITERACY AND ACCESS TO RESOURCES

For 36 years El Buen has focused on improving access to health services while addressing the systemic factors and social determinants of health negatively affecting marginalized communities. El Buen has provided family planning and reproductive justice services for 16 years and currently serves as the only Title X organization in Central Texas, providing bilingual family planning outreach, education, and referral to reproductive services, including emergency contraception. El Buen works with CHWs to facilitate its health and social services and coordinated care network.

El Buen's health and reproductive justice program provides outreach—in the form of community events, health fairs, and partnerships—coupled with comprehensive family planning education, information, and referrals. El Buen facilitates confidential client-centered counseling and education, as well as closed-loop referrals to reproductive health and preventive health services that include breast and pelvic exams to screen for breast

cancer, cervical cancer, and Sexually Transmitted Diseases (STDs); pregnancy diagnosis; patient education; reproductive health counseling; and other appropriate social and referral services. In addition, El Buen's CHWs are engaged in multiple health and social programming providing comprehensive wrap around services.

NEED: The majority of El Buen's clients live in the Austin Eastern Crescent (Northeast, East, and Southeast Austin)—zip codes, in neighborhoods with the highest rates of poverty and health disparities. Our current client demographics include uninsured/underinsured individuals and some of the most marginalized communities:

- 86% identify as Hispanic/Latino documented and undocumented immigrants
- 85% live below 200% Federal Poverty Level (FPL)
- 70% identify as women
- 30% are under the age of 25 (teens and young adults)
- 44% indicate that children reside in the household
- 88% prefer a language other than English (individuals with limited English proficiency)
- 81% live in Austin-Travis Eastern Crescent, a community marked by significant poverty and social/economic disparities.

Data from El Buen's social determinants of health assessments indicate that the individuals we serve experience extensive challenges related to food insecurity, economic instability, mental health issues, barriers to education, affordable/safe housing, and transportation.

STRATEGIES: El Buen focuses on providing comprehensive wrap around services through health literacy and access services using the following strategies:

1. Coordinated Care Network
2. Comprehensive Health Literacy and Access
3. Partnership Development to Facilitate Close-loop Referrals
4. Professional Development

FY23 ACHIEVEMENTS: In FY23 (October 1, 2022, to September 30, 2023) El Buen's Health Education and Access to Resources met the following outcomes:

Coordinated Care Network

- El Buen facilitated access to health and social services for 1157 individuals. This included health education, access to resources, close-loop referrals, and application assistance for public benefits.

Comprehensive Health Literacy and Access

- Strengthened our reproductive health and family planning services to include adolescent health workshops and initiated an emergency contraception (EC) pilot.
- Provided 266 reproductive health and family planning encounters and referrals.

- Completed pilot to provide emergency contraception and education as part of our Family Planning Title X program.
 - Held 3 *Placticas* (emergency contraceptive education) with Austin Voices, El Buen, and AVANCE.
 - Distributed approximately 150 emergency contraceptive kits.
- Expanded benefits assistance program by including CHIP and Medicaid enrollment /application assistance (funded by Central Health).
 - Facilitated application assistance for public benefits for 426 families.
 - Established remote/mobile locations to provide application assistance at The University of Texas at Austin Social Resource Center, Trinity Church, Saffron Trust - Pflugerville location, and Mission Accomplished Pflugerville.

Partnership Development to Facilitate Close-loop Referrals

- Expanded network of partners functioning as “access accelerators” for individuals to receive culturally and linguistically relevant health education and equitable access to resources.
- Collaborated with 20 agencies to provide outreach, education, and access to services.
- Provided WIC mobile services on El Buen campus twice a month; CHWs provided Title X services and referrals to family planning simultaneously as needed.

Professional Development

- Facilitated extensive professional development opportunities for staff to include:
 - Reproductive health access and health justice approaches through a partnership with Planned Parenthood.
 - Mental Health First Aid.
 - Sensory Friendly Practice through the Texas Autism Society.
- Collaborated with The University of Texas at Austin, School of Medicine in a focus group to improve maternal health; initiated formal partnership to provide maternal health education and access to resources.

FY24 PERFORMANCE MEASURES: El Buen will continue to be a Central Texas hub for health education and access to resources wraparound support, close-loop referrals, reproductive health, benefits assistance program, and adolescent health. The ongoing assessments we conduct to better understand the needs of the families and individuals served by El Buen tell us that our clients continue to need support services related to the Social Determinants of Health, particularly in conjunction with (and certainly after) immediate crisis intervention. Our partnerships and services are expanding and reaching

deeper into diverse communities. For example, in FY24 El Buen entered a partnership with the Travis County Juvenile Probation Department for youth in the system. We are also facilitating monthly information services for youth participating in Travis County Transformative Youth Justice - a court-led youth diversion program for individuals between the ages of 17-20. El Buen will continue co-creating with the community, leading in collaboration with diverse individuals, and engaging clients, patients, providers, CHWs, and funders.

Coordinated Care Network

- # of referrals made by type of referrals
- # of close loop referrals by type
- # of application assistance for public benefits

Comprehensive Health Literacy and Access

- # of reproductive health and family planning encounters
- # of adolescent health workshops
- # of individuals accessing emergency contraception
- # of public assistance applications completed by service type (SNAP, Medicaid, TANF, CHIP)

Partnership Development to Facilitate Close-loop Referrals

- # of partnerships by type and purpose
- # of additional partnerships from previous year

Professional Development

- # of professional development opportunities by type
- List of professional development by health

VACCINE PROGRAM

El Buen has distributed vaccines, conducted outreach campaigns, and developed a robust health education communications strategy to address barriers to equitable vaccine access. El Buen has leveraged its considerable data collection and analytics expertise to better understand vaccination barriers faced by our community and to target our outreach, education, and distribution efforts to marginalized and underserved groups.

NEED: In the Austin area, zip codes with majority Latino residents continue to have the lowest rates of vaccination against COVID-19. Research demonstrates a multiplicity of barriers to vaccination facing Latino residents in Austin. Anecdotal evidence has indicated that more of El Buen clients, and the wider Latino community in Austin, are impacted by access barriers, such as time, transportation, and caregiving commitments, than are

hesitant to receive the vaccine. El Buen has been addressing these disparities for over two years. This work.

As we move into the post-pandemic period, we expect that guidance from the CDC (Centers for Disease Control) and WHO will continue to evolve but COVID-fatigue will decrease individual desire to navigate multiple sources to stay up to date on the latest vaccine schedules and recommendations. This will make it even more critical to have engaged community resources with effective outreach strategies to provide easy, trusted, and accurate information in a culturally responsive way to continue the existing efforts to advance vaccine equity.

STRATEGIES: El Buen and our partner organizations have addressed vaccine inequity in Central Texas by increasing the vaccination rate of low income, Latino, Black, LGBTQIA2S+, and other underserved community members. In FY24 we will continue to integrate the vaccine program within our health literacy and access to resources using the following strategies:

1. Access to vaccines
2. Health communication and community engagement: 1) targeted online education and outreach campaign including communication via our website, social media, and text messaging to both our clients and our partners' clients.

FY23 ACHIEVEMENTS: In FY23 (October 1, 2022, to September 30, 2023) El Buen's vaccine program met the following outcomes:

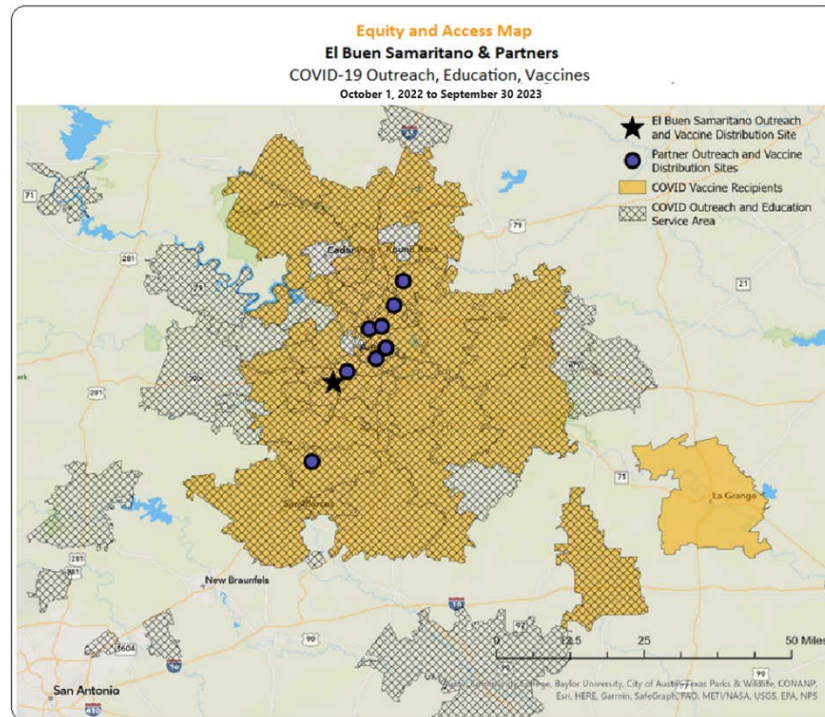
Facilitate Access to Vaccines

- Distributed 3,431 Vaccines among 1,372 unique individuals through our **vaccine program** and regular vaccine clinics in collaboration with Austin Public Health, providing routine adult and childhood vaccines to uninsured individuals, including COVID19, TDaP, Hepatitis A and B, Pneumococcal and Meningitis (IPD), HPV, Shingles, Influenza, MMR, and Varicella.
- Distributed 1,213 COVID-19 vaccines among 1063 individuals.
- Facilitated biweekly vaccine clinics on El Buen campus in collaboration with Austin Public Health (APH) to provide routine vaccines, including TDaP, Hepatitis A and B, IPD (Pneumococcal and Meningitis), HPV, Shingles, and Influenza for uninsured clients.

- Expanded APH partnership into off-site vaccine clinics to locations such as Fiesta Gardens, Gus Garcia Recreation Center, and Casa Marianella to reach the unhoused and/or immigrant communities.
- Expanded biweekly vaccine clinics on campus to include all routine childhood vaccinations and vaccines required by US Citizenship and Immigration Services.

Health Communications and Community Engagement

- The map below provides the depth of COVID19 outreach and education into diverse communities in Central Texas conducted by El Buen in collaboration with over 20 partners.



FY24 INITIATIVES: El Buen will continue to be a Central Texas hub for providing access to vaccines for adults and youth.

RENTAL ASSISTANCE AND EVICTION PREVENTION

El Buen became a critical part of Austin’s emergency response through the City of Austin Relief in a State of Emergency (RISE) program in 2020, and our partnership with the City to distribute financial and rental assistance continues growing.

NEED: The effects of the COVID-19 pandemic and its aftermath on vulnerable communities combined with the current recession and inflated cost of living in Austin

indicate the continued significant need to prevent displacement, prevent eviction, and ensure that our families can stay in their homes and sustain access to essential needs.

STRATEGIES: El Buen rental assistance and eviction prevention strategy is guided by evidence-based research, best practices, data intelligence, and community input. Together these sources of knowledge guide El Buen's focus on keeping individuals housed using the following strategies:

1. Tenant Rental Assistance, eviction prevention, and relocation services
2. Innovative strategies to strengthen household economic mobility: 1) Comprehensive social determinants of health assessment(s) and closed-loop referrals, 2) Coordinated Care Network (Referral and Navigation), and 3) Integrated Management System

FY23 ACHIEVEMENTS: In FY23 (October 1, 2022, to September 30, 2023) El Buen's Rental Assistance and Eviction Program met the following outcomes:

Tenant Rental Assistance, eviction prevention, and relocation services

- Distributed \$ 1,724,065.54 in rental assistance through the I Belong in Austin Program (IBIA) 1, preventing eviction of 388 households (768 individuals) – assisted with:
 - Negotiated settlements, moving/storage, rental assistance, and relocation
 - Responding to residents experiencing mass displacement in 4 apartment communities

FY24 PERFORMANCE MEASURES: In FY24, El Buen will report on:

Tenant Rental Assistance, Eviction Prevention, Relocation Services, and Emergency Rental Assistance.

- # of unduplicated households that received rental assistance
- % of clients that maintain stable housing for 6 months
- % of at-risk clients that avoided or delayed eviction

Strategies to strengthen household economic mobility.

- # of close-loop referrals
- # of clients that maintain stable housing for 6 months

DATA EQUITY PROJECTS

In FY23 El Buen was engaged in multiple and diverse data for equity projects. El Buen was awarded by and worked with the St. David's Foundation on the Data for Equity *Nuestras VOCES* project, building a solid foundation of collaboration to advance equity through local partnerships and amplifying our communities' voices. El Buen was funded

by the Robert Wood Johnson Foundation to participate in their project *Data to Improve Community Conditions Shaped by Structural Racism*. El Buen assessed our data capacity infrastructure and identified areas of improvement, specifically related to our food access work. The Urban Institute funded El Buen's participation in the *Partnering for Vaccine Equity Promising Practices* project. El Buen built on our successful COVID-19 outreach, education, and vaccination initiatives to target community members that are unvaccinated or not fully vaccinated against COVID-19, with the goal to improve the Latino population COVID-19 vaccination rate.

Urban Institute: Partnering for Vaccine Equity Promising Practices

- Pilot new data-driven community-based outreach efforts to improve vaccination rates among Latino/a residents in Central Texas
- Merge survey data with community-level demographic and vaccination rate data to understand barriers to vaccination and evaluate outreach efforts
- Surveyed more than 600 individuals and are expanding our outreach to access more unvaccinated respondents

Robert Wood Johnson Foundation: Data to Improve Community Conditions Shaped by Structural Racism

- Mixed methods evaluation of food access program
- Improve understanding of barriers to equitable food access and gaps in the existing data infrastructure of the Austin area food access system
- Focus on conversations with families in Del Valle

St. David's Foundation: Data for Equity Project

- Understand the social determinants of health needs of Latina mothers in Central Texas
- Data infrastructure collaboration with partner organizations
- Elevating the lived experience of clients as essential data
- Development of a tailored needs assessment tool

It is hard to believe we are bidding farewell to 2023 already, wrapping up our FY23 achievements and forwarding FY24 initiatives. In FY23 El Buen celebrated triumphs and faced challenges, while consistently strengthening and circulating our commitment to service, equity, and innovation. We thank the Episcopal Diocese of Texas and the Episcopal Foundation of Texas for your generous and continued support of El Buen Samaritano Episcopal Mission.

Rosamaria Murillo, Chief Executive Officer

El Buen Samaritano Financial Report 2022 and 2023

FINANCIAL CATEGORY	2022	2023
	Audited	Unaudited
Revenues and gains:		
Individual and Church	851,065	532,889
Episcopal	500,000	770,550
Corporate and Foundation	406,943	552,292
Government grants and contracts	2,706,362	3,261,859
Return on investments	(271,359)	179,540
Program service fees	242,502	271,041
In-Kind Donations	<u>272,311</u>	<u>136,871</u>
Total revenues and gains	4,707,824	5,705,041
Expenses and losses:		
Personnel Expenses	2,354,179	2,906,069
Professional services	534,516	467,300
Program Expenses	1,712,192	1,521,462
Printing & Publications	5,827	13,193
Conferences, Conventions & Meetings	12,316	14,139
Dues & Subscriptions	13,206	12,163
Transportation & Travel	6,247	11,547
Equipment Purchases & Repairs	92,011	178,580
Communications	61,803	40,013
Office Supplies & Admin Expenses	21,253	17,748
Postage & Shipping	1,945	1,232
Facilities	244,042	375,459
Special Event Costs	126,846	155,463
Depreciation	184,231	184,231
Miscellaneous	33,267	20,492
In-Kind Expense	<u>272,311</u>	<u>136,981</u>
Total expenses and losses	5,676,192	6,056,072
Change in net assets	-968,368	-351,019

Rosamaria Murillo, Chief Executive Officer

EPISCOPAL SENIOR FOUNDATION

Episcopal Seniors Foundation once again was pleased to award grants around the diocese to further its mission to enrich the lives of our aging population in the Diocese of Texas by improving the quality of life with specific goals of:

Promoting the health and wellbeing of seniors, especially those who are least served

Fostering the faith formation and spiritual growth of seniors

Educating through information to seniors, caregivers, congregations, and others.

Encouraging missional communities and community life for seniors wherever they live.

We were especially pleased to spread our giving to new geographic regions, including West Columbia and the Ft. Worth region, while still supporting ministries we have helped in the past. Grants were awarded for feeding ministries such as food banks, Meals-on-Wheels, and other hot meal programs; a chaplaincy program; church-sponsored social/educational/spiritual events; support of housing for senior women; and a guardianship program, as well as other social services.

ESF is the smallest of the diocesan foundations, created from the assets of St. James House, Baytown, the former diocesan-owned nursing home and independent living facility. As we sold St. James House and planned for future ministry to seniors, we dreamed of all that could be done by making small grants around the diocese, and we have been thrilled with the results. Up to now, we have been able to fund almost anything for which we have been asked. The requests for our assistance, however, are now exceeding the available funds, so we are having to make some hard decisions and expect to adjust some of our policies before accepting grant requests in 2024.

The ESF policies and procedures for grants are available on its webpage, www.epicenter/esf/. Grant applications are generally accepted mid-to-late summer for funding in late fall. The exact dates will be posted on the webpages when they are set.

In addition to The Rt. Rev. Jeff Fisher, Chair of the Board, and me, our Board members are: The Rev. Robby Vickery, the Rev. Wanda Cuniff, Lisa Kraus, Cory Macdonald, Maggie Abbott, Eric Kennedy, Aaron Smithers, Kerry Hancock, and Barbara Evans-Chowning. If you feel a call to this ministry, please let Bishop Fisher or me know.

As always, we ask you to keep us, and those whose lives we touch, in your prayers.

Pamela S. Nolting, President



The Episcopal Diocese of Texas

FINANCIAL CATEGORY SUMMARY* REPORT

*Summary by Categories Only

Organization Name: Episcopal Seniors Foundation 1/1/2023 – 10/31/2023

2022	2023
Beginning capital balance @ 1.1.2022 \$ 4,714,508.90	Beginning capital balance at 1.1.2023 \$4,055,845.15
Withdrawals Note A 50,392.62	Withdrawals Note A (49,166.70)
Contributions Note B 208,684.00	Contributions Note B 961.29
Capital Gains (Losses) 46,656.09	Capital Gains (Losses) (31,894.51)
Net Investment Income (2,264.77)	Net Investment Income (3,498.88)
Change in unrealized gains/(losses) (727,232.71)	Change in unrealized gains/losses 105,983.38
Change in account balance (524,550.01)	Change in account balance
Ending capital balance @ 10.31.22 \$ 4,189,958.89	22,384.58
Note A: Fees to diocese \$29,166.70	Ending capital balance @ 10.31.23 \$ 4,078,229.73
Grant to Camp Allen 20,000.00	
? 1,225.92	Note A:
Note B:	Fees to diocese 29,166.70
Refund of Church Pension Fd. 583.43	Grant to Camp Allen 20,000.00
Refund of escrow from sale 206,399.01	
Interest on above 62.20	Note B: Royalties from outside oil and gas holdings
? 1,639.36	

Pamela S. Nolting, President

UNIVERSITY OF THE SOUTH

Located on the Cumberland Plateau in southern Tennessee, Sewanee is the Episcopal University. Coming to the Mountain can be like coming home. And we touch the lives of Episcopalians through a superb College of Arts and Sciences, a School of Theology with rigorous and innovative new programs and a commitment to supporting Episcopalians preparing for lay and ordained ministry, and a full slate of summer programs that enrich the lives (and faith journey) of youth. To learn more, to recommend a student, or to become a partner with us in this important work, visit episcopal.sewanee.edu.

This past year we hosted the newly elected Vice-Chancellor and President, Rob Pearigen, at the River Oaks Country Club in Houston. This was an excellent opportunity for alumni, future and current students to meet one another. Students came from throughout Texas.

I have provided some statistics and facts of Diocesan support below for the fiscal year ending June 30, 2022.

Diocesan Support

The Diocese has pledged a gift of \$1,000,000, paid out in annual installments of \$200,000. There was also additional support from parishes in the diocese of over \$86,550.

Diocesan Engagement

College students from the diocesan area: 78

Seminarians from the diocese: 2

School of Theology alumni currently serving in the diocese: 24

EfM groups in the diocese: 19

The Rt. Rev. C. Andrew Doyle

The Rt. Rev. Jeff W. Fisher

The Rt. Rev. Kathryn M. Ryan (serves concurrently on the Board of Regents)

Kristine Devine, 2024

Dr. Catherine Foster, 2025

The Rev. David Goldberg, 2026

Diocesan Seminarians

Michael Farnell, T'24 - All Saints', Fort Worth

Michael Sturdy, T'25 - Church of the Transfiguration, Dallas

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David M. Goldberg, Trustee