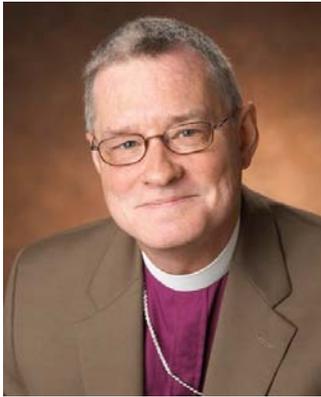


MESSAGE FROM THE BISHOP



Welcome to the 2010 annual report of the William Cooper Procter Fund. Once again, this online edition helps us to be stewards of the environment while sparing you the accumulation of additional paper files. The report includes a complete list of funded projects, and this information gives you an accurate picture of how the trustees and I have allocated Procter dollars this year.

The numbers fail to capture the vision of the Procter Fund. Even during these very difficult economic times, the four purposes of the Fund compel us to look beyond the day-to-day operations of the Episcopal Church in this diocese. Criteria I, II, and III challenge us to address human need, clergy development, and congregational life in new ways. Finally, Criterion IV promotes “the use of grants to take advantage of unusual opportunities for advance work in the church’s program...”

With the four criteria offering a steady vision, we continually strive to create initiatives that advance the work of the church. An example from the Criterion I (human need) grants for 2010 is Gabriel’s Place in Avondale (known formerly as the “Avondale Initiative,” but recently given a permanent name). Committed to remaining an active presence in this Cincinnati neighborhood, we are collaborating with the Avondale Community Council, the Community Action Agency, and a number of other agencies and institutions in that area to provide on-site services including a community garden and other food related activities.

Under Criterion II (clergy development), the residency program for new clergy is developing into a successful model for placing seminary graduates in working environments where they continue to learn and grow. Meanwhile, with assistance from the Procter Fund and a generous grant from the Jesse Ball duPont Foundation, common ministry is emerging from the conceptual phase to a stage where members of the diocese and many congregations begin to embrace it as an innovative and effective approach to living out the Gospels and conducting ministries. In fact, the budget process the diocese will use in 2011 is an example of common ministry at work.

In terms of work beyond the diocese, a Criterion IV grant supports the discernment process currently underway to determine whether our diocese will enter a companion relationship with the Episcopal Church of Liberia. A delegation from Liberia visited us this fall, and the delegates got a chance to meet and talk with many clergy and lay persons across the diocese.

These examples give you a sense of how the Procter Fund enables innovative ministries to develop within the diocese and beyond. I ask you to reflect and discuss this report, and share your thoughts with me about advancing the work of the Church as we move toward the second decade of the 21st Century.

Faithfully,

Thomas E. Breidenthal, Bishop

**WILLIAM COOPER PROCTER
MEMORIAL FUND**

2010

ANNUAL REPORT

Introduction

The Procter Fund was established to support new initiatives and risk taking by congregations and the Diocese under the direction of the Bishop and Trustees. This continues to a limited extent in the Bishop's Opportunity grants. William Cooper Procter and his wife also envisioned the Fund as a source of funds to start new ministries and parishes as well as to build the quality of the clergy. Finally, the Fund seeks to further the 'advance work' of the church and specifically encourages activities beyond the diocese.

Much like last year, this year's report reveals the increasing role the Procter Fund plays in supporting a number of core diocesan activities. Examples include the Residency program, Church Foundation, Procter Conference Center, Clear Vision, Diocesan Youth Program, Commission on Congregational Life and Retired Clergy Medical Benefits. Almost all of these programs support the work of our parishes or clergy to a significant degree. In fact, such items total **more than 1,708,444**, which is down about \$117,000 from the 2009 figure of **\$1,826,000**. However because the funds available this year were a quarter of a million dollars less than last, the internally directed items accounted for **more than 85% of the 2010 expenditures**, up from 80% in 2009 and 67% in 2008.

One immediate consequence of these commitments is that budget overruns in three of these areas were so great that the bishop limited expenditures from his opportunity grants category to only \$12,050 compared to almost \$50,000 in 2009. More than \$60,000 had been budgeted initially.

One important factor should be emphasized as we look forward. As noted above, the 2010 budget was less than 2009. The funds available for 2011 will be almost 10% less than 2010, and that trend is expected to continue into 2012.

The report will highlight key diocesan initiatives within each criterion and then list other expenditures and grants for 2010. The list covers everything committed, projected or expended through the end of October. Changes in budgets or programs are noted.

Criterion I:

“The giving of relief to those in trouble and need, especially where there would be an opportunity for restoring physical, mental, or spiritual well being.”

This criterion provides a mandate for carrying out Christ’s second great commandment: “Love thy neighbor as thyself.” It follows the tradition of the Good Samaritan and Christ’s day-to-day ministry of healing the sick and feeding the hungry.“

The Youth Program: In 2010, as in 2008 and 2009, the Procter Fund contributed **\$150,000** to the overall youth program budget.

Grants made:

Episcopal Appalachian Ministries: This grant represents the diocese’s commitment to Episcopal Appalachian Ministries {EAM}. EAM provides technical assistance to various initiatives and serves as an advocate for many issues crucial to our Appalachian congregations. \$8,500

William Cooper Procter Fund Staff Consultants: For program review, development and evaluation by Applied Information Resources, a nonprofit community research organization. \$55,000 [unchanged]

William Cooper Procter Fund/Trustees Administrative Secretary. \$10,000

Investment Consultants: Advice on fund investments, a service shared with Episcopal Retirement Homes and Christ Church Cathedral. \$50,700 [unchanged]

William Cooper Procter Fund Expenses: For travel, legal and other related expenses. \$4,000[unchanged]

Prepare the Future, Ohio – A statewide effort to galvanize community support for Ohio elementary and secondary education. [Opportunity Grant] \$3,000

Weathering the Storm – A collaborative effort of grant-making organizations in Cincinnati, gathering additional resources to respond to the pressures the economic recession has placed on emergency service providing agencies. [Opportunity Grant] \$5,000

Good Earth, Athens – Funding for a Vista volunteer to assist in this ministry. [Opportunity Grant] \$4,050

Criterion I total **\$278,200**

Criterion II

“Building the quality of the clergy in the Diocese by the perpetuation of the plan for grants to supplement salaries and churches where there is a real promise for the future.”

Criterion II focuses exclusively on clergy development.

The Criterion language relating to, “building up the quality of the clergy...” is met in two particular programs. The Residency Program is one of the strongest in the Episcopal Church. In 2010, the amount increased to **\$462,340**. The program is a partnership between the diocese and the parishes under the supervision of an experienced priest mentor. As such, it works much like the medical model as new clergy have a combination of hands-on experience and oversight building their skills and carrying out the ministries. Once again, this is the largest single item in the budget. The following is a list of parishes and the amounts that they received in 2010:

St. James, Columbus	\$70,000	St. Mark’s, Dayton	\$20,560
St. Timothy, Cincinnati	\$70,000	Trinity, Columbus	\$20,560
Good Shepherd, Athens	\$70,000	Portsmouth & Ironton	\$ 9,360
St. Luke’s, Granville	\$70,000	St. John’s, Worthington	\$15,000
All Saints, New Albany	\$35,000	Gallipolis & Pomeroy	\$25,000
St. Patrick’s, Lebanon	\$35,000	Nelsonville & Logan	\$ 9,360
St. Barnabas, Montgomery	\$12,500		

A second program relates to *Retired Clergy*. As is true for everyone, the cost of *Medicare Supplemental Insurance* for clergy is extremely high. There is coverage available through Church Pension Fund and Bishop Thompson, on behalf of the Diocese of Southern Ohio, chose to take on the payment of that medical insurance coverage for retired clergy. In 2010, the cost for this program is **\$215,000**, up from \$185,000 in 2009.

Other Grants made:

Clergy and Clergy Spouse/Partner Gatherings at various times throughout the year.
\$5,000 [reduced 5,000 from 2009]

Chaplain to Retired Clergy: For the work of David McCoy.
\$5,000 [reduced 3,000 from 2009]

Chaplain to Seminarians: for the work of Lynn Carter-Edmands - \$10,000

Criterion II total \$697,340

Criterion III

“Development of a more widespread sense of responsibility in the parishes and missions of the Diocese for the support of the missionary work of the church. Grants should be made on some such basis as was used in connection with the refinancing fund given by Mr. Procter in 1933; aid was given to certain churches in emergency in return for an agreement pledging those churches to an adequate support of the church’s programs.”

The *Commission on Congregational Life* carries out the extremely important function of working with aided parishes to review their programs and to provide expert advice on many of the challenges that they face. In addition to that advice, the Commission on Congregational Life has an annual budget of more than \$500,000. In 2010, **\$340,000** of that amount is provided by the Procter Fund, down from \$360,000 in 2009. A complete list of parishes receiving COCL support is enclosed as Appendix 1.

The *Clear Vision* Capital Campaign of a few years ago included a commitment to assist in the development of new parishes and expansion of existing churches. Through a program devised by the Trustees, on a parish-by-parish basis the Procter Fund has paid the interest on commercial loans for the first three years. It has been necessary to expand the design somewhat due to individual parish circumstances, therefore, the total cost of this program is **\$336,104**, down from \$343,000 in 2009. The parishes participating are:

- St. Luke’s, Granville - \$ 16,800
- St. Matthew’s, Westerville - \$247,704
- St. Margaret’s, Trotwood - \$ 71,600

The third program in Criterion III is the funding of Church Foundation. This invaluable initiative funded entirely with Procter funds provides grants for capital projects to parishes. It also is responsible for the maintenance of certain diocesan properties. It originally was conceived to respond to the questions: “What do you do when the furnace goes out?” or “the roof starts to leak.” Now, parishes have used it for handicapped accessibility projects, energy efficiency improvements as well as a number of other items. In 2009, the Procter Fund made a year-end payment of \$100,000 to Church Foundation and did not make any contribution in 2010. It is expected that despite some accumulated reserves, it will be necessary to restore Church Foundation to the 2011 budget. Parishes receiving grants in 2010 included:

- St. Luke’s, Granville - \$100,000 [loan & grant]
- Christ Church, Ironton - \$ 2,520
- Christ Church, Dayton - \$ 25,000 [grant & \$12,683 loan]
- St. Andrew’s, Dayton - \$ 5,500

Corpus repayment: Given the extended repayment period for the St. Margaret’s loan, the Trustees and Bishop Thompson chose to accelerate rebuilding the Fund’s principle. This is the eighth payment.

\$25,000 [down from \$50,000 in 2009]

Hispanic Ministry at Holy Spirit, Forest Park - \$5,000

Criterion III total \$ 706,104

Criterion IV

“The use of grants to take advantage of unusual opportunities for advance work in the church’s program as distinct from the regular running expenses covered by the budget. The church can only live if it is making progress. The responsibility for the maintenance of the regular work must be borne by the rank and file of its membership, but opportunity should be offered to support any experiments which afford a chance to take a step forward. The essential unity of the church’s work requires that there should be no geographical limitations upon these grants so long as the purposes of the fund as described above are expressed in the use of this income. Part of the annual income from the fund shall be used for the work of the church outside of the Diocese of Southern Ohio.”

Criterion IV exemplifies the vision of the William Cooper Procter Fund. It articulates the goals of supporting “advance work”, “unusual opportunities”, and “experiments which afford the chance to take a step forward.” It expressly calls for part of the Fund to be allocated “for the work of the church outside of the Diocese of Southern Ohio.”

The Procter Camp and Conference Center is one of the distinguishing resources of the diocese. It is the place where we gather for many events. The summer camping experience is a key part of the youth program. A grant for **\$150,000**, the same as in 2009, subsidizes the ongoing operation of the center.

Other Grants made:

The Episcopal Church Pledge: The Fund continues to make possible an annual voluntary contribution to the Episcopal Church.
\$25,000 [unchanged]

Metropolitan Area Religious Coalition of Cincinnati (MARCC): As an inter-faith coalition, MARCC focuses on community issues in Greater Cincinnati.
\$29,700 [up \$700]

Ohio Council of Churches: Support for this statewide ecumenical body.
\$ 15,120 [\$14,600 in 2009]

Gabriel’s Place , Avondale: These funds are part of the development of a community partnership to establish a neighborhood kitchen, garden and market place.
\$22,000

National and World Mission: At the request of the Bishop, the N&WM Commission have accepted the task of reviewing grant requests from outside the U.S. Costs associated with the Companion Diocese exploration are included here.
\$31,000 [\$45,000 in 2009]

Grants made include:

Dominican Republic – Missionary work of Dohn family - 8,000

Episcopal Relief & Development - Haiti - \$10,000

Center for Life Formation: Work with laity education and development.

\$5,000

Institutional Associations – \$35,400 [50,000 in 2009] -This line was created to permit the bishop to respond quickly to the many requests from organizations for some connective activity with the diocese. Grants made to date include:

• Kenyon College	\$10,000
• Gem Network	500
• Cincinnati Human Relations Commission	750
• Episcopal Network for Economic Justice	1,000
• Bridges	5,000
• Bridges	1,000
• Episcopalians for Global reconciliation	5,000
• College of Bishops	2,000
• ERH	5,000
• Anglican Theological Review	2,500
• Society for the Preservation of Christian Knowledge	<u>100</u>
Total	\$32,850

Opportunity Grants - This line permits the bishop to respond quickly to various mission and ministry opportunities - \$61,860 was budgeted, but only \$12,050 has been expended.

Criterion IV total \$ 325,270

Totals by Criterion:

I	\$ 278,200
II	\$ 697,340
III	\$ 706,104
IV	<u>\$ 325,270</u>

TOTAL \$2,006,914

Appendix 1: **COCL Grants for 2010**

Church	Amount
All Saints, Cincinnati*	\$ 12,500
ECO*	\$ 47,500
Grace, Cincinnati*	\$ 20,000
Grace, Pomeroy*	\$ 5,000
NMVEC*	\$ 18,000
St. Andrew, Dayton*	\$ 40,000
St. Andrew, Pickerington*	\$ 15,000
St. Andrew, Washington Court House*	\$ 20,000
St. Christopher, Fairborn*	\$ 17,000
St. Edward, Whitehall*	\$ 26,000
St. John, Columbus*	\$ 50,000
St. Margaret's, Trotwood	\$ 40,000
St. Mary Magdalene, Maineville*	\$ 55,000
St. Mathews, Westerville	\$ 70,000
St. Philip, Cincinnati*	\$ 20,000
Trinity, McArthur*	\$ 5,000
Trinity, Newark	<u>\$ 25,000</u>
TOTAL	\$506,000

*Received aid in 2009

n.b. total includes Convention budget contribution