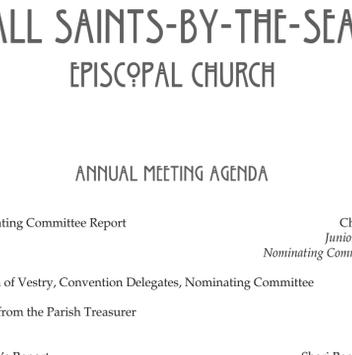


2011 ANNUAL REPORT



ALL SAINTS-BY-THE-SEA EPISCOPAL CHURCH

ANNUAL MEETING AGENDA

1. Nominating Committee Report Chip Nichols
Junior Warden &
Nominating Committee Chair
2. Election of Vestry, Convention Delegates, Nominating Committee
3. Report from the Parish Treasurer Freed Allen
Treasurer
4. Warden's Report Sheri Benninghoven
Senior Warden
5. Rector's Report The Rev. Jeff Bullock
Rector
6. Affirmations

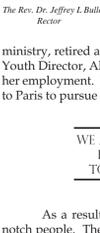
NECROLOGY

David Roycroft Wells + Margaret Astor Chauler Aldrich DeMott +
Theodore Wendat Halan + Paul Guido Dal-Bello +
Lura Maxine Bullock + Patricia Jane Parrish Ott +
Maris Andersons + Neva B. Spalding +
Susanne Nourse Blair + Mary Field (Chi-Chi) Sanford +
Ilse Michelson + Nicholas Edward Morton-Smith +
Gunnar Michelson + James Willard Calvin +
Alexandra Michelson + Kathryn Lee Holcomb Dole +
+ Frank Robert Miller +

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THE RECTOR'S REPORT



Dear Brothers and Sisters in Christ,

Every year, I remind the staff and others with essential reports that the chief value of the Annual Report is not first to those who are present at the Annual Meeting—they'll get to hear all the important points in person. The chief value is to those who, many years from now, would like to know the 'what' and 'how' of the life of All Saints in 2011. So with history in mind, let me share the following:

Perhaps the most marked changes in the life of All Saints this past year have taken place with the staff. Our much beloved Leslie Haddon, after twenty-five years of exceptionally faithful ministry, retired as director of our Christian Education program. Shortly thereafter, our Youth Director, Alex Smith, also stepped down in order to pursue other opportunities in her employment. Earlier in the year, our valued colleague, the Rev. Liz Hendrick, moved to Paris to pursue her life-long dream of living and working in France.

WE ARE GRATEFUL TO GOD FOR THE GRACE GOD HAS
BESTOWED ON US IN THIS PLACE AND WE PLAN
TO CONTINUE TO HONOR GODS CALLING OF US.

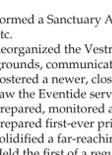
As a result we had two key positions open and we have filled them with top-notch people. The Rev. Sandy Casey-Martus, Rector of a Texas parish, and a nationally recognized authority on Christ-Centered Prayer, has come to us bringing a brimming enthusiasm for ministry and a whole new aspect to our prayer life. Similarly, we hired Dr. Beth Beall to coordinate all our children's formation and newcomers programs under the title of Parish-Family Ministries. Beth's remarkable energy, her intelligence coupled with a wonderful imagination, and her strong commitment to her faith have been joyful gifts to our parish. As an aside to future readers, I believe we may have one of the very best parish staffs in Southern California (or anywhere else for that matter.)

Operating from a vantage not immediately available to the entire parish; the Vestry, Finance Committee, and the Investment Committee have done exceptional work, truly exceptional. The past three years have been among the most difficult years for church finance in the past century. With careful and conservative management of our financial resources, we have braved these challenging times. We have reserves for another year or

two if we continue at the present level of expenditure. However, any unwelcome expenses or unusual declines in giving would be trying. Last year for example, we unexpectedly had to repair or replace the roofs on over half of our buildings.

Let me conclude by writing about two initiatives that have really shown our strength. Our Evendite liturgy, coupled with education opportunities offered in concert, has experienced tremendous growth. In the past months, it's not been uncommon to have forty or more people present for both the liturgy and the classes. In a similar vein, our Outreach program has enjoyed similar key support from parish members.

All in all, despite the noted challenges, we've had a very happy year, filled with opportunities to grow our spiritual lives. We are grateful to God for the grace God has bestowed on us in this place and we plan to continue to honor God's calling of us.


The Rev. Dr. Jeffrey L. Bullock, Rector

SENIOR WARDEN'S REPORT



"So he shepherd them according to the integrity of his heart, And guided them by the skillfulness of his hands." Psalm 78:72

One of the main reasons we gather at each Annual Meeting is to elect our leaders for the coming year. It's also a time to celebrate the many, many ways that the sea of you come together to serve God at All Saints-by-the-Sea. This service takes many forms: the quiet work of the Altar Guild, monthly gatherings of the Outreach Committee, planning of the annual God's Foot Tournament, the Sunday teaching of our children, driving the homeless to service, planning the Holy Huddle or Wise Women programs, and so many more than we can list here. I hope you know how immensely grateful the Vestry is to each of you who come each week to Worship, to participate in Outreach, and to the skills of our Formation. You inspire us to serve you with integrity in our hearts and all the learn through Formation.

The past year has been a busy one for our Parish. We conducted an "every member survey" to gather your views about our great strengths, the weeds we face, and how to serve all, especially our older parishioners and those with disabilities. You've heard quite a lot about the survey results and we'll provide an update during the meeting.

YOU INSPIRE US TO SERVE YOU WITH INTEGRITY IN OUR HEARTS
AND ALL THE SKILLS OF OUR HANDS.

In addition to analyzing the results and developing programs in response to the survey, we accomplished a great deal. Here are a few of the highlights:

- Launched quarterly Parish Socials, with attendance, interest and excitement beyond our wildest dreams
- Launched the regular "ParishNotes" newsletter
- Said goodbye to the Rev. Liz, and hello to the Rev. Sandy
- Said goodbye to Leslie and Alex, and hello to Beth
- Revisited the All Saints Bylaws
- Conducted a very successful stewardship campaign, complete with the ever-popular breakfast
- Completed a full year of Wise Women programming, re-launched Holy Huddle
- Completed substantial repairs to nearly all our Campus buildings, including new roofs for the Sanctuary and Office.

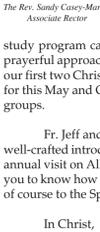
- Formed a Sanctuary Ad Hoc Committee to review accessibility, the organ, space use, etc.
- Reorganized the Vestry to address ongoing Parish needs (initial areas of focus: grounds, communications, and newcomer incorporation)
- Fostered a newer, closer relationship between the Parish School and Church
- Saw the Evendite service mature as a very popular service
- Prepared, monitored and lived within a balanced church budget
- Prepared first-ever printed "Outreach Report"
- Solidified a far-reaching and robust adult formation series of classes and events
- Held the first of a regular "Family Feast" liturgy (the inaugural Family Feast drew nearly 80 young parishioners and their parents!)

The problem with lists is they're never complete, so with apologies to the remaining projects not mentioned, I'll stop here. But you get the idea that All Saints is anything but resting on past accomplishments. We're engaged, always thinking, being cautious when needed and focusing very broadly at every opportunity. We thank you for your time, talent and treasure that you share. As we know from Romans: *"For as in one body we have many members, and the members do not all have the same function; so we, though many, are one body in Christ, and members of one another. Having gifts that differ according to the grace given to us, let us use them: if prophecy, in proportion to our faith; if service, in our service; the one who teaches, in his teaching..."*

Blessings,

Sheri Benninghoven, Senior Warden

TREASURER'S REPORT



On the following page there is a brief (unaudited) Income and Expense Statement for the calendar/fiscal year 2011, and a copy of the 2012 budget approved by the Vestry.

All Saints finished the year with our actual Income and expenses almost exactly as proposed in the 2011 budget. Our total income was \$2,537 more than our plan and our expenses were just 3% over our projections. Even though we had allocated an annual draw from Invested Reserves of up to \$166,000 we used only \$114,310, leaving \$51,690 to appreciate in our Invested Reserve accounts.

Our 2012 expense budget shows a modest increase of \$35,303 over our actual 2011 expenses, reflecting inflation and other minor increases. Income is more difficult to project. We anticipate an increase in income of \$20,430 over 2011, and since we are still receiving 2012 pledges we hope to exceed this goal. This budget projects spending \$68,275 more than our income, but the Budget and Finance Committee and the Vestry plan to review, and possibly modify, the budget in June when we have a better handle on total 2012 pledges.

WE HAVE A KINDHEARTED CONGREGATION WHICH
GENEROUSLY SUPPORTS THE WONDERFUL WORK
OF ALL SAINTS-BY-THE-SEA.

Over the past two or three years we have seen a slight decrease in annual pledging, though there has been an increase in gifts and plate offerings. In addition, much of our income, other than from pledges, comes in the latter half of the year. The decrease in the amount of our income represented by pledges makes it difficult to budget accurately, and while income from whatever source is graciously received, one-time gifts in the last half of the year makes balancing our expenses a bit more difficult. Our monthly expenses remain somewhat steady during the course of the year, just like our own individual family budgets, and it would make our financial management a lot easier if the congregation maintained a steady stream of pledge payments throughout the entire year.

Our finances are governed by a number of steady hands. The Outreach Committee meets to allocate funds to many worthy organizations, the Investment Committee meets quarterly to review the performance of our Reserve Funds, the Budget and Finance

Committee meets monthly and reviews every line of our monthly Income and Expense Statements, and of course the Vestry reviews all of these reports every month and asks the tough questions.

We are blessed to have a talented bookkeeper, Cynthia Breen, who keeps our bills paid in a timely manner and prepares financial statements for the Parish School and all of our committees, and of course we have a kindhearted congregation which generously supports the wonderful work of All Saints-by-the-Sea.

Respectfully submitted,

Frederick Allen, Treasurer

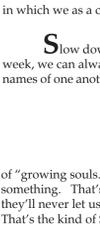
2011-2012 INCOME AND EXPENSE STATEMENT (UNAUDITED)

	INCOME		EXPENSE	
	2011 Actual	2011 Budget	2012 Budget	2012 Budget
Cash Receipts				
Pledge Payments	\$809,508	\$882,000	\$839,113	\$839,113
Gifts	\$79,653	\$40,000	\$71,586	\$71,586
Plate Offerings	\$107,334	\$73,000	\$94,268	\$94,268
Rental Income	\$66,537	\$67,100	\$66,600	\$66,600
Other Income	\$63,093	\$61,500	\$75,000	\$75,000
Total Income	\$1,126,137	\$1,123,600	\$1,146,567	\$1,146,567
EXPENSE				
Wages	\$485,473	\$452,800	\$531,927	\$531,927
Pensions, Insurance, Taxes, Other	\$169,288	\$125,096	\$187,665	\$187,665
Total	\$654,761	\$627,896	\$719,592	\$719,592
Ministries				
Clergy Stipendary Fund	\$2,229	\$2,832	\$2,500	\$2,500
Missions (Diocesan)	\$137,054	\$134,800	\$0*	\$0*
Seminary Support	\$0	\$5,000	\$5,000	\$5,000
Stewardship	\$5,807	\$5,500	\$5,500	\$5,500
Visiting Speakers	\$1,224	\$1,500	\$1,500	\$1,500
Parish-Family Ministries	\$0	\$0	\$2500*	\$2500*
Adult Education	\$26	\$1,000	\$0*	\$0*
Children's Ministries	\$5,516	\$6,500	\$0*	\$0*
Youth Ministries	\$556	\$2,200	\$0*	\$0*
College/Young Adult Ministries	\$614	\$3,000	\$5,000	\$5,000
Women's Ministries	\$1,358	\$5,500	\$1,500	\$1,500
Newcomers Ministry	\$77	\$1,000	\$1,000	\$1,000
Total	\$154,491	\$168,032	\$30,350	\$30,350
Other				
Operations	\$210,148	\$218,159	\$211,870	\$211,870
Property	\$208,199	\$183,190	\$211,813	\$211,813
Outreach	\$59,534	\$41,000	\$179,700*	\$179,700*
Music	\$41,007	\$60,018	\$60,518	\$60,518
Total Expense	\$1,328,539	\$1,292,295	\$1,363,242	\$1,363,242
Net Ordinary Income	-\$202,402	-\$168,695	-\$217,275	-\$217,275
Allocation from Invested Reserves	\$114,310	\$166,000	\$149,000	\$149,000
Net Income	-\$88,092	-\$2,695	-\$68,275	-\$68,275

*The Diocesan Share of \$138,700 was moved from Missions to Outreach.

**The Children's and Youth Ministries lines were merged into Parish-Family Ministries

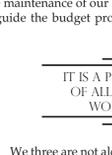
ASSOCIATE RECTOR'S REPORT



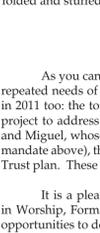
Since arriving in May I find myself securely rooted in Santa Barbara and acclimated to the culture here at All Saints. It has been a wonderful time of getting to know the people of the parish and discerning where congregational needs might intersect with my gifts.

Spiritual formation is at the heart of my ministry and I believe my passion for scripture, contemplative prayer, and preaching have helped me to integrate appropriately into our community life. This has been a mutually enriching experience for me and I am grateful to Fr. Jeff and the entire staff for making my entrance easy, efficient, and I believe, successful. In addition to my pastoral duties I am looking forward to introducing a bible study program called the "Art of Engaging Holy Scripture" in the fall which utilizes a prayerful approach to scripture along with small group discussion. We have also booked our first two Christ-Centered Prayer retreats at St. Mary's Retreat House in Santa Barbara for this May and October and I will continue with my twice weekly on-going CCF prayer groups.

Fr. Jeff and I are looking towards an exciting Lenten Program on Jerusalem and a well-crafted introduction to the Episcopal Church in the fall in anticipation of the Bishop's annual visit on All Saints' Day in November. I have yet to complete a year cycle but want you to know how grateful I am to your Vestry and Rector for calling me to serve here, and of course to the Spirit for making it all possible on every level.

In Christ,

Sandy Casey-Martus, Associate Rector

MUSIC DIRECTOR'S REPORT



I love Psalm 150. In fact, it's sort of been our "mission statement" this year. I suggest you read it aloud:

- 1 Praise God in his sanctity;
- 2 Praise him in his mighty heavens;
- 3 Praise him for his acts of power; praise him for his surpassing greatness;
- 4 Praise him with the sounding of the trumpet, praise him with the harp and lyre,
- 5 praise him with timbral and dancing,
- 6 praise him with the strings and pipe,
- 7 praise him with the clash of cymbals, praise him with resounding cymbals.
- 8 Let everything that has breath praise the LORD.

As I reflect on the past twelve months I chuckle at the realization that we've experienced every single one of the instruments described in the Psalm during worship this year. We've even had a little dancing!! The Psalmist would be proud.

Worship remains one of the three most important things we do at All Saints-by-the-Sea. So many musicians support us in so many ways. To thank each here in writing would require much ink. The musical cornerstone of our worship is our choir, a dedicated and generous group of liturgical musicians who come together week after week to share God's love and to facilitate our corporate prayer in worship. These people have built a profound Christian community whose ministry is not only remarkable, but far-reaching. In addition to nine paid section leaders, we enjoy the art of our accompanist and Assistant Organist, Charles Talmadge. Temmo Korichelli, our Associate Music Director, continues to be a faithful resource as well. Fine programs attract people, and ours is doing just that; ten new volunteer singers have joined our choral forces this year.

- Some of 2011's highlights include:
- A 9/11 Service and a November Ecumenical Service of Thanksgiving with the other three churches in Montecito (M4).
 - An Advent Lessons and Carols presentation that was broadcast on KDB radio.
 - A Service of Orthodox chant - Akathist - presented on Good Friday.
 - Festival Christmas Eve worship with guest orchestra.

Seeking to grow our Prayer book's eager invitation for creativity and diversity in worship, Sunday mornings at All Saints are a broad-brush canvas of liturgical and

styles and elements. This year we have enjoyed many guest musicians, from string quartet to professional harpist, shakuhachi flute to classical guitar. Our congregation continues to generously support All Saints' "Special Music Fund," which enabled us to fill each of our Summer Sundays with the music of guest artists. Congregational singing during the 8:00 am service has been supported by cantors nearly every Sunday this year. Over \$6,000, generously donated by you, allowed us to purchase 30 new and much needed choir robes. Sunday morning worship continues to be vital, innovative and deeply rewarding. Sung Psalms, responses, Canticles and Chant all have been experienced this year. Our choral repertoire is widely diverse, spanning Spirituals and folk songs to Mendelssohn and Mozart. Our liturgies have been sprinkled with new and innovative language from many sources and "flying red paraments" on both sides of the church were used for the first time on Palm Sunday.

Our Wednesday Evendite service has become a "destination" worship experience. This third weekly service provides an alternative to our "cathedral" style worship of Sunday mornings. Enter the profoundly beautiful worship space of our church just as the sun is beginning to set, hear the sounds of ancient Gregorian Chant surrounding you, smell the incense prayerfulness of incense, light a candle as a way to share Christ's light in community, participate in informal discussion after the scriptures are read, sing simple, engaging, and repetitive chant-songs accompanied by simple instrumentation and hand-percussion, embrace a prayerful silence, and conclude it all with a simple meal with friends-and you have experienced Evendite. With an average attendance which has swelled to around 40, many of whom are new to All Saints via this weekly service, Evendite is a truly innovative 21st century worship experience. Four professional musicians, including myself, provide the musical leadership for each Evendite service. Our Adult Forum classes, coordinated by the Rev. Liz and now by the Rev. Sandy follow each week, and are well attended.

Ours has been a year of excellence, diversity and growth; one in which we were richly blessed by God and generously supported by you, the community of All Saints-by-the-Sea. I am deeply grateful!

Soli Deo Gloria,

Steve O'Connor, Director of Music Ministries

PARISH-FAMILY MINISTRIES REPORT

Baptism means "immersion." Christian baptism is about being immersed into a life with God, the God we see in Jesus Christ. Why do we invest significant resources into family ministries at All Saints? Because we think it's really important to help, accompany and support families-with-kids as they try to live out their Christian baptism.

A word of gratitude for our amazing volunteers. I joined the staff of All Saints in August, 2011, and one of my favorite things about this new work is the volunteers. Thank you, God, for the 20 volunteers who help to support our various ministries with families.

Paint and glitter. If someone in the year 2111 wants to know what we were doing in Sunday School in the year 2011 at All Saints, I suspect they would still find traces of paint and glitter in the classrooms; we really liked to do it! We spent two weeks in the fall of 2011 learning about "God and Moses," and then presented a spectacular art show to the parish.

There are so many things we could do. I'm an "ideas person"; I see the world in terms of all the things we could do! Yet our particular call is to become the People of God. This is what we've tried to keep in mind over the past few months, and will continue to focus on in the future as I develop programs and allocate resources at All Saints; how will this (program, idea, etc.) help us to become the People of God who love the Christ Life?

"I want my child to have a spiritual life." This is what we hear many parents articulate in one way or another. And while we as a church support that child's spiritual life through the programs and experiences we offer, we also know that the spiritual life of the parent is what will most significantly impact the spiritual life of the child. In 2011 we started a "Parenting and Prayer" group at the church, and will continue to focus on ways in which we as a church might support the spiritual lives of parents.

Slow down. More. If we don't finish a Sunday School story or art project one week, we can always continue it the next week. We slow down long enough to learn the names of one another, to ask the adults how they are doing, to experience the quiet sound

of "growing souls." And if we learn—really learn—a couple of Bible stories a year, that's something. That's actually a huge deal. Because when those stories get inside of us, they'll never let us go, and then who knows what God might be able to do with our lives. That's the kind of Sunday School we are trying to build at All Saints.

Beth Beall, Director of Parish-Family Ministries

DIRECTOR OF ADMINISTRATION'S REPORT

The administrative team at All Saints consists of myself, Anne Hopkinson (Special Events Coordinator) and Cynthia Breen (Bookkeeper). Our role here is to support the ongoing ministry and operations of the Clergy, ministry staff, and laity as quietly and efficiently as possible. What does that mean on a practical basis? For one thing: questions and answers - we strive to ensure that someone is available to answer your phone call or email about service times, sign-up sheets, stock transfers, volunteer lists, pledge records or anything else from 9:00 - 5:00, Monday through Friday.

Further than that, though, it means Anne overseeing schedules that encompass the huge number of faithful parishioners who participate in Sunday services each week, ensuring that we have enough readers, LEWS and welcome table hosts, or ably guiding celebrating and grieving families through weddings, baptisms and memorials. It means Cynthia working with parishioners to ensure their giving is handled in exactly the way they wish, or liaising with the Outreach Committee or Parish School or one of the many other groups she provides with financial statistics, historical data or procedural advice. For me it can mean anything from coordinating our regular communications through the bulletin, weekly email and website, to directing Carlos Ruano and Miguel Ruiz, our Sextons, and other contractors in the maintenance of our buildings and grounds, to helping the Budget committee draft and guide the budget process, to overseeing HR and medical insurance issues for the staff.

IT IS A PLEASURE AND JOY TO SERVE THE PEOPLE
OF ALL SAINTS AS WE JOURNEY TOGETHER IN
WORSHIP, FORMATION AND OUTREACH.

We three are not alone, however. We have several dedicated volunteers who help in the running of the office: Dana Kent faithfully calls service participants to remind them of their duties on Monday mornings. Mary Rosenberger covers the phones on Tuesday morning during our staff meetings, handles billing for the altar flowers, assists Cynthia with filing and gathers data for the Parochial report to the Diocese. Carolyn Kincaid Henderson volunteers on Fridays; covering phones, stuffing envelopes or willingly doing anything else to help out. Last but not least there's Warren Farrell, who more than likely folded and stuffed at least one of the letters you received from All Saints in 2011.

Robbie Boyd, Director of Administration

OUTREACH REPORT

For the first time ever this January the Outreach Committee produced and distributed a printed reckoning of their 2011 grant awards. This brochure is available from the Welcome Table or the Church Office and will be held in our archives to take the place of a detailed Outreach Report in this Annual Report.

Many thanks to the members of the committee who served so faithfully, and lovingly, generously of their time as each application received was carefully and creatively considered. The outgoing class of 2011 were: Pamela Hawes, Sally Messerlin, and Barbara Tompayan. Brian Bargiel serves as the committee chair and Sheri Benninghoven is the Vestry liaison. The current roster of members is listed below and represents a broad cross-section of this parish who come together to steward and direct All Saints' outreach to the world.

- Class of 2012**
Brian Bargiel, Susan F. Evans, Gail Harling, Leslie Lewis Sigler
- Class of 2013**
Barbara Askew, Lisa Chiles, Mary Jane Ingalls, Cheryl Jackson
- Class of 2014**
Mary Ann Froley, Barry Lang, Holiday Vail, Sydney Walker, Phylene Wiggins.

One of the questions most frequently asked of members of the Outreach Committee is "How do you decide which applications to fund?" In answer to this, allow us to share the relevant section from our organization's guidelines:

VI. GIVING PRIORITIES

- A. Outreach funds shall be provided to secular organizations, but priority in funding is given to ecumenical or church-sponsored projects and to projects with hands-on involvement by All Saints parishioners.
- B. It is the preference of the Vestry and the policy of this Committee to award funds to projects or programs that exemplify the spirit of our mission and that satisfy the intent of the priorities that guide our funding decisions:
 1. The proposal responds in a substantive way to a serious and demonstrated need.
 2. The proposal targets at least tangible and material changes in people's lives, particularly in meeting the needs of the elderly, of children and youth; of those who are poor, dispirited, hungry, homeless, ill, or disabled; and in meeting special needs for the relief of human suffering.
 3. The proposal seeks critical support for direct, program-related expenses. We do not support capital campaigns, and we generally do not support indirect administrative costs (rent, salaries, and so on), but exceptions may be made if the request establishes that these costs are essential for the provision of direct services and that All Saints support is critical to its success.
 4. The group seeking support has or is eligible for non-profit, charitable status.
 5. The group seeking support demonstrates sound program management and responsible budgeting procedures, or is a new group that demonstrates promise of such capability.
 6. Priority will be given to groups that have not already received funding from All Saints during the current year.
 7. Except in urgent situations, the Committee will award only one grant per organization in each year.
 8. The Committee will give prayerful consideration to each request and will make our decisions as God gives us the grace and discernment to do. We trust and pray that each program we fund will be a sign of hope for all the members of our community.

Finally, please accept the thanks of the Outreach Committee for entrusting us with the honor and duty of disbursing All Saints' year - outreach dollars. With over \$100,000 distributed to those in need last year, we can be proud to say that All Saints is doing God's work in the world.

Outreach Committee
Brian Bargiel, Chair

ALL SAINTS-BY-THE-SEA

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THE CLERGY