

2013 Journal of the Diocese of Kentucky



The Proceedings of The 185th Annual Convention
November 9-10, 2012
Together with
The Canons of the Diocese

THE DIOCESE OF KENTUCKY

Organized in 1829

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JOURNAL OF THE DIOCESE OF KENTUCKY

The Proceedings of The 185th Annual Convention



meeting at
Grace Church
Hopkinsville, Kentucky
November 9-10, 2012
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A BRIEF HISTORY

The Diocese of Kentucky was all one Diocese until 1895. At that time, the state was divided into the Diocese of Kentucky which includes the western part of the state, and the Diocese of Lexington which includes the eastern part of the state.

The Diocese is a part of the Fourth Province which constitutes the southeastern part of the United States.

The First Bishop of Kentucky was The Rt. Rev. Benjamin B. Smith, 1832-1884. The first Assistant Bishop was The Rt. Rev. George D. Cummins from 1866-1874. The Rt. Rev. Thomas U. Dudley was Coadjutor from 1875-1884 when he became Diocesan. His Episcopate continued until 1904.

The Rt. Rev. Charles E. Woodcock was Diocesan from 1905 to 1935. The Rt. Rev. Charles Clingman was Diocesan from 1936 to 1954. The Rt. Rev. Charles Gresham Marmion was Diocesan from 1954 to 1974. The Rt. Rev. David B. Reed was elected Coadjutor in 1972; he became Diocesan in 1974. In November 1993, The Rev. Edwin F. Gulick, Jr. was elected the Seventh Bishop of Kentucky. He became Diocesan on April 17, 1994, and retired September 25, 2010. On June 5, 2010, The Very Rev. Terry Allen White was elected the Eight Bishop of Kentucky and was consecrated on September 25, 2010.

During the Episcopate of Bishop Dudley the Episcopal Church in the state was divided into the Diocese of Kentucky and the Diocese of Lexington. The Rt. Rev. Lewis W. Burton was Bishop of the Diocese of Lexington from 1896 to 1928. The Rt. Rev. Stacy F. Sauls was Bishop of Lexington from 2000 to 2011, and The Rt. Rev. Douglas Hahn was elected and consecrated in 2012.

Christ Church, 421 South Second Street, was designated as the Cathedral of the Diocese in 1894 by Bishop Dudley. There is a Cathedral Chapter instead of a Vestry at the Cathedral. The Bishop is Rector and President of the Chapter. The Dean serves in the absence of the Bishop and is in charge of the Cathedral congregation.

(The Rev. Dr.) Lester S. Gross

GENERAL TABLE OF CONTENTS

2013 DIOCESAN JOURNAL

TABLE OF CONTENTS

185th Annual Convention

Clergy Canonically Resident in the Diocese of Kentucky.....	5
List of Congregations.....	10
Parliamentary Procedures and Rules of Order.....	13
Journal of Proceedings.....	18
The Bishop's Homily.....	41
The Bishop's Address.....	44
SECTION A - Organizational Chart	A-1
Annual Reports	A-2
SECTION B - Financial Information.....	B-1
SECTION C - Reference Material	C-1
SECTION D - Canons, Charters and By-Laws.....	D-1

CLERGY CANONICALLY RESIDENT IN THE DIOCESE OF KENTUCKY

Canonically Resident in the Diocese of Kentucky

November 9, 2012 and in the Order of their Canonical Residence
(Those marked * were not present at the sessions of this Convention)

The Right Reverend **Terry Allen White**, elected Bishop of Kentucky June 5, 2010, Consecrated Eighth Bishop of Kentucky on September 25, 2010.

*The Right Reverend **Edwin Funsten Gulick, Jr., D.D.**, elected Bishop November 6, 1993, Consecrated Seventh Bishop of Kentucky on April 17, 1994, Retired September 25, 2010.

The Right Reverend **David Benson Reed, D.D.**, elected Bishop Coadjutor, June 19, 1971; became Diocesan February 3, 1974, the Sixth Bishop of Kentucky; Retired April 17, 1994.

* November 1, 1958 - The Rev. **Stewart Murray Joy**, Retired;
Residing at 305 S. Birchwood Avenue, Louisville, KY 40206.

* January 25, 1959 - The Rev. **Glendon Cleon Coppick, S.T.D.**, Retired;
Residing at 851 Live Oak Place, Owensboro, KY 42301.

* October 19, 1961 - The Rev. **Richard Herbert Humke**, Retired;
Residing at 200 South Galt Avenue, Louisville, KY 40206.

* June 18, 1963 - The Rev. **Charles Brandeis Tachau**, Retired;
Residing at 1080 Baxter Avenue, #1, Louisville, KY 40204.

* December 21, 1963 - The Rev. **Kenneth David Thompson**, Retired;
Residing at Emmaus Farm, Taylorsville, KY 40071.

September 17, 1968 - The Rev. **James Royse Wilkinson**, Retired;
Residing at 1804 Leawood Court, Louisville, KY 40222.

* June 21, 1971 - The Rev. **Frederick David Banks**, Retired;
Residing at 724 Fillmore Street, Denver, CO 80206.

* June 21, 1972 - The Rev. **Alfred Rives Shands**, Retired;
Residing at 8915 Highway 329, Crestwood, KY 40014.

* October 2, 1972 - The Rev. **John Moore Hines**, Retired;
Residing at 1308 Willow Avenue, Louisville, KY 40204.

* May 1, 1974 - The Rev. **James Raymond Lord, Ph.D.**, Retired;
Residing at 3001 Myrshire Drive, Pensacola, FL 32506.

October 22, 1978 - The Rev. **Robert Tallmadge Jennings**,
Rector, St. Francis in the Fields Church, Harrods Creek, KY 40027.

* September 25, 1979 - The Rev. **Robert Andrew King**, Retired;
Residing at 146 State Street, Unit 101, Clayton, NY 13624.

* January 28, 1981 - The Rev. **John Patton Tederstrom**, Retired;
Residing at 1007 Hess Lane, Louisville, KY 40217.

- * August 1, 1981 - The Rev. **Edwin Benjamin Sanders**,
Assistant Chaplain, Episcopal Church Home, Louisville, KY 40222.
- * February 18, 1984 - The Rev. **Willis Donald Brown**, Retired;
Residing at 2402 Glenview Avenue, Louisville, KY 40222.
- September 17, 1984 - The Very Rev. **Edward Moray Peoples, Jr.**,
Priest-in-Charge, Holy Trinity Church, Brandenburg, KY 40108, and
Dean, Louisville West Deanery.
- * July 16, 1985 - The Rev. **William Andre Trevathan**, Retired;
Residing at One Franklin Town Blvd., Apt. 1515, Philadelphia, PA 19103.
- * December 1, 1985 - The Rev. **Paul Weeghman Smith**, Retired;
Residing at 3724 Hillsdale Road, Louisville, KY 40222.
- * January 1, 1987 - The Rev. **George Marvin Jaeger**, Retired; Residing
at 2502 Jefferson Street, Paducah, KY 42001.
- * October 19, 1987 – The Rev. **Helen Hammon Jones, D.Min.**,
Pastoral Associate, St. Matthew's Church, Louisville, KY 40207.
- * May 31, 1988 - The Rev. **Stephen Philip Pike, CAPT**,
US Naval Forces Europe/Africa/US Sixth Fleet,
PSC 809, Box 2550, FPO AE 09626.
- May 8, 1989 - The Rev. **Georgine Lomell Buckwalter, D. Min.**,
Chaplain, St. Luke's Chapel, Episcopal Church Home,
Louisville, KY 40222.
- August 29, 1989 - The Rev. **John Gwin Allen, Jr.**,
Priest-in-Charge, Messiah-Trinity Church, Louisville, KY 40219, and
Assistant Chaplain, Episcopal Church Home, Louisville, KY 40222.
- * July 27, 1990 - The Rev. **Eugene Lee Ward**, Retired;
Residing at 6877 Green Meadow Circle, Louisville, KY 40207.
- * February 4, 1994 - The Rev. **Mark Allen Linder**, Retired;
Residing at 457 Collett Bridge Road, Alvaton, KY 42122.
- June 30, 1996 – The Rev. **Peter Hainsworth Whelan**,
Priest-in-Charge, St. James' Church, Shelbyville, KY 40065.
- January 31, 1997 - The Rev. **Marion Whitbread Stodghill**,
Chaplain, Norton Hospital, Louisville, KY 40202.
- * April 21, 1997 – The Rev. **Joy Elizabeth Browne, Ph.D.**, Without Cure;
Residing at 650 Rahmay Avenue, Woodbridge, NJ 07095.
- * October 1, 1997 - The Rev. **Lucinda Rawlings Laird**,
Rector, St. Matthew's Church, Louisville, KY 40207.
- May 31, 1998 - The Rev. **Charles Thomas Hawkins, Ph.D.**
Rector, St. Mark's Church, Louisville, KY 40206.
- May 31, 1998 - The Rev. **Elizabeth Till Wade**,
Rector, Grace Church, Paducah, KY 42001.

June 5, 1998 – The Rev. **George Patterson Connell**,
Rector, Trinity Church, Owensboro, KY 42301.

* September 1, 1998 - The Rev. **James Barrett Wilson**, Retired;
Residing at 7619 Beech Spring Court, Louisville, KY 40241.

June 3, 2001 – The Rev. **Mark Randolph Feather**,
Rector, St. Paul's Church, Louisville, KY 40220.

March 22, 2003 – The Rev. **Suzanne Hurst Barrow**,
Vicar, St. Andrew's Church, Glasgow, KY 42101.

May 17, 2003 – The Very Rev. **Benjamin Wells Maas**,
Rector, St. Andrew's Church, Louisville, KY 40205 and
Dean, Beargrass Deanery.

March 3, 2004 – The Rev. **Deborah Daum Apoldo**,
Associate Rector, St. Francis in the Fields, Harrods Creek, KY 40027.

* July 12, 2004 – The Rev. **Larry Clifton Minter**, Without Cure;
Residing at 5409 Hickory Hill Road, Louisville, KY 40214.

* June 4, 2005 – The Rev. **William Frank Brosend II, Ph.D.**,
The School of Theology, Sewanee, TN 37383.

June 4, 2005 – The Rev. **Jerry Jay Cappel, Ph.D.**,
Associate, St. Matthew's Church, Louisville, KY 40207.

June 4, 2005 – The Rev. **Harold Thomas Miller-Price**,
Priest-in-Charge, Church of Our Merciful Saviour, Louisville, KY 40203.

June 4, 2005 – The Rev. **James Edward Richard Trimble**,
Rector, St. James' Church, Pewee Valley, KY 40056.

February 24, 2006 – The Rev. **Amy Real Coultas**,
Canon Missioner for Young Adults Ministry, and
Chaplain, University of Louisville, Louisville, KY 40292.

February 21, 2007 - The Very Rev. **Mark Allen Bourlakas, D.Min.**,
Dean, Christ Church Cathedral, Louisville, KY 40202.

April 14, 2007 – The Rev. **Karl Kriener Lusk**,
Priest-in-Charge, Church of the Ascension, Bardstown, KY 40004.

April 14, 2007 – The Rev. **Alice Smith Nichols**,
Rector, Grace Church, Hopkinsville, KY 42240.

October 15, 2007 - The Very Rev. **Candyce Loescher**,
Rector, St. Mary's Church, Madisonville, KY 42431, and
Dean, Four Rivers Deanery.

November 15, 2007 – The Rev. **Joan Addison Smith**,
Canon to the Ordinary, Diocese of Kentucky, Louisville, KY 40202.

December 21, 2007 – The Rev. **Matthew Bryant Bradley**,
Rector, St. John's Church, Murray, KY 42071, and
Chaplain, Murray State University.

December 21, 2007 – The Rev. **Anne Fontaine Vouga**,
Rector, St. Thomas' Church, Louisville, Ky 40222.

February 8, 2008 – The Rev. **Timothy James Mitchell, D.Min.,**
Rector, Church of the Advent, Louisville, KY 40204.

* September 5, 2008 - The Rev. **Emily Marie Schwartz Crouch**,
Associate Rector, St. Matthew's Church, Louisville, KY 40207.

* October 24, 2008 – The Very Rev. **Michael Elwyn Blewett**,
Rector, Christ Church, Bowling Green, KY 42101 and
Dean, Twin Rivers Deanery.

* February 24, 2009 - The Rev. **Mitchell Thomas Bojarski**, Without Cure,
Residing at 1108 Banner Road, Julian, CA 92036.

* April 2009 – The Rev. **Wan (Barnabas) Lee**, Without Cure,
Residing at 5975 Augustine Avenue, Elkridge, MD 21075.

June 1, 2009 – The Rev. **Ellen Jones Morell**,
Priest-in-Charge, Christ Church, Elizabethtown, KY 42701.

* June 19, 2009 – The Rev. **Hilary Bogert-Winkler**, Without Cure,
Residing at 14 Boltwood Avenue, Amherst, MA 01002.

December 21, 2009 – The Rev. **Suzanne McCarroll Warner**,
Pastoral Associate, St. Mark's Church, Louisville, KY 40206.

* February 5, 2010 - The Rev. **Heather Back Blewett**, Without Cure,
Residing at 744 Sherwood, Bowling Green, KY 42103-1424.

* September 23, 2010 - The Rev. **Jonathan Mark Erdman**,
Rector, Calvary Church, Louisville, KY 40203.

February 17, 2011 - The Rev. **Geoffrey Butcher**,
Priest-in-Charge, Trinity Church, Russellville, KY

February 23, 2011 – The Rev. **Robert Wildan Thompson**,
Priest-in-Charge, St. Luke's Church, Anchorage, KY 40223.

December 19, 2010 - The Rev. **Meghan Carey Ryan Holland**,
Associate Rector, Grace Church, Paducah, KY 42001 and
Priest-in-Charge, St. Peter's of the Lakes, Gilbertsville, KY 42044.

October 29, 2011 – The Rev. **Richard Kent Galloway**,
Vicar, Trinity Church, Fulton, KY 42041.

November 11, 2011 – The Rev. **Benjamin Raymond Badgett**,
Curate, Christ Church, Bowling Green, and
Chaplain, Western Kentucky University.

February 28, 2012 – The Rev. **Richard James Martindale**,
Rector, St. Paul's Church, Henderson, KY 42240.

September 6, 2012 – The Rev. **John Dunbar Koch**,
Associate Rector, St. Francis in the Fields, Harrods Creek, KY 40027.

Deacons

June 14, 1987 - The Rev. **Fred Thomas Mills**, Retired;
Residing at 685 Center Street, Madisonville, KY 42431.

* August 5, 1987 - The Rev. **Delinda Stephens Buie**,
Pastoral Associate, St. Mark's Church, Louisville, KY 40206.

* April 29, 1989 - The Rev. **Eva Roberts Markham, Ph.D.**,
Pastoral Associate, Christ Church Cathedral, Louisville, KY 40202.

May 2, 2004 – The Rev. **Rosemarie Bogal-Allbritten, Ph.D.**,
Pastoral Associate, St. John's Church, Murray, KY 42071, and
Four Rivers Deanery.

April 17, 2010 – The Rev. **Mary Elizabeth Abrams, Psy.D..**
Pastoral Associate, St. Mark's Church, Louisville, KY 40206.

April 17, 2010 – The Rev. **Mary Jane Cherry**,
Pastoral Associate, St. Andrew's Church, Louisville, KY 40205.

* April 17, 2010 – The Rev. **Edward Jacob Lane**,
Pastoral Associate, St. Peter's Church, Louisville, KY 40258.

May 2, 2010 – The Rev. **Richard Edwin Paxton**,
Pastoral Associate, Grace Church, Paducah, KY 42001.

* July 8, 2010 – The Rev. **Daniel Kuch Kuol**,
Pastoral Associate, Messiah-Trinity Church, Louisville, KY 40219.

August 27, 2011- The Rev. **Gary William England**,
Pastoral Associate, St. Mark's Church, Louisville, KY 40206.

May 19, 2012- The Rev. **Katherine Kanto Doyle**,
Curate, Calvary Church, Louisville, KY 40203.

I certify that the foregoing list of Clergy in the Diocese of Kentucky is correct and that, under the provisions of Canon 4, Section 2, of our Diocesan Canons, all are entitled to seats and votes in the Convention.

Hopkinsville, Kentucky
November 9, 2012

(The Rt. Rev.) Terry Allen White
Bishop of Kentucky

LIST OF CONGREGATIONS

With Lay Deputies, Functioning Alternates and
Youth Representatives in Attendance
Voting Youth Representatives denoted by Asterisk*

The figures in parentheses () indicate the number of Deputies to which the Congregation is entitled under the provisions of Canon 4, Section 3. This list includes Deputies and Alternates who represented a Congregation.

Louisville – <u>CHRIST CHURCH CATHEDRAL</u> (2)	James Collings
Organized 1822	John Werst
	Hannah Bourlakas (Y)*
Anchorage – <u>ST. LUKE'S CHURCH</u> (4)	Melissa Ackman
Organized 1874	Charles Hawkins
	Melanie Hawkins
	Anne Willis
	Amy Morrison (Y)*
Bardstown – <u>CHURCH OF THE ASCENSION</u> (2)	Debi Chism
Organized 1978	Kenneth Medley
Bowling Green – <u>CHRIST CHURCH</u> (4)	Jane Coleman
Organized 1844	William Collins
	James Dale
	Mary Travelsted
Brandenburg – <u>HOLY TRINITY CHURCH</u> (1)	John Provost
Organized 1869	
Campbellsville – <u>ST. THOMAS' CHURCH</u> (1)	John Skaggs
Organized 2003	
Elizabethtown – <u>CHRIST CHURCH</u> (1)	Connie Goodman
Organized 1851	
Fern Creek – <u>ST. ALBAN'S CHURCH</u> (1)	Nancy Northrop
Organized 1961	
Fulton – <u>TRINITY CHURCH</u> (1)	Ginger Bard
Organized 1850	
Gilbertsville – <u>ST. PETER'S OF THE LAKES</u> (1)	Warner Reynolds
Organized 1970	Nancy McKinney (A)

Glasgow – <u>ST. ANDREW'S CHURCH</u> (1) Organized 1959	Nan Dearman
Harrods Creek – <u>ST. FRANCIS IN THE FIELDS</u> (5) Organized 1945	Elizabeth Cecil Sloan Graff Ralinda Gregor Mitzi Root William Strench
Henderson – <u>ST. PAUL'S CHURCH</u> (2) Organized 1831	Leslie Newman Susan Sauks
Hickman – <u>ST. PAUL'S CHURCH</u> (1) Organized 1843	No credentials received.
Hopkinsville – <u>GRACE CHURCH</u> (2) Organized 1831	Thomas Schmidt John Watson
Louisville – <u>CALVARY CHURCH</u> (3) Organized 1857	Larry Frederiksen J. Sandford MacLean Donald Snow Preston Dillard (Y)*
Louisville – <u>CHURCH OF THE ADVENT</u> (2) Organized 1874	Dru Kemp Michael Seewer
Louisville – <u>RESURRECTION CHURCH</u> (1) Organized in 2004	Veronica Woodruff
Louisville – <u>MESSIAH/TRINITY CHURCH</u> (1) Organized 1984	Michael Allen Rebecca McAuliffe (Y)*
Louisville – <u>OUR MERCIFUL SAVIOUR</u> (1) Organized 1891	John Harris III
Louisville – <u>ST. ANDREW'S CHURCH</u> (2) Organized 1857	William Chandler Camille M. Norman Samantha Caudill (Y)* Brooks Vessels (Y)*
Louisville – <u>ST. CLEMENT'S CHURCH</u> (1) Organized 1977	No credentials received.
Louisville – <u>ST. GEORGE'S CHURCH</u> (1) Organized 1894	Elaine Stevenson

Louisville – <u>ST. LUKE'S CHAPEL</u> (1)	Carol McCracken
Organized 1996	
Louisville – <u>ST. MARK'S CHURCH</u> (3)	H Alexander Campbell
Organized 1893	Robert Shober
Louisville – <u>ST. MATTHEW'S CHURCH</u> (5)	Donna Delph
Organized 1948	Caroline Deutsch
	Robert Huffman
	Gibbs Reese
	Rhoden Streeter
Louisville – <u>ST. PAUL'S CHURCH</u> (2)	Debby Brown
Organized 1828	Ray Brown
Louisville – <u>ST. PETER'S CHURCH</u> (1)	James Bartman
Organized 1958	
Louisville – <u>ST. THOMAS' CHURCH</u> (2)	Daniel Dykstra
Organized 1908	Carolyn Warnick
Madisonville – <u>ST. MARY'S CHURCH</u> (2)	Lyn Crabtree
Organized 1916	Jan Humphrey
	Gertrude Whitmer (A)
Murray – <u>ST. JOHN'S CHURCH</u> (2)	Brian Clardy
Organized 1956	John Hart
Owensboro – <u>TRINITY CHURCH</u> (3)	Janet Estes
Organized 1861	Barbara Hinton
	Laura Muhlenberg
Paducah – <u>GRACE CHURCH</u> (3)	M. Fowler Black
Organized 1846	Sara Lewis Meyer
	Ronald Slatick
	Sarah Harris (Y)
Pewee Valley – <u>ST. JAMES' CHURCH</u> (2)	Lynn Apgar
Organized 1858	Debi Wind
Russellville – <u>TRINITY CHURCH</u> (1)	Michael Vollman
Organized 1836	
Shelbyville – <u>ST. JAMES' CHURCH</u> (2)	Austin Waggoner
Organized 1858	Erin Slone

PARLIAMENTARY PROCEDURES

1. The chair, as Presiding Officer, rules on all matters relative to parliamentary law and procedures. Robert's Rules of Order, Newly Revised, is the parliamentary authority. The parliamentarian serves only in an advisory capacity to the Presiding Officer and Deputies. The chair is at liberty to reject the advice.
2. When the chair rules on an issue, an appeal can be made by a Deputy if done at the time of the ruling. Limited debate can take place. It takes a majority vote to overrule the chair.
3. Deputy participation in business sessions is governed by the standing Rules of Order.
4. A Deputy may introduce a subject for consideration (main motion) by stating, "*I move that...*". The chair restates the motion if it has been seconded and then asks for debate on the issue.
5. Only one main motion can be on the floor at the same time. However, this motion can be amended. An amendment (primary) is a motion to modify the wording of a motion. The motion to amend may be made by saying, "*I move to amend by (striking, inserting, striking and inserting, adding, or substituting)*." When amending an amendment (secondary), the Deputy says, "*I move to amend the amendment by...*" When amendments are offered and seconded, the issue for debate is on the amendment and not on the main motion. The chair rules on the appropriateness of debate on the issue. The secondary amendment is dealt with first, then the primary amendment, then the main motion.
6. When offering a substitute motion, the substitute needs to be seconded and stated by the chair. The chair then moves back to the original proposal to ask if Deputies wish to further refine it by other amendments. When discussion of the amendment is completed, the chair will then seek any amendments to the substituted motion. Upon completion of this process, the chair will take the vote on whether or not to substitute. This vote does not adopt the proposal but only determines if to substitute. It is still necessary to vote on the matter, using whichever form the assembly has chosen.
7. When no other Deputy rises to speak to a motion or amendment, the chair may say, "*Seeing no one else wishing to speak, I will call for a vote on this motion (amendment)*" and will then restate the motion and proceed with the vote. When debate has continued for a reasonable length of time, a Deputy may "*move the previous question*" (close debate). If seconded and approved by a two-thirds (2/3) vote, discussion is stopped and a vote on the proposed issue is taken.
8. The motion to "refer" is generally used to send a pending motion to a small group of selected persons so that the question may be studied and put in better condition for the assembly to consider. The motion is stated: "*I move to refer the motion on ... for further study.*" This motion requires a second and a majority vote.
9. A motion to "table" an issue is used to lay it aside until retrieved at a later time.

When it is desired to take up the issue again, a motion is made to “*take the motion on ... from the table.*” These motions are not debatable and require a majority vote.

10. A speaker may be interrupted by another Deputy for a point of parliamentary inquiry or a point of information. The chair decides whether the interruption is appropriate. Once the issue is clarified, the assembly resumes consideration of the interrupted issue.
11. Voting procedure is declared by the chair. Voice vote is most often used. The chair rules on whether a question was carried or defeated. If there is doubt about the outcome, the chair may call for a show of hands or a rising vote. If the vote is close, the chair may ask tellers to count and submit the vote to the chair, who will announce the count. A decision to vote by Orders shall comply with the Canons of the Diocese.
12. Rules of Order are used to provide the conduct of the business of the Diocesan Convention. Parliamentary procedure is a generally accepted means used to clarify the process and to ensure that decisions are made in an orderly, fair way. The chair is responsible for presiding over the business sessions. The parliamentarian’s duty is to advise the chair when questions arise about procedure.

RULES OF ORDER

1. The procedures to be followed in the Convention will be governed by Robert’s Rules of Order, except where those rules are inconsistent with these rules or the Canons of the Diocese.
2. Special committees of each convention will be appointed by the Bishop in the following manner:
 - a. The Agenda and Arrangements Committee will be named at least six (6) months prior to a regular Convention. It will consist of the Rector, Chair of the Hospitality Committee, the Secretary of the Diocese, and three (3) other persons. One of the additional persons will have been involved in planning the previous Convention; one of the other two will be designated as Chair of the Committee.
 - b. The Credentials and Admission of New Parishes Committee will be appointed from the Deputies to a Convention at least three (3) weeks prior to the opening of the Convention.
 - c. The Nominating Committee, composed of persons who agree to serve for three-year terms each, will be appointed, at least six (6) months prior to the opening of the Convention. Except with respect to the Offices of Secretary and Treasurer of the Diocese, the Nominating Committee will always nominate more persons for each position to be filled than are needed, thus offering a choice to the Convention for the remaining positions. When there are unexpired terms to be filled, the nominees for the several positions who receive the highest number of votes will be elected for full terms and those nominees receiving lesser votes will fill the unexpired terms.

- d. The Resolutions Committee will be appointed from Deputies to a Convention no less than thirty (30) days before the opening of Convention.
- 3. All resolutions proposed for submission to the Convention, whether submitted prior to the Convention or during the proceedings, will be referred to the Resolutions Committee for review as to form, proper references to prior actions at the current or other Conventions, compliance with the requirements of the Canons, By-Laws of Trustees and Council and for the elimination of scandalous materials. Resolutions must be submitted to the Chair of the Resolutions Committee thirty (30) days prior to the opening of the Convention.

The Committee may recommend for or against the adoption of a resolution, but may not prevent a resolution from coming before the Convention, when it has been duly moved and seconded. When several resolutions consider the same subject, the Committee may combine them into a single resolution with the consent of the presenters. The Resolutions Committee will write, or cause to be written, Courtesy Resolutions to be presented at the close of the last Business Session as well as resolutions pertaining to the disposition of Convention Offerings and the location of the next Annual Convention. No resolutions other than those submitted by either Committees of the Convention or Courtesy Resolutions will be allowed to be introduced without a waiver of the prefiling requirement. This will require a majority vote of the Convention. The person wishing to add a resolution to the Convention docket will be allowed a maximum of two (2) minutes to speak to the reason for including a late resolution.

- 4. The Secretary of the Diocese will mail printed Advance Reports to each of the Clergy and elected Deputies to the Convention twenty-one (21) days prior to each annual meeting.
- 5. The business of the day will be introduced with prayer.
- 6. Persons not otherwise entitled to seats in the Convention may be admitted to the sitting of the Convention and given a voice by the President, unless an objection from the Floor is sustained by a majority vote of the Convention.
- 7. The Order of Business of the Convention will consist of the following:
 - a. After a Celebration of the Holy Eucharist, Morning or Evening Prayer, the Convention will be called to order by the President, or in his absence, the Chair of the Standing Committee.
 - b. The President will ask the Secretary for a report of a quorum of Clergy.
 - c. Following a report from the Committee on Credentials, the President will ask the Secretary for a report of a quorum of uncontested Lay Deputies. Once a quorum has been established, the Convention will consider any further recommendations from the Committee on Credentials.
 - d. The President will ask the Secretary to report on the number of Youth Representatives.
 - e. Motions will be entertained to adopt the Rules of Order, adopt an Agenda, fix the hours of elections, and special Orders of Business.
 - f. The President will receive the written Reports of the Trustees and Council and other Departments, Commissions, Committees, and Boards, providing

an opportunity sometime during the Convention for clarification of these Reports.

g. The following elections will be held, when needed, upon nomination by either the Nominating Committee or the Bishop as specified in the Canons. If there are nominations from the Floor, the person so nominated must first have indicated a willingness to serve. One nominating speech of one (1) minute will be allowed for each nomination from the floor. Election will be by the highest number of votes received. Runoff voting will take place in the case of a tie vote. Prior to Diocesan Conventions at which Deputies and Alternates to the Triennial General Convention are elected, there will be a process, determined by Trustees and Council, to provide Diocesan Convention Deputies with necessary information on General Convention nominees to include biographical backgrounds and current opinions on matters of interest to the people of the Diocese so as to insure our best possible representation to the larger Church.

1. Standing Committee of the Diocese.
2. Deputies (8) and Alternates (4) to General Convention.
3. Trustees and Council (2 Clergy, 2 Laity).
4. Trustees of the Bishop Dudley Memorial Fund (3).
5. Trustee of the University of the South (1).
6. Members of the Disciplinary Board.
7. Diocesan Representative to Cathedral Chapter (1).
8. Secretary of the Diocese (term begins at the end of the Convention where elected).
9. Treasurer of the Diocese.
10. Nominations by the Bishop:
 - (a) Commission on Ministry
 - (b) Registrar
 - (c) Historiographer
 - (d) Chancellor
 - (e) Vice Chancellor

h. The Committee on Canons will report and any changes in the Canons will be voted upon with a vote by Orders.

- i. Trustees and Council will present a budget for the year and a balanced budget will be approved by the Convention.
- j. The Resolutions Committee will present the various resolutions that have been submitted.
- k. The Bishop may appoint the Chair of each Convention Committee for the next year.
- l. Upon Motion to Adjourn, the Convention will be closed with a Blessing by the Bishop.

8. A Deputy may not speak to or debate more than twice the same question on the same day, nor longer than three (3) minutes, without permission granted by a majority vote without debate. In all cases, preference will be given to a Deputy who has not spoken on the issue. The mover of the primary motion

will have an opportunity to clarify the original intent of the motion before a vote is taken.

9. If requested by the Secretary, lengthy motions or amendments offered by a Deputy will be in writing, signed by the maker, and will be sent to the Chair before the question is voted upon.
10. In the event of an absence of a Deputy to the Convention, such Deputy's place will be taken by an Alternate from that Parish or Mission. At the time an Alternate takes the place of a Deputy, that fact will be registered with the Secretary of the Convention and that Alternate continues to serve as the Deputy for that Congregation unless a change has been registered with the Secretary. In no case will a Deputy return to voting status within the same session of being replaced by an Alternate. Alternates will not sit with their deputation unless registered to vote with the Secretary of Convention.
11. One (1) hour will elapse between the presentation of a motion that requires the expenditure of funds and when that motion is voted upon. Such items, as well as proposed changes in the budget, must indicate the source from which the money will be drawn. No matter involving the expenditure of funds will be initiated during the last hour of Convention.

JOURNAL OF PROCEEDINGS

The 185th Annual Convention of the Diocese of Kentucky met at Grace Church, Hopkinsville, November 9-10, 2012. Workshops on “The Five Marks of Mission” were held in the afternoon of November 9, as well as convention committees and an orientation session for first-time deputies. There was a service, at which Bishop White preached, followed by a Reception and Banquet at the Hopkinsville Convention Center.

The Five Marks of Mission, the theme of this convention, are: to proclaim the good news of the Kingdom; to teach, baptize, and nurture new believers; to respond to human need by loving service; to seek to transform unjust structures of society; and to strive to safeguard the integrity of creation and sustain and renew the life of the earth. The Rev. Canon Amy Coulter was appointed Chaplain of the Convention, and she presented homilies on the marks of mission during the Convention.

On the morning of November 10 there was Morning Prayer, at which the Bishop gave his report (printed elsewhere in the *Journal*, along with the sermon from the previous night’s service).

CALL TO ORDER AND FIRST BUSINESS SESSION

The Convention was called to order by The Rt. Rev. Terry A. White, Bishop of Kentucky, at 10:45 a.m. The Bishop introduced W. Robinson Beard, Chancellor of the Diocese, and Kay Shields Wilkinson, Secretary of the Diocese, and appointed Vice-Chancellor F. Hampton Moore as Parliamentarian for this convention.

The Bishop asked that alternates and other guests of the convention move to the chairs at the side of the room and that alternates functioning as deputies report their names to the Secretary of the Diocese.

DAUGHTERS OF THE KING

Bishop White announced that Daughters of the King chapters all over the diocese are praying for the Convention, and that prayer request cards are at each table. They will be collected during the Convention and forwarded to the Daughters of the King.

AGENDA

MOTION: Nancy Northrop moved the adoption of the Agenda as circulated in the Advance Reports. The motion was seconded and **passed**.

RULES OF ORDER

TO: The 185th Annual Convention of the Diocese of Kentucky
FROM: The Rev. Rose Bogal-Allbritten, Chair of the Nominating Committee
SUBJECT: Amendment to Rule 2(c) of the Rules of Order

EXPLANATION: Elsewhere in this registration package for Deputies to the Convention you will find a printed copy of the Rules of Order which have been followed by previous Conventions in this diocese. During the 184th Convention at St. Andrew's last fall, a problem was noted concerning one Rule of the Rules of Order as applied to the nomination and election of the Secretary of the Diocese. Consideration has been given to avoiding that problem again by amending the Rule involved and, in the process, two other problems were identified. The following is a proposed amendment to Rule 2(c) of the existing Rules of Order. This amendment is presented pursuant to Section 7(e) of the Rules of Order and will be offered immediately following the adoption of the Rules of Order as distributed in the advance packet.

BE IT RESOLVED that this Convention adopt the following amendments to Rule 2(c) of the Rules of Order for Diocesan Conventions. (Note that deletions are indicated by strike-throughs and additions are indicated by an underline.)

2. Special committees of each convention will be appointed by the Bishop in the following manner:

c. The Nominating Committee will be appointed, composed of persons who agree to serve for three-year terms with one third named each year from the Deputies to the next Convention. This Committee each, will be named appointed, at least six (6) months prior to the opening of the Convention. A Except with respect to the Offices of Secretary and Treasurer of the Diocese, the Nominating Committee will always nominate more persons for each position to be elected, filled than are needed, thus offering a choice to the Convention. This will not prevent their recommending that those with lesser numbers be elected as Alternates to for the remaining positions. When there are unexpired terms to be filled, the nominees for the several positions who receive the highest number of votes will be elected for full terms and those nominees receiving lessor votes will fill the unexpired terms.

The motion was seconded and **passed**.

MOTION: The Rev. Rose Boggal-Allbritten moved to adopt the Rules of Order, as amended. The motion was seconded and **passed**.

CREDENTIALS COMMITTEE REPORT

The Rev. Canon Joan Smith reported for the Credentials Committee, which had met to review the canonically required reports submitted by each parish: annual parochial report, audit of parish financial records and procedures, signed certification of lay deputies and alternates and youth representatives, pledge of between 15% and 20% of canonical income to support the diocesan budget, or letter requesting abatement of that amount with an explanation of mitigating circumstances. Credentials were received from all congregations except St. Paul's Church, Hickman, and St. Clement's Church, Louisville, and all congregations were in compliance with the canons except St. Peter's, Louisville, which has not completed its audit, although it is in process.

MOTION: The Rev. Canon Joan Smith moved that St. Peter's, Louisville, be granted seat, voice, and vote at this 185th Annual Convention. The motion was seconded and **passed**.

VERIFICATION OF QUORUMS

Kay Shields Wilkinson, Secretary of the Diocese, announced that forty-six clergy registered, as well as sixty-seven lay deputies. There were quorums in both orders. Eight youth registered, and five of them were elected voting deputies pursuant to Canon 4: Samantha Caudill, St. Andrew's, Louisville; Brooks Vessels, St. Andrew's, Louisville; Sarah Harris, Grace, Paducah; Amy Morrison, St. Luke's, Anchorage; and Preston Dillard, Calvary Church, Louisville.

INTRODUCTIONS

Bishop White welcomed the Treasurer of the Diocese Donald Kohler and also those clergy who are new to the Diocese or who have been ordained since the last Convention: The Rev. Katherine Doyle, The Rev. Richard Martindale, and The Rev. John D. Koch.

Bishop White introduced seminarians and candidates Courtney Dale and Ben Hart. The Bishop also introduced lay members of Trustees and Council who were not deputies, alternate deputies who were attending, clergy spouses, members of staff, all youth representatives, and chairs of diocesan departments.

MOTION: The Rev. John Allen moved that those introduced by the Bishop be granted seat and voice at this Convention. The motion was seconded and **passed**.

NOMINATIONS

Bishop White called on The Rev. Rose Bogal-Allbritten, Nominating Committee chair, who presented nominees for diocesan offices.

Standing Committee, Clerical Order: The Rev. Michael E. Blewett, The Rev. Matthew Bradley, The Rev. Jonathan Erdman, and The Rev. Alice Nichols.

The Bishop asked if there were further nominations, and there were none.

MOTION: The Rev. Candyce Loescher moved that nominations for Standing Committee in the clerical order close. The motion was seconded and **passed**.

Standing Committee, Lay Order: Rhoden Streeter and Portia Wimp.

The Bishop asked if there were further nominations, and The Rev. Katherine Doyle nominated Donald Snow. The nomination was seconded.

MOTION: William Nichol moved that nominations for Standing Committee in the lay order close. The motion was seconded and **passed**.

Trustees and Council, Clerical Order: The Rev. Mark Feather, The Rev. Meghan Holland, and The Rev. Moray Peoples. The Rev. Mr. Peoples withdrew his nomination.

The Bishop asked if there were further nominations, and The Rev. Robert Thompson nominated The Rev. Deborah Apoldo, and the nomination was seconded.

MOTION: The Rev. James Trimble moved that nominations for Trustees and Council in the clerical order close. The motion was seconded and **passed**.

Trustees and Council, Lay Order: Dr. Bill Allbritten, Ralph Barany, Charlie Hawkins, and Jeff Stodghill.

The Bishop asked if there were further nominations, and there were none.

MOTION: The Rev. Pat Connell moved that nominations for Trustees and Council in the lay order close. The motion was seconded and **passed**.

Trustees, Bishop Dudley Memorial: Jane Booker, David H. Brooks, W.H. (Bill) Dahlquist, Donald F. Kohler, and Jay Mehta.

The Bishop asked if there were further nominations, and there were none.

MOTION: The Rev. Canon Joan Smith moved that nominations for Trustees of the Bishop Dudley Memorial close. The motion was seconded and **passed**.

Cathedral Chapter Representative: The Rev. James R. Wilkinson and Debi Wind.

The Bishop asked if there were further nominations, and there were none.

MOTION: The Rev. Karl Lusk moved that nominations for Cathedral Chapter representatives close. The motion was seconded and **passed**.

Disciplinary Board, Clerical Order: The Rev. Mary Jane Cherry, The Rev. Katherine Doyle, and The Rev. Richard Galloway.

The Bishop asked if there were further nominees, and there were none.

MOTION: Robert Huffman moved that nominations for Disciplinary Board in the clerical order close. The motion was seconded and **passed**.

Disciplinary Board, Lay Order: Charles Boteler, Dr. Brian Clardy, and Dr. Mary Greenlee.

The Bishop asked if there were further nominees, and there were none.

MOTION: The Very Rev. Mark Bourlakas moved that nominations for Disciplinary Board in the lay order close. The motion was seconded and **passed**.

Trustee, University of the South: Dr. Brian Clardy, Mr. Sandford MacLean, and Jesse J. Wheat.

The Bishop asked if there were further nominees, and there were none.

MOTION: Nancy Northrop moved that nominations for Trustee, University of the South, close. The motion was seconded and **passed**.

Secretary of the Diocese: Kay Shields Wilkinson

The Bishop asked if there were further nominations, and there were none.

MOTION: The Rev. Canon Joan Smith moved that nominations for Secretary of the Diocese close and that Mrs. Wilkinson be elected with a unanimous ballot. The motion was seconded and **passed**.

Treasurer of the Diocese: The Rev. Jim Wilkinson nominated Donald Kohler. The motion was seconded.

The Bishop asked if there were further nominations, and there were none.

MOTION: The Rev. Karl Lusk moved to elect Mr. Kohler with a unanimous ballot. The motion was seconded and **passed**.

There was a brief break for voting.

RESOLUTION

The Rev. Mary Abrams, chair of the Resolutions Committee, moved the acceptance of the following resolution. The motion was seconded.

RESOLUTION

TO: The 185th Convention of the Diocese of Kentucky
FROM: The General Convention Deputation and The Peace and Justice Division
SUBJECT: Gun Free Zones

Whereas, the 77th General Convention adopted resolution D003 requesting every parish and diocesan place of work declare their establishments as Gun Free Zones, therefore be it

Resolved, the Diocese of Kentucky declare every parish and diocesan place of work as Gun Free Zones.

EXPLANATION:

Research indicates that both open carry and concealed carry create significant risk to public safety and do little to provide safety to the gun carrier. In a study funded by the

National Institutes of Health and published in the American Journal of Public Health, November 2009, epidemiologists at the University of Pennsylvania School of Medicine found that, on average, guns did not protect those who possessed them from being shot in an assault; people carrying a gun were 4-5 times more likely to be shot in an assault than those not carrying a gun. In state legislatures across the country, gun activist groups are bringing pressure for laws allowing concealed weapons permits to carry guns into houses of worship. Governor Bobby Jindal of Louisiana signed such a bill into law in 2010. The 11th US Circuit Court of Appeals in Atlanta, Georgia heard arguments in April 2012 to overturn a 2010 law against weapons in religious establishments. In fact, guns can be brought into places of worship in Georgia under current law, with approval of the leaders of the institution, as long as firearms are secured.

In other states, such as Utah, it remains unlawful with or without a permit to carry a firearm in churches if posted. Laws vary from state to state, but posting Gun Free Zone decals is one way for parishes and dioceses to exercise private property rights on behalf of community safety.

Posting of this status shall be easily visible for parishioners, staff and visitors to see as they enter the building. (explanation from General Convention Resolution D003)

AMENDMENT: Dr. Brian Clardy moved to amend the resolution by adding the words “with the exception of deputized police officers,” after Gun Free Zones. The amendment was seconded and **passed**. The resolved clause now reads as follows:

Resolved, the Diocese of Kentucky declare every parish and diocesan place of work as Gun Free Zones, with the exception of deputized police officers.

MOTION: Rhoden Streeter moved to table the resolution and refer it to a committee for study. The motion to table was seconded and **passed**.

PROPOSED CANONICAL CHANGES

Chancellor Robinson Beard presented proposed canonical changes.

TO: The 185th Annual Convention of the Diocese of Kentucky
FROM: The Chancellor
SUBJECT: Miscellaneous Amendments of the Canons

EXPLANATION:

This Revision relates to several different Canons since only two of them are expected to involve substantive changes and those two are not expected to be controversial.

The proposed amendments to Canon 3 and to Canon 31 result from the actions taken by the 184th Annual Convention which approved the amendment of the Charter of the diocesan corporation and the amendment of the Articles of Incorporation of the Bishop Dudley Memorial corporation.

The proposed amendments to Canon 4, Sections 3, 7 and 9, Canon 8, Section 2, and Canon 23, Section 1 either correct typographical errors missed in previous printings of the Canons or attempt to clarify existing ambiguous wording.

There are two different proposed amendments to Canon 14, Section 1 relating to the Standing Committee. The first amendment anticipates a substantive change which will grant the Deacon who is elected to the Committee to have a vote on all matters coming before the Committee in addition to seat and voice, except when the Committee serves as the Ecclesiastical Authority of the Diocese. The last amendment, which would delete the last sentence of the Section, results from the adoption at the 183rd Annual Convention of the revised Canon 29 on Ecclesiastical Discipline. Under the revised Canon, the Standing Committee as such does not have a role in discipline, whereas it did under the former Ecclesiastical Court. Accordingly, there is no longer a reason for disqualification of members of the Standing Committee serving on the Disciplinary Board. The deletion of the sentence conforms Canon 14 to Canon 29, Section 2(a).

The proposed amendments to Canon 19A, Section 3(b) relating to aided parish status are intended to clarify that aided parish status, once granted, continues only so long as the aided parish meets the expense test. The proposed amendments to Section 3 (c) and (d) correct obvious typographical, cross-reference errors in the Canon; Canon 19 relates to parish status not the status of Organized Mission. The proposed amendment to Section 3 (e) refers to the action of the Convention in Section 3 (a).

BE IT RESOLVED that this Convention adopt the following amendments to Canons 3, 4, 8, 14, 19A, 23, and 31. (Note that deletions are indicated by ~~strikethrough~~ and additions are indicated by an underline.)

CANON 3 ORGANIZATION, MEMBERS AND DEFINITIONS

Sec. 1. The business affairs of this Diocese shall be conducted through a civic corporation organized and existing as a religious corporation under the provisions of Chapter 273 of the Kentucky Revised Statutes. The name of the corporation is "~~Trustees and Council of the~~The Protestant Episcopal Diocese of Kentucky, Inc." All property of the Diocese shall be held by said corporation.

CANON 4 THE CONVENTION, ITS MEMBERS, MEETINGS, AND ORGANIZATIONS

Sec. 3. Except as provided in Section 7, a lay deputy to the Convention shall be an adult member communicant in good standing. Individuals 16 years of age and over are to be considered adult members. Adult member communicants in good standing shall be defined and determined in accordance with the National Canons and Diocesan Canon 21, Sec. 2. The Vestry of anyeach Parish, and the Bishop's Committee of anyeach Organized

Mission, shall elect qualified Lay Deputies and Alternates to the Convention. The number of Lay Deputies and Alternates shall be determined by the number of adult member communicants in good standing in the Parish or Mission as of December 31 of the year preceding the date of the Convention meeting in annual or special session.

The number shall be determined as follows:

ADULT MEMBER COMMUNICANTS IN GOOD STANDING	DEPUTIES	ALTERNATES
10-100	1	1
101-250	2	2
251-500	3	3
501-750	4	4
751 or more	5	5

No Parish or Mission shall have more than five (5) Lay Deputies and (5) Alternates. Beginning with elections for the Convention of 1994, the Lay Deputies and Alternates shall serve during the calendar year for which they are elected and thereafter until successors are elected and qualified, provided that if one elected as Deputy or Alternate shall transfer from the electing Congregation prior to another election, the Chapter, Vestry, or Bishop's Committee may designate a replacement. Each elected and seated Lay Deputy shall have the right to vote.

Sec. 7. In addition to electing Lay members under Section 3, the Chapter, Vestry, or Bishop's Committee of each Congregation may, at its option, elect from its Congregation a communicant in good standing as a Youth Representative to the Convention. The Youth Representative shall be not less than fourteen (14) nor more than eighteen (18) years of age at the time of election, and shall be certified on the Section 6 certificate. Except as provided in the next sentence, each Youth Representative shall have a seat and voice but no vote. The Youth Representatives will elect by and from among their number five (5) Lay Deputies to the Convention who shall have a right to vote. The names of these Lay Deputies will be reported to the Secretary not later than the beginning of the first business session. These Lay Deputies must represent geographical areas as defined by the Department of Youth and Young Adults.

Sec. 9. Prior to the first business session of the Convention, meeting in annual session, the Presiding Officer shall appoint a Committee on The Admission of New Parishes and The Credentials of Lay Deputies.

This Committee shall consist of one (1) member of the Clergy and two (2) Lay Deputies. The Committee shall consider and report to the Convention the names of all Lay Deputies and Alternates whose credentials are in proper form for seating in the Convention. Any question concerning the qualifications of any lay Deputy or Alternate shall be determined by a majority vote of the Convention. This Committee shall further report on all matters relating to new Parishes.

Further, prior to the first business session of the Convention, the Presiding Officer shall appoint appropriate Committees, which shall function in accordance with the adopted

Rules of Order for the Convention, meeting in annual or special session.

CANON 8

VOTING

Sec. 2. The Clergy and Lay Deputies shall vote as one body unless a separate vote by OrderOrders is required by these Canons or is requested by either five (5) Clergy or (5) Lay Deputies.

Upon such request, certified by the Secretary of the Convention, the Clerical and Lay Deputies shall vote separately by Orders. A vote by Orders shall be considered affirmative only when a majority of both Orders concur.

Sec. 3. Each Clergy and Lay Deputy, (as defined in Diocesan Canon 3, Section 3, 3 and determined pursuant to Canon 4) and each Lay Deputy (as determined in Canon 3, Section 4) shall have one (1) vote. In elections, each Deputy present having a vote shall cast the exact number of votes for the persons to be elected. No vote for less than the required number to be elected shall be counted. Cumulative voting and voting by proxy shall not be permitted.

CANON 14

STANDING COMMITTEE OF THE DIOCESE

Sec. 1. The Standing Committee of the Diocese shall consist of three (3) Presbyters canonically and actually resident in the Diocese, one (1) Deacon canonically and actually resident in the Diocese and three (3) resident Lay adult confirmed members in good standing of the Diocese, all to be elected by the Convention. ~~In addition to these voting members, one (1) Deacon canonically and actually resident in the Diocese, elected by the Convention of the Diocese, shall have a seat on the Standing Committee with all privileges, save the right to vote, provided, however, that if, in All such members shall be voting members. In case of a vacancy in the Episcopacy, Deacons come under and the jurisdiction of the Standing Committee is performing as the Ecclesiastical Authority of the Diocese, the Deacon shall stand recused during such vacancy. No person may be elected to the Standing Committee, or selected to fill a vacancy of an elected member, if the person is at the time of election, or selection, serving as a member of the Ecclesiastical Court the continuation of the vacancy.~~

[Secretary's note: See amendment on page 12.]

CANON 19A

AIDED PARISH

Sec. 3. (a) Notwithstanding the provisions of Canon 19, the Convention may grant the status of Aided Parish, upon application of a Parish received by the Bishop at least nine (9) months prior to the stated meeting of the Convention and with the certified approval of the Bishop.

(b) Such status, if granted, shall continue if so long as the Parish is unable to pay 100% of its current expenses, but can pay at least 75% of its expenses for at least the next five (5) consecutive years, including the year in which such status was granted. A request should be made to the Diocese to pay any part, or all, of the balance.

(c) If during any one (1) of these five (5) consecutive years, such Aided Parish cannot pay at least 75% of its expenses as determined by the Convention, it shall become an Organized Mission under Canon ¶9-18.

(d) If at the end of the five (5) consecutive years such Aided Parish is unable to meet 100% of its current expenses, such Aided Parish shall become an Organized Mission under Canon ¶918.

(e) An Aided Parish establishedrecognized under this Sec. 3 shall continue to hold all other privileges of Parish status not specifically inconsistent with this Section.

[Secretary's note: See amendment on page 12.]

CANON 23

DUTIES OF VESTRIES

Sec. 1. The duty of the Vestry of each parish shall be to provide for and regulate its temporal affairs in accordance with Canon 15 and cooperate with the Rector for the promotion of the spiritual welfare of the Cure. It is the duty of the Vestry of every Parish, and of the Bishop's Committee orof every Mission, to raise and pay promptly the money stipulated for the support of their Ministers, at such intervals of payment as may previously have been agreed upon between the Rector, or if there be no Rector, the member of the Clergy in charge of the congregation and the Vestry or Bishop's Committee.

Canon Revision No. 1A

TO: The 185th Annual Convention of the Diocese of Kentucky
FROM: The Chancellor
SUBJECT: Revision to Proposed Amendments to Canon 31

EXPLANATION: The Advance Reports previously sent to deputies and others before the 185th Annual Convention included, as Canon Revision No. 1, a series of proposed amendments to six separate Canons. Included was a proposed amendment to Canon 31 which relates to the Bishop Dudley Memorial corporation. I described the proposed amendment to Canon 31 as substantive, in that it recognized the change of name, but not controversial.

After the distribution, several Trustees of the Bishop Dudley Memorial pointed out that two of the proposed amendments to Canon 31 came as a surprise to them and rightly

complained that I had failed to consult with the President of the Trustees or any other Trustee before submitting the proposed amendment. For that error, I apologize to the Trustees and to the Diocese.

Attached please find a revised proposed text for amendments to Canon 31 which I hereby substitute for the proposed amendments to Canon 31 which were contained in the prior distribution. Accordingly, please cross out or delete the text of this Canon in your copy of the prior distribution and substitute the text below. As there are no other changes from the texts of other Canons contained in Canon Revision No. 1, the text below is submitted for adoption as part of Canon Revision No. 1 as amended by this distribution.

CANON 31

BOARD OF TRUSTEES OF THE BISHOP DUDLEY MEMORIAL FUND, INC.

~~The Bishop Dudley Memorial Fund, Inc. (formerly the Board shall consist of nine (9) Lay persons to beof Trustees of the Bishop Dudley Memorial) is a nonstock, nonprofit corporation organized and existing as a religious corporation under Chapter 273 of the Kentucky Revised Statutes. It is governed by nine (9) Trustees who are Lay persons elected by the Convention with power to fill vacancies in their number during the recess of the Convention. Three (3) Trustees shall be elected each year for a term of three (3) years to succeed the three (3) members whose terms expire, but in the event of the failure to elect by the Convention fromfor any cause, they shall hold over until their successors are elected and qualified. No member who has served for any part of the term elected shall be eligible for re-election until an interval of one (1) year has elapsed. The said Board of Trustees, as a corporation;incumbent Trustees shall have the power to fill vacancies in their number during the recess of the Convention.~~

The Corporation shall have charge of the Endowment Fund for the support of the Episcopate in this Diocese, and of all additions thereto and accretions thereof, and of all real estate belonging to the said Endowment Fund, including an Episcopal residence, which residence it shall keep in repair and properly insured, and pay all taxes against the same, if any are legally assessed.

This Board~~Corporation~~ shall be governed in the discharge of its duties by the Canons of the Diocese and the resolutions of the Convention not inconsistent with its Articles of Incorporation, and it shall make a report, in writing, to every stated meeting of the Convention. Copies of its ~~Charter~~Articles of Incorporation shall be deposited with the Diocesan Registrar; and changes. Changes in its Articles of Incorporation shall be submitted for the approval of the Convention before becoming effective.

MOTION: The Very Rev. Candyce Loescher moved to sever Canon 14 from the proposed canonical changes and deal with it separately. The motion was seconded and **passed**.

MOTION: The Rev. Matthew Bradley moved to sever Canon 19A from the proposed canonical changes and deal with it separately. The motion was seconded and **passed**.

MOTION: Alexander Campbell moved passing all proposed canonical changes, except for the proposed changes to Canon 14 and Canon 19A. The motion was seconded and **passed** in both orders. These changes are therefore passed for Canon 3, Canon 4, Canon 8, Canon 23, and Canon 31.

AMENDMENT TO CANON 14

The Very Rev. Candyce Loescher moved to amend the proposed changes to Canon 14 by adding the words “having voice but not vote” to the third sentence in the proposed changes to Canon 14, Section 1. The sentence would therefore read, “In case of a vacancy in the Episcopacy and the Standing Committee is performing as the Ecclesiastical Authority of the Diocese, the Deacon shall stand recused, having voice but not vote, during the continuation of the vacancy.” The amendment was seconded and **passed** in both orders. The changes to Canon 14, as amended, **passed** in both orders.

AMENDMENT TO CANON 19A

The Rev. John Allen moved that the word “for” be reinserted in Sec. 3(b) of Canon 19A. The sentence would then read, “Such status, if granted, shall continue so long as the Parish is unable to pay 100% of its current expenses, but can pay at least 75% of its expenses at least the next five (5) consecutive years, including the year in which such status was granted. The amendment was seconded and **passed** in both orders. The changes to Canon 19A, as amended, **passed** in both orders.

CANON 17, Sec 1(6)

MOTION: The Rev. Matthew Bradley moved that the Convention consider an amendment to Canon 17, Sec 1(6). The motion was seconded. Fr. Bradley stated with respect to Canon 38 that he had sent his proposed amendment to the Chancellor more than three months before the Convention. The Chancellor, Mr. Beard, did not disagree with Fr. Bradley’s assertion. Bishop White ruled that Fr. Bradley’s motion was in order, and it **passed**.

MOTION: The Rev. Matthew Bradley moved the following change to Canon 17, Sec 1(6):

One (1) Deacon nominated by the Bishop and confirmed by the Convention of the Diocese, who shall have a seat on the Council with all privileges ~~save for the right to vote~~. The nominated and confirmed Deacon shall hold office for three (3) years.

EXPLANATION: The ministry of the Deacon includes the responsibility “...to interpret to the Church the needs, concerns, and hopes of the world.” (*The Book of Common Prayer*, page 543) The Deacon, nominated by the Bishop and confirmed by the Convention of the Diocese to serve on Trustees and Council, should vote in order to fully exercise this aspect of his or her ministry.

The motion was seconded and **passed** in both orders.

TREASURER'S REPORT

Treasurer Don Kohler presented the financial statements through December 31, 2011. Church pledges received decreased 4.4% in 2011 versus 2010. Unpaid pledges were \$35,894 at year end. Total revenues were \$1,364,262, a decrease of \$244,218. Endowment spending policy was 5.25% for 2011 and declined to 5% in 2012, and this spending was consistent with a resolution adopted by Trustees and Council and confirmed by the 179th Annual Convention to reduce the encroachment on capital funds from 7% to 5% in ½% increments at which point it will remain constant. Total expenses were \$1,371,591, a decrease of \$140,041, resulting in a loss of \$7,328.

The pledge to the Episcopal Church was \$120,721 in 2011, and the balance sheet and operating statement appeared satisfactory though cash flow was tight.

Total assets at year-end 2011 were \$594,607 versus \$600,943 on December 31, 2010. Restricted funds were \$219,760.

Capital funds at market values on September 30, 2011, were \$8,386,053 vs. \$8,288,067 at the prior year-end, after allowing for the capital spending policy formula of 5.25% and other programmed withdrawals. Endowments consist of the diocesan portion of the Commingled Fund, the Bishop Dudley Memorial Fund and the other funds of the diocese. The investment policy remains unchanged: the major emphasis is placed on high quality, well-managed companies, primarily through the medium of common stocks in a range of 65-75%, and cash and bonds providing the balance.

MOTION: Gibbs Reese moved to accept the Treasurer's 2011 report as presented. The motion was seconded and **passed**.

GENERAL CONVENTION UPDATE

The Rev. Amy Real Coulter, chair of the Diocese of Kentucky delegation to the General Convention, announced that Sister Emily Cooper's name has been added to *Holy Women, Holy Men*, with a special Collect. Her day will be April 17. Canon Coulter also circulated a Summary of Actions from the General Convention.

NOONDAY PRAYERS

Noonday prayers were led by seminarians Courtney Dale and Ben Hart. Lunch, prepared by members of Grace Church, Hopkinsville, was served.

SECOND BUSINESS SESSION

THANKS

Bishop White presented a diocesan cross to The Rev. Alice Nichols, the host Rector for

the Diocesan Convention, thanking her and the convention committee and staff at Grace Church for a wonderful convention and warm hospitality.

ELECTION RESULTS

Secretary of the Diocese Kay Shields Wilkinson announced the election results.

For Standing Committee, clerical order: The Rev. Alice Nichols

For Standing Committee, lay order: Portia Wimp

For Trustees of the Bishop Dudley Memorial: David Brooks, W.H. (Bill) Dahlquist, and Jay Mehta

For Disciplinary Board, clerical order: The Rev. Richard Galloway

For Disciplinary Board, lay order: Charles Boteler and Dr. Mary Greenlee

For Trustee, University of the South: Dr. Brian Clardy

For Trustees and Council, clerical order: The Rev. Mark Feather and The Rev. Meghan Holland

For Trustees and Council, lay order: Dr. Bill Allbritten and Charlie Hawkins

For Cathedral Chapter Representative: The Rev. James R. Wilkinson

RESOLUTION CONCERNING GUN FREE ZONES

MOTION: The Rev. John Allen moved to remove the previously-tabled resolution on Gun Free Zones from the table. The motion was seconded and **passed**.

MOTION: The Rev. John Allen moved to refer the resolution to the Peace and Justice Committee within the Department of Justice and Jubilee. The motion was seconded and **passed**.

COURTESY RESOLUTIONS

The Rev. Mary Abrams, chair of the Resolutions Committee, presented the courtesy resolutions.

RESOLUTION 1

TO: The 185th Convention of the Diocese of Kentucky

FROM: The Resolutions Committee

SUBJECT: Convention Offering

RESOLVED, that the offerings collected at the 185th Convention of the Diocese of

Kentucky be given to Hurricane Sandy relief, split between the Episcopal Relief and Development Fund and relief funds in the Dioceses of Long Island and New Jersey.

The motion was seconded and **passed**.

RESOLUTION 2

TO: The 185th Annual Convention of the Diocese of Kentucky
FROM: The Resolutions Committee
SUBJECT: 186th Convention of the Diocese of Kentucky

RESOLVED, this 185th Annual Convention of the Diocese of Kentucky accepts the gracious invitation of Christ Church Cathedral, Louisville, to host the 186th Convention which will be held on November 8-9, 2013.

The motion was seconded and **passed**.

RESOLUTION 3

TO: The 185th Annual Convention of the Diocese of Kentucky
FROM: The Resolutions Committee
SUBJECT: Thanks and Appreciation

RESOLVED, that this 185th Annual Convention expresses its deepest appreciation to The Rev. Alice Nichols, Rector, the staff, wardens and vestry, convention committees and volunteers at Grace Episcopal Church, Hopkinsville, for their warm hospitality.

We extend our sincere appreciation also to Kay Shields Wilkinson, Secretary of the Diocese; Donald Kohler, Treasurer of the Diocese; W. Robinson Beard, Chancellor of the Diocese; Hampton Moore, Vice-Chancellor; and the various committees and volunteers for this convention.

We are very grateful to the diocesan staff: Becky Meyer, Brian Kinnaman, Canon Joan Smith, and Bishop Terry White for their many hours of work in preparation for this convention.

The motion was seconded and **passed**.

RESOLUTION 4

TO: The 185th Annual Convention of the Diocese of Kentucky
FROM: The Resolutions Committee
SUBJECT: Greetings

RESOLVED, that this 185th Annual Convention of the Diocese of Kentucky extends its greetings and God's blessings to:

Bishop Ted Gulick and family,
Bishop David Reed and family,
Archbishop of Canterbury Rowan Williams
Presiding Bishop Katherine Jefferts Schori,

Bishop Chilton R. Knudsen, Interim Bishop of the Diocese of Lexington,
The Rev. Douglas Hahn, Bishop-Elect of the Diocese of Lexington, and
Lutheran Bishop William O. Gafkjen

The motion was seconded and **passed**.

RESOLUTION 5

TO: The 185th Annual Convention of the Diocese of Kentucky
FROM: The Resolutions Committee
SUBJECT: Departed clergy, clergy spouses, and friends

BE IT RESOLVED, that this 185th Annual Convention of the Diocese of Kentucky extends its greetings and God's blessings to the families of our departed clergy and devoted sisters and brothers in the faith:

The Rev. Lester S. Gross
The Rev. Stanley Joe Smith
Margaret (Peggy) Martin
Stannye Musson
Irene Gross
Janet Irwin

The names of these saints were included in the Prayers of the People during our worship services.

The motion was seconded and **passed**.

RESOLUTION 6

TO: The 185th Annual Convention of the Diocese of Kentucky
FROM: The Resolutions Committee
SUBJECT: Greetings, Prayers and Congratulations to The Rev. William Nicholas Knisely, Bishop-Elect of the Diocese of Rhode Island

RESOLVED, that this 185th Annual Convention of the Diocese of Kentucky extends its greetings, prayers and congratulations to The Rev. William Nicholas Knisely, Bishop-Elect of Rhode Island, upon his ordination on November 17, 2012.

The motion was seconded and **passed** unanimously.

RESOLUTION 7

TO: The 185th Annual Convention of the Diocese of Kentucky
FROM: The Resolutions Committee
SUBJECT: Greetings, Prayers and Congratulations to Beth Bojarski and family
RESOLVED, that this 185th Annual Convention of the Diocese of Kentucky extends its greetings and prayers to Beth Bojarski and family as she begins her new ministry at Camp Stevens in the Dioceses of San Diego and Los Angeles.

The motion was seconded and **passed** unanimously.

RESOLUTION 8

TO: The 185th Annual Convention of the Diocese of Kentucky
FROM: The Resolutions Committee
SUBJECT: Greetings and prayers for the Archbishop of Canterbury

RESOLVED, that this 185th Convention of the Diocese of Kentucky extends its greetings and prayers to Archbishop Rowan Williams upon his retirement and to the new Archbishop of Canterbury Justin Welby.

The motion was seconded and **passed** unanimously.

RESOLUTION 9

TO: The 185th Annual Convention of the Diocese of Kentucky
FROM: The Resolutions Committee
SUBJECT: Thanks and Prayers for The Rev. Amy Real Coultas

BE IT RESOLVED, that this 185th Convention of the Diocese of Kentucky extends its thanks to The Rev. Amy Real Coultas for her ministry as Chaplain to this Convention and assure her of our prayers as she continues in discernment with the people of the Diocese of North Carolina as they elect a bishop suffragan.

The motion was seconded and **passed** unanimously.

BISHOP'S APPOINTMENTS

Bishop White made the following appointments:

Commission on Ministry (1 year terms): The Rev. Pat Connell, chair; The Rev. Michael Blewett, The Rev. Jonathan Erdman, The Rev. Whit Stodghill, The Rev. Anne Vouga, The Rev. Suzanne Warner, The Rev. Rose Bogal-Allbritten, Barbara Merrick, and Steve Rauh.

Committee on Canons (for 1 year or until replaced): Robinson Beard, chair; Hampton Moore, Jim Moyer, Jason Howell, Katherine Kingren, The Rev. Georgine Buckwalter, The Rev. John Allen, The Rev. Candyce Loescher, The Rev. Richard Martindale, and The Rev. Lucinda Laird.

Committee on Church Architecture: Steve Cherry, chair; Rick Coltharp, The Rev. Geoffrey Butcher, The Rev. Mark Feather, The Rev. Karl Lusk, and The Rev. Jim Wilson.

Church Pension Fund Committee: The Rev. Matthew Bradley, chair; The Rev. Debbie Apoldo, Mike DaRif, and Colleen Wilson.

APPOINTMENTS FOR THE 185TH ANNUAL CONVENTION

Chair of Nominations: The Rev. Rose Bogal-Allbritten

Chair of Resolutions: The Rev. Dr. Mary Abrams

Chair of Agenda and Arrangements: The Very Rev. Mark Bourlakas

Chair of Credentials & Admission of New Congregations: The Rev. Michael Blewett

MOTION: Nancy Northrop moved to approve the appointments made by Bishop White. The motion was seconded and **passed**.

BUDGET PRESENTATION

Budget Chairs Angela Koshewa and The Rev. Karl Lusk presented the 2013 proposed budget totaling \$1,441,940 (printed elsewhere in the *Journal*). Congregational pledges were budgeted at \$905,478. The Bishop Dudley Memorial Fund pledged \$146,400 toward the cost of the episcopate, and the funding formula used by the Trustees of the Bishop Dudley Memorial assures continual support for the future. Endowment spending was at 5%, consistent with the agreed spending formula approved by the 179th Annual Convention. The Episcopal Church nationally was budgeted at \$133,714 or 10.78% (the asking was 19%).

Changes include: aided congregation and community outreach decreased from \$142,500 to \$100,000; there is a \$15,100 grant reserve; aided parishes decreased from \$35,000 to \$13,000; and college work funding increased from \$81,676 to \$96,539, with the largest change at Western Kentucky University in Bowling Green. Funding for All Saints' Conference Center was raised from \$85,000 to \$130,000, a more realistic figure. Two new positions are planned for the diocesan staff: a Canon for Evangelism, Mission, and Stewardship, and a Financial Assistant to the Controller.

MOTION: The Rev. Mark Feather moved to approve the 2013 budget, as presented. (The motion requires no second since it comes from Trustees and Council.) The motion **passed**.

THANKS

Bishop White thanked Canon Joan Smith for outstanding work, and this was greeted with applause.

186TH ANNUAL CONVENTION OF THE DIOCESE OF KENTUCKY

The Bishop announced that the 186th Annual Convention of the Diocese of Kentucky will be held on November 8-9, 2013, at Christ Church Cathedral, Louisville.

MOTION TO ADJOURN

MOTION: Michael Allen moved to adjourn the 185th Annual Convention of the Diocese of Kentucky. The motion was seconded and **passed**. The Bishop dismissed the Convention with his Blessing.

Respectfully submitted,
KAY SHIELDS WILKINSON, CPA
Secretary of the Diocese

(The Rt. Rev.) **TERRY ALLEN WHITE**,
Bishop and President

CANON CHANGES AT 185TH ANNUAL CONVENTION DIOCESE OF KENTUCKY

CANON 3 ORGANIZATION, MEMBERS AND DEFINITIONS

Sec. 1. The business affairs of this Diocese shall be conducted through a civic corporation organized and existing as a religious corporation under the provisions of Chapter 273 of the Kentucky Revised Statutes. The name of the corporation is "The Protestant Episcopal Diocese of Kentucky, Inc." All property of the Diocese shall be held by said corporation.

CANON 4 THE CONVENTION, ITS MEMBERS, MEETINGS, AND ORGANIZATIONS

Sec. 3. Except as provided in Section 7, a lay deputy to the Convention shall be an adult member communicant in good standing. Individuals 16 years of age and over are to be considered adult members. Adult member communicants in good standing shall be defined and determined in accordance with the National Canons and Diocesan Canon 21, Sec. 2. The Vestry of each Parish, and the Bishop's Committee of each Organized Mission, shall elect qualified Lay Deputies and Alternates to the Convention. The number of Lay Deputies and Alternates shall be determined by the number of adult member communicants in good standing in the Parish or Mission as of December 31 of the year preceding the date of the Convention meeting in annual or special session.

The number shall be determined as follows:

ADULT MEMBER COMMUNICANTS IN GOOD STANDING	DEPUTIES	ALTERNATES
10-100	1	1
101-250	2	2
251-500	3	3
501-750	4	4
751 or more	5	5

No Parish or Mission shall have more than five (5) Lay Deputies and (5) Alternates. Beginning with elections for the Convention of 1994, the Lay Deputies and Alternates shall serve during the calendar year for which they are elected and thereafter until successors are elected and qualified, provided that if one elected as Deputy or Alternate shall transfer from the electing Congregation prior to another election, the Chapter, Vestry, or Bishop's Committee may designate a replacement. Each elected and seated Lay Deputy shall have the right to vote.

Sec. 7. In addition to electing Lay members under Section 3, the Chapter, Vestry, or Bishop's Committee of each Congregation may, at its option, elect from its Congregation a communicant in good standing as a Youth Representative to the Convention. The Youth Representative shall be not less than fourteen (14) nor more than eighteen (18) years of age at the time of election, and shall be certified on the Section 6 certificate. Except as provided in the next sentence, each Youth Representative shall have a seat and voice but no vote. The Youth Representatives will elect by and from among their number five (5) Lay Deputies to the Convention who shall have a right to vote. The names of these Lay Deputies will be reported to the Secretary not later than the beginning of the first business session. These Lay Deputies must represent geographical areas as defined by the Department of Youth and Young Adults.

Sec. 9. Prior to the first business session of the Convention, meeting in annual session, the Presiding Officer shall appoint a Committee on The Admission of New Parishes and The Credentials of Lay Deputies.

This Committee shall consist of one (1) member of the Clergy and two (2) Lay Deputies. The Committee shall consider and report to the Convention the names of all Lay Deputies and Alternates whose credentials are in proper form for seating in the Convention. Any question concerning the qualifications of any lay Deputy or Alternate shall be determined by a majority vote of the Convention. This Committee shall further report on all matters relating to new Parishes.

Further, prior to the first business session of the Convention, the Presiding Officer shall appoint appropriate Committees, which shall function in accordance with the adopted Rules of Order for the Convention, meeting in annual or special session.

CANON 8

VOTING

Sec. 2. The Clergy and Lay Deputies shall vote as one body unless a separate vote by Orders is required by these Canons or is requested by either five (5) Clergy or (5) Lay Deputies.

Upon such request, certified by the Secretary of the Convention, the Clerical and Lay Deputies shall vote separately by Orders. A vote by Orders shall be considered affirmative only when a majority of both Orders concur.

Sec. 3. Each Clergy Deputy (as defined in Canon 3, Section 3 and determined pursuant to Canon 4) and each Lay Deputy (as determined in Canon 3, Section 4) shall have one (1) vote. In elections, each Deputy present having a vote shall cast the exact number of votes for the persons to be elected. No vote for less than the required number to be elected shall be counted. Cumulative voting and voting by proxy shall not be permitted.

CANON 14
STANDING COMMITTEE OF THE DIOCESE

Sec. 1. The Standing Committee of the Diocese shall consist of three (3) Presbyters canonically and actually resident in the Diocese, one (1) Deacon canonically and actually resident in the Diocese and three (3) resident Lay adult confirmed members in good standing of the Diocese, all to be elected by the Convention. All such members shall be voting members. In case of a vacancy in the Episcopacy and the Standing Committee is performing as the Ecclesiastical Authority of the Diocese, the Deacon shall stand recused, having voice but not vote, during the continuation of the vacancy.

CANON 17
TRUSTEES AND COUNCIL OF
PROTESTANT EPISCOPAL DIOCESE OF KENTUCKY

Sec. 1(6). One (1) Deacon nominated by the Bishop and confirmed by the Convention of the Diocese, who shall have a seat on the Council with all privileges. The nominated and confirmed Deacon shall hold office for three (3) years.

CANON 19A
AIDED PARISH

Sec. 3. (a) Notwithstanding the provisions of Canon 19, the Convention may grant the status of Aided Parish, upon application of a Parish received by the Bishop at least nine (9) months prior to the stated meeting of the Convention and with the certified approval of the Bishop.

(b) Such status, if granted, shall continue so long as the Parish is unable to pay 100% of its current expenses, but can pay at least 75% of its expenses at least the next five (5) years, including the year in which such status was granted. A request should be made to the Diocese to pay any part, or all, of the balance.

(c) If during any one (1) of these five (5) consecutive years, such Aided Parish cannot pay at least 75% of its expenses as determined by the Convention, it shall become an Organized Mission under Canon 18.

(d) If at the end of the five (5) consecutive years such Aided Parish is unable to meet 100% of its current expenses, such Aided Parish shall become an Organized Mission under Canon 18.

(e) An Aided Parish recognized under this Sec. 3 shall continue to hold all other privileges of Parish status not specifically inconsistent with this Section.

CANON 23
DUTIES OF VESTRIES

Sec. 1. The duty of the Vestry of each parish shall be to provide for and regulate its temporal affairs in accordance with Canon 15 and cooperate with the Rector for the promotion of the spiritual welfare of the Cure. It is the duty of the Vestry of every Parish, and of the Bishop's Committee of every Mission, to raise and pay promptly the money stipulated for the support of their Ministers, at such intervals of payment as may previously have been agreed upon between the Rector, or if there be no Rector, the member of the Clergy in charge of the congregation and the Vestry or Bishop's Committee.

CANON 31
THE BISHOP DUDLEY MEMORIAL FUND, INC.

The Bishop Dudley Memorial Fund, Inc. (formerly the Board of Trustees of the Bishop Dudley Memorial) is a nonstock, nonprofit corporation organized and existing as a religious corporation under Chapter 273 of the Kentucky Revised Statutes. It is governed by nine (9) Trustees who are Lay persons elected by the Convention. Three (3) Trustees shall be elected each year for a term of three (3) years to succeed the three (3) members whose terms expire, but in the event of the failure to elect by the Convention for any cause, they shall hold over until their successors are elected and qualified. No member who has served for any part of the term elected shall be eligible for re-election until an interval of one (1) years has elapsed. The incumbent Trustees shall have the power to fill vacancies in their number during the recess of the Convention.

The Corporation shall have charge of the Endowment Fund for the support of the Episcopate in this Diocese, and of all additions thereto and accretions thereof, and of all real estate belonging to the said Endowment Fund, including an Episcopal residence, which residence it shall keep in repair and properly insured, and pay all taxes against the same, if any are legally assessed.

This Corporation shall be governed in the discharge of its duties by the Canons of the Diocese and the resolutions of the Convention not inconsistent with its Articles of Incorporation, and it shall make a report, in writing, to every stated meeting of the Convention. Copies of its Articles of Incorporation shall be deposited with the Diocesan Registrar. Changes in the Articles of Incorporation shall be submitted for the approval of Convention before becoming effective.

CONVENTION HOMILY**For the 185th Annual Convention of the Diocese of Kentucky****Friday, November 9, 2012****By The Rt. Rev. Terry Allen White, Bishop of Kentucky****Luke 5:1-11**

I planned to begin this homily with a good fishing joke. Trouble is, there aren't any good fishing jokes. So here is a bad one.

Fellow was fishing. Guy walks up and says, "How's the fishing?"

Fellow says, "Fishin's fine."

Guy says, "How many you got?"

Fellow says, "None."

Guy says, "None? Thought you said the fishin's fine!"

Fellow says, "Fishin's fine, catchin's bad!"

It was bad catchin' and good catchin' on the day Luke describes. The long hours finally paid off as so many fish were brought on the board that the boat began to sink. This haul redeemed long hours of work that had been fruitless throughout the night when lake fishing was usually the best. A long, hard night which 'netted' nothing (pardon the pun.)

Lutheran Pastor Steven Molin tells this fishing story:

I was about five years old, and my dad, who was a construction worker, had a job one summer in Park Rapids, Minnesota, and he brought me along. The deal was, he would work all day, while I sat in the truck, or threw dirt clods at the construction site, but we would go fishing every night. That was the highlight for me; fishing with my dad for five straight nights.

Well apparently I couldn't wait, because the first afternoon, my dad looked down from the roof of the building he was working on, and saw me sitting on a bucket, fishing in a puddle in the parking lot. I'm sure it was great entertainment for all the workers on that site, and of course, over the years the story got better each time my dad told it.

But what I recall from my dad telling that story is that he got me to stop fishing in that puddle by explaining that there were no fish there. He didn't criticize me for fishing in a parking lot. He didn't humiliate me for casting my line into muddy water that was probably only five inches deep. He told me that there were no fish there, and that later that day, we would go to a place where there were fish. And that made total sense to a five-year-old boy; to only cast our lines in places where we knew there were fish.

From today's Gospel: it must have been just after dawn on the shores of the Sea of Galilee when Jesus began to teach the crowds that had assembled. Early in the morning, miles away from the city, the people were searching for something that was missing in their lives; searching for acceptance, or love, or for a purpose for their lives. Whatever the people were

looking for, they must have found it in Jesus' words, so they followed him wherever he went, and listened to his teaching.

So Jesus was there on the shore, speaking to hurting folks just like you and me. And because the crowd was so large, and the people were pressing in on him, he jumped into Simon Peter's boat. How bold of Jesus! Peter knew who Jesus was, but they were not yet friends, and you don't just jump into a guy's fishing boat – not then, not now! But Jesus needed that boat, so he got in and continued to preach.

When the sermon ended and the crowd began to disperse, Jesus said to Peter, *Push out into deeper water and let's fish!*

Into deeper water.

And Peter protests: *I've been up all night and I haven't caught a thing.*

That's the excuse Luke tells us about, but I wonder if Peter whined a bit more, saying:

- *The deeper water is colder.*
- *The deeper water has bigger waves.*
- *The deeper water is far from the security of shore.*
- *It is dangerous out there.*
- *(Let's not forget the Episcopal whine: we've never fished there before!)*
- *And perhaps an unspoken excuse: Jesus, I don't think I can take one more failure today. So let's skip the deep water.*

It is that last one which may be the real reason Peter wanted to avoid the deeper water.

You and I have been called into deeper water.

Some deeper water we encounter as individuals include:

- You get a promotion at work, but the job is a lot more difficult, and you're not certain you can cut it. That's deeper water.
- You get a part in a musical production and as you go through rehearsals it seems like everyone else sings or dances or acts better than you, and you question your abilities. That's deeper water.
- You're involved in a relationship and it's getting serious; maybe headed toward life-long commitment, and it scares you. That's definitely deeper water.

Some deeper water we encounter as a diocese:

- What are people in our neighborhoods and the Commonwealth saying they need from the Church. In other words listening to what unchurched people say they are seeking rather than being sure we know what people are seeking is deeper water.

- Taking a long hard look at those things which have been life-giving in the past which must now be blessed and set aside is deeper water. Not only taking a long hard look but then acting appropriately is deeper water.
- Constantly listening for the voice of Christ who tells us what our parish and diocesan priorities must be about and letting nothing else replace the Lord's voice, including nostalgia and purely parochial agendas, is very deep water.

Every time we make a change, take a step forward, move in a new direction, that's deeper water. It's always risky. It's never a sure thing. And it's when the excuses begin to fly.

Peter protests, and Jesus still tells Peter to cast out into deeper water because . . . THAT'S WHERE THE FISH ARE!

And Peter responds by asking for forgiveness for not understanding why Jesus wanted him to go to deeper water. (Steven Molin, quoted and adapted.)

Our diocesan community is called by Jesus to go into deeper water . . . because that's where the fish are. And we seek these fish not because they are potential pledging units, but because we can become stronger servants of the Lord by learning from and inviting more servants to join our mission of loving God with our whole being and our neighbors the same way.

The justifications as to why we should remain near the shore are familiar and strong and not without some merit, for as the Gospel lesson tells us, there will always be work to do on and near the shore. But there is also a bountiful harvest of good work to be engaged in deeper water.

St. Luke says the catch of fish caused the boat to begin to sink. Luke does not describe a rich fish, or a poor fish, not a red fish or a blue fish (that applies to politics as well as certain university sports allegiance) nor is one fish more important than another fish. No fish are discarded, and no fish are described as trophies that are especially desirous.

That is not surprising – because God sees us all the same. We are beloved daughters and sons, made royalty – his children – in baptism, forgiven by grace, and sent on a holy mission. Phillip entering into relationship with an Ethiopian seeker, and Peter are models for all baptized people, models for those about to be baptized.

Head to deeper water, where both the fishin' and the catchin' are fine. Forsake the parking lot puddles. Baptism means – go where the fish are.

CONVENTION ADDRESS**For the 185th Annual Convention of the Diocese of Kentucky****Saturday, November 10, 2012****By The Rt. Rev. Terry Allen White, Bishop of Kentucky**

This past January the Bishop of London was given an honorary degree by Sewanee, the University of the South. Bishop Chartres told the story of visiting one of the parochial Church of England schools in London. As the Service was not the Eucharist, he wasn't wearing a chasuble and mitre, but the other bishop's vestments called rochet and chimere, which were black and white. He was also holding his bishop's pastoral staff. As students were filing into the chapel, a second grade lad stopped and asked the bishop, "Who are you?"

Bishop Chartres thought, Ah, a teaching moment! So instead of telling the boy who he was, he pointed to the pastoral staff and said, "Take a good look at this. This is a clue to who I am." The lad looked puzzled, and stared at the prelate and his staff until he got that look on his face that he had figured it out.

"I know who you are," he shouted. "You're the Grim Reaper!" The bishop told the Sewanee audience, "If I'd been quick enough I would have replied, 'Yes, and I'm coming to your house soon!'"

Lord knows plenty of bishops ARE grim. But this story preaches because a part of our job as the Church is to plant seeds and reap the fruits.

And to be honest, the "grim" aspect can be redefined as referring to those things that have served the faith community well in the past, have borne fruit, and should now give way for new thinking, new strategy, new ministry, and new mission.

First and foremost in this address I want to say thank you, both as bishop, and as a fellow disciple of Jesus.

There is vital, creative, gospel mission being carried out in every congregation. Though we have been together for just two years and two months I can name at least one such missionary effort in every congregation. (Unfortunately time does not allow me to do that for all, so I shall ask your understanding for not naming ministry in a few places.)

Yet, one of the joys of yesterday afternoon was talking to and with each other in our workshops. Those who participated heard of mission work going on in other congregations, and hopes and ideas for common evangelism and mission were shared and recorded on the new print pages of sticky notes all around!

And so I say thank you to all ministers, lay and ordained, who carry out Christ's ministry of reconciliation in our 43 mission stations. That number comes from 36 congregations, three university chaplaincies, 2 community centers, All Saints Camp, and Diocesan House. (And the danger in naming a list is that I will not think of something so you may well have other sites to add.) Those are the easily identifiable as vessels of our common ministry.

But just as important is the mission station where Almighty God places you every day. In your school, job, home, and career, as you live out your vocation, as you volunteer in your church and community. The vocation of baptism places each of us at any given moment squarely in the mission field that is ripe for both harvest and planting.

I thank you for the message of hope you share throughout this commonwealth. We have just emerged from a season of political campaigning that has been effective at setting people against each other while pointing to problems and differences that are portrayed as being permanent, non-repairable, and the reason for a massive divide that is un-breachable. Let our gospel message of hope in Christ flow throughout our congregations, communities, and this Commonwealth. Evangelism, the authentic proclamation of God's good news in Christ, and Mission, living out the Gospel news in the ways Jesus and the prophets call us, are great gifts and challenges for us, and we in the Diocese of Kentucky have never been better prepared to respond with God's hope, life, compassion, justice, and peace. There are too many vinegar spitting Christians around! Let us ever point to the One who is the world's True Light, bear that light, and live in that light.

The Five Marks of Mission serve as our theme of convention. As the Baptismal Covenant serves as guide for measuring our individual journeys of faith and discipleship, these Marks of Mission serve a similar purpose within our diocesan community. In fact, the Five Marks of Mission are increasingly being used in the way provinces and dioceses throughout the Anglican Communion relate to each in terms of uniting in mission.

I have said in several contexts this year that these Marks are primarily about Evangelism and Mission. I experience in my Visitations a taste of how evangelism and mission is part of each congregation. According to the gifts of the Spirit given to each in Baptism, I see a variety of ways these priorities are lived out. There is no one formula, no one approach that is better than another. I pray we remember that as we engage in work with neighboring congregations in our deaneries and diocese. At any moment, evangelism leads to mission, and in the next moment mission becomes evangelism. Let us rejoice in such marvelous work and complexity and thank God for every opportunity to love and serve.

I feel compelled to borrow from the State of the Union format: The state of our diocese is good, engagement in evangelism and mission is high and growing, and I find an ever refreshing attitude that our main priority is growing the reign of God, and let "growing the institution of the church" not be our guiding principle. If our work is of God, all else will fall into its proper place. I hear hope, see signs of fruit being born.

Giving is up by some \$50,000 from our congregations. Thank you. I know there is no shortage of need locally, and I truly believe making local congregations stronger makes for a stronger diocese.

Our 2013 budget includes a canon for Evangelism, Mission, and Stewardship. This priority came about in part from most congregations saying more resources from the bishop's office would assist local mission. I heard this in visitations to congregations and in conversations with vestries and bishop's committees from pastoral and family sized congregations. This position was also supported by Trustees and Council because I believe it will assist us all in

gaining access to resources and tools for growing the kingdom which will lead to making congregations stronger as well. This position is initially funded from the sale of property to the City of Louisville.

This budget provides for a diocesan stewardship conference in the spring. I would like this to be an annual event, engaging lay and ordained in leaders in examining issues such as the theology of stewardship, the healthy and unhealthy ways we use money as individuals and as the Church, as well as learn of various programs and practical approaches to year round programs of stewardship formation concerning money and other aspects of life. I also want to say, a bit cautiously perhaps, that I am in conversation with a priest to lead this conference who knows Kentucky! My point is this: there is no shortage of good folks to come and lead workshops, but many have experience in regions that don't have a large rural component and I think that can make a difference sometimes. I say this gently, but I wanted you know my thinking and that of several diocesan leaders who I consulted.

An additional priority I wish to mention has to do with adding a second person to our finance department. There are increasing demands on that office, and in order to provide better support to congregations T&C endorsed this position. It is our hope that this second individual will have time to help 10 congregations each year with their audits which will be beneficial for several reasons.

In 2013 Trustees and Council will continue to work directly with congregations facing particular challenges related to attendance and finances. I am building a mission strategy committee that will work with T&C in devising a diocesan wide plan for the most effective use of our financial resources and personnel. The feasibility of one or more Spanish speaking congregations will be examined. As well as partnerships between existing congregations.

We are still getting used to a fall convention. I take responsibility for the budget narrative getting out late and some timing issues. Trustees and Council has endorsed my proposal that we begin budget work far earlier, setting a target of as early as July 1 for having the first draft of a proposed budget ready for distribution, as well as getting requests for commitments from congregations out early so you have more than one bishop's committee or vestry meeting to pray and discern your commitment. This process will also be helped with the presence of additional finance office help.

I will leave other budget items to the committee presentation later. Except for one cost/investment line item. In terms of the stewardship of diocesan resources, I need to talk with you about All Saints Camp.

Last Convention I announced a task force charged with presenting a business plan to Trustees and Council. That task force is led by Canon Joan Smith and includes members from Grace, Hopkinsville; St Paul's, Louisville; Trinity, Russellville; Christ, Elizabethtown; St John's, Murray; Calvary, Louisville; Ascension, Bardstown; Grace, Paducah; St Matthew's, Louisville plus Youth Director, All Saints Program Director, Canon to the Ordinary and Communication Director.

- Have observed one whole cycle of programs, budgeting, and seasonal hiring
- Studied patterns of camp and youth participation

- Studied trends in sources of income
- Completed architectural and engineering assessment of existing buildings
- Received minutes of All Saints board meetings, showing what issues board considers (e.g., cancellation/deposit policy), budgeting process, decision-making process

And now the committee is ready to decide on a business plan. Your help is needed to "stress test" the plan by having convention deputies tell us whether or not conditions necessary to its success are true. We will ask one or two questions at a time: "Is X true or not? Please elaborate."

The 2013 budget reflects what it has cost to support All Saints over the last couple of years. For the last couple of years a too modest figure has been in the annual budget, requiring additional loans to be given during the year. Trustees and Council wishes to give us all a clearer picture of what it costs to keep All Saints functioning as a year round camp. And as a diocesan community in 2013 we will need to decide what our budgetary commitment should be.

The summer camp program and spring and fall gatherings are strongly supported and continue to be an important ministry to youth and teens, a ministry of developing leadership in counselors and staff, and opportunities for adults to both teach and grow in their ministries through the School for Ministry and other weekends. These are but a few of the blessings All Saints Camp provides our diocese.

Thus clearly understanding what our common financial commitment should be to the Camp Facility is essential. It seems to me we have at least three choices. We commit to the current level of activity and costs, we reduce the activity and costs, or increase our commitment by adding an executive director. Each has both benefits and drawbacks. The Task Force will be asking for your help in the new year. One or more online survey tools will be used and strong participation by you will help the All Saints Board and Trustees and Council to use the Task Force material wisely. The survey will ask your thoughts on essential and I dare say tough questions. But we need to do so in order to move out of the current situation which I would label betwixt and between. By God's grace we can arrive at the best solution for us. It's a part of being leaders, and you are all leaders in this diocese.

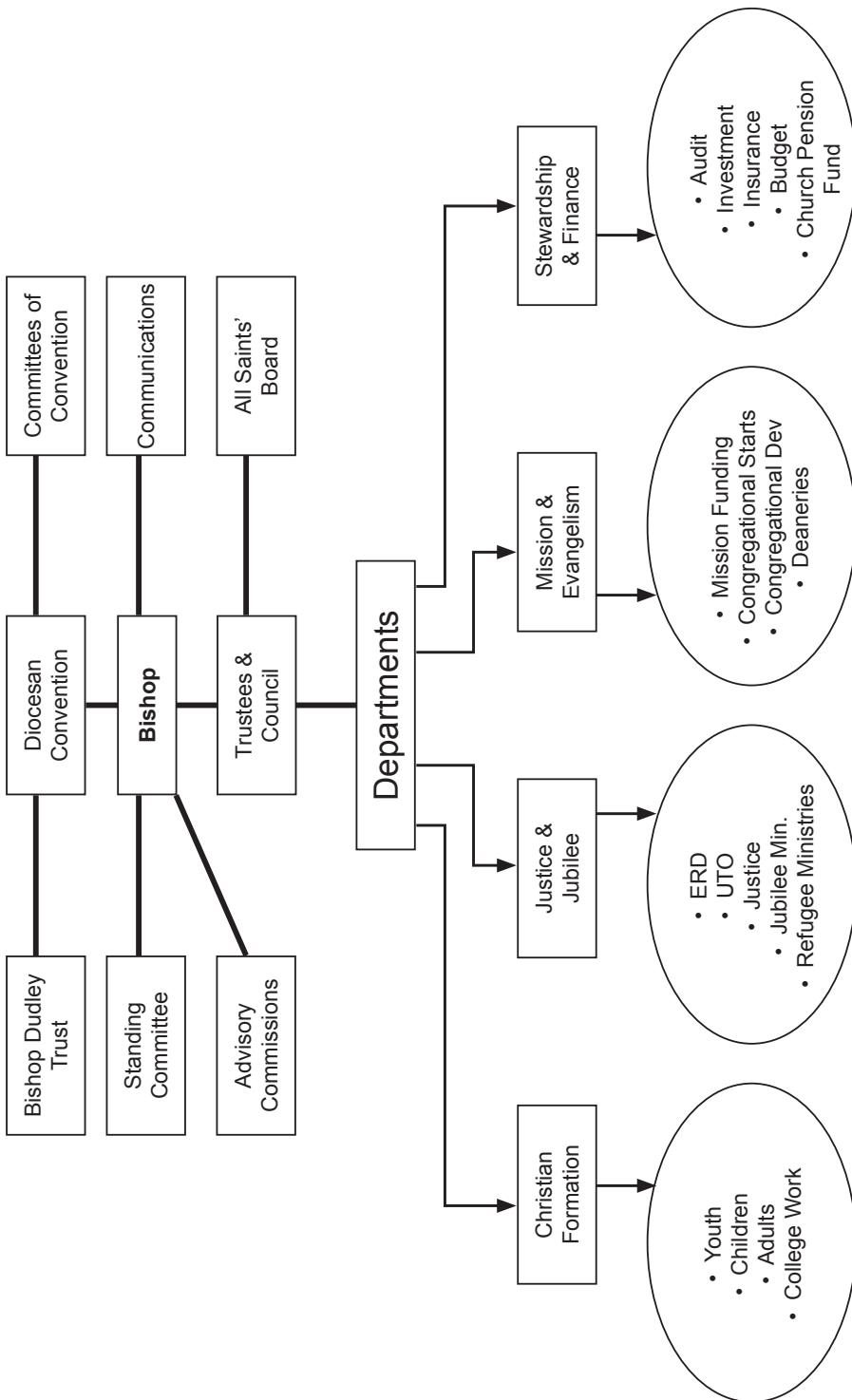
Knowing the love many have for All Saints Camp, let me be absolutely clear: no decision on the future configuration has been made. And whatever decision is made will not be made by me. As many congregational lay and ordained leaders wish to join in the stress tests, it will greatly influence decisions. What I am calling us to is clear discernment AND demonstration of commitment to our joint decision. Let me say respectfully, I have heard no shortage of comments about what should happen to All Saints Camp. What I hope follows quickly is demonstrated commitment. Commitment is just as important as desire here. Pray, ponder, discuss, and be watching for the Task Force's invitation to participate.

As we head to our business session let us focus on mission and ministry which call us to deeper water. Directed by Christ, we cannot come up with empty nets. I thank you for investing your time and sharing your ideas. Together, Jesus calls us to courageous, bold work! Rise up ye saints of God!

SECTION A
TABLE OF CONTENTS
185th Annual Convention
ANNUAL REPORTS

Organizational Chart	A-1
Officers of the Diocese	
Bishop	A-2
Retired Bishop and Chaplain to the Retired	A-4
Secretary of the Diocese (Trustees and Council).....	A-5
Treasurer of The Diocese	A-8
Chancellor of the Diocese	A-9
Vice-Chancellor of the Diocese	A-10
Historiographer of the Diocese	A-10
The Standing Committee	A-12
Trustees of the Bishop Dudley Memorial	A-13
Departments:	
Justice and Jubilee	
Peace and Justice Division	A-14
Christian Formation	A-15
The School of Ministry	A-16
Education for Ministry	A-16
Keeping Our Churches Safe.....	A-17
Diocesan Youth Program.....	A-17
Stewardship and Finance	A-20
Commissions:	
Ministry	A-21
Committees:	
The Mission Funding Committee.....	A-22
Deaneries:	
Four Rivers Deanery	A-24
Twin Rivers Deanery	A-24
Beargrass Deanery.....	A-25
River Cities Deanery.....	A-25
Others:	
Companion Diocese Committee.....	A-25
Communications.....	A-26
Episcopal Housing Corporation	A-27
Ministries of Service Related to the Diocese:	
Aaron McNeil Center	A-28
The Episcopal Church Home.....	A-29
Home of the Innocents	A-31
Sewanee: The University of the South	A-34
Norton Healthcare	A-36

Episcopal Diocese of Kentucky



ANNUAL REPORTS

--OFFICERS OF THE DIOCESE--

THE BISHOP'S REPORT

To the 185th Annual Convention of the Diocese of Kentucky:

Canon III.12.3(d) *At each Annual Meeting of the Diocesan Convention the Bishop Diocesan shall make a report of the State of the Diocese since the last Annual Meeting of the Convention; including the names of the Congregations visited; the number of persons confirmed and received; the names of those who*

have been admitted as Postulants and Candidates for Holy Orders, of those ordained, and of those suspended or deposed from Holy Orders; the changes by death, removal, or otherwise, which have taken place among the Clergy; and other matters the Bishop desires to present to the Convention; which statement shall be inserted in the Journal. (Constitution and Canons of the Episcopal Church, 2009)

Parochial Visitations – January 1 to December 31, 2012

Christ Church Cathedral, Louisville; St. Clement's, Louisville; Our Merciful Saviour, Louisville; St. Thomas, Louisville; St. Thomas, Campbellsville; Holy Trinity, Brandenburg; Trinity, Fulton; Messiah-Trinity, Louisville; St. Alban's, Fern Creek; St. Mark's, Louisville; Christ Church, Bowling Green; Trinity, Owensboro; St. Andrew's, Louisville; St. Francis in the Fields, Harrod's Creek; St. Matthew's, Louisville; Calvary, Louisville; Grace, Paducah; St. James, Shelbyville; St. Peter's by the Lakes, Gilbertsville; St. Paul's, Louisville; St. Luke's, Anchorage; Resurrection, Louisville; St. John's, Murray; Ascension, Bardstown; Grace, Hopkinsville; St. Peter's, Louisville; St. Mary's, Madisonville; St. George's, Louisville; Trinity, Russellville; St. James', Pewee Valley; Advent, Louisville.

Confirmations and Receptions

(please see Vital Statistics recorded elsewhere in this Journal)

Admitted as Postulants and Candidates for Holy Orders

- Cortney Dale admitted as Postulant, February 28, 2012
- Drusilla Kemp admitted as Postulant, May 1, 2012
- Drusilla Kemp admitted as Candidate, September 14, 2012

Ordinations as Ordaining Bishop

- The Reverend Katharine Doyle to the Sacred Order of Deacons. Christ Church Cathedral, Louisville. May 19, 2012.

- The Reverend Drusilla Kemp to the Sacred Order of Deacons. Christ Church Cathedral, Louisville. December 4, 2012.
- The Reverend Katharine Doyle to the Sacred Order of Priests. Calvary Church, Louisville. December 8, 2012.

Ordinations as Participating Bishop

- The Right Reverend Robert Wright as Bishop in the Church of God and Bishop Diocesan of Atlanta. Martin Luther King, Jr. Chapel, Atlanta, GA. October 13, 2012.
- The Right Reverend W. Nicholas Knisely, Jr, as Bishop in the Church of God and Bishop Diocesan of Rhode Island. St. George's School, Middletown, RI. November 17, 2012.
- The Right Reverend Douglas Hahn as Bishop in the Church of God and Bishop Diocesan of Lexington. Christ Church Cathedral, Lexington, KY. December 15, 2012.

Letters Dimissory Received

- The Reverend Richard Martindale from the Diocese of Atlanta

Letters Dimissory Issued

- The Reverend Stephen Wilson to the Diocese of Colorado.

Clergy Deaths

- The Reverend Lester Gross
- The Reverend Stanley Joe Smith

Renewal of New Ministry

- Saint Paul's Church, Henderson, welcoming the Reverend Rich Martindale. April 18, 2012.
- Christ Church, Elizabethtown, welcoming the Reverend Ellen Morell. June 23, 2012.

Meetings of Bishops

- TEC House of Bishops, Camp Allen, Diocese of Texas. March 2012.
- Living Our Vows, College for New Bishops, Camp Logan, North Carolina, May 2012.
- Province IV Bishops, Kanuga Retreat Center, June, 2012.
- Province IV Synod, Kanuga Retreat Center, June 2012.
- The 77th General Convention, July 2012.

Respectfully submitted,
(The Rt. Rev.) Terry Allen White,
VIII Bishop of Kentucky

**RETIRED BISHOP
and
CHAPLAIN TO THE RETIRED**

To the 185th Annual Convention of the Diocese of Kentucky:

I am finally getting this report to the Secretary of Convention as both the Retired (6th) Bishop of Kentucky and the “Bishops Chaplain to Retired Clergy and their families.”

As the Retired Bishop, I can report that I continue to honor my vows and commitment as Baptized member, Deacon, Priest and Bishop of the Church. I am seldom called upon to function as a bishop except in regular attendance at diocesan events and participating in the Consecration of bishops—the most recent being the tenth bishop of Atlanta, October 13th. I also attended the General Convention in Indianapolis and the Fourth Province Bishops’ meeting in Savannah on the 23rd and 24th of October.

My Baptismal and Diaconal ministries are exercised as opportunities arise in my interpersonal relations and within the Louisville Community. My priestly ministry is primarily exercised at St. Matthew’s Church where I celebrate and preach occasionally and try to maintain a regular daily service of Morning Prayer in the chapel, but am perhaps better known for recruiting and managing a group of ten men who prepare and serve the coffee after the principal service on Sundays and for making nametags for the members of the parish. (Most recently I am known for a clown mask and wig worn for Halloween—to prove that I do not take myself too seriously.)

As Chaplain to the Retired clergy, I maintain a list of those known to me and try to visit or telephone them several times in the year, with special attention to those known to be ill. In particular I ministered to Fr. Lester Gross regularly during the last months of his life and buried both him this year and his wife, Irene (in November of 2011). We had a dinner, with Bishop White, at our home in September for the retired clergy, wives and surviving spouses of the Diocese, as an occasion for them to get to know their bishop. (I am grateful to the Diocese of Kentucky for the annual item in the diocesan budget in support of this ministry.) Once a month I gather with a small group of retired clergy in Louisville.

Catherine and I have been named by the Church Pension Fund as “Provincial Coordinators” for the Bishops’ Chaplains to the retired clergy in Province IV and, with her help, I organize and run an annual conference for the chaplains (and their wives) somewhere in the Province. (We also attend an annual meeting of all Provincial Coordinators, convened by the Pension Fund.)

I am grateful for the honor of serving in any way that I can as Retired Bishop of this diocese and particularly appreciate the way some congregations recognize me as a bishop of the diocese on Sundays in the Prayers of the People. With a little advance notice I am available to serve anywhere in the Diocese and am always glad to have contact with parishes and clergy who have meant so much to me over the last forty years.

Faithfully, Yours in Christ,
+David

TRUSTEES AND COUNCIL

To the 185th Annual Convention of the Diocese of Kentucky:

MISSION STATEMENT

To serve as Trustees of the properties of the Diocese, to manage the business affairs of the Diocese, to work with the Bishop in implementing all mandates of the church, and to join with others to unify, inspire and empower all people of the Diocese.

HISTORY:

Trustees and Council is the successor organization to the Trustees of the Diocese and the Executive Council that functioned separately prior to the 1975 Convention. The two were merged at that time in order to coordinate decision-making and to provide for more efficient leadership of the Diocese. The new council continues both fiduciary responsibility and that for program.

MEMBERSHIP:

The Rt. Rev. Terry Allen White, Bishop and President
Angela Koshewa, Vice-president (2013)
Kay Shields Wilkinson, Secretary
Donald F. Kohler, Treasurer (2012)
W. Robinson Beard, Chancellor
The Rev. Rose Bogal-Allbritten, Deacon (2013)
The Rev. Suzanne Barrow (2014)
The Rev. Matthew Bradley (2012)
Stephen Cherry (2012)
Richard Coltharp (2014)
The Rev. Amy Real Coultas (2013)
Samuel F. Dorr (2012)
Nancy Gary (2013)
The Rev. Karl Lusk (2014)
The Rev. Benjamin Maas (2013)
F. Hampton Moore, Vice Chancellor (2014)
William Nichol (2013)
The Rev. Alice Nichols (2012)

FINANCES:

Trustees and Council operated with a Convention-approved budget of \$1,279,056.

ANNUAL REPORT:

Trustees and Council held six meetings during 2012.

February 2-3, 2012

All Saints' Conference Center

- A video from the Presiding Bishop was shown, in which she asked General Convention deputies to think of ministry as moving forward and outward, and

how that can be blessed. Bishop White asked Trustees and Council to consider ways in which the Presiding Bishop's advice can be applied in the Diocese of Kentucky.

- Bishop White divided Trustees and Council into three study groups: 1) St. Peter's, Louisville; 2) Church of the Resurrection, Louisville; and 3) the canons and policies relating to parishes, missions, and aided parishes. The study groups reported back to the plenary session later in the meeting.
- Angela Koszewa was elected Vice-President of Trustees and Council, and The Rev. Amy Real Coulas was elected Member-at-Large.

April 26, 2012

All Saints' Conference Center

- The Rt. Rev. James Mathes, Bishop of San Diego, was a guest at Trustees and Council, speaking on the theology of stewardship and the connection between faith and resources.
- The Bishop stated, and Trustees and Council concurred, that ministries to the Sudanese and Karen and Kareni groups are diocesan ministries.
- The gift of IBM stock valued at \$29,171.44 was received from a priest in gratitude for theological education assistance.
- The gift of a ping-pong table for All Saints' Conference Center was received from the youth of St. Andrew's Church, Louisville.
- Loans from the Marmion Revolving Loan Fund for the Bishop Search and for computer equipment were re-structured at a lower interest rate.
- \$70,305.98 was received from the sale of the former St. Martin's in the Field, Mayfield, property.
- The Diocese of Kentucky was granted a Summary Judgment in the Ballard property matter, and it was referred to mediation.
- Several By-laws of Trustees and Council were amended, clarifying the work of Deaneries and to update name and schedule changes.
- The Rev. James R. Wilkinson, Historiographer, has researched the history of the Marmion Revolving Loan Fund for the Chancellor.

June 28, 2012

St. Alban's Church, Fern Creek, Kentucky

- Bishop White announced that a lawsuit involving Grace Church, Paducah, the Diocese of Kentucky, and the Boy Scouts of America had been dismissed.
- The Bishop also announced that the Ballard property mediation resulted in a settlement in favor of the Diocese of \$456,000, with legal fees paid from the proceeds.
- Angela Koszewa, The Rev. Karl Lusk, The Rev. Ben Maas, and Bill Nichol were appointed to the 2013 Budget Committee.
- Bishop White announced that Beth Bojarski, Director of Youth Programs, has resigned to become the director of Camp Stevens in the Diocese of Los Angeles.
- The Sudanese congregation is worshipping at Messiah-Trinity Church, and the Karen and Kareni congregations are worshipping at St. Mark's Church.

- 90% of the proceeds from the sale of the Mayfield property will be reserved for work in the Four Rivers Deanery, and 10% will be contributed to the George Casparian Fund for Lay Training.
- A report was received from the All Saints' Task Force. A new mission statement, business plan, and physical improvements are being discussed, as well as ideas for generating revenue.

August 17, 2012

Grace Church, Hopkinsville, Kentucky

- The Budget Committee presented the first draft of the budget, with projected revenues of \$1,405,925 and projected expenditures of \$1,458,707, based on each congregation pledging 15%. A balanced budget, with actual pledges, was presented to the next meeting of Trustees and Council.
- Trustees and Council agreed to subordinate the two Marmion Revolving Loans of St. Luke's Church, Anchorage, so that St. Luke's can obtain a Line of Credit during its renovation project. It also agreed to subordinate a Marmion Revolving Loan from St. Matthew's Church.
- The draft management letters for the 2009 and 2010 audits was received. The accounting firm's opinion is that the financial positions are in conformity with accounting principles generally stated.
- Trustees and Council agreed not to object if the Church of the Advent pursued termination of the Theodore Irwin Hilliard Fund, a trust for which PNC Bank is the Trustee.

October 11, 2012

Christ Church Cathedral, Louisville, Kentucky

- The 2009 and 2010 audits were accepted, with two action items: an internal control audit needs to be performed soon, and the software needs to be able to handle all transactions, without transferring information from Excel.
- The Budget Committee presented a 2013 balanced budget of \$1,441,940, which was sent to the Diocesan Convention.
- The Rev. Matthew Bradley and The Rev. Rose Bogal-Allbritten described their ministry at a women's prison near Murray.

Respectfully submitted,
Kay Shields Wilkinson, CPA
Secretary of the Diocese

REPORT OF THE TREASURER

To the 185th Annual Convention of the Diocese of Kentucky:

Church pledges received decreased 4.4% in 2011 versus 2010. Unpaid pledges were \$35,894 at year end. The Endowment Spending Policy was 5.25% and will decline to 5.0% in 2012. This Policy was adopted by Trustees and Council four years ago, with the percentage usage declining from 7% to 5%, from which point it will remain constant unless subsequently changed. This capital usage refers both to restricted and unrestricted funds and should come approximately one-half from income and one-half from principal. This is a “total return” concept, and should be sustainable unless market conditions deteriorate further.

Total revenues were \$1,364,262 a decrease of \$244,218. Total expenses were \$1,371,590, a decrease of \$140,041, resulting in a loss of \$7,328.

The pledge to the Episcopal Church was \$120,721.

The balance sheet and operating statement appear satisfactory through cash flow continues to be tight.

Total assets at year-end 2011 were \$594,607 versus \$600,943 on December 31, 2010. Restricted funds were \$219,760.

Capital funds at market values on December 31, 2011 were \$8,386,053 versus \$8,288,067 at the prior year-end, after allowing for the Endowment Spending Policy Formula of 5.25% and other programmed withdrawals. Endowments consist of the diocesan portion of the Commingled Fund, the Bishop Dudley Memorial Fund and the other funds of the diocese. Several churches use the Commingled Fund as their investment vehicle, a very economical way to employ Capital Funds. The availability of professional management is encouraged.

The Investment Policy of the Diocese remains unchanged—a long-term approach emphasizing high quality equities and bonds with equities in a range of 65-75% and cash and bonds providing the balance. The popular Dow-Jones average increased 5.5% in 2011 plus increased dividends. The Diocese benefited from this stock market advance. Our judgment is always subject to error.

The Investment Committee continues to follow conservative policies, mindful of the need to balance current and future funding requirements. The major emphasis is placed on high quality, well-managed companies, primarily through the medium of common stocks. We do not want to deviate from these policies despite the obvious head-winds which are currently present.

Interest rates are very low, economic stimulation continues, along with high unemployment, deficit finance and a federal government stalemate. The corporate and private sectors continue to de-leverage. This latter process seems unfinished. May the public sector do likewise!

Respectfully submitted,
Donald F. Kohler, Treasurer

THE CHANCELLOR

To the 185th Annual Convention of the Diocese of Kentucky:

In accordance with the amended Canon 29, I convened a meeting of the Disciplinary Board pursuant to the revised Title IV of the Episcopal Church Canons. I assisted both the Court and the Board with their organization for the current year.

I participated as a member of Trustees and Council and served as Secretary of the Episcopal Housing Corporation of Kentucky, Inc. I recorded the amended Charter of the diocesan corporation and the amended Articles of Incorporation of the Bishop Dudley Memorial Fund, Inc., both as approved by the 184th Annual Convention.

I attended General Convention 2012 as one of the Diocese's lay deputies, and attended meetings with parishioners interested in the actions of the General Convention both before and after the Convention. I planned the educational program for the 2012 Province IV Bishops' and Chancellors' Conference in Savannah, Ga. at the end of October.

At the request of Bishop White, I advised a Rector and Senior Warden with respect to an employment matter which had arisen in a parish preschool. I drafted a conditional amendment to a Marmion revolving loan mortgage.

I began studies of two topics during the year which will continue into the next year. The first relates to how the Diocese, its congregations and recognized "supporting organizations" are covered by the group tax exemption provided by the Internal Revenue Service to the Episcopal Church; discussion at the Province IV Conference will inform communications to the parishes in the coming year. The second relates to a project to review and perhaps amend the Diocese's policy manual concerning organizational requirements the Diocese expects all parishes to adopt.

I drafted amendments to several sections of Trustees and Council's By Laws which were adopted by Trustees and Council during the year. I chaired a meeting of the Committee on Canons in October at which the Committee approved a set of miscellaneous amendments to the Canons for consideration at the Convention.

I provided other professional counsel and services as requested by the Bishop, Trustees and Council, the Standing Committee, members of the Diocesan staff and other persons who exercise responsibility on behalf of the Diocese.

Respectfully submitted,
W. Robinson Beard,
Chancellor

THE VICE CHANCELLOR

To the 185th Annual Convention of the Diocese of Kentucky:

The Vice Chancellor serves by nomination of the Bishop after consultation with the Chancellor (Canon 13, section 3). The Vice Chancellor is to carry out such duties as the Chancellor may assign. In addition, the Canons assign to the Vice Chancellor issues which involve the real estate owned by the Diocese.

As a result, the Vice Chancellor, in 2012, has been asked to assist with and consult on issues involving property disputes, property condemnation, land sales agreements, property taxes and litigation involving the Diocese.

I am grateful for the opportunity to serve our Diocese, Bishop White, and Chancellor Beard.

Respectfully submitted,
Frank Hampton Moore, Jr.
Vice Chancellor

REPORT OF THE HISTORIOGRAPHER

To the 185th Annual Convention of the Diocese of Kentucky:

I began 2012 deeply saddened by the death of Janet Irwin in December 2011. Janet was previously the editor of *The Bishop's Letter* (news publication of the Diocese of Kentucky). She had a vast knowledge of the people and history of our diocese and had hoped to complete the indexing of *The Bishop's Letter* bound and preserved in the Diocesan Archives. She will be greatly missed.

In 2012, I received numerous e-mail and phone inquiries for information in the archives, including inquiries related to genealogy, and verification of baptisms, marriages, and funerals. Some required searching in registers of congregations that are now closed or no longer part of the Diocese of Kentucky.

There was a request to gather information on one of our diocesan foundations.

There was a request to research the history of the establishment of the Marmion Revolving Fund, how money was originally designated for this Fund, and what restrictions were placed on its use.

There was a request for information on the history of the chaplaincy at Norton Memorial Infirmary for a history that was being written for Norton Hospital.

With the help of Becky Meyer, Comptroller of the Diocese, *Sentry File* record keeping of digital copies of historic documents was set up. This will take considerable time, but eventually our precious documents will be backed up and will be retrievable in digital form. Documents that were being kept for the Diocese of Kentucky by the University of Louisville Library, including many only-existing records from the 19th century, were returned to the Diocesan Archives and the custody of the Historiographer. Among these documents were Minutes and Registers and a taped oral history of Bishop Marmion and some documents

with indications that they had been stored once before in 1945 in the vaults of the *Courier-Journal*. We are grateful to all those at the University of Louisville Library for the way these documents were preserved and for the way they were returned to us.

Verifiable information on Sister Emily Cooper, Deaconess, proposed for inclusion in *Holy Women, Holy Men*, was successfully presented to the General Convention of the Episcopal Church meeting in Indianapolis in July, and her commemoration was approved for trial use during the next three years.

I learned fascinating details of several other historic persons:

There was the Rev. Edward Gantt, Sr., MD, an Episcopal priest and medical doctor. He was Chaplain to the United States Senate (1801-1804) and physician to the White House and President Thomas Jefferson in Washington, DC, before coming to reside in Louisville c.1807 or 1808 some 20 years before the founding of the Diocese of Kentucky (1829). He remained priest and doctor in Louisville until he died in his 90's in 1837.

His son, the Rev. Edward Gantt, Jr., had been previously sent by Bishop Thomas Clagget of Maryland (his first cousin) as a missionary to Kentucky, but becoming ill he had returned to Maryland where he died. We now have in the Diocesan Archives copies of letters and papers donated by a relative.

There was the Rev. Jackson M. Mundy. He was the Vicar for 52 years of St. Clement's, Henderson, and senior priest of the Diocese of Kentucky when he died in 1952. He was also a Mason and previous Grand Master of his Masonic order.

There was the Rev. Alexander Hamilton McNeil, Deacon, a.k.a. Aaron McNeil, for whom the Aaron McNeil Center in Hopkinsville is named. He came to Kentucky from Missouri, was ordained a deacon, was the first minister of Good Shepherd, Hopkinsville, and died suddenly of a stroke at the age of 41 before he would have been ordained a priest.

The search continues to locate and recover documents to help us discover more about their lives and service in the Diocese.

I provided assistance to a graduate student working on The African American Encyclopedia Project at the University of Kentucky regarding the history of St. Mark's Colored (now the Church of Our Merciful Saviour, Louisville).

A history of St. Paul's, Louisville, was compiled, and a flyer was provided for West End Baptist Church, Louisville (which now owns the previous St. Paul's building at Fourth and Magnolia). The building was open for tours during the 2012 St. James' Court Art Fair in October.

The search for missing records continues. The task to preserve and make accessible our historic documents goes on, so that our history may be shared with the people of the Diocese of Kentucky.

Volunteers are needed to sort and index the contents of the Diocesan Archives and to assist in copying documents into the *Sentry File*. If you are interested and can give time to working with the archives, I want you on our team.

Respectfully submitted,
(The Rev.) James R. Wilkinson

THE STANDING COMMITTEE

To the 185th Annual Convention of the Diocese of Kentucky:

Met at St. Andrew's, Louisville on November 11, 2011

1. Met with Katherine Kanto Doyle regarding her Candidacy for Ordination to the Priesthood – approved, signed and submitted paperwork
2. Approved sale of property at 812 S. Third St. for Calvary Church
3. Approved election of John McKee Sloan as Diocesan Bishop of the Diocese of Alabama

Met at St. Andrew's, Louisville on November 12, 2011

1. Welcomed newly elected members The Rev. Anne Vouga and Bill Allbritten
2. Elected Bill Allbritten as Standing Committee Clerk and The Very Rev. Candyce Loescher as President

Met electronically on November 18, 2011 and approved the sale of the property in Mayfield, KY.

Met electronically on January 10, 2012

1. Approved the election of Andrew Dietsche as Bishop Coadjutor of the Diocese of New York
2. Approved the election of Gregory Brewer as Diocesan Bishop of the Diocese of Central Florida

Met electronically on April 3, 2012

1. Approved Katherine Kanto Doyle's Ordination to the Transitional Diaconate
2. Consented to the election of a Bishop Suffragan for the Diocese of Texas

Met electronically on May 23, 2012 and approved the Ordination of Benjamin Badgett to the Sacred Order of Priests

Met at the Diocesan Office, Louisville on September 13, 2012 to meet with Drusilla Kemp regarding her Candidacy for Ordination to the Vocational Diaconate – approved, signed and submitted paperwork

As President of the Standing Committee convened the biennial meeting of the Performance Review Committee and on October 3, 2012 met with the Rt. Rev. Terry Allen White.

Our next scheduled meeting will be around the 185th Convention of the Diocese of Kentucky in Hopkinsville.

Respectfully submitted,
(The Very Rev.) Candyce J. Loescher

TRUSTEES OF THE BISHOP DUDLEY MEMORIAL FUND

To the 185th Annual Convention of the Diocese of Kentucky:

The Trustees of the Bishop Dudley Memorial Fund meet quarterly to further its perpetual mission to oversee the safekeeping and long-term investments of the Fund. This fund is held exclusively to support the episcopate, both for current and future years.

The policy followed by the Trustees regarding the annual distribution to the diocese calculates the yearly amount using a constant percentage of the Fund's total market value, determined as an average of the lower of the prior one-year and three-year quarterly averages. The contribution policy was adopted to emphasize total growth in the Fund monitored over a period of time and its smoothing effect on the calculation of distributions. The contribution amount approved for 2013 reflects the emphasis placed on blue chip stocks paying solid dividends. This strategy will be reviewed again in January.

In prior years, the calculation for the coming year's distribution was made at the October meeting, including the fund value as of September 30th. As a result of the change in the date of the annual diocesan convention and in an effort to facilitate the diocesan budgeting process, the 2013 annual distribution amount was calculated and conditionally approved during the July meeting using the fund balance at June 30, 2012.

The June 30, 2012 Fund information was as follows:

Market Value	\$ 3,369,606.00
Investment Management Fees (Annualized)	\$ 13,030.00
2012 Funding to Episcopate (Annualized)	\$ 137,598.00
2013 Approved Funding to Episcopate	\$ 146,386.00

Stock Yards Bank & Trust Co. (SYB) is currently the Fund's outside professional investment manager, and a representative from SYB makes a quarterly report to the Trustees. In an effort to at least maintain the future purchasing power of the Fund principal net of annual payouts and expenses, the Trustees adopted a revised investment policy that includes a focus on increasing the level of earned income and yield from the portfolio. SYB is gradually implementing the revised policy at a schedule approved by the Trustees.

I would like to thank all of the Trustees for their dedicated service this year – Bos Todd, Charles Hawkins, Jamie Herndon, Bill Albritton, Nancy Northrop, Alex Campbell, Bill Chandler, and Gibbs Reese. They have generously shared their time and many talents for the benefit of the Fund and the diocese.

Respectfully submitted,
Llewellyn Spears, chair

--DEPARTMENTS --**DEPARTMENT OF JUSTICE AND JUBILEE
PEACE AND JUSTICE DIVISION**

To the 185th Annual Convention of the Diocese of Kentucky:

The theme for the Peace and Justice Division this year was Compassion. At the 184th Diocesan Convention congregations were encouraged to examine what compassion looks like in their parish and how they live out their call to be compassionate.

We sponsored a “Retreat into Compassion”, a two day event where thirty participants from a variety of denomination met to develop a six-session study series using Henri Neuwen’s “Compassion: A Reflection on Christian Life”. The series includes a facilitators guide, easy to follow session outlines and materials. It is posted on the Diocese of Kentucky website and is available for everyone to use. <http://peace-justice.episcopalky.org/compassion/study-series.html> The study series will be one of the primary focuses of the Diocese of Kentucky’s booth at the Festival of Faiths in November 2012.

We continue to update our web page on the Diocesan website, and to increase communication and use social media more effectively we have created a Facebook page for the division. <http://www.facebook.com/PeaceJusticeKY?ref=hl> Please look us up and “like” us.

The division has purchased banners that can be used for advocacy and mission events. The banners display the Episcopal shield and say, “The Episcopal Church is Here” and “The Episcopal Church Cares.” Contact Mary Abrams at kypeacejustice@gmail.com if you would like to use the banners.

We had an Episcopal presence at the Hunger Walk and Aids Walk this Fall in Louisville. The division was one of many partners with Sowers of Justice supporting the Economic Justice Conversation event in October in Louisville.

We are always looking for people who have a passion for peace and justice to work with us and to help us keep our diocese informed about the issues. If you are interested and want to help, contact Mary Abrams kypeacejustice@gmail.com .

Respectfully submitted,
(The Rev.) Mary Abrams, chair

DEPARTMENT OF CHRISTIAN FORMATION

To the 185th Annual Convention of the Diocese of Kentucky:

Last year at convention, Bishop White charged me with working to design a program on Foundations in Faith for those seeking to make a commitment to Christ. Bishop White said, "This is especially needed in congregations who do not currently have such a program and/or the personnel to lead. This program could also be implemented in our deaneries allowing for participants to join with others in the area. Finally, it might also help standardize the content of what is being offered those new to the faith and this tradition." After much research and consultation with other Dioceses who have already implemented these strategies, a steering committee is being formed. This committee will have subcommittees (preschool, elementary, youth, young adult, adult, and seniors) which will work independently and report back. These subcommittees will start by researching and answering the questions, "What do the Diocese of Kentucky parishes and people need or want from the Diocese in your particular area? Are there specific helps parishes, Christian Ed people, or clergy would like?"

During General Convention, the resolutions which were passed included: continued development of training for leaders of the Church, development of an electronic learning community, furthering the ministry of all the Baptized, and the Bible Challenge. Over the next few months, the steering committee which is forming will prioritize these resolutions and begin to move towards implementing them all.

Finally, in August 2012, Beth Bojarski resigned to take another position in California. The strong desire by all was to continue to build upon the strong foundation Beth laid as well as to make certain there was no decrease in momentum. With the hard work of many clergy and lay people in the Diocese, this has now happened. Fall Gathering hosted over 20 youth—one of the largest in anyone's memory. I am eternally grateful for all the coordination and hard work of everyone involved. I look forward to a new Director of Youth Programs being named.

Two thousand thirteen will be a wonderful year for Christian formation.

Respectfully submitted,
(The Rev.) Katherine Doyle, chair

THE SCHOOL OF MINISTRY

To the 185th Annual Convention of the Diocese of Kentucky:

The goal of the School of Ministry (SOM) is to provide a two-year program of educational preparation and formation in community for the diaconate and intentional lay ministry (deacons complete an additional semester of Pastoral Theological Education). The SOM also assists individuals discerning a call to lay or ordained ministry. Students meet at All Saints one weekend (Friday evening until late Saturday afternoon) a month for ten months (September through June) each year. The School is directed by the Rev. Dr. Rose Bogal-Allbritten. The Rev. Dr. Eva Markham, The Rev. Delinda Buie, and some of the more recently ordained deacons also are active participants in most School of Ministry sessions. The faculty includes clergy and laypersons from the Diocese of Kentucky as well as seminary faculty, university faculty and others in church leadership positions.

In September 2011, six students (representing five congregations) began the first year of the School of Ministry. During this first academic year, these five individuals completed coursework in Community Organization and Advocacy, Outreach, Hebrew Scripture, New Testament, Homiletics, Human Behavior and Spiritual Disciplines. Several of these sessions were used as continuing education for the deacons.

In September 2012, five students began the second year of the School of Ministry (one person withdrew for health reasons). During this year, students will complete coursework in Prison Ministry, Theology, Pastoral Care, Ethics, Liturgy, the Canons, Church History and Church Systems. A number of the sessions will be offered as continuing education for the deacons and several sessions will be open to clergy and laypersons in the Diocese.

Respectfully submitted,
(The Rev. Dr.) Rose Bogal-Allbritten,
Program Director

EDUCATION FOR MINISTRY

To the 185th Annual Convention of the Diocese of Kentucky:

The goal of the Education for Ministry (EfM) program is to provide laypersons with a comprehensive theological education. EfM enables baptized Christians to relate their faith to their lives and ministries in the world.

During 2012 (January to July), there were 12 EfM groups in the Diocese (four in Louisville, two in Paducah, two in Owensboro, one in Bowling Green, one in Glasgow, one in Hopkinsville, and one in Murray) with 85 participants. There were 18 EfM graduates (individuals who completed the four-year program). One mentor training session (Basic) was held at All Saints in August 2012; during this session, 8 mentors were either trained for the first time or fulfilled their continuing training requirement (mentors must go through training every 18 months). Another training session (Formation) will be held at the end of November.

Respectfully submitted,
(The Rev. Dr.) Rose Bogal-Allbritten,
Diocesan Coordinator

KEEPING OUR CHURCHES SAFE

To the 185th Annual Convention of the Diocese of Kentucky:

The newest development in our online safe church training is a pair of programs on prevention of sexual exploitation of adults. One of these, "For Ministries," is for clergy, lay Eucharistic visitors, pastoral caregivers such as Stephen ministers, etc. The other, "For Congregations," is for vestries, bishop's committees, and general membership.

It has been several years since we have had the personnel to present this training in group meeting format, so many of us may be overdue for our refresher courses. The online courses, which take about 20-25 minutes, are available at any time via high-speed internet. They are free of charge and do not require travel to a central meeting place.

Courses on prevention of sexual harassment are being developed, and we expect that they will be available online by mid-2013.

In our camp staff hiring process, we used the new online background check service developed by Praesidium, the company that designed our Safeguarding™ courses. We were thrilled to find that this service is very reasonably priced, gives a broader range of data, and can be completed in a matter of hours.

All of these resources are easily available to our churches and institutions, and bring us ever closer to the ideal of having every adult trained in maintaining the safety of our children and adults. To date, 441 of us have completed 1,762 courses. Please contact the Diocesan office for information or help.

Respectfully submitted,
(The Rev.) Joan Smith,
Canon to the Ordinary

DIOCESAN YOUTH PROGRAM

To the 185th Annual Convention of the Diocese of Kentucky:

Mission Statement: The Episcopal Diocese of Kentucky Youth Program provides Christ-centered, safe, welcoming opportunities for young people to experience friendship, fun and faith enrichment often in an outdoor setting.

Because of camp I ...

made new friends • had fun • look forward to summer • learned that God is there for me
• have had my questions answered • have experienced new things and have a different perspective of things • want to be a counselor • have more tick bites • feel happy • know how to roast a marshmallow • have strengthened my faith and friendships and become a stronger Christian • have strengthened my leadership abilities • have friends throughout Kentucky • am more sure of myself • know it's okay to question and wonder • discovered a broader comfort zone • (excerpts from 2012 camper evaluations)

All Saints Summer Camp

Theme: 2012 London Olympics

Summer Staff: 19 (includes director)

- Sr. Staff – 16
 - Returning staff from previous year(s) – 10: Kendall Badgett, Beth Bojarski, Hannah Bradley, Paige Dale, Shehan Jordan, John MacLean, Bradley Mitchell, Rachael Palmer, Julie Roth, Megan Sumners
 - First year as summer staff – 6 (3 graduated high school in May) – Mary Feather, Reuben Griggs, Mary Catherine Zellmer; May graduates: Trey Burr, Sarah Carbin, Allison Caudill
- Jr. Staff – (for New Horizons and/or Jr. High weeks): Sarah Katherine Doyle (2 weeks), Trevor Neaveill, Clayton Palmer
- Colleges represented – WKU, Murray State, UK, EKU, MICA, UofL
- Diocesan churches represented – Christ Church Bowling Green; St. John's Murray; Calvary Louisville; Grace Paducah; St. Andrew's Louisville; St. Thomas, Campbellsville; St. Matthew's, Louisville

Volunteers: 27

- Clergy – 8: Mary Abrams and Ben Maas (Sr. High); Ben Badgett and Meghan Holland (Primary); Hilary Bogert-Winkler and Jon Erdman (New Horizons); Matthew Bradley and Katherine Doyle (Jr. High)
- Healthcare – 4: Tom Price (Grace Hopkinsville), Andy Owen (Trinity/ Owensboro), Cam Norman (St. Andrew's/Louisville), and Peggy Henney (Grace, Paducah)
- Program or Cabin Counselors – 15: Ian Baete, Lora Baete , Kevin Colbert, Tricia Day, Marie Hagan, Steven Hart, Martha Holland, Brian Kinnaman, Sara Mattingly, Barb Merrick, Rose Pinotti, Hollis Real, Virginia Smallwood, Azucena Trejo Williams, Shawn Williams

CAMPERS:

Camper Distribution: Camp	2010	2011	2012
Senior High	43	40	35
Primary	44	27	30
CIT	0	11	8
Family	19	0	0
New Horizons	45	38	31
Junior High	40	37	43
Total	191	153	147
Male	85	68	66
Female	106	85	81

CAMPER DISTRIBUTION:

- Diocesan Churches: 141 (6 campers not Episcopal or did not indicate denomination or church)
- Louisville Area: 103 (73%)
- Outside Louisville Area: 38 (27%)

FINANCES:

- Camp Fee: \$300 except Mon-Thurs
Primary Camp (\$270)
- All Saints Fee: \$220 except Mon-Thurs
Primary Camp (\$170)

CAMP FEE DISTRIBUTION:

	2011	2012
Private Source:	\$19,438.00 (45%)	\$19,720.00 (47%)
Local Church:	14,020.00 (33%)	13,298.00 (32%)
Diocese:	<u>9,264.00</u> (22%)	<u>8,874.00</u> (21%)
Total:	\$42,722.00	\$41,892.00

Spring Gathering

Theme: EpiscopALIEN

Volunteers: 10 total

Participants: 38 total

Fall Gathering

Theme: The Hunger Games

Volunteers: 13 total

Participants: 28 total

- Louisville Area: 20 [Calvary (5), OMS (1), St. Andrew's (8), St. Luke's (1), St. Mark's (4), St. Matthew (1)]
- Outside Louisville Area: 8 [Bowling Green (1), Elizabethtown (1), Brandenburg (2), Pewee Valley (1), Murray (1), Henderson (2)]

Youth Council (2011-2012)

Purpose: plan gatherings and summer camp theme, earn leadership skills and team work, practice leading games and activities, lead games and programming at gatherings, and represent the Diocese of Kentucky Youth Program at provincial events.

Youth Members: Clay Bonin, Louisville; Zachary Capes, St. Andrew's Louisville, Christopher Doyle, St. Andrew's Louisville; Sarah Katherine Doyle, St. Mark's Louisville; Mason Ramsay, St. Mark's/Louisville; Anna Siewers, Christ Church Bowling Green; and Brooks Vessels, St. Andrew's Louisville

Adult Members: Marie Hagan, St. Mark's Louisville; The Rev. Meg Holland, Grace Paducah; Abby Watkins, Christ Church Bowling Green; and Kendall Badgett, Christ Church Bowling Green

Respectfully submitted,
Beth Bojarski & Brian Kinnaman

THE DEPARTMENT OF STEWARDSHIP AND FINANCE

Mission Statement: To supervise the finances of the Diocese to include the annual audits, investment accounts, insurance funds and other financial matters which may come up during the year.

Membership

Donald Kohler, Treasurer and Investment Chair

David Brooks, Stewardship and Finance Chair

Angela Koschewa, Budget Chair and Vice-President of Trustees and Council

The Rev. Karl Lusk, Budget Co-Chair

Nancy Gary, Audit Committee Chair

Lew Speaks, Chair, Bishop Dudley Trustees

The Rev. Candyce Loescher, Mission Funding Co-Chair

Elizabeth Blodgett, Mission Funding Co-Chair

The Rev. Canon Joan Smith

Becky Meyer, Staff

Annual Report: The Committee met once during the year. Most of the work of the Committee takes place in sub-committees which hold their own meetings, thereby eliminating the necessity of meetings with the full committee. The sub-committee chairs comprise the Finance Committee.

The Investment Committee supervised the following funds: Advance Fund, Endowment Fund, Commingled Fund, Forward Fund, Marmion Revolving Fund, Brennan Lecture Fund, Edith Parker Fund, Kohler Family Fund and Pauline Watt Fund. The market values as of December 31, 2011, were:

Advance Fund	\$ 943,048
Bishop Dudley Memorial Fund	3,217,225
Brennan Lectures Fund	54,884
Commingled Fund	3,160,465
Edith Parker Fund	414,973
Endowment Fund	147,704
Forward Fund	423,827
Kohler Family Fund	221,930
Marmion Revolving Loan Fund	1,645,008
Pauline Watt Fund	113,921
Total	\$ 10,342,985

All of these funds are income-producing and this income is used to support the diocese, each in its designated way. The Commingled Fund, Endowment Fund and Advance Fund are managed by Stock Yards Bank and Trust Company, Louisville. The Bishop Dudley Memorial Fund has its own Trustees and is listed here only to portray the total financial picture. Its report is separately stated in the *Journal* of Convention.

The Commingled Fund contains assets of the diocese and also assets of congregations within the diocese. These assets are commingled for investment purposes only. Each participant has its own specific percentage of the larger fund. Congregation monies invested in the Commingled Fund as of December 31, 2011, were \$1,184,339, which does not include the fourth quarter 2011 distributions and allocations to the individual funds.

The Endowment Fund contains assets received by the diocese by gift or bequest, usually with no specific designation for their use.

The Advance Fund, created in 1957 from part of a capital funds drive, is used for grants to congregations to purchase land for new work.

The Kohler Family Fund is an endowment for All Saints' Conference Center. 4% of the capital value as of January 1 each year is available for capital improvements at All Saints.

The Mission Funding Committee coordinates, receives and processes loan and grant requests for the Marmion Revolving Loan Fund, Forward Fund and Parish Development Grants.

All of the diocesan funds appeared in satisfactory condition at year's end and are performing their intended functions.

Respectfully submitted,
David Brooks, chair

-- COMMISSIONS --

COMMISSION ON MINISTRY

To the 185th Annual Convention of the Diocese of Kentucky:

The Commission on Ministry advises the bishop on matters of vocational discernment within the diocese. More specifically, the COM assists the bishop in the implementation of Title III Ministry Canons: in determining present and future opportunities and needs for ministry of all baptized persons; in the designing and oversight of the ongoing process for recruitment, discernment, formation for ministry and assessment of readiness, particularly for ordained leadership.

The COM consists of approximately twelve members (lay and clergy) appointed by the bishop for three-year terms at the Diocesan Convention. The group is an advisory committee for the bishop, meaning the COM makes recommendations to the Bishop and to the Standing Committee who in turn discern whether individuals are called, equipped, and prepared for ordained ministry.

The COM also provides opportunities for ministry exploration and education. The COM, in conjunction with the School of Ministry, hosts Diaconal Discernment Days for those

discerning a call to the Diaconate, and Discernment Overnight for those discerning a call to the priesthood. The COM then guides applicants, sponsoring parishes, and discernment internship parishes through the discernment process.

Additionally, the COM oversees the disbursement of continuing education funds for clergy. Our diocese has been blessed with resources for the formation of clerical leaders and the enhancement of their ministry. The COM receives applications for clergy continuing education grants and awards funds based on established criteria. The COM also oversees funds used for guest speakers, and special formation events within the diocese.

2012 Ordinations, Candidates, Postulants, and Nominees

Ordination to the Priesthood

The Rev. Benjamin Badgett – priesthood, June, 2012

Ordination to the Transitional Diaconate

Ms. Katherine Doyle – diaconate, May, 2012

Candidates for the Vocational Diaconate

Ms. Dru Kemp: Advent, Louisville

Postulants for Priesthood

Mr. Benjamin Hart: St. John's, Murray

Ms. Cortney Dale: Christ Church, Bowling Green

Nominees for Priesthood

Mr. Kevin Colbert: St. John's, Murray

Nominees for Vocational Diaconate

Mr. Dan Dykstra: St. Thomas, Louisville

Mr. Michael Vollman: Trinity Church, Russellville

Respectfully submitted,
(The Rev.) G. Patterson Connell, chair

-- COMMITTEES --

THE MISSION FUNDING COMMITTEE

To the 185th Annual Convention of the Diocese of Kentucky:

The Mission Funding Committee was formed as a subcommittee of Trustees and Council in 2000 upon the recommendation of the Department of Evangelism and Congregational Development (now the Department of Mission and Evangelism) to develop mission

and ministry by evaluating grant and loan requests, awarding small grants, and making recommendations to Trustees and Council for loans and grants greater than \$15,000.

Through the mission funding process, financial assistance may be given to any congregation or diocesan organization which has a clear plan for a mission project or initiative. Our goals are: to support mission initiatives which strengthen healthy, growing Episcopal congregations, and to support mission initiatives which reach out beyond our congregational walls to the communities in which our congregations are located, including to those communities where there is no Episcopal presence but a great need for mission and ministry.

The Mission Funding Committee is related directly to both the Department of Mission and Evangelism and the Department of Stewardship and Finance. Representatives from both Departments serve on the Mission Funding Committee, and the chair of the Mission Funding Committee sits on both departments, as well as the budget committee of Trustees and Council. Members of the Mission Funding Committee in 2012 included Dr. Bill Allbritten, Ms. Angela Koszewa, Trustees and Council Budget Committee Chair and member of the Department of Stewardship and Finance; Dr. Betty Blodgett, Committee Co-Chair; The Rev. Candyce Loescher, Committee Co-Chair; Mr. Donald Kohler, Treasurer of the Diocese and member of the Department of Stewardship & Finance; Mr. Hamp Moore, Vice-Chancellor of the Diocese; The Rev. Karl Lusk, Chair of the Department of Mission and Evangelism and Budget Co-Chair; The Rev. Tim Mitchell; and The Rev. Joan Smith, Canon to the Ordinary. The Rt. Rev. Terry White, Bishop, is *ex-officio* on the committee. Ms. Becky Meyer, Diocesan Controller, serves as staff to the committee.

The Committee carried out its duties via e-mail during most of the year. In July, the committee met for an all-day workshop at All Saints' Center to review and prioritize all grant requests for 2012 funding received by the June 15 deadline. Because of continuing concerns over the effects of the economic downturn, the committee made the decision to continue to suspend offering David B. Reed Forward Fund grants for 2013, in order to allow the fund to build for another year.

Applications from the following organizations and congregations were recommended for funding through the 2012 Diocesan Budget: Aaron McNeil House (Hopkinsville), St. George's Community Center (Louisville), Kentucky Refugee Ministries, St. Andrew's (Glasgow), St. Thomas' (Campbellsville), Holy Trinity (Brandenburg), St. George's Church (Louisville), Trinity (Russellville), Church of Our Merciful Saviour (Louisville), and Trinity (Fulton).

Respectfully submitted,
Dr. Betty Blodgett
(The Rev.) Candyce Loescher, co-chairs

--DEANERIES--**FOUR RIVERS DEANERY**

To the 185th Annual Convention of the Diocese of Kentucky:

The Four Rivers Deanery continued this year with our quarterly meetings of the full Deanery. Our main focus was on the relationship of the Parishes and the Deanery to the Diocese and how that might look in all the aspects of our lives in the church, including financially. A committee of the Deanery has worked on a proposal for a new canon on assessment, and it will be used in the coming year as the Diocese looks at additional input on what might work as we continue forward discussing this complicated and tender subject.

We welcomed into our midst The Rev. Rich Martindale as Rector of St. Paul's Henderson. The people of St. Paul's welcomed him into their lives with a grand Celebration of Ministry and reception on April 18. We also celebrated the ordination of Ben Badgett to the Sacred Order of Priests at Trinity Owensboro as we wished him well into his new family at Christ Church Bowling Green.

The Clericus of the Four Rivers Deanery is getting back into our monthly meeting mode as we support and celebrate the ministry of the Episcopal Church in the western part of Kentucky.

Respectfully submitted,
(The Very Rev.) Candyce J. Loescher, Dean,
St. Mary's Church, Madisonville

TWIN RIVERS DEANERY

To the 185th Annual Convention of the Diocese of Kentucky:

The Twin Rivers Deanery is comprised of churches in six cities (Russellville, Bowling Green, Glasgow, Elizabethtown, Campbellsville, and Bardstown). The clergy of the deanery met several times over the past year to discuss broader diocesan challenges, to eat together, and offer mutual support to one another in our various parts of this vineyard. We look forward to working together in the next year and finding ways to cooperative and collaborate in mission in this geographically broad area of the diocese.

Faithfully submitted by
(The Very Rev.) Michael E. Blewett, Dean
Christ Church, Bowling Green

BEARGRASS DEANERY

To the 185th Annual Convention of the Diocese of Kentucky:

The Beargrass Deanery has had a successful inaugural year. During the program year our clergy meet monthly to pray, discuss our respective ministries, support one another, and share ideas and information relevant to the deanery parishes and diocese. Our deanery has also held three open meetings and committed to a few cooperative initiatives. Some are working to more effectively market the Episcopal Church in the Louisville area. Another team has discussed joint youth events and planned a spaghetti supper on September 29th to raise money for All Saint's Camp and Conference Center. We are also planning an evensong service at St. Luke's Chapel at the Episcopal Church Home. This service for the residents will feature the choirs of our deanery churches. We also sponsored a station at the Good Friday "Way of the Cross: Walk for Justice" in downtown Louisville. We have many more wonderful ideas and hope to continue to expand our cooperative ministry.

Respectfully submitted,
(The Very Rev.) Ben Maas, Dean,
St. Andrew's Church, Louisville

RIVER CITIES DEANERY

To the 185th Annual Convention of the Diocese of Kentucky:

It is with enthusiasm that I can report our Deanery is stretching its legs and finding its footing. There has been little communication between us historically, hence we find ourselves seeking common ground. The terrain is unfamiliar, yet I believe we are moving, slowly, but moving. By next Convention I trust we can report that we have determined a reasonable map and a few plans to assist God's mission herein.

Respectfully submitted,
(The Very Rev.) Moray Peoples, Dean
Holy Trinity Church, Brandenburg

-- OTHER ENTITIES --

COMPANION DIOCESE

To the 185th Annual Convention of the Diocese of Kentucky:

We have had formal companion diocese relationships with the Diocese of Byumba in Rwanda and the United Diocese of Glasgow and Galloway, Scotland, for several years. Since 2011, we have sent various communications to Byumba, but have not received

any responses or other messages from them. We have been unable to transmit any funds collected for Hannah Ministries or the Alleluia Fund medical clinic, and so have suspended solicitation for those outreach ministries. It seems that our companion relationship with the Diocese of Byumba has come to an end.

Bishop Gregor Duncan of Glasgow and Galloway, and our companion diocese liaison Gill Young have reached out to exchange greetings and news with the Diocese of Kentucky at various times during 2012. The dream of participating in each other's youth camps is still alive and in the background of our search for a new Director of Youth and Young Adults. We have just received an email with messages of love and concern for those who were in the path of Hurricane Sandy, and with greetings and prayers for guidance as we prepare for the national and local elections.

Respectfully submitted,
(The Rev. Canon) Joan A. Smith

COMMUNICATIONS

To the 185th Annual Convention of the Diocese of Kentucky:

The Communications Office is called to share the ministry of communication by sharing the Good News of the Kingdom, enabling and empowering congregations to carry out their own communications ministry, setting and guiding the strategy for diocesan communications, serving as an information resource, and managing contracts between the diocesan office and its vendors.

2012 was a transitional year in the Communication Office. With a new director who began in March after a 2-month vacancy in the position, the office had a lot of work to catch up on while prioritizing those with the increased individual responsibilities of a reduced diocesan staff.

The year began with professional education in terms of the Episcopal Communicator's conference. This strong network of information and peers has been invaluable. Early in the year the challenge of redesigning the Diocesan website presented itself. Over the last 9 months much of the groundwork to execute this project has been accomplished. The remaining components require a team to finalize design and compose a message for Diocesan faith, history, etc. Due to the need for up-to-date office documentation, a style guide was created with letterhead, forms, and business cards to match.

General Convention brought new challenges in aiding to set up the Diocesan office, distributing information to parishes, creating a webpage to communicate diocesan specific news, and attending General Convention as a media professional. When the Director of Youth Programs resigning to take a camp director position, her registration duties came into this office until the new director can be hired. For Diocesan Convention my responsibilities have included publishing the budget, the first mailing, and the Advance Report; registration of clergy, lay deputies, youth, and exhibitors; and creating and assembling documentation for all with voting power.

My projects for the rest of this calendar year include:

- Cleaning, reorganizing and updating the Diocesan ACS database with help from the office New Seeds intern including authoring an instructions manual specific to our office for current & future staff. This also includes setting up an online component that will allow clergy, lay leadership, parishes, and organizations to update their own information; register for events; and provide all clergy with a real time Diocesan Directory.
- Authoring a Diocesan Communications Manual that includes a press kit, crisis management plan, general Diocesan information to be used across all forms of media, and a guide to social media.
- Authoring a “How to build/update a parish website” manual with tools and information to increase the number of our parishes with active and updated websites.
- Reconvening the Communications Committee to finalize the new website.

I also serve on the All Saints Task Force in a communications consultation capacity and attend Trustees and Council meetings in a staff consultation and reporter capacity.

Respectfully submitted,
Brian Kinnaman
Communications Director

EPISCOPAL HOUSING CORPORATION OF KENTUCKY

To the 185th Annual Convention of the Diocese of Kentucky:

The Episcopal Housing Corporation of Kentucky was organized as a non-profit non stock corporation in 1993 in order to purchase and manage affordable housing facilities for elderly, handicapped and disadvantaged persons and to provide other charitable benevolent services. The corporation and its program lapsed in 2000.

The corporation was reconstituted for the purpose of purchasing a 13-unit low income housing property adjacent to St John’s Church, Murray called Oak Manor Apartments. The corporation purchased the property in 2001 using a \$100,000 grant from the Advance Fund and a \$221,430 Marmion revolving loan. The purpose of the purchase was to provide for St. John’s future expansion with the expectation that the property would sustain itself financially until needed by St John’s.

Trustees and Council serves as the Board of Directors of the corporation but the affairs of the corporation are managed by an Executive Committee consisting of its officers: Clyde K. Warner, Jr., President; Jason Howell, Steve Cherry, Larry Crawford, Rita Bendorf, Rick Clement, as Vice Presidents; W. Robinson Beard, Secretary; H. Gibbs Reese, Treasurer.

During the year 2011 Mur-Cal Realty was relieved of the management of the facility and

the Maintenance Manager, Howell Jones and his wife Anjie assumed management and operational responsibility for the Oak Manor complex. Since St John's Church had advised the Executive Committee in 2010 that they could not assume any ownership of Oak Manor complex, Trustees and Council had directed the Executive Committee to place the complex on the open market for sale. The Executive Committee has worked during 2011 and 2012 to date to upgrade the units to current standards and raise the rents to market rates for a sale as soon as the housing market is favorable. Towards that end, the Executive Committee expects to place the complex on the market for sale before the end of 2012.

Respectfully submitted,
Clyde K. Warner, Jr.,
President

-- MINISTRIES OF SERVICE RELATED TO THE DIOCESE --

AARON McNEIL CENTER

To the 185th Annual Convention of the Diocese of Kentucky:

Kurt Anderson became the new Director of the Aaron McNeil Center on January 23, 2012, previously serving as a member of the Aaron McNeil Board for over two years. The team here has a passion for the services we provide, and to help the desperate and hungry in the Hopkinsville/Christian County community.

We had an unfortunate issue with our previous Director involving theft. We have since made significant changes to our policies and procedures to prevent this from happening in the future. We eliminated all debit cards and now require two signatures on all checks. We also are undergoing an audit to insure that we have taken the appropriate measures thus far to protect the continued financial stability of our organization. Additionally, we have "Employee Dishonesty" insurance coverage, and have been reimbursed all losses.

As of September 30, 2012, we have assisted a total of 982 families and 2,263 individuals, including 727 children less than 18 years of age, with \$97,332.14 through our Crisis Relief and Food Pantry services. We have expanded our Food Pantry hours to include Thursday evenings and Saturday mornings to better accommodate our working poor.

We host Jobs for Life classes, which is a Christian-based job readiness program. These classes focus on overcoming obstacles, resume writing skills, how to correctly complete employment applications. Aaron McNeil also offers a quarterly budgeting class to equip our clients and other members of the Christian County community with the knowledge to become self-sufficient.

At Aaron McNeil we treat each client holistically to improve their situation, not for the moment, but for the future. With the help of the Diocese and the support of other agencies in our community, we are able to achieve our goals. Aaron McNeil House is so thankful

for the help and support provided by agencies such as the Diocese. Your kindness and generosity allows us to be the last hope for those in need in our community.

Aaron McNeil welcomes all of you who will be attending the 2012 Diocesan Convention. We look forward to hosting a “Continental Breakfast” here in our community on Saturday, November 10, 2012, beginning at 7:30 a.m., and having an opportunity to meet with you.

Respectfully submitted,
Bill Nichol

THE EPISCOPAL CHURCH HOME

To the 185th Annual Convention of the Diocese of Kentucky:

OUR HISTORY: The Episcopal Church Home was founded in 1881 in Louisville's Highland's area by John P. Morton, a prominent businessman and devout Episcopalian. It was established as “a home for aged and helpless women; a home for orphan and destitute children; a home for working women; an infirmary for the sick; and a home for the Sisterhood of the Diocese”. The Home relocated to its current location, 7405 Westport Road, Louisville, in 1977. As we enter our 131st year of service, the Church Home serves over 400 individuals annually by offering a continuum of residential and health care services that includes independent living patio homes, licensed rehabilitation and rehabilitation nursing services, licensed skilled nursing care, licensed nursing care, licensed personal care and licensed personal/memory care services. This year we have added outpatient therapy services and expanded our palliative care services with Chrysalis and Namaste room services.

MISSION: Founded in 1881, the Episcopal Church Home's mission is to enhance the quality of life for adults through a supportive Christian community.

VALUES: This mission is grounded in and supported by the following values:

Providing a Safe and Secure Environment; Caring for the “Whole Person”-nurturing and enhancing each individual's physical, mental, and spiritual well-being in ways that preserve each person's dignity and self-determination;

Teamwork First- sustaining a team devoted to honesty, integrity, diversity, excellence and continuous evaluation our programs, services and facilities; and

Responsible Stewardship-maintaining a commitment to organizational and financial stability and the effective and responsible use of all resources.

BOARD OF TRUSTEES:

2012-2013 Officers: The Rt. Reverend Terry A. White, Chairman
H. Gibbs Reese, President
Richmond Simpson, Vice-President
Virginia Ray, Secretary
James Hendon, Jr., Treasurer

Trustees Serving in 2012-2013

Donald Bell	Charles Clark	W. Vance Fritton
Kathy Brown	Joanna Panning	Armand Ostroff
H. Gibbs Reese	Virginia (Ginger) Ray	Robert Griffith
Donald Kohler	Mason Rummel	Dr. Thomas James
Richmond Simpson	David Brooks	James (Jamie) Hendon, Jr.
John Treitz	Mark Lewis	Diane Clark
Don Snow	Sharon Reed	Hollis Real

FINANCES: The Episcopal Church Home's Annual Operating Budget is approximately \$17 million dollars. We employ over 300 full and part-time employees and provided 69,000 "resident days" of care in fiscal year 2011-12 with a daily average resident census of 197 seniors requiring nursing and personal care services.

RENOVATIONS: A comprehensive renovation plan for all Neighborhoods was approved by the Trustees for implementation over five (5) years. Renovation of the "main building" of the campus has been initiated. Canterbury Court Dining Room, the Morton Neighborhood (short term rehab), Marmion Neighborhood and Clingman Neighborhood have been remodeled. The Woodcock Neighborhood (personal care) is now undergoing its renovation.

ST. LUKE'S CHAPEL: The St. Luke's Chapel ministry continues to grow with 140 – 180 residents and family members in Sunday worship. It is such a blessing to see families of multiple generations worshiping with the matriarchs and patriarchs of The Episcopal Church Home.

DUDLEY SQUARE INDEPENDENT LIVING PATIO HOMES: The sixty-two independent patio homes on the south end of the campus in Dudley Square remain full until a resident can no longer live independently and needs to move into the main building to receive additional services. As such, we continue to accept applications for new residents in anticipation of periodic vacancies.

Transitions from the patio homes for both short and long-term care in the Health Center are made with ease and allow minimal disruption to life-style and contact with friends and family. The Dudley Square "Round the Square" newsletter has gained considerable popularity as the Dudley Square journalists seek interesting and creative stories to share with their peers.

A new van was purchased thanks to the generous donations of the Women's Board of the Episcopal Church Home & the Kentucky Colonels. Non-emergency transportation to physician offices is now offered to Dudley Square Residents.

VOLUNTEERISM: The Episcopal Church Home is celebrating 131 years of serving the community and the Diocese of Kentucky at its annual Cornerstone Homecoming Celebration in October. Our success has been the direct result of the tireless efforts of scores of faithful trustees, Women's Board members and hundreds of dedicated employees. The trustees and Women's Board members serve without remuneration and will attend dozens of meetings each year.

The capable and dedicated Women's Board under the leadership of Diane Clark, president, and Hollis Real, vice-president, continue to provide donations and services to the benefit the residents. The Women's Board Annual Spring Luncheon and Style Show remains a huge success and is held at the historic Olmstead on Frankfort Avenue in Louisville. The Christmas party hosted by the Women's Board is such a success we have grown to two (2) parties to allow all the residents to enjoy the treats and holiday cheer with the members and staff. The Gift Shop continues to grow and changes with the seasons to meet the unique needs of the residents, family members, and staff.

AWARD WINNING VOLUNTEER: The Episcopal Church Home is blessed with devoted and caring Trustees who are committed to excellence in resident care. David Pearson, following 28 years of continuous services, was recognized by LeadingAge Kentucky at their 2012 Annual Conventions for this Outstanding Service in Governance.

CONCLUSION: As The Episcopal Church Home faces the challenges that lie ahead, we look back to thank the clergy and laity of the Diocese for their ongoing support of our mission. We look for the guidance of our Chair, Bishop Terry A. White, as we move into our 132nd year of dedicated service. Our doors are open to you and we hope to strengthen our response to the Diocesan's needs in the years to come. After all, we are YOUR Episcopal Church Home!

Respectfully submitted,

H. Gibbs Reese
President, Board of Trustees

Anne H. Veno, RN, BSN, LNHA, MBA
Chief Executive Officer

HOME OF THE INNOCENTS *"This Region's Open Arms to Kids in Crisis"*

To the 185th Annual Convention of the Diocese of Kentucky:

Overview of Home of the Innocents

Home of the Innocents provides loving, therapeutic care to children who are victims of abuse, abandonment, and neglect; offers loving and skilled care to medically fragile children; and provides services to children diagnosed with autism and their families. The

Home serves over 300 children a day from Kentucky and Southern Indiana, and almost 3,900 children and families annually. We provide services to all populations of children who are in crisis and in need.

Heritage of Faith—Episcopal Roots

The Home is a private, non-profit agency founded in 1880 by James Taylor Helm, an Episcopal minister from Christ Church Cathedral in Louisville. The Home has maintained strong ties to the church through the years and is honored to have The Rev. Canon Joan Smith representing The Rt. Rev. Terry Allen White on the Board of Directors, as well as The Very Rev. Mark Bourlakas, Dean of Christ Church Cathedral in Louisville.

Here is an overview of some of our services:

Pediatric Medical Assessment & Treatment

Focused care on disadvantaged and disabled children. Services include pediatric medicine, dentistry, radiation, audiology and lab.

The Village Pharmacy: A Pediatric Not-for-Profit Pharmacy

Providing services to Home of the Innocents clients and other child-serving organizations in the region.

Advanced Therapy Services

Services include an indoor heated therapy pool and therapy gymnasium.

Specialty services for females ages 12 through 17

Residents present a variety of behavioral and emotional needs related to the trauma of sexual and physical abuse and neglect. Youth referred to this service are treated for issues of sexual reactivity, victimization, anger management, relationship development and self image. Individual, group and family therapy are provided.

Aftercare and Transitional Services for Young Adults

Home of the Innocents' Aftercare Program helps homeless young adults, ages 18 to 24, transition to independence and self-sufficiency. Clients are primarily former foster care youth and domestic violence victims. Cornerstone, the foundation of Home of the Innocents' successful Aftercare Program, consists of one-hour therapeutic group meetings that convene for 30 weeks, guided by a licensed clinician. Last year, the Home's Aftercare program helped 78 clients, with 96 children, obtain and maintain housing in the community, pursue education and employment goals, and acquire much-needed life-skills.

Kosair Charities Pediatric Convalescent Center (KCPCC)

This skilled nursing facility delivers compassionate and specialized care to medically fragile and technology dependent children. Some children are dependent on ventilators and feeding tubes, and are in wheelchairs, have limited verbal communication abilities, and require 24-hour care. It is because of their medical conditions that they live at the Home instead of with their families. If it were not for Home of the Innocents, these children would have to grow up in a hospital.

Residential Treatment and Emergency Shelter

The Home's Crisis Care Services provide emergency shelter and residential treatment, crisis intervention, and respite services for children and adolescents who require emergency care because of abuse, neglect, or family crisis.

Support for Children with Autism

The diagnosis of autism is at epidemic rates of one in 88 children, whereas ten years ago it was diagnosed at one in 10,000. The Home is answering this need by offering full in-home and in-school services to children with autism and their families. This is one of our fastest growing divisions.

Services for Pregnant and Parenting Teens

Residential treatment services for girls, with a specialization in pregnant and parenting teens, are available for homeless, abandoned, abused, neglected, and/or pregnant and parenting female teens in our Cradle Day program.

Therapeutic and Loving Foster Care Program

There are over 7,500 children in Kentucky in need of foster care placement. Home of the Innocents offers a Therapeutic Loving *foster* Care (TLC) program, which is a therapeutic family-based alternative to institutional treatment for children and youth with serious emotional and behavioral conditions. TLC also focuses on creating "forever families," and proudly announces that TLC's adoption rate (# of finalized adoptions of children in care with the goal of adoption) was 85% last year, which compares to a national average of only 32% and a Kentucky average of around 20%.

Helping Children with In-Home Services

We provide a full range of Community Based Services, which are in-home programs offering therapeutic support for at-risk families and severely emotionally disturbed children and their families to reduce the child's risk of imminent hospitalization or out-of-home placement.

- **Parenting Classes** for at-risk parents involved with the Department for Community Based Services (Child Protective Services) and their children to prevent and/or reduce incidences of child abuse and neglect.
- The **P.A.S.S. Program**, which stands for **Parents Acquiring Skills & Strengths**, offers families self-help, parent education and support groups utilizing a "Nurturing Parenting Programs" curriculum with 12-week sessions.

Our Commitment to Children

The hallmark of Home of the Innocents is a stable, caring, and loving environment for families and children. With the benefit of 132 years' experience serving children and families in crisis, the Home provides personalized and professional care to every child who comes through our doors. Children are children first and residents or patients second.

Respectfully submitted,
Gordon S. Brown, President and CEO

SEWANEE: THE UNIVERSITY OF THE SOUTH 2011-2012 REPORT TO THE DIOCESE OF KENTUCKY

To the 185th Annual Convention of the Diocese of Kentucky:

College of Arts & Sciences Enrollment from the Diocese of Kentucky: 14 students total (3 report Episcopal heritage)

Financial Aid Awarded to All College Students from the Diocese of Kentucky: \$297,478

Amount of Support from Kentucky Churches and the Diocese of Kentucky: \$1,250

Governing Board Representatives from Kentucky:

Board of Trustees

The Rt. Rev. Terry Allen White, D.D.

The Very Rev. Mark Bourlakas (2013)

James McGinley "Mac" Jefferson (2012)

Leslie Newman (2014)

School of Theology Programs Center Information for the Diocese of Kentucky:

Education for Ministry (EfM) groups: 13

EfM Diocesan Coordinator: Deacon Rose B. Bogal-Albritten, 270.753.7698, rosebogal@gmail.com

About Sewanee

The University of the South is home to both an outstanding liberal arts college and a seminary of the Episcopal Church. Located atop the Cumberland Plateau between Nashville and Chattanooga, Tenn., Sewanee's 13,000-acre campus, the second largest campus in the United States, provides vast opportunities for research, recreation, and reflection. Within the traditionally strong curriculum of humanities, sciences, and graduate theological studies, Sewanee faculty members promote intellectual growth, critical thinking, and hands-on research. According to its mission statement, Sewanee "is an institution of the Episcopal Church dedicated to the pursuit of knowledge, understanding, and wisdom in close community and in full freedom of inquiry, and enlightened by Christian faith in the Anglican tradition, welcoming individuals from all backgrounds, to the end that students be prepared to search for truth, seek justice, preserve liberty under law, and serve God and humanity."

Sewanee's Relationship to the Episcopal Church

The University of the South, an institution of the Episcopal Church, was founded by church leaders from the southeastern United States in 1857. Sewanee is the only university in the nation that is owned and governed by dioceses of the Episcopal Church, specifically the 28 dioceses that are successors to the original founding dioceses. The University's Board of Trustees is composed of the bishops of the 28 owning dioceses, together with clerical and lay representatives elected by each diocese and representatives of other University constituencies. The Board of Regents, to which the Board of Trustees delegates some of its responsibilities for governance, is composed of Episcopal bishops, priests, and lay people, and may include a limited number of members of other Christian bodies. The Chancellor of the University, elected by the Board of Trustees, is a bishop from one of the 28 owning dioceses. The historic ownership and governance of the University by these Episcopal dioceses has produced a living synergy of leadership,

resource, and mutual support, enriching the Church and advancing the university's role in American higher education.

2011–2012 Statistics

College of Arts and Sciences students: 1,478

Undergraduate Class of 2015: 433

SAT combined: 1140-1330 ACT: 26-30

High School GPA: 3.6

Female 51%, Male 49%

Student/faculty ratio: 10:1

Percentage of college students declaring Episcopal heritage: 30%

College Tuition and Fees: \$41,518

College Faculty: Full-Time: 137 Part-Time: 35

School of Theology students: 141

School of Theology Tuition and Fees: \$19,066

School of Theology Faculty: Full-Time: 11 Part-Time: 8

Student/faculty ratio: 7:1

University Fiscal Year July 1, 2011–June 30, 2012

Unrestricted operating revenues: \$65 million

Endowment: \$319 million

2011–2012 Highlights

Full details may be found in the archives at <http://news.sewanee.edu/>

- Sewanee chemists win major NSF grant
- Sewanee among six colleges chosen for green program
- Accolades for Assistant Professor Kevin Wilson's New Novel, "The Family Fang"
- David Haskell named one of "The Most Creative Teachers in the South"
- National Science Foundation awards grant to Biology Professor Nancy Berner
- Geoarchaeologists from around the world visit Sewanee
- Snowden Hall is Sewanee's first LEED Gold building
- Nancy Berner named Associate Provost
- Sewanee is a top producer of U.S. Fulbright students
- Nikki Mathis appointed assistant dean for community life at The School of Theology
- Sewanee announces four-year tuition freeze for incoming freshman class
- Carrie Ryan, C'12, is Sewanee's 26th Rhodes Scholar
- John McCardell, other thought leaders focus on higher education costs
- Annwn Myers appointed associate dean for recruitment at The School of Theology
- John Swallow named provost of the university
- Melissa Hartley, C'93, named Associate University Chaplain
- The Rt. Rev. J. Neil Alexander named dean of The School of Theology

Respectfully submitted,
Christy Hodges,
Church Relations and Communications

NORTON HEALTHCARE

To the 185th Annual Convention of the Diocese of Kentucky:

After the Civil War, a small group of women called the Home Mission Society of St. Paul's Episcopal Church began raising money to build a hospital in Louisville. In 1881, Mary Louise Sutton Norton gave her elaborate home to the hospital project organizers. They sold the home and used the money to create a hospital that was then named in her husband's memory. The John N. Norton Memorial Infirmary opened in 1886. The Rev. John Norton was associate rector at what is now Christ Church Cathedral. He was considered by many to be a "good Samaritan" because of his strong values and devotion to the poor.

Norton Healthcare grew from these roots established by women from the Episcopal Church as well as from its other founding faiths — the United Methodist Church and the United Church of Christ. The Presbyterian Church and the Roman Catholic Church are also part of its faith history.

As a not-for-profit organization guided by the faith values of its founders, Norton Healthcare is committed to providing quality health care while reinvesting in services that benefit the community. The Office of Church and Health Ministries and the Pastoral Care Department each play a major role in ensuring Norton Healthcare's faith values are evident in the care provided.

Church and Health Ministries

The Office of Church and Health Ministries officially opened in 2003 under the guidance of the Norton Healthcare Board of Trustees Committee on Church and Health Ministries. The purpose of Norton Healthcare's church and health ministries initiatives is to honor the faith heritage of our founding churches and those that are also part of our faith history. In honoring this heritage, we serve persons of all beliefs and build relationships with faith communities to promote the connection between faith, healing and wellness.

The six-member staff continues to work on the following committee objectives:

- *Nurture relationships with faith communities that are part of our history and with other faith communities committed to faith, healing and wellness*
- *Advance congregational health ministries, faith community nursing and other health-related programs.*
- *Promote awareness of Norton Healthcare's faith heritage and mission*

The Very Rev. Mark Bourlakas and The Rev. Dr. Helen Jones are Episcopal clergy members on the committee, and Gouverneur H. Nixon, Kevin Wardell and Debbie Stover, R.N., are committee members who belong to local Episcopal parishes.

The Office of Church and Health Ministries provides resources and support to more than 170 churches, including seven Episcopal churches, that have active health ministries programs and offers assistance to many others. The office holds educational seminars, publishes a newsletter, provides many other resources to churches in the region and continues to expand

its services. Clergy and laypeople who would like more information are invited to call (502) 629-2700.

The office also has a program to educate Norton Healthcare employees, medical staff and volunteers about the organization's faith heritage.

Pastoral Care Department

“The mission of the Norton Healthcare Pastoral Care Department is to promote spiritual health and initiate timely, competent, compassionate and, as appropriate, confidential spiritual care to patients, their families and staff and to provide pastoral practitioners training in the caring art.”

In the same tradition of service begun by our iconic forebear in the faith, The Rev. John N. Norton, the Pastoral Care Department at Norton Healthcare is fully integrated into the care team working with our patients. Chaplains provide spiritual care for young and old, rich and poor, from all walks of life — and their families. Under the leadership of The Rev. Ronald C. Oliver, Ph.D., BCC, system vice president of Mission and Outreach, and The Rev. Kelley Woggon, pastoral care manager, the staff, resident and intern chaplains provide care to patients 24 hours a day, 365 days a year. When called for emergencies, chaplains seek to be on the hospital units within 30 minutes. Staff chaplains, The Rev. Whit Stodghill (Episcopal), The Rev. Jack Mong (Presbyterian), The Rev. Anne Reed (Presbyterian), The Rev. Katie Anderson (Presbyterian) and The Rev. Jacqueline Hope Derby (United Church of Christ) provide the core leadership for pastoral services at Norton Hospital. The Rev. Expedito Muwonge (Roman Catholic) serves Catholic patients at Norton Hospital, Kosair Children's Hospital and Norton Suburban Hospital.

In addition to her overall chaplain duties, Chaplain Stodghill is certified as an Associate Supervisor by the Association of Clinical Pastoral Education. The department's Clinical Pastoral Education program is an expression of Norton Healthcare's commitment to training pastoral practitioners in the caring art. Stodghill also mentors students engaged in clinical training through The Diocesan School of Ministry. She is a member of the diocesan Commission on Ministry, offering her expertise in pastoral education and formation to the deliberations made by the commission. Within her liturgical, sacramental and pastoral duties, Stodghill maintains the continuity of the organization's vital Episcopal heritage. She visits all Episcopal patients and assists in facilitating parish clergy communication. Her position is partially funded by the Norton Healthcare Foundation.

Through the generosity of hard-working, dedicated volunteers, many patients receive handmade prayer blankets. These much-prized blankets, in beautiful colors and soft, soothing textures, are lovingly created and prayed over by the sewing circle of St. Paul's Episcopal Church in Louisville. It was another similar sewing circle some 125 years ago — The Home Mission Society of St. Paul's Church — that first envisioned the original Norton Hospital, named the John N. Norton Memorial Infirmary when it opened in 1886. We celebrate this continuity of care and commitment with one of our founding faith traditions — the Episcopal Church.

Norton Hospital Auxiliary

Seeking to honor the legacy and mission of the Norton Woman's Board, the Norton Hospital Auxiliary now serves as an inclusive volunteer organization of Norton Hospital. The auxiliary seeks to improve the experiences of patients and families, as well as to advance the general welfare of and render service to Norton Hospital. Charitable funds for the benefit of patients and families are raised by the auxiliary through the hospital's gift shop and other activities.

Norton Hospital is forever indebted and grateful to the Norton Woman's Board, which was linked to the women of St. Paul's Episcopal Church, founders of the John N. Norton Memorial Infirmary. This board supported Norton Hospital through financial contributions to the Norton Healthcare Foundation and through the work of many dedicated volunteers. Their contributions supported Norton Hospital in areas of pastoral care, orthopaedics, education and many others. Board members also provided countless hours of volunteer staffing for the Norton Hospital gift shop and welcoming and caring for patients and their families. Through the auxiliary, many of these individuals continue to provide such support for the hospital's nursery and other important uses. The generous support provided by these individuals was and will remain a vital part of assisting Norton Hospital in providing quality care for patients and families in our community and region, and will contribute to the continued honoring of our faith heritage.

Norton Healthcare

Norton Healthcare serves patients from Kentucky, Southern Indiana and beyond through five hospitals totaling 1,837 licensed beds, 10 outpatient centers, 12 immediate care centers and 105 physician practice sites. Norton Healthcare is a recognized national leader in quality and innovation. It is:

- Consistently ranked as one of the Top 100 Integrated Healthcare Systems in the nation
- Recognized nationally as a leader in quality for more than 25 years; earned the top national award in 2011 for leadership in quality by the National Quality Forum
- Leads the nation in transparency, making more than 600 indicators of clinical quality, safety, service and financial performance available online
- Selected by Brookings-Dartmouth as one of five pilot sites in the nation to develop an Accountable Care Organization model to prepare for national health care reform
- Currently investing more than \$200 million over five years in an electronic medical records system to enhance clinical care, patient safety and efficiency for our providers

As a not-for-profit provider, Norton Healthcare exists to respond to the health care needs of the community. Thus, the organization's financial performance must yield the funds necessary to reinvest in its facilities and services, and to provide support for community health initiatives. Norton Healthcare supports many community health initiatives, including outreach and continued expansion of services in underserved areas of the community.

Committed to community service, Norton Healthcare most recently:

- Provided \$2 million in support of community health education and screenings through Norton Healthcare Centers for Prevention & Wellness and for more than 200 community service agencies
- Supported academic relationships with University of Louisville, University of Kentucky, Jefferson Community & Technical College, Bellarmine University and more than 100 other colleges and universities for training of tomorrow's caregivers
- Operated and provided more than \$2 million in support for the Kentucky Regional Poison Control Center
- Took on \$69 million in unreimbursed costs (costs minus revenues) for charity/ indigent care and Medicaid patients, the highest among all local hospitals, according to the last year reported by the IRS (2010 IRS Form 990, Schedule H, www.guidestar.org)
- Donated more than 13,500 annual volunteer hours of service by Norton Healthcare executives, managers and employees to more than 200 community agencies
- Supported important programs committed to child advocacy and safety

With a strong work force that feels valued and invested in the success of the organization, Norton Healthcare will adhere to the legacy of its faith heritage, mission, vision and values to continue enhancing the ways in which it provides quality medical care for adults and children in our community.

Respectfully submitted,
Stephen A. Williams,
President and CEO

SECTION B
185th Annual Convention
Financial Information

General Fund Balance Sheet for 2011	B-1
General Fund Detailed Statement of Activities for 2011	B-2 - B-11
2013 Budget	B-12 - B-22
Narrative	B-12
Congregational Pledges for 2013	B-22
Letters from Congregations Pledging less than 15%.....	B-23 - B-29

185TH ANNUAL CONVENTION OF THE DIOCESE OF KENTUCKY

DIOCESE OF KENTUCKY
STATEMENT OF FINANCIAL POSITION

December 2011

Accounts	Last Year	This Year
Assets		
Cash and Cash Equivalents		
010115 - Cash in Bank-Operating-SYB	\$94,774.55	\$68,011.57
010120 - All Saint's Petty Cash-Operating	\$5,102.00	\$5,102.00
010125 - Operating-FNB Mayfield	\$518.16	(\$60.09)
011110 - Operating-Excess Operating Cash	\$116,863.65	\$111,975.59
Total Cash and Cash Equivalents	\$217,258.36	\$185,029.07
Accounts Receivable		
332200 - A/R Bishop's Discr.Fund	\$0.00	\$823.86
332300 - A/R Congregational Pledges	\$85,193.02	\$35,893.71
332400 - A/R Episcopal Housing Corp.	\$0.00	\$84.57
332450 - A/R Other	\$18,639.49	\$403.86
332451 - A/R Bishop Dudley	\$4.00	\$281.74
332454 - A/R Congregations-Oxford Doc.	\$1,810.00	\$3,860.00
332458 - A/R Tachau/Dreyfus Funds	\$0.00	\$3,081.58
Total Accounts Receivable	\$105,646.51	\$44,429.32
Transfer From Other Funds		
332111 - Due From Forward Fund	\$44,500.00	\$2,516.66
332118 - Due From Kohler Family Fund	\$0.00	\$2,054.80
332121 - Due From Edith Parker	\$95,752.65	\$167,914.24
332125 - Due From Commingled Fund	\$108,777.00	\$155,306.28
332135 - Due From Pauline Watt Fd.	\$19,850.00	\$34,850.00
332145 - Due From Marmion Revolving Fund	\$45.55	\$0.00
Total Transfer From Other Funds	\$268,925.20	\$362,641.98
Prepaid Items		
232360 - Prepaid Other	\$7,478.84	\$132.14
232365 - Prepaid Network Maintenance	\$1,634.50	\$2,374.30
Total Prepaid Items	\$9,113.34	\$2,506.44
Total Assets	\$600,943.41	\$594,606.81
Liabilities, Fund Principal, & Restricted Funds		
Liabilities		
Accounts Payable		
002204 - A/P Other	\$22,989.10	\$20,996.84
002240 - A/P All Saints	\$0.00	\$102.00
Total Accounts Payable	\$22,989.10	\$21,098.84
Payroll Taxes Payable		
002002 - Kentucky Taxes Withheld	\$868.78	\$834.20
002005 - City/Jeff.Cty Taxes W/H	\$946.35	\$743.28
Total Payroll Taxes Payable	\$1,815.13	\$1,577.48
Transfer To Other Funds		
002202 - Due to Marmion Rev.(Cash)	\$179,249.11	\$182,682.46
002215 - Due to Brennan Theological	\$24,821.28	\$56,021.70
002220 - Due to Capital Campaign	\$0.00	\$2,833.00
002230 - Due to Advance Fund	\$12,918.08	\$12,918.08
Total Transfer To Other Funds	\$216,988.47	\$254,455.24
Deferred Income		
002410 - Diocesan Convention 2011	\$105.00	\$0.00
002411 - Other	\$469.02	\$0.00
002412 - Adult Events	\$0.00	\$589.75
Total Deferred Income	\$574.02	\$589.75
Total Liabilities	\$242,366.72	\$277,721.31
Fund Principal		
002970 - Net Assets - Diocese	(\$3,629.12)	\$93,173.92
Excess Cash Received	\$96,803.04	\$3,951.29
Total Fund Principal and Excess Cash Received	\$93,173.92	\$97,125.21
Restricted Funds		
Total Temporarily Restricted	\$265,402.77	\$219,760.29
Total Permanently Restricted	\$0.00	\$0.00
Total Restricted Funds	\$265,402.77	\$219,760.29
Total Liabilities, Fund Principal, & Restricted Funds	\$600,943.41	\$594,606.81

DIOCESE OF KENTUCKY
STATEMENT OF ACTIVITIES-OPERATING
January to December 2011

Accounts	Annual Budget (This Year)	YTD Budget (This Year)	YTD Actual (This Year)	% of YTD Budget Used (This Year)	YTD Actual (Last Year)
Revenue & Gains Unrestricted					
Revenues (40)					
Church - Pledges					
411001 - Christ Church Cathedral	\$30,000.00	\$30,000.00	\$42,739.05	142.46 %	\$42,662.64
411002 - St. Luke's, Anchorage	\$35,000.00	\$35,000.00	\$34,999.92	100.00 %	\$30,000.00
411003 - Church of the Ascension	\$12,741.30	\$12,741.30	\$12,741.30	100.00 %	\$14,346.00
411004 - Christ Church,B.G.	\$85,568.55	\$85,568.55	\$85,571.50	100.00 %	\$80,000.00
411005 - Holy Trinity,Brandenburg	\$5,052.00	\$5,052.00	\$5,052.00	100.00 %	\$5,823.00
411006 - St. Thomas, Campbellsville	\$4,560.00	\$4,560.00	\$4,554.00	99.87 %	\$4,055.04
411007 - Christ Church,Elizabeth.	\$13,251.90	\$13,251.90	\$13,251.96	100.00 %	\$14,177.04
411008 - St. Alban's,Fern Creek	\$13,332.00	\$13,332.00	\$13,332.00	100.00 %	\$18,000.00
411009 - Resurrection	\$13,561.35	\$13,561.35	\$3,790.00	27.95 %	\$13,341.96
411010 - Trinity, Fulton	\$5,164.65	\$5,164.65	\$5,164.68	100.00 %	\$5,365.00
411011 - St. Peter's,Gilbertsville	\$6,324.60	\$6,324.60	\$6,324.60	100.00 %	\$6,564.00
411012 - St. Andrew's, Glasgow	\$6,647.25	\$6,647.25	\$6,648.00	100.01 %	\$5,248.95
411013 - St. Francis,Harrods Creek	\$90,000.00	\$90,000.00	\$90,000.00	100.00 %	\$110,000.00
411014 - St. Paul's, Henderson	\$12,000.00	\$12,000.00	\$15,000.00	125.00 %	\$12,000.00
411015 - St. Paul's, Hickman	\$1,461.00	\$1,461.00	\$1,464.00	100.21 %	\$1,338.00
411016 - Grace, Hopkinsville	\$33,963.00	\$33,963.00	\$33,963.00	100.00 %	\$33,963.00
411017 - Calvary, Louisville	\$50,000.00	\$50,000.00	\$49,999.92	100.00 %	\$49,999.92
411018 - Church of the Advent,Lou.	\$26,978.55	\$26,978.55	\$13,489.26	50.00 %	\$19,698.15
411020 - Messiah-Trinity, Louisville	\$4,800.00	\$4,800.00	\$4,800.00	100.00 %	\$4,745.00
411021 - Our Merciful Saviour	\$5,868.00	\$5,868.00	\$5,868.00	100.00 %	\$5,737.86
411022 - St. Andrew's, Louisville	\$47,000.00	\$47,000.00	\$47,000.04	100.00 %	\$45,000.00
411023 - St. Clement's, Louisville	\$1,128.20	\$1,128.20	\$1,128.20	100.00 %	\$2,610.00
411024 - St. George's, Louisville	\$5,318.00	\$5,318.00	\$4,323.12	81.29 %	\$5,341.00
411026 - St. Mark's, Louisville	\$71,085.00	\$71,085.00	\$71,088.00	100.00 %	\$67,334.00
411027 - St. Matthew's, Louisville	\$128,803.80	\$128,803.80	\$128,804.04	100.00 %	\$142,000.00
411028 - St. Paul's, Louisville	\$13,000.00	\$13,000.00	\$13,000.00	100.00 %	\$12,500.00
411029 - St. Peter's, Louisville	\$7,180.00	\$7,180.00	\$10,248.00	142.73 %	\$6,272.00
411030 - St. Thomas', Louisville	\$25,000.00	\$25,000.00	\$25,999.92	104.00 %	\$24,000.00
411031 - St. Mary's, Madisonville	\$14,400.00	\$14,400.00	\$14,400.00	100.00 %	\$13,350.00
411034 - St. John's, Murray	\$19,903.80	\$19,903.80	\$19,904.04	100.00 %	\$21,567.83
411035 - Trinity, Owensboro	\$28,596.00	\$28,596.00	\$29,596.00	103.50 %	\$43,860.96
411036 - Grace, Paducah	\$58,670.00	\$58,670.00	\$58,670.00	100.00 %	\$55,794.00
411037 - St. James', Pewee Valley	\$19,000.00	\$19,000.00	\$18,999.96	100.00 %	\$17,004.00
411038 - Trinity, Russellville	\$8,081.20	\$8,081.20	\$8,081.16	100.00 %	\$7,680.00
411039 - St. James', Shelbyville	\$11,260.05	\$11,260.05	\$11,260.08	100.00 %	\$12,359.62
411040 - St. Luke's Chapel - ECH	\$8,030.00	\$8,030.00	\$8,076.00	100.57 %	\$8,038.00
Total Church - Pledges	\$922,730.20	\$922,730.20	\$919,331.75	99.63 %	\$961,776.97
Other Income					
411300 - Endowment Fund Income	\$0.00	\$0.00	\$3,205.69	0.00 %	\$2,337.80
411550 - Income on Cash Reserves	\$0.00	\$0.00	\$10.60	0.00 %	\$399.84
411570 - Other Income	\$0.00	\$0.00	\$3,957.10	0.00 %	\$113.14
411580 - Individual/Congregational Gifts	\$0.00	\$0.00	\$1,800.00	0.00 %	\$5,000.00
411590 - Individual Pledges Diocesan Bdgt	\$0.00	\$0.00	\$500.00	0.00 %	\$50.00
411610 - Income Tachau Annuity	\$12,326.00	\$12,326.00	\$12,326.32	100.00 %	\$12,326.32
Total Other Income	\$12,326.00	\$12,326.00	\$21,799.71	176.86 %	\$20,227.10
Capital Fund Transfers					
411000 - Transfers to Other Funds	\$0.00	\$0.00	\$0.00	0.00 %	\$126,092.00
411100 - Budget Subsidy-TR Bp Dudley	\$138,598.00	\$138,598.00	\$138,600.00	100.00 %	\$125,700.00
411400 - Budget Subsidy P Watt	\$15,000.00	\$15,000.00	\$15,000.00	100.00 %	\$19,850.00
411420 - Budget Subsidy F Carpenter(Diocese)	\$17,000.00	\$17,000.00	\$17,000.00	100.00 %	\$17,150.00
411425 - Budget Subsidy F Carpenter(Bp Disc)	\$0.00	\$0.00	\$45,735.94	0.00 %	\$0.00
411430 - Budget Subsidy F Pilcher	\$12,840.80	\$12,840.80	\$12,840.80	100.00 %	\$24,957.00
411440 - Budget Subsidy Glazebrook	\$12,000.00	\$12,000.00	\$12,000.00	100.00 %	\$17,550.00
411450 - Budget Subsidy TR E Morgan	\$13,000.00	\$13,000.00	\$10,252.00	78.86 %	\$9,000.00
411615 - Budget Subsidy-TR Gibbs Fund	\$15,000.00	\$15,000.00	\$15,000.00	100.00 %	\$3,620.00
411625 - Budget Subsidy-TR E.Parker	\$71,449.00	\$71,449.00	\$70,203.48	98.26 %	\$88,022.26
411635 - Budget Subsidy- TR M Hite (SOM)	\$13,500.00	\$13,500.00	\$0.00	0.00 %	\$0.00
411650 - Budget Subsidy-TR E.Clingman	\$0.00	\$0.00	\$0.00	0.00 %	\$4,570.00
411655 - Budget Subsidy-Buckner	\$6,000.00	\$6,000.00	\$6,000.00	100.00 %	\$13,700.00
411660 - Budget Subsidy J. Grier	\$0.00	\$0.00	\$0.00	0.00 %	\$1,670.00
411665 - Budget Subsidy-H.Ormsby	\$0.00	\$0.00	\$0.00	0.00 %	\$2,400.00
411670 - Budget Subsidy-TR W.A.Robinson	\$0.00	\$0.00	\$0.00	0.00 %	\$7,390.00
411700 - Budget Subsidy-TR G.Marmion	\$3,000.00	\$3,000.00	\$3,000.00	100.00 %	\$3,000.00
Total Capital Fund Transfers	\$317,387.80	\$317,387.80	\$345,632.22	108.90 %	\$464,671.26

DIOCESE OF KENTUCKY
STATEMENT OF ACTIVITIES-OPERATING
January to December 2011

Accounts	Annual Budget (This Year)	YTD Budget (This Year)	YTD Actual (This Year)	% of YTD Budget Used (This Year)	YTD Actual (Last Year)
Net Assets Released					
411600 - Net Assets Released Unres	\$11,203.00	\$11,203.00	\$0.00	0.00 %	\$0.00
411605 - Net Assets Rel. -Unrest.-Ft. Worth	\$7,516.00	\$7,516.00	\$7,516.00	100.00 %	\$36,644.00
411630 - Net Asset Released-Unrest.-Mayfield	\$0.00	\$0.00	\$0.00	0.00 %	\$18,000.00
411640 - Net Assets Released-Unrest.-S.Brown	\$69,983.00	\$69,983.00	\$69,982.54	100.00 %	\$67,820.00
411642 - Net Assets Rel-Unrest-S.Brown-Bhp	\$0.00	\$0.00	\$0.00	0.00 %	\$25,000.00
411643 - Net Assets Rel.Unrest.S.Brown-MJC	\$0.00	\$0.00	\$0.00	0.00 %	\$2,780.63
411645 - Net Assets Rel.Unrest.New Missions	\$0.00	\$0.00	\$0.00	0.00 %	\$1,995.00
411757 - Net Assets Released-TR-Jubilee Gran	\$0.00	\$0.00	\$0.00	0.00 %	\$509.87
411759 - Net Assets Released-TR-St. Geo CC	\$0.00	\$0.00	\$0.00	0.00 %	\$500.00
411761 - Net Assets Released-TR-Environmenta	\$0.00	\$0.00	\$0.00	0.00 %	\$427.36
411763 - Net Assets Released-TR-Snow	\$0.00	\$0.00	\$0.00	0.00 %	\$5,000.00
411765 - Net Assets Released-TR-Web Dev.	\$0.00	\$0.00	\$0.00	0.00 %	\$1,271.45
411767 - Net Assets Released-TR-Musson	\$0.00	\$0.00	\$0.00	0.00 %	\$1,583.83
411800 - Net Assets Released-TR-CSR	\$0.00	\$0.00	\$0.00	0.00 %	\$272.56
Total Net Assets Released	\$88,702.00	\$88,702.00	\$77,498.54	87.37 %	\$161,804.70
Total Revenue & Gains Unrestricted					
	\$1,341,146.00	\$1,341,146.00	\$1,364,262.22	101.72 %	\$1,608,480.03
Expenses					
Expenses (50)					
Evangelism&Congregational Dev.					
E & C Department Expenses					
545200 - E & C Resource Library	\$0.00	\$0.00	\$30.00	0.00 %	\$30.00
545250 - E & C Percept Fee	\$2,000.00	\$2,000.00	\$1,995.00	99.75 %	\$1,995.00
545300 - E & C Leadership Training	\$1,500.00	\$1,500.00	\$0.00	0.00 %	\$464.43
545400 - E & C Workshops/Meetings	\$500.00	\$500.00	\$0.00	0.00 %	\$747.43
545500 - E & C Department Expense	\$500.00	\$500.00	\$42.51	8.50 %	\$145.18
Total E & C Department Expenses	\$4,500.00	\$4,500.00	\$2,067.51	45.94 %	\$3,382.04
Diocesan Mission Funding					
541100 - St. Thomas Campbellsville	\$10,000.00	\$10,000.00	\$10,000.00	100.00 %	\$23,000.00
541110 - Trinity, Fulton	\$9,000.00	\$9,000.00	\$9,000.00	100.00 %	\$5,833.31
541120 - St. Andrew's, Glasgow	\$27,900.00	\$27,900.00	\$27,900.00	100.00 %	\$28,000.00
541140 - Trinity, Russellville	\$8,000.00	\$8,000.00	\$8,000.00	100.00 %	\$9,000.00
541145 - Resurrection, Lou	\$15,000.00	\$15,000.00	\$15,000.00	100.00 %	\$15,000.00
541150 - St. Paul's, Hickman	\$0.00	\$0.00	\$0.00	0.00 %	\$2,041.69
541165 - St. James, Shelbyville	\$9,595.00	\$9,595.00	\$9,595.00	100.00 %	\$4,000.00
541175 - Our Merciful Saviour	\$15,000.00	\$15,000.00	\$15,000.00	100.00 %	\$15,000.00
541185 - St. Peter's, Gilbertsville	\$8,000.00	\$8,000.00	\$8,000.00	100.00 %	\$10,000.00
541200 - St. George's Church, Lou.	\$6,500.00	\$6,500.00	\$6,500.00	100.00 %	\$6,500.00
541210 - Church of the Advent	\$20,000.00	\$20,000.00	\$20,000.00	100.00 %	\$20,000.00
541220 - Messiah-Trinity, Louisvil	\$8,000.00	\$8,000.00	\$8,000.00	100.00 %	\$15,000.00
541240 - Holy Trinity, Brandenburg	\$13,000.00	\$13,000.00	\$10,252.00	78.86 %	\$9,000.00
541260 - Aaron McNeil House	\$12,000.00	\$12,000.00	\$12,000.00	100.00 %	\$15,000.00
541280 - St. George's Community Ctr	\$25,000.00	\$25,000.00	\$25,000.00	100.00 %	\$20,000.00
541290 - Kentucky Refugee Ministries	\$2,000.00	\$2,000.00	\$2,000.00	100.00 %	\$1,500.00
545100 - Parish Development Grants	\$0.00	\$0.00	\$0.00	0.00 %	\$7,329.96
Total Diocesan Mission Funding	\$188,995.00	\$188,995.00	\$186,247.00	98.55 %	\$206,204.96
Total Evangelism&Congregational Dev.					
Christian Formation Dept.					
Christian Form. Dept. Expenses					
551100 - Education for Minstry	\$1,750.00	\$1,750.00	\$1,750.00	100.00 %	\$1,725.00
551200 - Resource Library	\$150.00	\$150.00	\$0.00	0.00 %	\$0.00
551300 - Christian Formation Conf.	\$400.00	\$400.00	\$0.00	0.00 %	\$75.98
551400 - Leadership Training	\$1,500.00	\$1,500.00	\$0.00	0.00 %	\$150.00
551500 - Communications	\$100.00	\$100.00	\$0.00	0.00 %	\$0.00
551600 - Christian Formation Dept.	\$1,300.00	\$1,300.00	\$606.15	46.63 %	\$156.50
551650 - School of Ministry	\$13,500.00	\$13,500.00	\$13,499.96	100.00 %	\$10,605.55
563550 - Cursillo Expense	\$1,500.00	\$1,500.00	\$1,500.00	100.00 %	\$0.00
Total Christian Form. Dept. Expenses	\$20,200.00	\$20,200.00	\$17,356.11	85.92 %	\$12,713.03
College Ministries					
542100 - Univ of Lou-Chaplain	\$23,198.00	\$23,198.00	\$23,198.00	100.00 %	\$23,198.00
542200 - Univ of Lou-Program	\$3,960.00	\$3,960.00	\$4,560.00	115.15 %	\$3,960.00
542300 - Univ of Lou.-Interfaith C	\$5,000.00	\$5,000.00	\$5,000.00	100.00 %	\$5,000.00
543100 - Murray State Univ.Chaplin	\$28,925.00	\$28,925.00	\$28,925.00	100.00 %	\$28,925.00

DIOCESE OF KENTUCKY
STATEMENT OF ACTIVITIES-OPERATING
January to December 2011

Accounts	Annual Budget (This Year)	YTD Budget (This Year)	YTD Actual (This Year)	% of YTD Budget Used (This Year)	YTD Actual (Last Year)
543200 - Murray State Univ.Program	\$7,425.00	\$7,425.00	\$8,025.00	108.08 %	\$7,425.00
544100 - Western Univ. Chaplin	\$19,000.00	\$19,000.00	\$17,400.00	91.58 %	\$9,845.46
544200 - Western Univ. Program	\$5,539.00	\$5,539.00	\$6,139.00	110.83 %	\$5,863.00
544400 - College & Young Adult Leadership Tr	\$1,000.00	\$1,000.00	\$0.00	0.00 %	\$446.90
544410 - College Ministries Conference	\$1,000.00	\$1,000.00	\$0.00	0.00 %	\$0.00
Total College Ministries	\$95,047.00	\$95,047.00	\$93,247.00	98.11 %	\$84,663.36
Youth					
551700 - Youth Department Expenses	\$2,500.00	\$2,500.00	\$2,467.00	98.68 %	\$2,889.78
551730 - Youth Leadership Training	\$1,000.00	\$1,000.00	\$919.77	91.98 %	\$2,069.73
551740 - Youth Communications	\$1,000.00	\$1,000.00	\$161.82	16.18 %	\$754.89
551750 - Youth Dept. Promotions	\$1,000.00	\$1,000.00	\$560.53	56.05 %	\$1,385.99
551800 - Youth Postage	\$0.00	\$0.00	\$347.51	0.00 %	\$416.30
552100 - Conf/Gathering Supplies	\$1,000.00	\$1,000.00	\$650.11	65.01 %	\$324.19
552200 - Conf/Gath.Staff Rm&Board	\$1,200.00	\$1,200.00	\$952.80	79.40 %	\$394.38
552300 - Conf/Gathering Music Exp.	\$100.00	\$100.00	\$0.00	0.00 %	\$0.00
552400 - Conf/Gathering Scholarship	\$1,000.00	\$1,000.00	\$622.00	62.20 %	\$1,147.50
Total Youth	\$8,800.00	\$8,800.00	\$6,681.54	75.93 %	\$9,382.76
Camps					
555100 - Camp Supplies	\$2,000.00	\$2,000.00	\$2,137.24	106.86 %	\$2,045.17
555200 - Counselor Training	\$4,500.00	\$4,500.00	\$3,042.72	67.62 %	\$3,353.64
555300 - Counselor Salaries	\$28,500.00	\$28,500.00	\$28,088.24	98.56 %	\$26,017.44
555400 - Camp Staff Room & Board	\$22,000.00	\$22,000.00	\$11,623.77	52.84 %	\$16,249.41
555420 - Priests Family Room/Board	\$1,500.00	\$1,500.00	\$1,544.18	102.95 %	\$1,970.00
555500 - Camp Music	\$2,200.00	\$2,200.00	\$2,200.00	100.00 %	\$2,200.00
555550 - Camp T-Shirts	\$1,500.00	\$1,500.00	\$3,023.95	201.60 %	\$1,975.00
555570 - Camp Snacks	\$0.00	\$0.00	\$641.03	0.00 %	\$0.00
555600 - Camp Scholarships	\$8,250.00	\$8,250.00	\$7,531.49	91.29 %	\$6,814.00
555700 - ECU Camps	\$0.00	\$0.00	\$10.50	0.00 %	\$0.00
559960 - Yth-EYE/PYE Events	\$0.00	\$0.00	\$0.00	0.00 %	\$761.84
Total Camps	\$70,450.00	\$70,450.00	\$59,843.12	84.94 %	\$61,386.50
All Saints Camp & Conf. Center					
562100 - All Saints' Center	\$83,452.00	\$83,452.00	\$83,452.00	100.00 %	\$86,372.00
Total All Saints Camp & Conf. Center	\$83,452.00	\$83,452.00	\$83,452.00	100.00 %	\$86,372.00
Total Christian Formation Dept.					
Justice & Jubilee Dept.					
562500 - Justice and Jubilee Dept Exp	\$3,400.00	\$3,400.00	\$1,517.38	44.63 %	\$2,356.77
562510 - Health Ministries	\$100.00	\$100.00	\$0.00	0.00 %	\$0.00
Total Justice & Jubilee Dept.	\$3,500.00	\$3,500.00	\$1,517.38	43.35 %	\$2,356.77
Finance and Stewardship Dept.					
562550 - Stewardship Committee	\$350.00	\$350.00	\$0.00	0.00 %	\$0.00
562860 - Finance Dept. Expense	\$500.00	\$500.00	\$0.00	0.00 %	\$36.34
563350 - Audit	\$18,000.00	\$18,000.00	\$17,500.00	97.22 %	\$17,870.00
Total Finance and Stewardship Dept.	\$18,850.00	\$18,850.00	\$17,500.00	92.84 %	\$17,906.34
Epis Ch & Ecumenical Outreach					
564000 - Pledge to National Church	\$120,721.00	\$120,721.00	\$120,721.00	100.00 %	\$211,069.00
564050 - International Development	\$2,000.00	\$2,000.00	\$2,000.00	100.00 %	\$0.00
564100 - Province IV Assessment	\$3,254.00	\$3,254.00	\$3,254.00	100.00 %	\$2,873.00
564120 - University of the South	\$500.00	\$500.00	\$550.00	110.00 %	\$500.00
564130 - Reserve Gen. Convention 2012	\$7,200.00	\$7,200.00	\$7,200.00	100.00 %	\$12,200.00
564140 - Reserve Provincial Synod	\$1,800.00	\$1,800.00	\$1,800.00	100.00 %	\$4,000.00
564150 - Reserve Lanbeth Conf.2018	\$2,000.00	\$2,000.00	\$2,000.00	100.00 %	\$2,000.00
565100 - Ky Council of Churches	\$11,697.00	\$11,697.00	\$11,697.00	100.00 %	\$11,243.00
Total Epis Ch & Ecumenical Outreach	\$149,172.00	\$149,172.00	\$149,222.00	100.03 %	\$243,885.00
Diocesan Operational Costs					
The Episcopate					
521221 - Bishop Gulick - Salary	\$0.00	\$0.00	\$0.00	0.00 %	\$87,553.44
521222 - Bishop Gulick - Housing	\$0.00	\$0.00	\$0.00	0.00 %	\$27,097.56
521223 - Bishop Gulick - Pension	\$0.00	\$0.00	\$0.00	0.00 %	\$20,255.03
521224 - Bishop Gulick - Insurance	\$0.00	\$0.00	\$0.00	0.00 %	\$374.00
521260 - Bishop Gulick - Auto	\$0.00	\$0.00	\$0.00	0.00 %	\$3,056.35
521270 - Bishop Gulick - Travel	\$0.00	\$0.00	\$0.00	0.00 %	\$5,256.49
521280 - Bishop Gulick - Entertain	\$0.00	\$0.00	\$0.00	0.00 %	\$2,082.50
521521 - 8th Bp of Ky-Salary	\$86,570.00	\$86,570.00	\$125,359.30	144.81 %	\$32,512.50
521522 - 8th Bp of Ky-Housing	\$36,130.00	\$36,130.00	\$36,099.96	99.92 %	\$13,500.00
521523 - 8th Bp of Ky-Pension	\$22,086.00	\$22,086.00	\$29,062.68	131.59 %	\$8,343.60

DIOCESE OF KENTUCKY
STATEMENT OF ACTIVITIES-OPERATING
January to December 2011

Accounts	Annual Budget (This Year)	YTD Budget (This Year)	YTD Actual (This Year)	% of YTD Budget Used (This Year)	YTD Actual (Last Year)
521524 - 8th Bp of Ky-Insurance	\$32,736.00	\$32,736.00	\$32,736.00	100.00 %	\$10,192.00
521525 - 8th Bp of Ky-Move	\$0.00	\$0.00	\$0.00	0.00 %	\$18,454.56
521560 - 8th Bp of Ky-Auto	\$4,500.00	\$4,500.00	\$5,516.46	122.59 %	\$1,018.93
521570 - 8th Bp of Ky-Travel	\$6,000.00	\$6,000.00	\$10,441.00	174.02 %	\$5,086.53
521580 - 8th Bp of Ky-Entertainment	\$5,000.00	\$5,000.00	\$3,602.72	72.05 %	\$633.75
521590 - 8th Bp of Ky-Cont. Ed.	\$0.00	\$0.00	\$2,100.00	0.00 %	\$0.00
Total The Episcopate	\$193,022.00	\$193,022.00	\$244,918.12	126.89 %	\$235,417.24
Diocesan Staff-Administrative					
523100 - Adm.Asst.to Bishop - Salary	\$56,852.00	\$56,852.00	\$45,008.34	79.17 %	\$56,852.64
523110 - Adm.Asst to Bishop - FICA	\$4,349.00	\$4,349.00	\$3,443.18	79.17 %	\$4,349.28
523120 - Adm.Asst.to Bishop - Insurance	\$1,298.00	\$1,298.00	\$1,626.24	125.29 %	\$1,870.96
523130 - Adm.Asst.to Bishop - Pension	\$5,117.00	\$5,117.00	\$4,477.14	87.50 %	\$5,116.68
523200 - Controller - Salary	\$56,853.00	\$56,853.00	\$56,853.12	100.00 %	\$56,853.00
523210 - Controller - FICA	\$4,349.00	\$4,349.00	\$4,349.27	100.01 %	\$4,349.00
523220 - Controller - Insuranc	\$11,614.00	\$11,614.00	\$11,614.00	100.00 %	\$11,767.85
523230 - Controller - Pension	\$5,117.00	\$5,117.00	\$5,116.80	100.00 %	\$5,267.80
523300 - Office Administrator - Salary	\$12,738.00	\$12,738.00	\$12,709.92	99.78 %	\$12,743.62
523310 - Office Administrator - FICA	\$974.00	\$974.00	\$972.26	99.82 %	\$974.89
523320 - Office Administrator - Insura	\$350.00	\$350.00	\$211.10	60.31 %	\$320.88
523330 - Office Administrator - Pensio	\$1,146.00	\$1,146.00	\$1,239.43	108.15 %	\$1,146.48
523750 - Financial Assistant-Salary	\$15,000.00	\$15,000.00	\$6,658.20	44.39 %	\$11,507.42
523770 - Financial Assistant-FICA	\$1,148.00	\$1,148.00	\$509.37	44.37 %	\$698.13
Total Diocesan Staff-Administrative	\$176,905.00	\$176,905.00	\$154,788.37	87.50 %	\$173,818.63
Diocesan Staff-Program					
523000 - Canon to the Ordinary - Salary	\$51,093.00	\$51,093.00	\$52,562.88	102.88 %	\$52,562.88
523005 - Canon to the Ordinary - Housing	\$20,100.00	\$20,100.00	\$20,100.00	100.00 %	\$18,630.00
523020 - Canon to the Ordinary - Insurance	\$11,184.00	\$11,184.00	\$11,184.00	100.00 %	\$11,184.00
523030 - Canon to the Ordinary - Pension	\$12,815.00	\$12,815.00	\$12,814.68	100.00 %	\$12,814.68
523050 - Canon to the Ordinary - Travel	\$9,000.00	\$9,000.00	\$7,346.80	81.63 %	\$8,421.29
523400 - Youth Coord. - Salary	\$23,286.00	\$23,286.00	\$25,499.04	109.50 %	\$22,499.04
523410 - Youth Coord. - FICA	\$1,781.00	\$1,781.00	\$1,950.60	109.52 %	\$1,721.04
523430 - Youth Coord. - Pension	\$2,096.00	\$2,096.00	\$3,742.51	178.55 %	\$2,096.00
523440 - Youth Coord. - Cont. Education	\$1,000.00	\$1,000.00	\$363.80	36.38 %	\$775.40
523450 - Youth Coord. - Travel	\$4,000.00	\$4,000.00	\$3,949.37	98.73 %	\$4,494.16
523600 - Communication Director - Salary	\$17,205.92	\$17,205.92	\$17,205.84	100.00 %	\$26,290.35
523605 - Communication Director - Housing	\$26,578.08	\$26,578.08	\$26,578.08	100.00 %	\$17,718.72
523610 - Communication Director - FICA	\$0.00	\$0.00	\$0.00	0.00 %	\$1,090.53
523620 - Communications Director - Insurance	\$11,184.00	\$11,184.00	\$11,184.00	100.00 %	\$11,205.30
523630 - Communications Director - Pension	\$7,881.00	\$7,881.00	\$7,697.40	97.67 %	\$6,624.46
Total Diocesan Staff-Program	\$199,204.00	\$199,204.00	\$202,179.00	101.49 %	\$198,127.85
Diocesan Staff-Other Costs					
523810 - Dioc. Adm. Staff Cont Ed	\$1,000.00	\$1,000.00	\$731.94	73.19 %	\$928.00
523820 - Dioc. Adm. Staff Travel	\$2,000.00	\$2,000.00	\$837.60	41.88 %	\$1,756.51
523830 - Insurance - Workers' Comp	\$3,900.00	\$3,900.00	\$4,152.00	106.46 %	\$3,843.00
Total Diocesan Staff-Other Costs	\$6,900.00	\$6,900.00	\$5,721.54	82.92 %	\$6,527.51
Office Expense					
531000 - Rent	\$45,146.00	\$45,146.00	\$45,146.00	100.00 %	\$45,146.00
531050 - Parking	\$5,100.00	\$5,100.00	\$3,525.00	69.12 %	\$4,875.00
531100 - Utilities	\$19,411.00	\$19,411.00	\$18,831.81	97.02 %	\$21,029.88
531200 - Office Supplies	\$5,000.00	\$5,000.00	\$6,811.22	136.22 %	\$7,344.82
531300 - Purchases & Rental Fees	\$3,900.00	\$3,900.00	\$4,710.80	120.79 %	\$3,934.57
531400 - Equipment-Maint. & Repair	\$7,000.00	\$7,000.00	\$8,320.34	118.86 %	\$9,804.89
531420 - Equipment - Reserves - copier	\$1,200.00	\$1,200.00	\$1,200.00	100.00 %	\$2,000.00
531440 - Equipment - reserves - computer	\$1,950.00	\$1,950.00	\$1,950.00	100.00 %	\$3,000.00
531500 - Telephone	\$2,800.00	\$2,800.00	\$3,831.67	136.85 %	\$2,716.76
531570 - Web Site & Online Service	\$3,900.00	\$3,900.00	\$3,876.00	99.38 %	\$3,876.00
531600 - Postage	\$2,000.00	\$2,000.00	\$1,038.21	51.91 %	\$2,630.91
531700 - Insurance-Property&Liabil	\$9,500.00	\$9,500.00	\$9,095.79	95.75 %	\$9,475.81
531720 - Insurance-Prop ESP Travel	\$500.00	\$500.00	\$0.00	0.00 %	\$574.00
531800 - Subscriptions and Fees	\$200.00	\$200.00	\$198.00	99.00 %	\$380.90
532200 - Expense 1998 Office Move	\$270.00	\$270.00	\$256.62	95.04 %	\$942.24
532300 - Loan Computer Equipment	\$4,622.00	\$4,622.00	\$4,013.73	86.84 %	\$4,572.72
532400 - Search Marmission Loan	\$10,000.00	\$10,000.00	\$10,564.69	105.65 %	\$0.00
Total Office Expense	\$122,499.00	\$122,499.00	\$123,369.88	100.71 %	\$122,304.50

DIOCESE OF KENTUCKY
STATEMENT OF ACTIVITIES-OPERATING
January to December 2011

Accounts	Annual Budget (This Year)	YTD Budget (This Year)	YTD Actual (This Year)	% of YTD Budget Used (This Year)	YTD Actual (Last Year)
Communications					
561200 - Ep.News-Reporters	\$1,000.00	\$1,000.00	\$0.00	0.00 %	\$1,345.65
561300 - Ep.News-Publishing	\$0.00	\$0.00	\$21.44	0.00 %	\$18,513.86
561600 - Ep.News-Telecommunications	\$300.00	\$300.00	\$939.93	313.31 %	\$1,954.40
561700 - Ep.News-Miscellaneous	\$300.00	\$300.00	\$146.33	48.78 %	\$495.28
561800 - Ep.News-Travel/Convention	\$500.00	\$500.00	\$49.91	9.98 %	\$441.25
561900 - Ep.News-Conferences	\$0.00	\$0.00	\$235.00	0.00 %	\$639.35
561940 - Ep.News-Digital Faith Community	\$6,000.00	\$6,000.00	\$6,000.00	100.00 %	\$6,000.00
561960 - Ep.News-Media Library/Fair	\$500.00	\$500.00	\$0.00	0.00 %	\$0.00
Total Communications	\$8,600.00	\$8,600.00	\$7,392.61	85.96 %	\$29,389.79
Other Diocesan Costs					
545600 - Clergy Deployment Expense	\$4,000.00	\$4,000.00	\$5,101.02	127.53 %	\$4,188.86
562400 - Trustees & Council	\$3,000.00	\$3,000.00	\$2,553.22	85.11 %	\$4,232.96
562600 - Comm.on Ministry Dept.Exp	\$1,750.00	\$1,750.00	\$1,172.91	67.02 %	\$2,212.61
562700 - Liturgical Comm.Expenses	\$50.00	\$50.00	\$2,182.80	4365.60 %	\$0.00
562800 - Ecumenical Commission	\$1,300.00	\$1,300.00	\$1,373.67	105.67 %	\$1,711.35
562850 - Standing Committee	\$100.00	\$100.00	\$0.00	0.00 %	\$0.00
562900 - Companion Diocese Committ	\$100.00	\$100.00	\$0.00	0.00 %	\$29.43
562950 - Chancellor	\$1,000.00	\$1,000.00	\$250.00	25.00 %	\$1,000.00
563100 - Contingencies & New Prog.	\$500.00	\$500.00	\$44.88	8.98 %	\$0.00
563150 - Sexual Misconduct Awarene	\$250.00	\$250.00	\$0.00	0.00 %	\$0.00
563220 - Retired Clergy Chaplain	\$3,000.00	\$3,000.00	\$3,000.00	100.00 %	\$3,000.00
563400 - Printing Adv.Rept/Journal	\$3,000.00	\$3,000.00	\$408.70	13.62 %	\$1,417.70
563450 - Diocesan Convention	\$2,000.00	\$2,000.00	\$0.00	0.00 %	\$0.00
Total Other Diocesan Costs	\$20,050.00	\$20,050.00	\$16,087.20	80.24 %	\$17,792.91
Total Diocesan Operational Costs	\$727,180.00	\$727,180.00	\$754,456.72	103.75 %	\$783,378.43
Total Expenses	\$1,370,146.00	\$1,370,146.00	\$1,371,590.38	100.11 %	\$1,511,631.19
Net Total	(\$29,000.00)	(\$29,000.00)	(\$7,328.16)	0.00 %	\$96,848.84

DIOCESE OF KENTUCKY
STATEMENT OF ACTIVITIES-ADULT CONFERENCES & EVENTS
JANUARY TO DECEMBER 2011

Accounts	Annual Budget (This Year)	YTD Budget (This Year)	YTD Actual (This Year)	% of YTD Budget Used (This Year)	YTD Actual (Last Year)
Revenue & Gains Unrestricted					
Revenues Adult Conf/Event					
421105 - Adult Retreats	\$0.00	\$0.00	\$1,642.50	0.00 %	\$0.00
421110 - Clergy Retreats	\$0.00	\$0.00	\$594.50	0.00 %	\$0.00
421140 - Christian Formation Conf.	\$0.00	\$0.00	\$0.00	0.00 %	\$610.00
421240 - Diocesan Convention	\$0.00	\$0.00	\$32,440.00	0.00 %	\$19,495.00
421360 - Leadership Conference 2010	\$0.00	\$0.00	\$0.00	0.00 %	\$3,279.50
421440 - Environmental Conference	\$0.00	\$0.00	\$235.00	0.00 %	\$0.00
421500 - EFM Training	\$0.00	\$0.00	\$3,980.00	0.00 %	\$3,250.00
445170 - Contribution-School of Ministry	\$0.00	\$0.00	\$5,220.00	0.00 %	\$4,971.00
Total Revenues	\$0.00	\$0.00	\$44,112.00	0.00 %	\$31,605.50
Subsidies/Trans. Adult Conf					
421775 - Subsidy-Casparian Fund	\$0.00	\$0.00	\$300.00	0.00 %	\$1,050.00
421790 - Subsidy-Diocesan Budget	\$0.00	\$0.00	\$13,499.96	0.00 %	\$11,817.41
449820 - Trans.Design.-Prov.Synod	\$0.00	\$0.00	\$2,922.75	0.00 %	\$0.00
449870 - Transfer TR EFM Reserves	\$0.00	\$0.00	\$200.00	0.00 %	\$0.00
449957 - Trans. Temp.Restr-EFM Mentor Train	\$0.00	\$0.00	\$95.00	0.00 %	\$91.26
Total Subsidies/Trans. Adult Conf	\$0.00	\$0.00	\$17,017.71	0.00 %	\$12,958.67
Total Revenue & Gains Unrestricted	\$0.00	\$0.00	\$61,129.71	0.00 %	\$44,564.17
Expenses					
Expenses Adult Conf/Event					
534090 - Adult Retreats	\$0.00	\$0.00	\$2,149.50	0.00 %	\$0.00
534130 - EFM Mentor Training	\$0.00	\$0.00	\$3,955.40	0.00 %	\$3,341.26
534140 - Christian Education Conf.	\$0.00	\$0.00	\$0.00	0.00 %	\$509.50
534210 - Mission and Evangelism Conferences	\$0.00	\$0.00	\$0.00	0.00 %	\$997.43
534240 - Diocesan Convention	\$0.00	\$0.00	\$20,984.91	0.00 %	\$19,595.50
534370 - EFM Conf/mtg/scholarships	\$0.00	\$0.00	\$200.00	0.00 %	\$0.00
534480 - School of Ministry Expense	\$0.00	\$0.00	\$15,790.85	0.00 %	\$15,576.55
534490 - Province IV Synod Exp	\$0.00	\$0.00	\$2,922.75	0.00 %	\$0.00
534500 - Casparian Fund Grants	\$0.00	\$0.00	\$300.00	0.00 %	\$1,050.00
534545 - Leadership Conference	\$0.00	\$0.00	\$0.00	0.00 %	\$3,493.93
534690 - Environmental Weekend	\$0.00	\$0.00	\$235.00	0.00 %	\$0.00
534695 - On-Line Fees Adult Events	\$0.00	\$0.00	\$345.25	0.00 %	\$0.00
534700 - Transfer to Reserves	\$0.00	\$0.00	\$2,966.60	0.00 %	\$0.00
Total Expenses Adult Conf/Event	\$0.00	\$0.00	\$49,850.26	0.00 %	\$44,564.17
Total Expenses	\$0.00	\$0.00	\$49,850.26	0.00 %	\$44,564.17
Net Total	\$0.00	\$0.00	\$11,279.45	0.00 %	\$0.00

DIOCESE OF KENTUCKY
STATEMENT OF ACTIVITIES - YOUTH CONFERENCES & EVENTS
JANUARY TO DECEMBER 2011

Accounts	Annual Budget (This Year)	YTD Budget (This Year)	YTD Actual (This Year)	% of YTD Budget Used (This Year)	YTD Actual (Last Year)
Revenue & Gains Unrestricted					
Revenue Youth Camps/Event					
481180 - Spring Gathering	\$0.00	\$0.00	\$1,718.00	0.00 %	\$1,710.00
481240 - SH Camp (9 through 12 Grade)	\$0.00	\$0.00	\$8,750.00	0.00 %	\$8,000.00
481340 - JH Camp (7th & 8th Grade)	\$0.00	\$0.00	\$8,430.00	0.00 %	\$7,938.00
481360 - NH Camp (5th & 6th Grade)	\$0.00	\$0.00	\$8,483.00	0.00 %	\$8,642.00
481400 - PRI Camp (2nd - 4th Grade)-CIT	\$0.00	\$0.00	\$6,352.00	0.00 %	\$7,218.00
481660 - Acolyte Festival	\$0.00	\$0.00	\$165.00	0.00 %	\$0.00
481670 - Family Camp	\$0.00	\$0.00	\$0.00	0.00 %	\$945.00
481680 - Fall Sr Gathering	\$0.00	\$0.00	\$1,839.00	0.00 %	\$2,196.30
481740 - PYE and EYE	\$0.00	\$0.00	\$0.00	0.00 %	\$150.00
481800 - Camping Fees from Prior Years	\$0.00	\$0.00	\$120.00	0.00 %	\$0.00
481810 - Contribution-Snacks	\$0.00	\$0.00	\$200.00	0.00 %	\$0.00
481820 - T-shirt/Bumper Sticker/Scholarship	\$0.00	\$0.00	\$2,484.50	0.00 %	\$10.00
Total Revenue Youth Camps/Event	\$0.00	\$0.00	\$38,541.50	0.00 %	\$36,809.30
Subsidies Youth Camps/Eve					
481900 - Subsidy Camp/Gath Supplies	\$0.00	\$0.00	\$2,800.07	0.00 %	\$2,363.00
481905 - Subsidy Staff Room&Board	\$0.00	\$0.00	\$12,576.57	0.00 %	\$16,643.79
481906 - Subsidy - Priest Family Rm & Bd	\$0.00	\$0.00	\$1,544.18	0.00 %	\$1,970.00
481910 - Subsidy Counselor Train-Program Exp	\$0.00	\$0.00	\$3,042.72	0.00 %	\$3,353.64
481915 - Subsidy Counselor Expense	\$0.00	\$0.00	\$28,088.24	0.00 %	\$21,817.44
481920 - Subsidy Scholarships-Bdg	\$0.00	\$0.00	\$7,903.49	0.00 %	\$7,641.50
481921 - Subsidy Scholarships-Perry Fund	\$0.00	\$0.00	\$309.00	0.00 %	\$720.00
481922 - Subsidy Scholarship-St. Thomas Camp	\$0.00	\$0.00	\$190.00	0.00 %	\$240.00
481925 - Subsidy Music Program	\$0.00	\$0.00	\$2,200.00	0.00 %	\$2,200.00
481927 - Subsidy - Camp Promo & T-Shirts	\$0.00	\$0.00	\$3,023.95	0.00 %	\$3,726.47
481930 - Subsidy Youth Department	\$0.00	\$0.00	\$0.00	0.00 %	\$3,732.58
481935 - Subsidy PYE & EYE	\$0.00	\$0.00	\$0.00	0.00 %	\$1,361.84
Total Subsidies Youth Camps/Eve	\$0.00	\$0.00	\$61,678.22	0.00 %	\$65,770.26
Total Revenue & Gains Unrestricted	\$0.00	\$0.00	\$100,219.72	0.00 %	\$102,579.56
Expenses					
Expense Youth Camps/Event					
536170 - Youth Department Expense	\$0.00	\$0.00	\$0.00	0.00 %	\$2,012.58
536180 - Spring Gathering	\$0.00	\$0.00	\$2,187.00	0.00 %	\$2,147.88
536240 - SH Camp (9 through 12 Grade)	\$0.00	\$0.00	\$13,576.50	0.00 %	\$14,044.93
536340 - JH Camp (7th & 8th Grade)	\$0.00	\$0.00	\$13,060.00	0.00 %	\$14,588.93
536360 - NH Camp (5th & 6th Grade)	\$0.00	\$0.00	\$13,361.00	0.00 %	\$16,024.93
536400 - PRI Camp (2nd - 4th Grade)-CIT	\$0.00	\$0.00	\$11,572.50	0.00 %	\$12,434.93
536660 - Acolyte Festival	\$0.00	\$0.00	\$40.14	0.00 %	\$0.00
536680 - Fall Senior Gathering	\$0.00	\$0.00	\$2,925.00	0.00 %	\$2,700.00
536700 - Family Camp	\$0.00	\$0.00	\$0.00	0.00 %	\$1,922.69
536740 - PYE and EYE	\$0.00	\$0.00	\$0.00	0.00 %	\$1,511.84
536800 - Camp Counselor FICA	\$0.00	\$0.00	\$1,767.24	0.00 %	\$1,550.44
536810 - Counselor Training-Program Expense	\$0.00	\$0.00	\$6,154.72	0.00 %	\$3,353.64
536811 - Contract Trainer/Labor	\$0.00	\$0.00	\$2,120.00	0.00 %	\$1,720.00
536820 - Camp Counselors/Lifeguard	\$0.00	\$0.00	\$24,201.00	0.00 %	\$20,267.00
536825 - Camp T-Shirts	\$0.00	\$0.00	\$3,023.95	0.00 %	\$3,736.47
536826 - Camp-T-Shirts-Scholarship	\$0.00	\$0.00	\$670.00	0.00 %	\$0.00
536827 - Camp-Snacks	\$0.00	\$0.00	\$200.00	0.00 %	\$0.00
536830 - Music Program	\$0.00	\$0.00	\$2,200.00	0.00 %	\$2,200.00
536840 - Camp & Gathering Supplies	\$0.00	\$0.00	\$2,800.07	0.00 %	\$2,363.30
536850 - On-Line Fees Youth Events	\$0.00	\$0.00	\$360.60	0.00 %	\$0.00
Total Expense Youth Camps/Event	\$0.00	\$0.00	\$100,219.72	0.00 %	\$102,579.56
Total Expenses	\$0.00	\$0.00	\$100,219.72	0.00 %	\$102,579.56
Net Total	\$0.00	\$0.00	\$0.00	0.00 %	\$0.00

DIOCESE OF KENTUCKY
STATEMENT OF ACTIVITIES - OFF BUDGET/RESERVES
JANUARY TO DECEMBER 2011

Accounts	Annual Budget (This Year)	YTD Budget (This Year)	YTD Actual (This Year)	% of YTD Budget Used (This Year)	YTD Actual (Last Year)
Revenue & Gains Unrestricted					
Revenue Off Budget/Reserv					
421300 - Electing of New Bishop Convention	\$0.00	\$0.00	\$0.00	0.00 %	\$12,700.00
441195 - Ordination Gifts	\$0.00	\$0.00	\$0.00	0.00 %	\$1,890.00
445100 - Contributions-Unrestrictd	\$0.00	\$0.00	\$0.00	0.00 %	\$4,881.90
445145 - Contributions-TR- Bishop's Cabin	\$0.00	\$0.00	\$100.00	0.00 %	\$45,617.15
445146 - Contributions-TR- Gift Bishop White	\$0.00	\$0.00	\$0.00	0.00 %	\$14,982.50
445147 - New Bishops Dinner	\$0.00	\$0.00	\$0.00	0.00 %	\$8,400.00
445150 - Contributions-TR-Barrow	\$0.00	\$0.00	\$8,400.00	0.00 %	\$8,400.00
445152 - Contributions-Bp's Discretion	\$0.00	\$0.00	\$29,171.44	0.00 %	\$0.00
445154 - Contribution-TR-MDG	\$0.00	\$0.00	\$1,141.98	0.00 %	\$1,008.35
445156 - Contributions-TR-St. Geo.Comm.Ctr.	\$0.00	\$0.00	\$100.00	0.00 %	\$0.00
445162 - Contributions-TR-E Cooper Offering	\$0.00	\$0.00	\$213.23	0.00 %	\$0.00
445163 - Contributions-Diocese of Fort Worth	\$0.00	\$0.00	\$0.00	0.00 %	\$7,516.00
445165 - Contributions-TR-All Saints	\$0.00	\$0.00	\$267.00	0.00 %	\$1,510.02
445185 - Contribution-TR-UTO	\$0.00	\$0.00	\$4,432.74	0.00 %	\$5,109.91
445187 - Contributions-TR-Search Committee	\$0.00	\$0.00	\$0.00	0.00 %	\$1,000.00
445188 - Contrib.-TR-Bishops Appeal-D.Koul	\$0.00	\$0.00	\$501.00	0.00 %	\$0.00
445189 - Contrib-TR-BBadget Disc Fd-Conventi	\$0.00	\$0.00	\$698.00	0.00 %	\$0.00
445190 - Contribution-TR-Conv.Offering 2/11	\$0.00	\$0.00	\$2,413.00	0.00 %	\$0.00
445191 - Contribution-TR Campus Min.Convent	\$0.00	\$0.00	\$1,266.00	0.00 %	\$0.00
445195 - Contribution-TR-S Warner Gift-Resur	\$0.00	\$0.00	\$3,062.12	0.00 %	\$0.00
445200 - Contribution-TR-2011 Flood Relief	\$0.00	\$0.00	\$5,038.00	0.00 %	\$0.00
449550 - Sale of Asset-Toyota	\$0.00	\$0.00	\$0.00	0.00 %	\$3,100.00
449600 - Episcopal Safety Program	\$0.00	\$0.00	\$5,000.00	0.00 %	\$5,000.00
449755 - Trans-Forward Fund	\$0.00	\$0.00	\$2,416.66	0.00 %	\$44,500.00
449762 - Trans. Commingled Fund	\$0.00	\$0.00	\$5,524.29	0.00 %	\$2,000.00
449835 - Trans Design-Ballard Proceeds	\$0.00	\$0.00	\$0.00	0.00 %	\$12,130.00
449840 - Trans.Design -Auto Replac	\$0.00	\$0.00	\$0.00	0.00 %	\$20,200.62
449860 - Trans.Design.-Computer Eq	\$0.00	\$0.00	\$4,275.36	0.00 %	\$2,565.95
449867 - Trans. Design-S.Brown Transition	\$0.00	\$0.00	\$0.00	0.00 %	\$32,000.00
449868 - Trans.Design-MR Loan Search Process	\$0.00	\$0.00	\$0.00	0.00 %	\$17,823.10
449869 - Trans.Design-MR Loan Transition	\$0.00	\$0.00	\$0.00	0.00 %	\$29,053.80
449871 - Trans.Design 2011 Campbellsville Fd	\$0.00	\$0.00	\$0.00	0.00 %	\$20,000.00
449892 - Trans.Design MDG-bdgt pr yrs	\$0.00	\$0.00	\$0.00	0.00 %	\$9,180.00
449895 - Trans.Design - Mayfield Reserves	\$0.00	\$0.00	\$12,983.33	0.00 %	\$21,917.01
449920 - Trans.Temp.Restrict-Hite	\$0.00	\$0.00	\$8,682.00	0.00 %	\$11,000.00
449935 - Trans.Temp.Restrict-S Brown-Glasgow	\$0.00	\$0.00	\$0.00	0.00 %	\$200,000.00
449945 - Trans.Temp.Restrict-MDG	\$0.00	\$0.00	\$0.00	0.00 %	\$13,345.28
449960 - Trans.Temp.Restrict-Bishop White Gifts	\$0.00	\$0.00	\$22.50	0.00 %	\$0.00
449965 - Trans.Temp.Restrict-Bishop's Cabin	\$0.00	\$0.00	\$631.99	0.00 %	\$0.00
Total Revenue Off Budget/Reserv	\$0.00	\$0.00	\$96,340.64	0.00 %	\$556,831.59
Total Revenue & Gains Unrestricted	\$0.00	\$0.00	\$96,340.64	0.00 %	\$556,831.59
Expenses					
Expense Off Budget/Reserv					
523705 - ESP Program	\$0.00	\$0.00	\$5,000.00	0.00 %	\$5,000.00
523710 - 2011 Flood Grants	\$0.00	\$0.00	\$2,500.00	0.00 %	\$0.00
534300 - Transition - Electing Convention	\$0.00	\$0.00	\$0.00	0.00 %	\$6,326.90
534320 - Transition-Concretion New Bishop	\$0.00	\$0.00	\$0.00	0.00 %	\$30,104.67
534335 - Transition-Walkabout	\$0.00	\$0.00	\$0.00	0.00 %	\$10,334.13
534410 - Transition-Clergy&Clergy Spouse Mtg	\$0.00	\$0.00	\$0.00	0.00 %	\$2,205.83
534420 - Transition-New Bishop's Dinner	\$0.00	\$0.00	\$0.00	0.00 %	\$12,051.49
534425 - Transition-Bps/Spouses Breakfast	\$0.00	\$0.00	\$0.00	0.00 %	\$612.26
534435 - Transition-House Hunting Expense	\$0.00	\$0.00	\$0.00	0.00 %	\$2,784.03
534495 - Transition-Bp's Retirement Reception	\$0.00	\$0.00	\$0.00	0.00 %	\$8,121.04
546080 - 2007-8 Audit Expense	\$0.00	\$0.00	\$0.00	0.00 %	\$12,130.00
546130 - Mission-St.Thomas, Campv	\$0.00	\$0.00	\$0.00	0.00 %	\$20,000.00
546144 - Bishop's Cabin Supplies	\$0.00	\$0.00	\$0.00	0.00 %	\$1,173.47
546145 - Bishop's Cabin - Trans Plant Fund	\$0.00	\$0.00	\$631.99	0.00 %	\$42,821.95

DIOCESE OF KENTUCKY
STATEMENT OF ACTIVITIES - OFF BUDGET/RESERVES
JANUARY TO DECEMBER 2011

Accounts	Annual Budget (This Year)	YTD Budget (This Year)	YTD Actual (This Year)	% of YTD Budget Used (This Year)	YTD Actual (Last Year)
546146 - Bishop White Gifts	\$0.00	\$0.00	\$22.50	0.00 %	\$6,220.50
546160 - Presby.pkg-Barrow	\$0.00	\$0.00	\$8,400.00	0.00 %	\$8,400.00
546195 - Ordination Gifts	\$0.00	\$0.00	\$0.00	0.00 %	\$1,890.00
546203 - MDG-Alleluia Fund	\$0.00	\$0.00	\$0.00	0.00 %	\$22,525.28
546215 - Pension - Wan Lee	\$0.00	\$0.00	\$5,524.29	0.00 %	\$0.00
546313 - Christ Church Cathedral	\$0.00	\$0.00	\$2,416.66	0.00 %	\$14,500.00
546340 - St. Martins Expenses	\$0.00	\$0.00	\$8,251.04	0.00 %	\$11,417.01
546342 - Western Ky Deacon Expenses	\$0.00	\$0.00	\$4,732.29	0.00 %	\$0.00
546510 - Bp's Auto Major Maint.	\$0.00	\$0.00	\$0.00	0.00 %	\$880.12
546518 - Resurrection	\$0.00	\$0.00	\$3,062.12	0.00 %	\$0.00
546530 - Hite Grants	\$0.00	\$0.00	\$8,682.00	0.00 %	\$1,000.00
546531 - Hite Grant-M.Bojarski	\$0.00	\$0.00	\$0.00	0.00 %	\$10,000.00
546535 - Search Process Episcopate	\$0.00	\$0.00	\$0.00	0.00 %	\$20,968.80
546536 - Transition Process	\$0.00	\$0.00	\$0.00	0.00 %	(\$69.62)
546538 - Korean Congregation Support	\$0.00	\$0.00	\$0.00	0.00 %	\$30,000.00
546540 - Wheeler Fund Grant	\$0.00	\$0.00	\$0.00	0.00 %	\$2,000.00
546550 - Fulton-Mayfield Subsidy	\$0.00	\$0.00	\$0.00	0.00 %	\$8,750.00
546555 - Hickman-Mayfield Subsidy	\$0.00	\$0.00	\$0.00	0.00 %	\$1,750.00
548930 - St. George's Comm Center	\$0.00	\$0.00	\$100.00	0.00 %	\$0.00
548947 - Land Purchase-Glasgow	\$0.00	\$0.00	\$0.00	0.00 %	\$200,000.00
548950 - Equipment Diocese of Ky	\$0.00	\$0.00	\$4,275.36	0.00 %	\$21,886.45
548953 - Transfers to Dioc Bdgt	\$0.00	\$0.00	\$0.00	0.00 %	\$1,510.02
549000 - Transfers to Designated	\$0.00	\$0.00	\$0.00	0.00 %	\$23,081.07
549100 - Transfers to Temp. Rest.	\$0.00	\$0.00	\$42,742.39	0.00 %	\$16,501.99
Total Expense Off Budget/Reserv	\$0.00	\$0.00	\$96,340.64	0.00 %	\$556,877.39
Total Expenses	\$0.00	\$0.00	\$96,340.64	0.00 %	\$556,877.39
Net Total	\$0.00	\$0.00	\$0.00	0.00 %	(\$45.80)

DIOCESE OF KENTUCKY
SUMMARY OF RESTRICTED ACCOUNTS
JANUARY to DECEMBER 2011

Accounts	Beginning Balance	Restricted Revenue	Restricted Expenses	Ending Balance
<u>Temporary Restricted</u>				
Clearing Accounts				
811000 - Unrestricted Clearing	\$0.00	\$12,124.52	\$12,124.52	\$0.00
812000 - Temp.Restricted Clearing	\$0.00	\$6,165.50	\$6,165.50	\$0.00
Total Clearing Accounts	\$0.00	\$18,290.02	\$18,290.02	\$0.00
Designated				
821100 - Computer Updates	\$6,284.08	\$1,950.00	\$4,275.36	\$3,958.72
821200 - Copy Machine Replacement	\$3,848.70	\$1,200.00	\$0.00	\$5,048.70
821250 - Automobile Replacement	\$11,079.96	\$0.00	\$0.00	\$11,079.96
821300 - General Convention 2012	\$14,200.00	\$7,200.00	\$0.00	\$21,400.00
821400 - Provincial Synod 2012	\$4,000.00	\$1,800.00	\$2,922.75	\$2,877.25
821500 - Lambeth Conference 2018	\$4,196.05	\$2,000.00	\$0.00	\$6,196.05
821630 - Mayfield Reserves	\$54,386.77	\$1,464.00	\$14,447.33	\$41,403.44
831610 - Woodcock Cross Ins.Claim	\$4,881.90	\$0.00	\$0.00	\$4,881.90
831700 - New Missions Funding	\$40,822.53	\$0.00	\$0.00	\$40,822.53
831765 - Unrestricted Fort Worth Monies 2010	\$7,516.00	\$0.00	\$7,516.00	\$0.00
840000 - Sally Brown Gifts	\$69,982.54	\$0.00	\$69,982.54	\$0.00
850625 - MDG-Int'l Dev. Giving-Bdgt	\$0.00	\$2,000.00	\$0.00	\$2,000.00
Total Designated	\$221,198.53	\$17,614.00	\$99,143.98	\$139,668.55
Temporarily Restricted				
831600 - ECW/UTO Funds	\$282.43	\$0.00	\$0.00	\$282.43
840400 - M.Hite Prior Yrs Income/Ministry Ed	\$16,576.90	\$0.00	\$8,682.00	\$7,894.90
840600 - Bishop White's Gifts	\$8,762.00	\$0.00	\$22.50	\$8,739.50
840650 - Bishop's Cabin	\$1,621.73	\$100.00	\$631.99	\$1,089.74
850605 - Jubilee & Justice Gifts	\$946.41	\$0.00	\$0.00	\$946.41
850610 - Bishops Appeal-Daniel Kuol	\$0.00	\$501.00	\$0.00	\$501.00
850615 - School of Ministry	\$1,614.90	\$2,929.11	\$82.11	\$4,461.90
850622 - B.Badget Disc Fd/Convention/Ordinat	\$0.00	\$698.00	\$0.00	\$698.00
850624 - Convention Offering 2/2011	\$0.00	\$2,413.00	\$0.00	\$2,413.00
850626 - Campus Ministries - TR	\$0.00	\$1,266.00	\$0.00	\$1,266.00
850628 - Flood Relief-Gifts	\$0.00	\$2,538.00	\$0.00	\$2,538.00
850630 - Gifts to UTO	\$5,109.91	\$4,432.74	\$0.00	\$9,542.65
850635 - Bishop Special Needs	\$0.00	\$29,171.44	\$0.00	\$29,171.44
850700 - Sudanese Family Reunion	\$663.20	\$0.00	\$0.00	\$663.20
860100 - Sewanee \$/EFM Coordinator	\$150.00	\$0.00	\$0.00	\$150.00
860300 - Bishop Marmion's Gift	\$1,851.21	\$0.00	\$0.00	\$1,851.21
860400 - Stewardship Conf.Funding	\$683.40	\$0.00	\$0.00	\$683.40
860600 - MDG/Hannah Ministries	\$0.00	\$267.00	\$0.00	\$267.00
860605 - MDG-Alleluia Fund Gifts	\$1,008.35	\$3,141.98	\$2,000.00	\$2,150.33
860610 - EFM Graduate Reserves	\$444.71	\$0.00	\$200.00	\$244.71
860615 - EFM Mentor Training	\$453.62	\$119.60	\$95.00	\$478.22
860720 - Cursillo Scholarship Fund	\$100.00	\$0.00	\$0.00	\$100.00
860730 - St.Thomas Scholarship Fd.	\$3,915.47	\$0.00	\$190.00	\$3,725.47
860740 - Emily Cooper Offering	\$0.00	\$213.23	\$0.00	\$213.23
860760 - Clergy Appr.Gift-Miss.Fd/Snow	\$20.00	\$0.00	\$0.00	\$20.00
860780 - S.Warrner Gift	\$0.00	\$3,062.12	\$3,062.12	\$0.00
Total Temporarily Restricted	\$44,204.24	\$50,853.22	\$14,965.72	\$80,091.74
Total Restricted	\$265,402.77	\$86,757.24	\$132,399.72	\$219,760.29

2013 DIOCESAN BUDGET NARRATIVE

INCOME:

Congregational Pledges:

Of the 36 parishes in the Diocese, pledges for year 2013 have been received from 34. The pledges total \$905,476 vs \$951,316 for year 2012. Twenty-two increased their pledge, eleven decreased, one stayed the same and two are outstanding. We are moving forward in the number of parishes pledging 15%. For the 2012 budget, 19 congregations gave 15% and for 2013, 21 congregations gave 15%. There is a new line item in the income budget, line 46, Uncommitted Funds. This line represents potential income from pledges not received to date and totals \$90,992.

Other Funding Sources:

Income for Endowment Spending (line 40) was reduced from \$164,838 to \$136,744 based on our current spending policy. Line 42 represents a portion of the Ballard Property Settlement for \$150,000. The balance of the settlement has been invested. Total Other Funding Source Income totals \$536,462 vs. \$327,740 for the prior year.

Total Projected income for 2013 is \$1,441,940 compared to \$1,279,056 for 2012. This represents an increase of \$162,844 or 12.7%.

COSTS:

Diocesan Departments:

Mission and Evangelism

Assisted Congregations and Community Outreach dollars decreased from \$142,500 to \$100,000. This decrease is based upon the actual investment income available under an agreed spending formula which caps the amount of encroachment upon principal and interest at 5%. The budget includes a \$5,100 Grant Reserve that will be designated when needed in 2013. There has been good communication between Trustees and Council and congregations receiving assistance. Progress is being made in the effort to become self-sufficient. Congratulations to Messiah Trinity-Louisville for achieving this milestone. Community Outreach was also reduced but we feel those organizations will continue to fulfill their missions. Aided Parish dollars decreased from \$35,000 to \$15,000. A special committee of Trustees and Council worked with these parishes before these budget changes were made. Our Departmental Cost, overhead, remained the same at \$3,300. The total Department investments decreased from \$180,800 to \$123,300.

Christian Formation-

College Ministries funding increased from \$81,676 to \$96,539 with the largest change being the Chaplain at WKU.

Departmental Costs, Youth, and Camp allocations remain very close to the same as the prior period.

The largest exception in Christian Formation is the support needed for All Saints. The 2012 budgeted amount for All Saints was \$85,000 and for 2013 is \$130,000. The 2012 budgeted was too low and All Saints needed additional support in 2012 year. The allocation of \$130,000 for All Saints' 2013 subsidy is \$45,000 more than the 2012 budget amount. The 2013 budget more accurately reflects the additional funding provided by Trustees and Council for the 2012 budget. A special All Saints Task Force led by Canon Joan Smith has been formed and is working on creative ways to get the income more aligned with the expenses of All Saints.

Total Christian Formation Investments are \$320,839 compared to \$261,321 last year.

The total of all Diocesan Departments is \$461,771 for 2012 and \$461,049 for 2013.

Episcopal Church and Ecumenical Outreach:

Our pledge to the Episcopal Church USA is \$133,714 or 10.78% for 2013 compared to \$118,524 or 12% for year 2012.

Other expenses remain very close to last year including our continuing support of the Kentucky Council of Churches for \$8,000.

Total Episcopal Church and Ecumenical Outreach is \$154,529 planned for 2013 vs prior year \$137,421.

Episcopate and Diocesan Staff Compensation:

Episcopate – The merit increase in the Bishop's compensation for salary and housing is 3%, including minor increases in benefit costs.

Program Staff – Staff will receive a 1.6% COLA per the national average. The Youth Coordinator will be receiving health insurance coverage for 2013. The Communication Director base pay will be \$35,000.

A new position, Canon for Evangelism, Mission and Stewardship, is in the 2013 budget. Our investment in the new position would be \$65,000 for salary and housing plus benefits.

Total Program Staff support cost will be \$296,206 for 2013 vs \$199,987.

Administrative Staff – Staff will receive a 1.6% COLA per the national average.

A new position, Financial Assistant to the Controller will be established at a base of \$35,000 plus benefits. This position is strongly recommended by the auditors, and will provide support to congregations re: audits and other financial administrative matters.

Total Administrative Staff cost will change from \$90,689 to \$133,769.

Other Staff Costs will reduce from \$14,769 to \$8,142.

Total Staff Compensation (Program and Admin) will change from \$524,413 to \$665,340, which includes two new positions.

Office Cost:

Office costs - Line 200, will change for \$124,411 to \$128,221.
Communication and other Diocesan Costs have minimal change.

The Total Diocesan Operational Cost will change from \$679,864 to \$826,361 an increase of \$146,497. This increase is largely due to creation of the two new staff positions.

The proposed budget of all investments and costs for 2013 is \$1,441,940 compared to 1,279,056 in 2012. After considering the \$150,000 allocation from the Ballard settlement for two new positions, the net result is a \$12,884 increase over last year's budget.

2013 DIOCESAN BUDGET

	LINE ITEM DESCRIPTION	2012 BUDGET PASSED AT CONVENTION	2013 Budget Passed at Convention
INCOME: CONGREGATIONAL PLEDGES:			
A.			
1	Christ Church Cathedral, Louisville	52,129	60,343
2	St. Luke's, Anchorage	40,250	45,315
3	Church of the Ascension, Bardstown	12,193	12,112
4	Christ Church Bowling Green	88,970	96,811
5	Holy Trinity, Brandenburg	6,060	4,848
6	St. Thomas, Campbellsville	5,343	4,850
7	Christ Church, Elizabethtown	10,979	15,307
8	St. Alban's, Fern Creek*	13,332	-
9	Resurrection, Louisville	1,000	2,785
10	Trinity, Fulton	5,348	3,750
11	St. Peter's, Gilbertsville	6,888	5,965
12	St. Andrew's, Glasgow	5,775	7,644
13	St. Francis, Harrods Creek*	90,000	-
14	St. Paul's, Henderson	15,000	20,000
15	St. Paul's, Hickman	1,127	1,175
16	Grace, Hopkinsville	34,553	31,979
17	Calvary, Louisville	50,000	52,500
18	Church of the Advent, Louisville	17,226	19,653
19	Messiah-Trinity, Louisville*	5,100	5,300
20	Our Merciful Saviour, Louisville	6,372	7,800
21	St. Andrew's, Louisville	51,000	59,235
22	St. Clement's, Louisville	2,030	1,346
23	St. George's, Louisville	4,439	4,319
24	St. Marks, Louisville	70,269	69,961
25	St. Matthew's, Louisville	13,532	12,465
26	St. Paul's, Louisville	13,000	16,000
27	St. Peter's, Louisville	7,500	7,600
28	St. Thomas, Louisville	26,520	28,335
29	St. Mary's, Madisonville	16,920	19,008
30	St. John's, Murray	20,124	22,180
31	Trinity, Owensboro	30,122	34,420
32	Grace, Paducah	57,418	64,850
33	St. James, Pee-wee Valley	19,000	19,000
34	Trinity, Russellville	8,100	7,500
35	St. James, Shelbyville	13,493	14,973
36	St. Luke's Chapel, Louisville	9,194	11,151
37	TOTAL CONGREGATIONAL PLEDGES	95,1,316	905,478
38	TOTAL CONGREGATIONAL PLEDGES	951,316	905,478
B. OTHER FUNDING SOURCES:			
39	BISHOP DUDLEY FUND	137,598	146,400
40	ENDOWMENT SPENDING	164,838	136,744
41	CASH RESERVES INCOME	-	-
42	BALLARD SETTLEMENT (NON-RECURRING)	-	150,000
43	MARIA HITE FUNDING FOR THEOLOGICAL EDUCATION	-	-

2013 DIOCESAN BUDGET		
44 PURCHASE AREA FUNDING-MAYFIELD	-	-
45 TACHAU ENDOWMENT INCOME	12,326	12,326
46 UNCOMMITTED FUNDING	-	90,992
47 RESERVE FUND ALLOCATIONS/RESTRICTED GIFTS	-	-
48 PRIOR YEARS SURPLUS	12,978	-
49 TOTAL OTHER FUNDING SOURCES	327,740	536,462
50 TOTAL INCOME	1,279,056	1,441,940
II. COSTS:		
A. DIOCESAN DEPARTMENTS:		
(1) EVANGELISM AND CONGREGATIONAL DEVELOPMENT:		
MISSION FUNDING:		
ASSISTED CONGREGATIONS:		
51 ST. THOMAS, CAMPBELLSVILLE	18,000	15,000
52 TRINITY, FULTON	16,000	12,000
53 ST. ANDREW'S, GLASGOW	25,000	17,000
54 TRINITY, RUSSELLVILLE	6,000	5,000
55 OUR MERCIFUL SAVIOUR	12,000	8,800
56 ST. GEORGE'S CHURCH, LOUISVILLE	5,000	3,500
57 MESSIAH-TRINITY, LOUISVILLE	5,500	-
58 HOLY TRINITY, BRANDENBURG	9,000	4,100
59 GRANT RESERVE	-	5,100
COMMUNITY OUTREACH:		
60 KENTUCKY REFUGEE MINISTRIES	2,000	1,500
61 AARON MCNEIL HOUSE	22,000	11,000
62 ST. GEORGE'S COMM. CENTER	22,000	17,000
63 TOTAL DIOCESAN MISSION FUNDING	142,500	100,000
AIDED PARISHES:		
64 CHURCH OF THE ADVENT	20,000	15,260
65 RESURRECTION	15,000	-
66 TOTAL AIDED PARISHES	35,000	15,260
DEPARTMENT COSTS:		
67 RESOURCE MATERIALS-PERCEPT FEE	2,000	2,000
68 MISSION FUNDING WORKSHOP/MEETINGS	500	500
69 LEADERSHIP TRAINING & CONFERENCES	500	500
70 DEPARTMENT COSTS	300	300
71 TOTAL DEPARTMENT COSTS	3,300	3,300
72 TOTAL EVANGELISM AND CONGREGATIONAL DEVELOPMENT	180,800	118,560
(2) CHRISTIAN FORMATION:		
COLLEGE MINISTRIES:		

2013 DIOCESAN BUDGET

73	UNIVERSITY OF LOUISVILLE	23,648	23,648
74	- CHAPLAIN	3,000	3,000
75	- PROGRAM	5,000	5,500
	- INTERFAITH CENTER		
76	MURRAY STATE UNIVERSITY	29,423	29,423
77	- CHAPLAIN	5,000	6,468
	- PROGRAM		
78	WESTERN KENTUCKY UNIVERSITY	12,600	20,000
79	- CHAPLAIN	3,000	8,500
	- PROGRAM		
80	TOTAL COLLEGE MINISTRIES	81,671	96,539
	DEPARTMENT COSTS:		
81	SCHOOL OF MINISTRY	10,000	13,000
82	EDUCATION FOR MINISTRY	1,500	1,500
83	CHRISTIAN FORMATION CONC/EVENTS	400	500
84	DEPARTMENT COSTS	1,000	500
85	LEADERSHIP TRAINING & CONFERENCES	1,000	1,000
86	CURSILLO	1,500	1,500
87	COMMUNICATIONS	100	100
88	TOTAL DEPARTMENT COSTS	15,500	18,100
	YOUTH:		
89	LEADERSHIP TRAINING	1,000	1,000
90	COMMUNICATIONS	500	500
91	PROMOTIONS	500	500
92	YOUTH DEPARTMENT EXP	2,400	2,000
93	ACOLYTE FESTIVAL	500	500
94	GATHERING SUPPLIES	1,000	2,000
95	GATHERING STAFF ROOM/BOARD	900	1,000
96	GATHERING MUSIC	100	-
97	GATHERING SCHOLARSHIPS	1,000	800
98	TOTAL YOUTH EXPENSE	7,900	8,300
	CAMPS:		
99	CAMP OPERATING SUPPLIES	2,000	2,000
100	COUNSELOR TRAINING	4,500	2,000
101	COUNSELOR SALARIES	28,500	28,500
102	COUNSELOR/STAFF ROOM/BOARD	22,000	22,000
103	PRIESTS FAMILY ROOM/BOARD	1,800	1,800
104	MUSIC	2,200	1,600
105	SCHOLARSHIPS	8,250	8,000
106	PROMOTIONS & T-SHIRTS	1,500	1,500
107	EYE/PYE/ECU EVENTS	500	500
108	TOTAL CAMP EXPENSE	71,250	67,900
109	ALL SAINTS' CENTER:		
	ALL SAINTS' CENTER:	85,000	130,000

2013 DIOCESAN BUDGET	
110	TOTAL CHRISTIAN FORMATION COSTS
(3)	JUBILEE AND JUSTICE
111	JUBILEE MINISTRIES
112	HEALTH MINISTRIES
113	TOTAL JUBILEE AND JUSTICE
(4)	FINANCE AND STEWARDSHIP
114	DEPT. OF STEWARDSHIP
115	DIOCESAN AUDIT
116	FINANCE DEPARTMENT EXPENSES
117	TOTAL FINANCE AND STEWARDSHIP
118	TOTAL DIOCESAN DEPARTMENTS
B.	EPISCOPAL CHURCH AND ECUMENICAL OUTREACH:
119	EPISCOPAL USA CHURCH PROGRAM (2012 was 12%, 2013 is 10.78%)
120	INTERNATIONAL DEVELOPMENT
121	PROVINCE IV ASSESSMENT
122	UNIVERSITY OF THE SOUTH
123	GENERAL CONVENTION 2015
124	PROVINCIAL SYNOD
125	LAMBETH CONFERENCE 2018
126	KENTUCKY COUNCIL OF CHURCHES
127	TOTAL EPISC. CH/ECUM. OUTREACH
C.	DIOCESAN OPERATIONAL COSTS:
(1)	DIOCESAN STAFF COMPENSATION:
	THE EPISCOPATE:
128	8TH BISHOP OF KENTUCKY
129	BISHOP - SALARY (3% INCREASE)
130	BISHOP - HOUSING (3% INCREASE)
131	BISHOP - PENSION
132	BISHOP - INSURANCE (BCBS PPO 80/60)
133	BISHOP - AUTO
134	BISHOP - TRAVEL
135	BISHOP - ENTERTAINMENT
136	BISHOP - CONTINUING EDUCATION
	TOTAL EPISCOPATE
	218,968
	320,839
	461,049
	154,529
	327,724

2013 DIOCESAN BUDGET

PROGRAM SUPPORT STAFF:

137	CANON TO THE ORDINARY - SALARY	51,093	53,385
138	CANON TO THE ORDINARY - HOUSING	20,100	20,100
139	CANON TO THE ORDINARY - INSURANCE (BCBS PPO 80/60)	8,076	8,520
140	CANON TO THE ORDINARY - PENSION	12,815	13,263
141	CANON TO THE ORDINARY - CONTINUING EDUCATION	-	500
142	CANON TO THE ORDINARY - TRAVEL	9,000	4,500
143	CANON EVANGELISM & CONGREGATIONAL DEVELOPER - SALARY	-	-
144	CANON EVANGELISM & CONGREGATIONAL DEVELOPER - HOUSING	-	45,000
145	CANON EVANGELISM & CONGREGATIONAL DEVELOPER - INSURANCE (BCBS PPO 80/60)	-	20,000
146	CANON EVANGELISM & CONGREGATIONAL DEVELOPER - PENSION	-	14,628
147	CANON EVANGELISM & CONGREGATIONAL DEVELOPER - CONTINUING EDUCATION	-	11,700
148	CANON EVANGELISM & CONGREGATIONAL DEVELOPER - TRAVEL	-	500
149	YOUTH COORDINATOR - SALARY 75 % PKG (increase \$3,000 in 2011 +\$3,000 in 2012)	29,286	29,286
150	YOUTH COORDINATOR - FICA	2,240	2,240
151	YOUTH COORDINATOR - INSURANCE	-	8,782
152	YOUTH COORDINATOR - PENSION	2,636	2,636
153	YOUTH COORDINATOR - CONTINUING EDUCATION	1,000	500
154	YOUTH COORDINATOR - TRAVEL	4,000	3,000
155	COMMUNICATIONS DIRECTOR - SALARY	40,700	35,000
156	COMMUNICATIONS DIRECTOR - FICA	3,114	2,678
157	COMMUNICATIONS DIRECTOR - INSURANCE (BCBS PPO 80/60)	8,076	8,638
158	COMMUNICATIONS DIRECTOR - PENSION	7,851	3,150
159	COMMUNICATIONS DIRECTOR - CONTINUING EDUCATION	-	1,000
160	COMMUNICATIONS DIRECTOR - TRAVEL	-	4,000
161	TOTAL PROGRAM SUPPORT STAFF	199,987	296,206
	ADMINISTRATIVE STAFF:		
162	CONTROLLER - SALARY	56,853	56,843
163	CONTROLLER - FICA	4,349	4,501
164	CONTROLLER - INSURANCE (BCBS PPO 80/60)	8,222	9,019
165	CONTROLLER - PENSION	5,117	5,296
166	CONTROLLER - CONTINUING EDUCATION	-	1,000
167	CONTROLLER - TRAVEL	-	2,000
168	FINANCIAL ASSISTANT - SALARY	15,000	35,000
169	FINANCIAL ASSISTANT - FICA	1,148	2,678
170	FINANCIAL ASSISTANT - INSURANCE	-	8,782
171	FINANCIAL ASSISTANT - PENSION	-	3,150
172	FINANCIAL ASSISTANT - CONTINUING EDUCATION	-	500
173	FINANCIAL ASSISTANT - TRAVEL	-	3,000
174	TOTAL ADMINISTRATIVE STAFF	90,639	133,769
	OTHER DIOCESAN STAFF COSTS:		
175	ADMIN. & SECRETARIAL ASSISTANCE	-	-
176	CONT. ED - DIOCESAN ADMIN. STAFF	700	-
177	TRAVEL - DIOCESAN ADMIN. STAFF	2,000	-
178	INSURANCE - WORKERS COMP.	5,000	5,000

2013 DIOCESAN BUDGET	
179 STAFF SALARY INCREASES	6,014
180 STAFF FRINGE ADU.	2,680
181 TOTAL OTHER DIOCESAN STAFF COSTS	8,462
182 TOTAL DIOCESAN STAFF COMPENSATION	14,769
(2) OFFICE COSTS	524,413
183 RENT (2 mos of 15% increase \$1200)	45,146
184 PARKING (5 spaces staff + volunteers)	5,100
185 UTILITIES	19,411
186 OFFICE SUPPLIES	5,000
187 PURCHASES & RENTAL FEES-(ACS, postage meter & sentry file)	6,200
188 EQUIPMENT - MAINT. & REPAIRS	7,000
189 EQUIPMENT - RESERVES	1,200
190 EQUIPMENT - RESERVES - COMPUTER	1,950
191 TELEPHONE	3,000
192 ONLINE SERVICES-(includes Domain expenses)	4,056
193 POSTAGE	1,500
194 INSURANCE-PROP & LIABILITY (2 % increase)	9,400
195 INSURANCE-PROPERTY & SAFETY ADM. TRAVEL	500
196 SUBSCRIPTIONS AND FEES (CODE: S; Filing fee, Ch Fin, Law & Tax, Living Ch, Harford Bus)	500
197 BANK FEES	-
198 LOAN COMPUTER EQUIPMENT	2,281
199 LOAN SEARCH PROCESST 10 Year Repayment of Search Advance from Marmon Rev.)	11,967
200 TOTAL OFFICE COSTS	124,411
(3) COMMUNICATIONS:	128,221
201 DESIGN & MARKETING	-
202 TELECOMMUNICATIONS EQUIPMENT	700
203 SUBSCRIPTIONS AND FEES	-
204 GENERAL CONVENTION	1,000
205 WEBSITE	6,000
206 MEDIA LIBRARY	540
207 WORKSHOPS	675
208 CONFERENCES	1,500
209 MEDIA MANAGEMENT	175
210 CONTINUED EDUCATION	100
211 NEW PROGRAM & CONTINGENCIES	100
212 TOTAL COMMUNICATIONS	10,790
(4) OTHER DIOCESAN COSTS:	
213 CONTINGENCIES & NEW PROGRAMS	700
214 SEXUAL MISCONDUCT PREVENTION	100
215 RETIRED CLERGY CHAPLAIN	3,000
216 CONVENTION-ADV. REPT/JOURNAL	2,000
217 DIOCESAN CONVENTION	2,000

2013 DIOCESAN BUDGET	
218 CLERGY DEPLOYMENT EXPENSES	4,500
219 TRUSTEES & COUNCIL	900
220 COMMISSION ON MINISTRY- DEPARTMENT EXPENSES	1,750
221 LITURGICAL COMMISSION (Ordinations & Diocesan Events)	1,500
222 ECUMENICAL COMMISSION	2,600
223 STANDING COMMITTEE	100
224 COMPANION DIOCESE COMMITTEE	100
225 CHANCELLOR	1,000
226 TOTAL OTHER DIOCESAN COSTS	20,250
227 TOTAL DIOCESAN OPERATIONAL COSTS	679,864
228 TOTAL COSTS	1,279,056
DIFFERENCE	1,441,940
	0
*	At the time of the publication of this budget several congregations have not submitted a 2013 pledge.
**	They have communicated with the Diocese and will be submitting their pledges as soon as they are finalized.
**	Lutheran/Episcopal congregation giving o both totaling 15%.

CONGREGATION PLEDGES FOR 2013

CANON 16, SECTION 4

“If the Congregation’s completed submission does not show that it is pledging at least 15% of its canonical income to support the proposed budget, the Congregation’s submission shall be accompanied by an attachment … that describes the cause for the Congregation’s reduced pledge.”

The following excerpts are from letters from Congregations that are pledging less than 15% of their canonical income to the 2013 budget of the Diocese of Kentucky. The entire letters are available in the diocesan office.

ST. ALBAN’S CHURCH, FERN CREEK

It is with regret that St. Alban’s Church will be unable to meets its apportioned asking for 2013. Our endowment is exhausted, making it necessary to go without clerical leadership, we have lost nearly ten percent of our membership to death this year, and our income scarcely meets our expenses. We are working hard to maintain worship services and outreach to the community. We have engaged in the Moving Forward process and are attempting to bring our efforts into line with the recommended best practices.

When our circumstances improve, we will be happy to resume our contributions to the work of the diocese.

Sincerely,
Linda Nief Snyder, Senior Warden
Nancy D. Northrop, Treasurer

ST. FRANCIS IN THE FIELDS CHURCH, HARRODS CREEK

In accordance with diocesan canon 16, St. Francis in the Fields is required to write a letter of explanation if we are unable to meet the full diocesan asking of 15-20% of our annual income... The Vestry met Tuesday evening, October 23, and we are pleased to contribute \$90,000 towards the Diocese of Kentucky. Although this dollar amount represents the same as last year and does not meet our full percentage of asking, there are several explanations:

First, at this mid-point in our Canvass we received over \$200,000 in pledges from parishioners restricting their giving from the diocese and national church;

Secondly, over \$100,000 was given away this year through specified giving to many of our outreach ministries such as Loaves and Fishes (where we fed over 8,500 homeless last year!), Blessings in a Backpack where we provide for 300 children every weekend at Lincoln Elementary, Just Enough Ministry with Cable Baptist Church and various fundraisers for our several mission trips to Appalachia and the Dominican Republic. In addition we give away through our operating budget money to support such efforts as youth ministry in the inner city, Habitat for Humanity and a wide assortment of parish outreach grants that totals an additional \$50,000;

Based on our current \$1.2 million budget (minus the \$200,000 restricted), St. Francis in the Fields is currently giving away over 25% of our income.

Thirdly, with the addition of The Rev. Jady Koch as our new Associate, the parish has set as a priority strengthening our family ministry, particularly among parents with young children. The work we are doing is exciting and already bearing fruit.

As we look forward to 2013 we anticipate expanding our Day Care ministry and we are pleased by the influx of 30 new pledging households and an additional gain of parishioners transferring in. More about the statistical side to our ministry – including baptisms, confirmations, and marriages – will be found in our parochial report in January.

Should you want further information, please do not hesitate to call.

Sincerely yours,
(The Rev.) Robert T. Jennings, Rector

ST. PAUL'S CHURCH, HENDERSON

Peace and joy be with you in the name of our blessed Savior Jesus.

In accordance with Canon 16 of the Diocese of Kentucky, this is to express the regret of the Rector and Vestry of St. Paul's Episcopal Church, Henderson, that our pledge to the Diocese of \$20,000 for 2013 is not 15% of our canonical income.

In spite of financial hardships over the last several years imposed by the difficult overall economic picture and by an even more difficult leadership transition, St. Paul's Vestry has continued to work toward full participation in the life of the Diocese. For 2012, St. Paul's had initially pledged \$12,000 but was able to increase that amount to \$15,000. We are happy to report that we are on track to completing that giving as the year comes to a close.

Though our operating fund campaign is still ongoing, it appears that a revived spirit of giving is accompanying the overall movement of the Spirit as we begin a new phase in St. Paul's ministry to the people of Henderson. We are delighted that while our pledge of support to the Diocese for the coming year is 9% of our reported canonical income, it represents a 33% increase over our giving for last year, and St. Paul's Vestry looks forward to continuing to move toward paying our full fair share.

Thank you for your continued support, especially through these difficult times. May our Lord continue to grant us the joy of being a blessing to one another.

Peace and joy,
(The Rev.) Rich Martindale, Rector

CHURCH OF THE ADVENT, LOUISVILLE

We are pleased to report that this year as a result of a number of tough financial decisions that we chose to make in the 2012 budget, coupled with a growth in both plate and pledge, the financial position of The Church of the Advent has improved considerably. As you know, The Advent was granted Aided Parish status beginning in 2010, and this would be our fourth year of a maximum of five as an aided parish. We are grateful for the annual grant of \$20,000 we have received as an Aided Parish, and we look forward to being fully restored to regular Parish status as financial and pastoral conditions continue to ameliorate. Next year we are in a position to raise our diocesan contribution, which we will increase to 12.5 percent in 2013, from approximately 10 percent in 2012, with a view to achieving 15 percent by fiscal year 2014.

This year to date we have continued to experience steady growth in worship numbers (10 percent increased in ASA every year each of the last four years), pledges, revenues and outreach ministries (we now feed about 400 guests a month through our food pantries). As a result of kind support from our congregation we have also been able to launch Sunday School for kids, which is now in its fourth week, and an adult Inquirers Class with nearly twenty registrants will begin shortly.

If you have any questions, please do not hesitate to contact us.

Sincerely,
Dr. Jason Abbott, Treasurer
(The Rev. Dr.) Tim Mitchell, Rector

CALVARY CHURCH, LOUISVILLE

This letter comes pursuant to Section 4 of Canon 16, Canons of the Diocese of Kentucky. Calvary Church, Louisville, has submitted a pledge that is not at least 15% of its 2011 canonical income. Our 2013 budget will include many items that will continue to be funded at reduced levels from previous years.

The structure and worship space continue to need maintenance beyond normal, and this continues to put a strain on parish funds. We are also in the midst of a transitional and search period in our music ministry. It has been and shall continue to be a tradition for Calvary to strive to meet its diocesan obligations. At this time, we have little choice, and we regret that Calvary cannot give more for our 2013 pledge.

We believe that our commitment to the diocese is an essential part of our life as a parish. Because of this, we have increased our amount pledged from last year. It is our intent to continue to increase our pledge each year as we are able, in order to meet our diocesan obligation in order to support the ministries of the wider church and the Diocese of Kentucky. If our financial situation improves, we shall attempt to increase our diocesan pledge for this year.

Faithfully in Christ,
(The Rev.) Jonathan M. Erdman, Rector

CHURCH OF THE RESURRECTION, LOUISVILLE

We at Resurrection presently remain uncertain of our future. We have always been grateful to Trustees and Council for their efforts to support our ministry in this place. It is our desire to lend our support to the diocesan budget as best we can. As our pledges have fallen off so drastically we have been forced to rely on rental income for operating expenses.

It has been a very heart-breaking experience for us to watch what we considered to be a viable and healthy congregation move to other areas of our diocese, leaving us with but a few dedicated Christians waiting to see if God will revive a ministry here or lead us to a place he has chosen for us to better serve him. We sincerely hope that Trustees and Council will appreciate our current situation and continue to be prayerful on our behalf.

Jim Woodward, Senior Warden
Veronica Woodruff, Treasurer

CHURCH OF OUR MERCIFUL SAVIOUR, LOUISVILLE

The following information is provided to support the OMS Commitment to the Diocese of the 2013 Diocesan Budget:

The OMS Pledge for the 2013 Diocesan Budget is 12% of canonical income as reported in the OMS Parochial Report for 2011. This does not meet the minimum required by Canon, but it represents a 22% (\$1,400+) increase over the current annual pledge paid by OMS. This increase is directly attributed to gifts requested during 2012 to supplement the OMS pledge for 2012 which no longer will be given as gifts, but added to parishioner pledges specifically to increase the OMS pledge for 2013 to \$7,800 or \$650 monthly.

OMS hopes to continue the gifting program to supplement our 2013 pledge to grow our future annual pledges. Our efforts indicate that growing our annual pledge in this manner yields a larger OMS annual pledge than previous methods.

Respectfully submitted,
Christopher R. Redden, Sr., Treasurer

ST. ANDREW'S CHURCH, LOUISVILLE

First the good news:

Saint Andrew's Episcopal Church is increasing its diocesan pledge for the third straight year (both in amount and percentage) and is committed to making the climb to 15% by 2014. Hopefully, this marks the last letter of this kind that you will receive from Saint Andrew's.

The bad news:

We are currently under the diocesan standard of 15% We have increased our 2013 commitment to 14% (from 13% in 2012 and 12% in 2011). As a member of Trustees and

Council, I realize the hardships faced by the diocese and understand how critical each parish pledge is to our common mission and ministry. We are committed to that end. However, we also feel that a strong and vibrant Saint Andrew's serves the diocese not just this year, but for countless years to come. We are trying to strike that balance between these two ends.

We also are witnessing a passionate response from our congregation to our support of the food pantry partnered with Church of the Advent, our commitment to our neighborhood ministries, Cornerstone, The Academy at Saint Andrew's (and growing a scholarship fund so that those unique services can be provided to all who need them regardless of economic reality), the tutoring program for refugees at Church of the Resurrection, and much more. I can promise you that our commitment to the ministry taking place in this diocese far exceeds the 15%.

All of this generous giving and hands-on service comes from a congregation of a little over a hundred worshippers on Sunday morning (including many children). So while I am sorry we are not yet able to make our commitment for 2013, we are dedicated to getting to 14% by 2014. I could not be prouder of the people of Saint Andrew's and their growing support of our parish, ministries, and larger church.

Thank you for understanding.

In Christ,
(The Rev.) Benjamin W. Maas, Rector

ST. PAUL'S CHURCH, LOUISVILLE

We are pleased to offer our pledge of \$16,000 (7.78% of our 2011 NDI) for the support of the Diocese and greater Church in 2013. Unfortunately, our sizable deficit budget prevents us from meeting our canonical obligation. Although we cannot pledge more at this time, during 2012 we contributed \$3,000 more than we had pledged, and are optimistic that we will be able to supplement our pledge in 2013, as well. Being aware of our collective responsibility in supporting our common mission and ministry, we note that only four parishes with smaller NDIs give more (and two of those receive some financial support from the diocese).

We believe we continue to be faithful stewards of our resources, and welcome any questions or review of our financial records and budget.

(The Rev.) Mark R. Feather, Rector
Mike Sims, Senior Warden

ST. PETER'S CHURCH, LOUISVILLE

This letter is to explain why St. Peter's is not able to give 15-20% of the budget reported in the 2011 Parochial report. While we genuinely believe in and support the goals of the diocese and wish we could give more, we do not have enough money to support our

own local programs and ministry. We no longer have a rector, we have increased some expenses, and our pledges have slightly decreased.

At this time, we are rich in spirit but poor in finances. To show our dedication, we did increase our pledge \$100 over last year's pledge. It is nominal, but we want to show our sincere dedication to the diocese.

We hope you understand our position. We will continue our prayers for the fulfillment of the diocesan goals and the future of the Episcopal Church as we all continue to push forward during these lean difficult years.

Sincerely yours,
Rebecca DeSpain, Senior Warden

ST. THOMAS' CHURCH, LOUISVILLE

At St. Thomas, we heartily support the proposed Diocesan budget and the Five Marks of Mission, and we wish that we were able this year to contribute the full 15% of our income. Despite running a deficit budget in our parish, as we work with Tom Ehrich on turnaround strategies, the Vestry has voted to continue to increase our pledge to the Diocese from 12.5% to 14% of our canonical income this year. While this amount is less than the expected 15%, it is also 14.6% of our projected income for 2013.

We hold the 15% commitment to the Diocese in high priority in our budgeting process and plan to continue to increase our pledge as much as we can each year until we are compliant with the Canons. We expect that our commitment in 2014 will reach 15%.

Yours in Christ,
(The Rev.) Anne Vouga, Rector
Corky Horrell, Treasurer
Dan Dykstra, Senior Warden

ST. MARY'S CHURCH, MADISONVILLE

This letter is to fulfill the Canon 16 requirement that a letter of explanation accompany our diocesan pledge that is less than the 15% expectation.

As you know, St. Mary's is a parish located in a small town in western Kentucky. Hopkins County and the surrounding area are not in a growth mode and there is some concern as the coal industry feels vulnerable. Funding for our ministries has not been a critical issue, but has taken constant vigilance. We have been blessed with our vestry members, treasurer and Deacon who have kept St. Mary's in such good order, both physically and financially, but our expenses continue to be greater than our pledges and income. With these demographics we still increased our pledge in 2012 to a bit over 13% in hope that all would be well with our income. We are continuing our increase this year to 14%. The Vestry and the leadership here have been committed to increasing our pledge to the diocese by 1% each year. Our hope and prayer is that we will meet the full 15% in 2014 and that this will be the last letter we will have to submit!

We thank you for your support and ask your prayers for our continued success in spreading the gospel to the people of Hopkins and surrounding counties.

Yours in Christ,
(The Very Rev.) Candyce Loescher, Rector
Jan Humphrey, Senior Warden

TRINITY CHURCH, OWENSBORO

Trinity Church, Owensboro, is committed to giving the canonical 15% in support of the diocese. To reach that goal we are committed to increasing our giving by ½% each year in order to fulfill our moral and canonical obligation to the diocese.

Faithfully,
(The Rev.) G. Patterson Connell, Rector

ST. JAMES' CHURCH, PEWEE VALLEY

In keeping with Canon 16, I am writing this letter to explain our less-than-15-percent commitment to the Diocese for the year 2013.

In addition to some unforeseen repairs to the buildings, a few families have left the congregation this year leaving a sizable gap in our pledges, which we are trying to recoup with new members and greater giving.

We fully anticipate a staggered rise in our diocesan assessment over the next few years until we reach 15-20 percent.

Respectfully submitted,
(The Rev.) Jim Trimble, Rector

SECTION C
185th Annual Convention
REFERENCE MATERIAL

2011 Statistics.....C-1

185TH ANNUAL CONVENTION OF THE DIOCESE OF KENTUCKY

VITAL STATISTICS OF CONGREGATIONS AND MISSIONS

CITY	CONGREGATION	COMMUNICANTS					—BAPTISMS—				
		Active Members	Active Members	Communicants in Good Standing	Others	Average Sunday Attendance	Sunday Eucharists	16 Years and Older	Under 16 Years	Confirmed or Received	Burials
Anchorage	St. Luke's Church	734	767	657	32	199	154	2	10	7	7
Barbourville	Church of the Ascension	87	101	93	11	55	54	5	4	8	3
Bowling Green	Christ Church	661	645	600	47	240	106	1	7	17	14
Brandenburg	Holy Trinity Church	70	86	86	0	38	54	1	0	0	1
Campbellsville	St. Thomas' Church	84	79	65	10	30	46	0	1	0	2
Elizabethtown	Christ Church	143	142	106	0	66	52	0	2	0	2
Fern Creek	St. Alban's Church	119	115	115	3	35	0	0	2	0	4
Fulton	Trinity Church	58	56	56	0	17	24	0	1	6	3
Gilbertsville	St. Peter's of the Lakes Church	46	48	0	6	30	54	0	1	0	1
Glasgow	St. Andrew's Church	82	80	67	59	39	0	1	1	1	1
Harrods Creek	St. Francis in the Fields Church	1,637	1,697	1,214	0	411	178	0	22	27	22
Henderson	St. Paul's Church	155	161	161	8	66	68	0	6	0	1
Hickman	St. Paul's Church	10	7	7	1	5	5	0	0	0	2
Hopkinsville	Grace Church	324	185	161	2	70	49	0	1	1	3
Louisville	Calvary Church	391	404	404	72	158	157	3	5	5	5
Louisville	Christ Church Cathedral	221	237	237	7	158	93	1	2	4	7
Louisville	Church of Our Merciful Saviour	50	49	43	10	35	42	9	0	0	2
Louisville	Church of the Advent	143	146	110	0	94	105	0	1	11	2
Louisville	Messiah/Trinity Church	86	85	85	8	38	52	0	0	0	1
Louisville	Resurrection Church	242	231	231	0	61	103	0	0	0	6
Louisville	St. Andrew's Church	341	347	347	9	111	52	0	4	0	4
Louisville	St. Clement's Church	30	28	25	7	22	40	0	0	0	0
Louisville	St. George's Church	47	54	54	9	49	48	0	1	0	1
Louisville	St. Luke's Chapel, Church Home	30	28	23	0	129	51	0	1	0	13
Louisville	St. Mark's Church	399	399	0	0	174	159	0	0	0	0
Louisville	St. Matthew's Church	1,157	1,131	892	6	319	158	1	15	13	2
Louisville	St. Paul's Church	254	235	223	23	98	105	0	1	18	5
Louisville	St. Peter's Church	406	408	100	6	36	104	0	0	1	2
Louisville	St. Thomas' Church	161	154	130	5	95	151	0	0	0	7
Madisonville	St. Mary's Church	207	207	207	6	57	58	2	0	5	6
Murray	St. John's Church	114	120	118	1	80	52	2	1	7	2
Owensboro	Trinity Church	366	374	280	21	171	156	1	4	17	3
Paducah	Grace Church	493	487	395	76	170	140	0	3	13	11
Pewee Valley	St. James' Church	263	284	256	17	83	106	0	2	5	5
Russellville	Trinity Church	47	60	60	10	33	49	0	2	2	2
Shelbyville	St. James' Church	116	124	118	14	47	0	0	1	0	1
	TOTAL	9,774	9,761	7,726	486	3,519	2,825	29	101	167	158

CHARTER FOR DIOCESAN LIFE

The Canons.....	D-1 - D-34
(Index by Canonical order).....	D-1
(Index by Alphabetical Order).....	D-44 -D-46
 The Bylaws of Trustees and Council	D-47 - D-68
(Index by Numerical Order	D-47
 Charter: Diocese of Kentucky	D-35
 Charter: Bishop Dudley Memorial Fund	D-39

**CANONS AND CHARTERS
OF THE
DIOCESE OF KENTUCKY
AND
BY-LAWS OF TRUSTEES AND COUNCIL
2013**

CONTENTS OF THE CANONS

	<i>(In Canonical Order)</i>	<i>Page</i>
Canon 1	Relationship to the Church in America	D-3
Canon 2	The Boundaries of the Diocese	D-3
Canon 3	Organization, Members and Definitions	D-3
Canon 4	The Convention, Its Members, Meetings and Organization	D-3
Canon 5	Election of a Bishop	D-6
Canon 6	Quorum	D-8
Canon 7	Presiding Officer, The	D-8
Canon 8	Voting	D-9
Canon 9	Secretary of the Diocese	D-10
Canon 10	Treasurer of the Diocese	D-10
Canon 11	Registrar of the Diocese	D-11
Canon 12	Historiographer of the Diocese	D-11
Canon 13	Chancellor of the Diocese	D-12
Canon 14	Standing Committee of the Diocese	D-12
Canon 15	Business Methods in Church Affairs	D-13
Canon 16	Diocesan Budget	D-14
Canon 17	Trustees and Council	D-16
Canon 18	Diocesan Missions and Ecclesial Communities	D-18
Canon 19	Admissions of Parishes into Union with the Convention	D-19
Canon 19A	Aided Parish	D-20
Canon 20	Merger or Consolidation of Congregations	D-21
Canon 21	Parish Meetings and Voters at the Same	D-21
Canon 22	Election of a Vestry	D-21
Canon 23	Duties of Vestries	D-22
Canon 24	Dissolution of the Pastoral Connection	D-23
Canon 25	Temporary Supply of Vacant Parishes	D-24
Canon 26	The Cathedral	D-25
Canon 27	Duties of the Laity	D-25
Canon 28	Duties of the Clergy	D-25
Canon 29	Ecclesiastical Discipline	D-26
Canon 30	The Commission on Ministry	D-28
Canon 31	The Board of Trustees of the Bishop Dudley Memorial	D-29
Canon 32	The Church Pension Fund	D-29
Canon 33	Deputies to the General Convention / Provincial Synod	D-31
Canon 34	Trustees of the University of the South	D-31
Canon 35	Committee on Church Architecture and Allied Arts	D-31
Canon 36	Church-Related Institutions	D-32
Canon 37	Committee on Canons	D-32

Canon 38	Amendment of The Canons	D-33
Canon 39	Episcopal Church Foundation of the Diocese of Kentucky	D-33
Canon 40	Lay Readers	D-34

CHARTERS

The Protestant Episcopal Diocese of Kentucky	D-35
The Bishop Dudley Memorial Fund, Inc.	D-39

BYLAWS

By-Laws of Trustees and Council	D-47
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The following is hereby certified to be the correct text of the Canons of the Diocese of Kentucky, as in effect at the adjournment of the One Hundred and Eighty-fifth Annual Convention, November 9, 2012, published in accordance with the instruction of the Convention, the Charter of the Protestant Episcopal Diocese of Kentucky, and the Articles of Incorporation of the Bishop Dudley Memorial as of record in the Office of the Secretary of State of the Commonwealth of Kentucky, and the By-Laws of Trustees and Council as of the date of this *Journal*.

W. Robinson Beard
Chancellor

CANON 1

RELATIONSHIP TO THE CHURCH IN AMERICA

The Church in the Diocese of Kentucky accedes to and recognizes itself as subject to the Constitution and Canons for the government of the Protestant Episcopal Church in the United States of America, as presently adopted and as hereafter amended by the General Conventions.

CANON 2

BOUNDARIES OF THE DIOCESE

The Diocese of Kentucky comprises the counties of Carroll, Henry, Shelby, Spencer, Nelson, Washington, Marion, Taylor, Adair, Russell and Clinton, and all the territory west thereof in the Commonwealth of Kentucky.

CANON 3

ORGANIZATION, MEMBERS AND DEFINITIONS

Sec. 1. The business affairs of this Diocese shall be conducted through a civic corporation organized and existing as a religious corporation under the provisions of Chapter 273 of the Kentucky Revised Statutes. The name of the corporation is “The Protestant Episcopal Diocese of Kentucky, Inc.” All property of the Diocese shall be held by said corporation.

Sec. 2. The membership shall consist of all Baptized Lay persons enrolled in Congregations of this Diocese, all Clergy of the Church who are canonically resident in this Diocese, and all Bishops of the Church who are resident in this Diocese. Membership shall not be denied by reason of race, color, ethnic origin, gender, or sexual orientation.

Sec. 3. The term “Clergy” shall mean Presbyters and Deacons who are canonically resident in the Diocese of Kentucky.

Sec. 4. Use in these Canons of either the masculine or feminine pronoun shall be read to refer equally to both genders.

CANON 4

THE CONVENTION, ITS MEMBERS, MEETINGS, AND ORGANIZATION

Sec. 1. The Convention of the Diocese of Kentucky shall be composed of Clergy and Lay Deputies, and the Bishop of the Diocese shall be its President *ex officio*.

Sec. 2. All Clergy canonically resident in this Diocese shall be members of the Convention, with all the privileges of membership, including the right to vote, provided however, that any Clergy transferring to this Diocese after they have reached the age of 72 years shall have seat and voice in the Convention but shall not have the right to vote on any question.

Sec. 3. Except as provided in Section 7, a lay deputy to the Convention shall be an adult member communicant in good standing. Individuals 16 years of age and over are to be considered adult members. Adult member communicants in good standing shall be defined and determined in accordance with the National Canons and Diocesan Canon 21, Sec. 2. The Vestry of each Parish, and the Bishop’s Committee of each Organized Mission, shall elect qualified Lay Deputies and Alternates to the Convention. The number of Lay Deputies and Alternates shall be determined by the number of adult member communicants in good standing in the Parish or Mission as of December 31 of the year preceding the date of the Convention meeting in annual or special session.

The number shall be determined as follows:

ADULT MEMBER COMMUNICANTS

<u>IN GOOD STANDING</u>	<u>DEPUTIES</u>	<u>ALTERNATES</u>
10-100	1	1
101-250	2	2
251-500	3	3
501-750	4	4
751 or more	5	5

No Parish or Mission shall have more than five (5) Lay Deputies and five (5) Alternates. Beginning with elections for the Convention of 1994, the Lay Deputies and Alternates shall serve during the calendar year for which they are elected and thereafter until successors are elected and qualified, provided that if one elected as Deputy or Alternate shall transfer from the electing Congregation prior to another election, the Chapter, Vestry, or Bishop's Committee may designate a replacement. Each elected and seated Lay Deputy shall have the right to vote.

Sec. 4. Prior to the meeting of the Convention in annual or special session, the Ecclesiastical Authority shall certify and prepare, or cause to be prepared, a list of all Clergy who canonically reside in the Diocese. The list shall state their Order, the name of their charge, their residence, and whether they are entitled to vote. The list shall be delivered to the Secretary of the Diocese before the Convention is called to order. This list shall be printed in the *Journal*.

Sec. 5. All active Clergy canonically resident in this Diocese and having a vote shall attend the Convention unless excused in advance of the Convention by the Bishop or Presiding Officer. The failure to attend the Convention shall be subject to Canon 9, Sec. 1, except that Clergy retired from the active ministry as recognized by the National Church Pension Fund are urged to attend but are automatically excused if they wish.

Sec. 6. Thirty (30) days prior to the meeting of the Convention in annual or special session, the secretaries of the Cathedral Chapter, of Parish Vestries, and of the Bishop's Committees of Missions and Ecclesial Communities of the Diocese shall file a certificate with the Secretary of the Diocese which sets forth the names of the persons elected as Lay Deputies, Alternates, and Youth Representatives, using the following form:

This is to certify that at a meeting of the Vestry (or Chapter or Bishop's Committee) of _____ held on the _____ day of _____ the following adult member communicants in good standing of said Congregation: _____ were elected Lay Deputies, _____ were elected Alternates, and _____ was elected as Youth Representative to represent said Congregation in the Convention of the Diocese of Kentucky, called to meet on the _____ day of _____, _____, and shall serve during the calendar year for which they are elected and thereafter until successors are duly elected and qualified, provided that if one elected as Deputy or Alternate shall transfer from the electing Congregation prior to another election, the Chapter, Vestry, or Bishop's Committee may designate a replacement.

(Signed) _____

The filing of a completed certificate in the foregoing form, the filing of the required Parish or Mission Parochial Report (see National and Diocesan Canon 28, Section 3), and

the Secretary's certificate to the Credentials Committee of the Convention that the Chapter, Parish, Mission or Community is in compliance with all requirements of Diocesan Canons 15, 19, 23, and 28 are conditions for seating Deputations.

Sec. 7. In addition to electing Lay members under Section 3, the Chapter, Vestry, or Bishop's Committee of each Congregation may, at its option, elect from its Congregation a communicant in good standing as a Youth Representative to the Convention. The Youth Representative shall be not less than fourteen (14) nor more than eighteen (18) years of age at the time of election, and shall be certified on the Section 6 certificate. Except as provided in the next sentence, each Youth Representative shall have a seat and voice but no vote. The Youth Representatives will elect by and from among their number five (5) Lay Deputies to the Convention who shall have the right to vote. The names of these Lay Deputies will be reported to the Secretary not later than the beginning of the first business session. These Lay Deputies must represent geographic areas as defined by the Department of Youth and Young Adults.

Sec. 8. At every Convention, meeting in annual or special session, there shall be a Celebration of the Holy Eucharist. At every Convention, the Bishop shall make a report of the affairs of the Diocese since the last meeting of the Convention, as required. This shall include those matters required by the National Canons and all matters tending to throw light upon the affairs of the Diocese. This report, together with the Bishop's opening address to the Convention, shall be printed in the *Journal* of the Convention. At any meeting in special session, the Bishop's report may supplement the last annual report to the convention. In the case of a vacancy in the Episcopate, the Standing Committee shall make appropriate arrangements for compliance with this Section 8.

Sec. 9. Prior to the first business session of the Convention, meeting in annual session, the Presiding Officer shall appoint a Committee on The Admission of New Parishes and The Credentials of Lay Deputies.

This Committee shall consist of one (1) member of the Clergy and two (2) Lay Deputies. The Committee shall consider and report to the Convention the names of all Lay Deputies and Alternates whose credentials are in proper form for seating in the convention. Any question concerning the qualifications of any Lay Deputy or Alternate shall be determined by a majority vote of the Convention. This Committee shall further report on all matters relating to new Parishes.

Further, prior to the first business session of the Convention, the Presiding Officer shall appoint appropriate Committees, which shall function in accordance with the adopted Rules of Order for the Convention, meeting in annual or special session.

Sec. 10. The Convention shall meet at least annually. Prior to the adjournment of the annual meeting of the Convention, a resolution shall be adopted providing for the date and location of the next annual meeting. For good cause, the date and place may be changed by the Ecclesiastical Authority, but not in such a way as to cause a Convention not to meet in the fourth quarter of the year.

The Bishop may, as a matter of discretion, call special meetings of the Convention. The Bishop shall call a special meeting at the request of the Standing Committee. In the event of a vacancy in the Episcopate, or of the absence of the Bishop from the Diocese for six (6) months, the Standing Committee may, as a matter of discretion, call a special meeting of the Convention, and shall do so on the application of five (5) Priests-In-Charge of Congregations or the Vestries of five (5) Congregations.

Advance reports submitted to and sent by the Secretary pursuant to Canon 9 shall

include information for periods since the adjournment of the last annual meeting of the Convention through the end of the previous September. Trustees and Council shall submit, for distribution along with the other advance reports, its proposed budget pursuant to Canon 16, summary financial information concerning the financial condition of the Diocese at the end of the previous Fiscal Year, and the results of Diocesan operations during the current Fiscal Year through at least the end of the previous August.

Sec. 11. The travel and related expenses of Clergy and Lay Deputies to the Convention shall be paid by the respective Congregations.

Sec. 12. No Clerical or Lay Deputy may vote by proxy.

Sec. 13. Members of the Trustees and Council may be heard by the Convention as provided in Diocesan Canon 17, Section 12.

CANON 5

ELECTION OF A BISHOP

Sec. 1. The Convention shall elect a Bishop who shall serve until age seventy-two (72) or until resignation, death, or disability. The Bishop shall be ordained and consecrated in accordance with the National Canons and shall have the duties and responsibilities stated in the National Canons.

Sec. 2. The Convention, following the approvals required by the National Canons, may elect a Bishop Coadjutor who shall serve until age seventy-two (72) or until resignation, death, or disability. Before any election of a Bishop Coadjutor, the Bishop of the Diocese shall read, or cause to be read, to the Convention written consent to such election and the duties to be assigned to the Bishop Coadjutor, when duly ordained and consecrated, and such consent shall form a part of the proceedings of the Convention. (See the National Canons.)

The Bishop Coadjutor shall be ordained and consecrated in accordance with the National Canons and assume such duties as might be assigned and consistent with the National Canons. The Bishop Coadjutor shall have the right of succession and shall, without formal action of ordination, consecration or other, become Bishop of the Diocese upon the effective date of resignation or the death or disability of the Bishop.

Sec. 3. The Convention may, at the instance of the Bishop, elect a Bishop Suffragan who may serve until age seventy-two (72) or until resignation, death, or disability. The Bishop, with the advice and consent of the Trustees and Council, shall state the need for a Bishop Suffragan and the duties to be assigned. The Bishop Suffragan shall perform those duties which the Bishop is unable to discharge fully. The Bishop Suffragan shall not have the right of succession.

Before the election of a Bishop Suffragan, the Bishop of the Diocese shall read, or cause to be read, to the Convention the consent of the Bishop of the Diocese to the election and the duties to be assigned. The Bishop Suffragan shall be ordained and consecrated in accordance with the National Canons and have the duties and responsibilities stated in the National Canons.

Sec. 4. If there be not a duly elected, ordained and consecrated Bishop Coadjutor, then upon the death or disability of the Bishop or upon receiving written notice of the intent of the Bishop of the Diocese to resign, the Standing Committee shall proceed in a timely manner to make arrangements for the election of a Bishop. In the event of the death or disability of the Bishop, the Standing Committee shall declare a date for the election of a Bishop which date shall be published within one (1) year after the death or disability. If the Bishop shall announce an intention to resign, the Bishop, with the advice and consent of the Standing

Committee, shall promptly set in progress the process for election of a successor.

Sec. 5. The Convention may elect the Bishop of the Diocese of Kentucky in annual or special session. If the annual meeting of the Convention coincides with the date for the election of a new Bishop declared by the Standing Committee, then the new Bishop shall be elected at the annual meeting of the Convention. If the annual meeting shall not so coincide, then the Bishop or the Standing Committee, as the case may be, shall give notice in all appropriate publications of the proposed date and location for the special session for the purpose of electing a Bishop. A proposed date may be extended, if necessary, upon not less than forty-five (45) days notice in all appropriate publications. The proposed location may be changed, if necessary, upon not less than fourteen (14) days notice in all appropriate publications.

Sec. 6. Prior to the Convention to elect a new Bishop, the Standing Committee shall determine the means and process for nominations. In so doing the Standing Committee may:

(a) Select and appoint a Search/Nominating Committee, a Transition Committee and such other Committees, consultants and chaplains for the process as it may deem appropriate.

(b) Work with the Bishop and Trustees and Council to provide financially for process, transition and consecration.

(c) Propose Rules of Order for the electing convention and oversee the election. The Convention may adopt such other rules as it may think fit to govern such matters as the length of nominating speeches, the length and number of seconding speeches, and other ancillary matters.

(d) Seek the necessary Episcopal and Standing Committee or General Convention consents required once the election has been made.

(e) Provide for the consecration or seating of the elected Bishop.

Sec. 7. Not less than one hundred and twenty (120) days prior to the designated date for the electing convention, the Standing Committee, upon approval of the recommendations from the Search/Nominating Committee, shall announce publically the names of those nominated by the Search/Nominating Committee in all appropriate publications and in separate written format to all Clergy and Lay Deputies. Supplemental nominations may be made by petition received by the Standing Committee for fourteen (14) business days from the date of the announcement. In order to be considered, each petition must be signed by at least three (3) Clergy and (3) lay persons from at least three (3) different Congregations and must be accompanied by all information required by the Standing Committee. Upon receipt of one or more properly prepared petitions, the Standing Committee shall secure the required background check for those persons nominated by petition. Once the deadline has passed and the background checks have been approved, the Standing Committee shall announce the names of all approved nominees in all appropriate publications and send separate written information concerning the supplemental nominees in separate written format to all Clergy and Lay Deputies as soon as practicable and thereupon the nominations will be deemed closed.

Sec. 8. The Lay Deputies, Alternates, and Youth Deputies of the Parish Vestries, Bishop's Committees and Ecclesial Communities of the Diocese who were seated at the most recent annual meeting of the Convention shall be deemed appropriately credentialed for the meeting of the Convention in the special session unless not less than thirty (30) days prior to the meeting of the Convention in special session, the secretary of the Cathedral Chapter, of a Parish Vestry, or of a Bishop's Committee of a Mission or Ecclesial Community of the Diocese shall file a certificate with the Secretary of the Diocese which sets forth the names

of persons who have been elected as replacement Lay Deputies, Alternates, and Youth Representatives for the Congregation. Youth voters will be elected by and from among the registered Youth Representatives to the special Convention and their names will be reported to the Secretary not later than one-half hour before the call to order of the special session. Those youth elected to vote must be 14-18 years of age and represent geographic areas as defined by the Department of Youth and Young Adults.

Sec. 9. At the Convention convened to elect a Bishop, the Bishop of the Diocese of Kentucky, if living and if a previously submitted resignation be not then effective, shall preside. Otherwise, and absent the presence of a Bishop Coadjutor or Bishop Suffragan, the President of the Standing Committee shall preside. The Search/Nominating Committee shall have first priority to the Convention floor for the purpose of making a statement in support of each of the Committee's nominees and one person who signed the petition for a supplemental nominee shall follow for the purpose of making a statement in support of each supplemental nominee. Once the initial statements in support of all nominees have concluded, no new nominations shall be made.

Sec. 10. The vote for a Bishop shall be by secret ballot using such human or mechanical means as selected by the Standing Committee, so long as a tabulation of all votes cast on each ballot can be printed and delivered to the Secretary. The vote of the Clergy and of the Lay representation shall be taken separately, by Orders. Included in the Lay representatives' total votes will be five (5) youth votes.

Sec. 11. A Bishop shall be elected by a concurrence of the majority vote of the Clergy present and voting at the Convention and a majority vote of the Lay Deputies present and voting at the Convention. If a nominee fails to obtain the majority vote of both the Clergy and Lay Deputies, the balloting shall continue until one nominee receives a concurrent majority vote of the two Orders. The Convention may recess between ballots.

Sec. 12. The election of a Bishop Coadjutor or Suffragan shall also be by concurrent majority vote of the Clergy and Lay Deputies entitled to vote at the Convention, and may take place at either an annual or special session of the Convention.

CANON 6

QUORUM

Sec. 1. The Bishop and a majority of the Clergy entitled to vote and a majority of the Lay Deputies entitled to vote shall constitute a quorum at any Convention.

Sec. 2. If the Bishop be not present, then a majority of the Clergy entitled to vote and a majority of the Lay Deputies entitled to vote at the Convention, meeting in annual or special session, shall constitute a quorum. The quorum shall be determined, and the Convention adjourned until the next day. If the Bishop be not then in attendance, the Convention may proceed with business and, absent a Bishop Coadjutor or a Bishop Suffragan, the President of the Standing Committee shall preside.

Sec. 3. The Secretary of the Convention, meeting in annual or special session, shall determine the presence or absence of a quorum and shall declare its presence or absence.

CANON 7

THE PRESIDING OFFICER

Sec. 1. The Bishop of the Diocese of Kentucky shall be the Presiding Officer at the annual and any special meeting of the Convention (subject to provisions elsewhere in these Canons concerning death and disability). If the Bishop be not in attendance or shall

withdraw or step down as Presiding Officer, and absent a Bishop Coadjutor or Bishop Suffragan, then the President of the Standing Committee shall preside. If the President be not in attendance, the Convention, not voting by Orders, shall elect a Presiding Officer from the Presbyters then present.

Sec. 2. The Bishop of the Diocese of Kentucky, when presiding, and any other Presiding Officer at the Convention, may vote only in case of a tie vote on the floor.

Sec. 3. During consideration of any matter before the Convention, the Bishop of the Diocese of Kentucky may step down as Presiding Officer and enter into debate and be heard by the Convention. In this capacity, the Bishop may originate motions and vote in the Clerical Order.

CANON 8

VOTING

Sec. 1. The Clergy and elected Lay Deputies of the Convention shall meet and deliberate in one body.

Once a quorum shall have been determined in accordance with Canon 6, then, unless otherwise required or permitted in these Canons in respect of specific matters, a majority vote shall be necessary to approve all matters considered by the Convention, meeting in annual or special session.

Sec. 2. The Clergy and Lay Deputies shall vote as one body unless a separate vote by Orders is required by these Canons or is requested by either five (5) Clergy or five (5) Lay Deputies.

Upon such request, certified by the Secretary of the Convention, the Clerical and Lay Deputies shall vote separately by Orders. A vote by Orders shall be considered affirmative only when a majority of both Orders concur.

Sec. 3. Each Clergy Deputy (as defined in Canon 3, Section 3 and determined pursuant to Canon 4) and each Lay Deputy (as determined in Canon 4) shall have one (1) vote. In elections, each Deputy present having a vote shall cast the exact number of votes for the persons to be elected. No vote for less than the required number to be elected shall be counted. Cumulative voting and voting by proxy shall not be permitted.

Sec. 4. The Presiding Officer may, as appropriate, appoint tellers to collect and count all votes or ballots. The results of all votes or ballots shall be reported and recorded by the Secretary as a part of the printed record of the Convention.

Sec. 5. The Bishop of the Diocese of Kentucky may during, or within thirty (30) calendar days after the adjournment of, any annual or special meeting of Convention, submit in writing to the Secretary of the Convention disapproval of any action taken by the Convention except the election of Bishops, members of the Standing Committee, and members of the Trustees and Council. The Bishop shall state the reasons for disapproval.

If disapproval is made prior to the adjournment of the Convention, then the matter shall be again considered prior to adjournment and the Clergy and Lay Deputies shall vote separately by Orders. If the matter is approved by a majority of those in each Order entitled to vote, then the matter shall constitute the action of the Convention and shall be so recorded by the Secretary, and shall not again be subject to disapproval by the Bishop.

If disapproval is made subsequent to the adjournment of the Convention, but within thirty (30) days, then the matter shall be included on the agenda of the next annual or special meeting of the Convention, and the Clergy and Lay Deputies shall vote separately by Orders. If the matter is approved by a majority of the Clergy entitled to vote and a majority

of the Lay Deputies entitled to vote at the Convention, then the matter shall constitute the action of the Convention and shall be so recorded by the Secretary.

CANON 9
SECRETARY OF THE DIOCESE

Sec. 1. Immediately upon the assembling of the stated meeting of the Convention, a Secretary of the Diocese shall be elected for a term beginning with the adjournment of that convention and ending upon the adjournment of the next stated meeting of the Convention and with the election of a successor. It shall be the duty of the Secretary in office at the opening of the stated Convention to prepare the minutes of that Convention and submit them to the Bishop for approval. It shall be the Secretary's duty to keep and record the minutes of the meeting of the Convention, to attest its public acts, and to publish under the supervision of the Bishop or Presiding Officer the annual *Journal*. The Secretary shall send two (2) copies of the *Journal* to the Secretary of the House of Deputies and one (1) copy of the *Journal* to the Wardens and Treasurers of all Vestries and Bishop's Committees of each Congregation, to all resident clergy of the Diocese, to all lay Deputies to the Convention, to the Archivist of the Episcopal Church, and to the Secretaries of other dioceses and to officials with other organizations who shall express a desire to receive the same. The Secretary shall deliver a copy of the annual *Journal* and the records and papers of the Convention to the Registrar of the Diocese.

At every meeting of the Convention, the Secretary shall report to the Convention the names of members of the Clergy entitled to seats who have been absent (without satisfactory excuse) from two (2) successive meetings.

With the approval of the Presiding Officer, the Secretary may appoint an Assistant Secretary, who, when a vacancy shall occur during the recess of the Convention in the office of the Secretary, shall perform all duties until the next stated meeting. In case of vacancy in the offices of both Secretary and Assistant Secretary, Trustees and Council shall appoint a Secretary to act until the adjournment of the next stated meeting of the Convention and the election of a successor.

Sec. 2. The Secretary of the Diocese shall collect advance reports (from Officers of the Diocese, the Standing Committee, Departments, Commissions and Committees, and organizations and ministries related to the Diocese) and, under the direction of the Ecclesiastical Authority, shall arrange a program for the order of services and sessions during the meeting of the Convention. The Secretary shall mail copies of such advance reports and a copy of such program to every member of the Clergy and to the Lay Deputies at least twenty-one (21) days before the date set for the opening session of the Convention. The Convention may alter the program.

Sec. 3. The Secretary of the Diocese or the Bishop shall annually transmit to the Secretary of the General Convention a list of the clergy canonically resident in the Diocese, and at the close of the stated meeting of the Convention at which General Convention Deputies are elected, shall transmit to the Secretary of the General Convention a certificate of the election of the Clerical and Lay Deputies to the General Convention.

Sec. 4. The Secretary of the Diocese shall be, *ex officio*, the Secretary of the Corporation, the Trustees and Council of the Protestant Episcopal Diocese of Kentucky.

CANON 10
TREASURER OF THE DIOCESE

Sec. 1. The Treasurer of the Diocese shall be elected for a term of three (3) years and

D11

shall be eligible for re-election. The Treasurer shall be entitled, *ex officio*, to a seat in the Convention, but without the right to vote. The Treasurer shall execute a bond in such amount as the Finance Committee shall request, but in no case less than the sum of \$100,000, the bond to be subject to the approval of the Finance Committee which shall be the custodian thereof. The necessary expenses thereof shall be paid by the Diocese.

Sec. 2. It shall be the Treasurer's duty to receive and disburse all monies collected under the authority of the Convention, the disbursement whereof is not otherwise regulated. The Treasurer shall render to the Finance Committee a report at quarterly meetings, and should the Treasurer at such time have insufficient funds to meet the obligations of the Diocese then due, and within the Treasurer's jurisdiction to pay, it shall be the Treasurer's duty to call upon the Finance Committee for such assistance as it is authorized to render under the Canons of the Diocese, in order to meet the obligations of the Diocese with promptness and regularity. The Treasurer shall render a full account for the year to the Convention.

Sec. 3. When a vacancy shall occur in the said office during the recess of the Convention, it shall be filled by a person chosen by the Trustees and Council to serve until the next regular meeting of the Convention.

CANON 11 **REGISTRAR OF THE DIOCESE**

Sec. 1. At a stated meeting of the Convention, a Registrar of the Diocese shall, upon the nomination of the Bishop, be elected for a term of three (3) years, or until the election of a successor. The Registrar shall receive and safely keep all *Journals*, records and papers of the Convention and of the Standing Committee, under such regulations as the Convention may provide, and shall perform such other duties as Registrar as are requested by the Bishop. The Diocese shall provide a suitable place for the keeping of such records.

Sec. 2. Such records shall be available for research purposes to persons approved by the Bishop or the Standing Committee and shall be made accessible by the Registrar or by some trustworthy person designated by the Registrar under such rules as the Registrar may establish.

Sec. 3. When a vacancy shall occur in said office during the recess of the Convention, the duties of the office shall be performed by the Secretary of the Diocese.

CANON 12 **HISTORIOGRAPHER OF THE DIOCESE**

Sec. 1. At a stated meeting of the Convention, an Historiographer of the Diocese shall, upon the nomination of the Bishop, be elected for the term of three (3) years, or until the election of a successor. The Historiographer may, with the approval of the Bishop, appoint an assistant.

Sec. 2. It shall be the duty of the Historiographer, when requested by either the Bishop or the Diocesan Convention, to obtain, prepare, and to furnish material or data upon any specific matter referred to the Historiographer, and to make a report to the next Diocesan Convention of such findings. A copy of said report shall be delivered to the Registrar for preservation with other records and papers for the Diocese.

Sec. 3. The Historiographer shall also note from time to time any facts which illustrate the history of the Diocese or that of any portion thereof, and shall report to the Convention each year such additions to the Archives of the Diocese.

Sec. 4. When a vacancy shall occur in the said office during the recess of the Conven-

tion, it shall be filled by a person designated by the Bishop to serve until the next regular meeting of the Convention.

CANON 13
CHANCELLOR OF THE DIOCESE

Sec. 1. A resident adult confirmed member in good standing of the Diocese, a lawyer, shall, upon the nomination of the Bishop, be elected by the Convention to be Chancellor of the Diocese for the term of three (3) years, or until the election of a successor, and shall be entitled, *ex officio*, to a seat in the Convention, but without the right to vote. It shall be the Chancellor's duty to give such professional counsel and services as may be asked for by the Bishop, or by the Standing Committee, or by special committees of the Convention. It is not the duty of the Chancellor to render advice to Parishes, Missions, or bodies of the Diocese other than those listed.

Sec. 2. When a vacancy shall occur in the said office during the recess of the Convention, it shall be filled by a person designated by the Bishop to serve until the next stated meeting of the Convention, at which time a successor shall be elected for the full term.

Sec. 3. Upon nomination of the Bishop after consultation with the Chancellor, a Vice Chancellor who is a resident adult confirmed member in good standing, and a lawyer, may be elected in the same way, and subject to the same provisions for filling a vacancy, as set forth in Sections 1 and 2 herein. The Vice Chancellor shall carry out such duties as the Chancellor may assign.

CANON 14
STANDING COMMITTEE OF THE DIOCESE

Sec. 1. The Standing Committee of the Diocese shall consist of three (3) Presbyters canonically and actually resident in the Diocese, one (1) Deacon canonically and actually resident in the Diocese and three (3) resident Lay adult confirmed members in good standing of the Diocese, all to be elected by the Convention. All such members shall be voting members. In case of a vacancy in the Episcopacy and the Standing Committee is performing as the Ecclesiastical Authority of the Diocese, the Deacon shall stand recused, having voice but not vote, during the continuation of the vacancy.

Sec. 2. The term of office of members of the Standing Committee shall be three (3) years, or until the election of their successors. No member of the Standing Committee who has served any part of the term for which such member was elected by the Convention shall be eligible for re-election to the Standing Committee until an interval of one (1) year has elapsed. Except as set forth in Section 1, the Standing Committee shall have full power to fill vacancies in its membership until the next regular meeting of the Convention when the unexpired term shall be filled by election.

Sec. 3. The Bishop may summon the Standing Committee, which is the Advisory Council to the Bishop, whenever the Bishop shall desire to have its advice; and it may advise the Bishop in its discretion, if so disposed. It has only the powers and it shall perform the duties set forth by the Constitution and Canons of the General Convention and by the Canons of the Diocese of Kentucky. It may make all proper regulations for the promotion of its business not in conflict with the Constitution and Canons of the Church.

Sec. 4. The Committee shall elect at its first meeting one (1) Presbyter from among its members as President and another as Vice President, and one (1) of the voting members as Secretary. Its records, papers, and proceedings shall always be open to the inspection

and examination of the Bishop and the Convention. It shall report its proceedings to every stated meeting of the Convention. Four (4) of the six (6) voting members shall be a quorum.

Sec. 5. The Secretary shall keep and record the minutes of the Committee's meeting, attest its public acts, and perform such other duties as may be required, and shall deliver all records and papers, other than the record book in current use, to the Registrar of the Diocese.

Sec. 6. The Standing Committee shall have authority to fill, for the unexpired term, all vacancies that may occur during the recess of the Convention in any Committee, not within the exclusive jurisdiction of the Bishop, appointed to sit during the recess of the Convention and also in such offices, likewise not within the exclusive jurisdiction of the Bishop, as are held by election, provision for the filling of such vacancies is not prescribed elsewhere in these Canons.

Sec. 7. A reasonable allowance for the expenses of the Standing Committee shall be included in the Diocesan Budget.

CANON 15

BUSINESS METHODS IN CHURCH AFFAIRS

Sec. 1. The Fiscal Year of the Diocese shall begin the first day of January and end the following thirty-first day of December, and all reports made to the stated meeting of the Convention shall embrace the preceding Fiscal Year.

Sec. 2. All accounts having to do with the receipt and expenditure or investment of money of all Church organizations shall be audited at the close of each year by a certified public accountant, an independent licensed public accountant, or such audit committee as shall be authorized by the Finance Committee. Two copies of the audit report shall be sent to the Diocesan office, one to the attention of the Bishop and the other to the attention of the Diocesan Treasurer, by September 1 of the year following the end of the year audited. A copy of the audit report, or a summary thereof prepared by the auditor, shall be made available by the Church or Mission office to each family in the Congregation, upon request.

Sec. 3. Treasurers and custodians, other than banking institutions, shall be adequately bonded.

Sec. 4A. All funds of every Parish, Mission, Congregation, agency or other Ecclesial community of the Diocese, including clergy discretionary funds, shall be deposited in banks or trust companies which are insured by the Federal Deposit Insurance Corporation, *except* for such petty cash amounts as are approved in advance by the Vestry, Bishop's Committee or other governing body. All checks drawn on such accounts shall require two (2) signatures, *except* checks written on clergy discretionary accounts and checks for less than \$300.00.

Sec. 4B. It shall also be the duty of the custodians of all Trust and Permanent Funds for Church purposes to deposit same with some Trust Company or Federal or State Bank organized under the laws of the United States, or of a State, or with a corporation of the Diocese, such as an incorporated Council, under either a deed of trust or an agency agreement providing for at least two (2) signatures on any order of withdrawal of such fund or security. But this requirement shall not apply to funds and securities refused by the Depository named as being too small for acceptance. Such small funds and securities shall be under the care of the persons or corporations properly responsible for them.

Sec. 5. Records shall be made and kept by the Treasurer of all Trust and Permanent Funds showing at least the following:

- A. Source and Date;
- B. Terms governing the use of principal and income;

- C. To whom and how often reports of condition are to be made;
- D. How the funds are invested.

Sec. 6. No indebtedness shall be incurred by a Parish, Mission, or Congregation without the approval of (a) both the Bishop and the Standing Committee, or (b) the Bishop and the Finance Committee, except:

(a) Indebtedness for permanent improvements, replacements, or additions to real estate or equipment, where the amount of such indebtedness, plus indebtedness of every kind already existing, shall not exceed 150% of the average annual receipts of such Parish, Mission, or Congregation during the past three (3) years.

(b) Indebtedness for current expenses where the amount of such indebtedness, plus all indebtedness theretofore incurred for current expenses and still existing, shall not exceed 20% of the total current receipts of such Parish, Mission, or Congregation during the preceding fiscal year; and the payment of such indebtedness shall be provided for in the budget for the next ensuing fiscal year with reasonable expectation of its payment out of the receipts of the next two (2) years.

In computing receipts under paragraphs (a) and (b) hereof, amounts from or for endowments or from or by bequests, except income therefrom not specifically designated, and receipts for expenditures other than parochial shall not be included.

In any circumstances under which approval is required, it shall be granted only when the payment of all indebtedness shall be provided for in a plan of amortization or other method of payment submitted to and approved by the same authority.

This section shall not apply to the refinancing of existing loans.

Sec. 7. All buildings and their contents shall be kept insured for at least their replacement value.

CANON 16 **DIOCESAN BUDGET**

Sec. 1. The Diocese shall operate with a unified budget to cover the expenses of the Episcopate and the Diocesan Office, and to promote existing and new ventures in mission and ministry in the Diocese, the nation and the world. Trustees and Council (the “Council”) shall prepare and present a proposed budget for the following Fiscal Year, in which proposed expenditures shall not exceed anticipated available income. Council shall publish the proposed budget not less than seventy-five (75) days prior to the opening session of the Convention to all the Congregations of the Diocese along with an appended list of the amount each Congregation is expected to contribute to support the budget consistent with the pledge guideline adopted herein.

Sec. 2. In order to provide for the fair and proportionate support for the mission and ministry of the Church, each Congregation of the Diocese is expected to pledge an amount equal to not less than 15% nor more than 20% of its canonical income to support the Diocesan budget, absent only good cause. For purposes of this canon, “canonical income” shall equal the “Total Operating Revenues” less “assistance from diocese for operating budget” as reported by the Congregation as of the previous December 31st on the Parochial Report Form prescribed by the National Church and submitted to the Bishop (or the ecclesiastical authority of the Diocese) and the National Church. In the event the National Church amends its Parochial Report Form and instructions, “canonical income” shall equal the equivalent entry on the then current Parochial Report Form.

Sec. 3. Each Congregation shall, as soon as practical, and in no case later than forty-five (45) days prior to the opening session of the Convention, notify Council in writing of the amount it pledges to contribute to the next Diocesan budget. Each Congregation's pledge shall be reported to Council on a form to be provided by Council to each Congregation at the time Council publishes the proposed budget in accordance with Section 1 above, in substance as follows:

DIOCESE OF KENTUCKY
Commitment to the Diocese for the Diocesan Budget
[Name of Congregation and City]

For the support of the mission and ministry of the Church in this Diocese, nation, and world, we pledge a proportional part of our income as shown below. We are aware that the adopted expectation for all Congregations of the Diocese is 15% to 20% of canonical income as reported in the most recently available Parochial Report Form for the year ended December 31, 20____.

Our pledge to the 20____ Diocesan budget is \$_____, which represents: ____% of Total Operating Revenues as shown on the last Parochial Report Form of \$_____ [less assistance received from the Diocese for the year described]; and ____% of \$_____, the canonical income we anticipate to receive during the coming year.

In accordance with Diocesan Canon 16, we will remit to Trustees and Council of the Diocese of Kentucky, the sum of \$_____ [one-twelfth of the pledge] on or before the 10th day of each month.

Signed this _____ day of _____, 20_____, on behalf of the above named Congregation.

Rector/ Vicar/Priest in Charge

Senior Warden/Bishop's Warden

Treasurer or Finance Chair

If the Congregation's completed submission does not show that it is pledging at least 15% of its canonical income to support the proposed budget, the Congregation's submission shall be accompanied by an attachment, which is addressed to Council and signed by the same persons who signed the submission, that describes the cause for the Congregation's reduced pledge. Council may request additional information from the Congregation concerning its financial circumstances and shall publish the Congregation's explanation in the advance reports to the Convention along with the proposed budget. A pledge of less than 15% of canonical income shall not alone be grounds for failing to recognize a Congregation or refusing to seat its Lay Deputies at any convention convened in accordance with Canon 4.

Sec. 4. Not less than thirty (30) days prior to the opening session of the Convention Council shall make such revisions in its proposed budget as may be necessitated or permitted based upon Congregational pledges. If the proposed budget uses other resources to balance the proposed budget, Council shall include in its description of the proposed budget a statement of the sources and amounts of such resources and Council's justification for the use of such funds for operating expenses in the current budget. ("Other resources", as used in this canon, shall mean funds identified in the most recent financial statements of the Episcopal Church Foundation of the Diocese as principal of, as opposed to income from, 'unrestricted

funds', 'designated funds', 'funds functioning as endowments' or 'temporarily restricted funds', or either income from or principal of 'restricted funds' for which the restrictions have expired.) Council shall cause a copy of the revised budget to be sent to all clergy and Lay Deputies as part of the advance reports to the Annual Convention of the Diocese.

Sec. 5. Council's proposed budget shall be submitted to the Convention and, if approved by Convention, it shall take effect beginning on the following January 1st. The Convention may amend the budget proposed by Council, but all amendments to the proposed budget during an Annual Convention must be submitted in writing. Any amendment that would increase total budgeted expenditures must include a corresponding amendment to increase anticipated income in like amount, and any amendment that would decrease total budgeted income must include a corresponding reduction in total expenditures in like amount, specifying each expenditure to be reduced. No amendment submitted during the Convention may be voted on by Convention until at least sixty (60) minutes after it has been submitted in writing to the Convention and no such amendment submitted less than sixty (60) minutes prior to adjournment may be accepted.

CANON 17

TRUSTEES AND COUNCIL OF PROTESTANT EPISCOPAL DIOCESE OF KENTUCKY

Sec. 1. The Trustees and Council, herein referred to as "the Council", shall, subject to the authority of the Convention, manage the temporal affairs of the Diocese.

It shall consist of the following members:

1. The Bishop Diocesan, the Bishop Coadjutor, if there be one, and the Bishop Suffragan, if there be one;
2. The Secretary of the Diocese;
3. The Treasurer of the Diocese;
4. The Chancellor of the Diocese;
5. Sixteen (16) Trustees: Of the Trustees, six (6) shall be Lay Persons, adult member communicants in good standing, elected by the Convention of the Diocese; six (6) shall be Presbyters elected by the Convention of the Diocese; one (1) shall be a Lay Person not less than fourteen (14) nor more than eighteen (18) years of age nominated by the Bishop and confirmed by the Council; and three (3) shall be other Lay Persons nominated by the Bishop and confirmed by the Council. Of the twelve (12) elected Trustees, two (2) Presbyters and two (2) Lay Persons shall be elected each year to three (3) year terms to fill the places of those whose terms expire. The four (4) nominated Trustees shall serve for such terms, staggered or concurrent, as the Bishop may determine in a particular case, provided, however, that no such term shall be for a period in excess of three (3) years.
6. One (1) Deacon nominated by the Bishop and confirmed by the Convention of the Diocese, who shall have a seat on the Council with all privileges. The nominated and confirmed Deacon shall hold office for three (3) years.

Sec. 2. The Bishop shall be President of the Council, and it may elect such other officers and appoint such other agents as may be deemed proper, and shall have power to fill, until the next Diocesan Convention, any vacancies that occur among the Trustees during the recess of the Convention; provided, however, that the Secretary, Treasurer, and Chancellor shall be elected and appointed to their respective offices in accordance with the appropri-

D17

ate provisions of the Canons of the Diocese of Kentucky. A majority of all members shall constitute a quorum.

The Convention shall annually elect successors to the members whose terms have expired, but in the event of a failure to elect for any cause, the Trustees in office shall hold over until their successors are elected.

A Trustee may be elected for two (2) successive terms after which at least one (1) year shall elapse before a Trustee may be re-elected. Partial terms shall not be considered in determining whether a Trustee has served two (2) successive terms.

Sec. 3. The Council shall make and preserve a full record of all its acts and shall have the right to adopt By-Laws, Rules and Regulations for its government and the government of its various officers, agents, departments, commissions, and committees.

Sec. 4. The Council shall meet at least four (4) times a year, at a time and place named by the Council. Special meetings may be held at the call of the Bishop, or of any four (4) members.

Sec. 5. Except as otherwise provided in the Constitution and Canons of the National Church and in these Canons, the Council shall have the responsibility of carrying out the program of the Church as adopted by the Diocesan Convention, and in general, may exercise the full power and authority of the Diocese between the sessions of the Diocesan Convention except in relation to amendments to the Canons, the adoption of the Budget, the Admission of New Parishes, or such other matters as may be reserved by Canon to the Diocesan Convention or the Bishop or the Standing Committee, or when any such action would be inconsistent with any action or directives of the Diocesan Convention. The Council shall establish a Finance Committee and it may establish and abolish such other Departments and Committees as it deems appropriate. The Chairs of all such Departments and Committees shall be appointed by the Bishop. The Council shall prescribe the duties of Departments and Committees in By-Laws adopted pursuant to Sec. 3 of this Canon provided such By-Laws are not inconsistent with other provisions of these Canons or the Constitution and Canons of the General Convention.

Sec. 6. The Council shall have charge of all receipts and disbursements provided for under its budget.

Sec. 7. (a) Except as provided in subsection (b) hereof, the Council shall have power in its discretion, at any time after the Convention adjourns, and from time to time thereafter, to reduce or increase the amount of the budget adopted by the Convention, if new needs arise; provided, however, that such budget, after adoption by the Convention, shall not be increased by Council unless and until additional income sufficient to meet such increase, shall be definitely assured, or in hand. The Council shall also have power from time to time, unless otherwise directed by the Convention, to modify and to rearrange specific items in the budget adopted by the Convention, provided such changes therein do not increase the total amount of such budget as adopted by the Convention.

(b) The Council may, by resolution duly entered on its minutes, authorize the Treasurer of the Diocese to borrow such sums as may be necessary from time to time to meet the obligations of the Diocese with promptness and regularity, the amount to be borrowed to be stated in the resolution authorizing it.

Sec. 8. (a) The Chair of the Finance Committee shall be a Lay Person, who shall have a seat in the Convention with all privileges, save the right to vote.

(b) The Finance Committee shall constitute the Diocesan financial body required by the Canons of the General Convention.

(c) The Finance Committee may, by resolution duly entered on its minutes, authorize the Treasurer of the Diocese to borrow such sums as may be necessary from time to time to meet the obligations of the Diocese with promptness and regularity, the amount to be borrowed to be stated in the resolution authorizing it, any such obligation to be signed by the Treasurer in official capacity and countersigned by the Chair of the Finance Committee.

Sec. 9. If the Convention so desires, the Council shall submit the original report of any one or more of the Departments, Commissions, or Committees.

Sec. 10. The Bishop shall appoint a Real Estate Committee, whose members need not be members of the Council, which shall advise the Bishop and Council on matters dealing with real property, and shall annually inspect on a triennial rotation all real property belonging to the Diocese, reporting to Council on the condition of that property and making recommendations concerning its care and disposition. A summary of the Committee's reports noting any action taken by the Council with regard to the real property belonging to the Diocese shall be submitted annually to the Convention.

Sec. 11. The Bishop shall appoint an Investment Committee of three (3) persons. At least one (1) of the persons shall be a member of the Clergy. At least one (1) member of the Committee shall be a member of the Council. The Committee may be given power by the Council, either acting as a Committee or through designated agents, and subject to the restrictions set forth below, to invest and reinvest the securities and intangible property of the Diocese without prior approval of the Council; provided, however, that no real estate shall be bought, sold, encumbered, or leased for a term exceeding one (1) year and there shall be no major sale or encumbrance of other assets, except for the purpose of reinvestment, without the approval of two-thirds (2/3) of the members of the Council either at a duly called meeting or in writing after notice to all members.

Sec. 12. Any member of the Council not a Deputy to Convention may, during his or her term of office, request a voice in Convention and, upon due recognition by the Presiding Officer, may be granted the floor upon matters properly brought before the Convention, provided, however, such privilege shall not include the right to vote in such Convention.

CANON 18

DIOCESAN MISSIONS & ECCLESIAL COMMUNITIES

Sec. 1. The Bishop may recognize a Congregation as a Mission or Ecclesial Community of the Diocese, with the advice and consent of the Trustees and Council.

Sec. 2. A Mission Congregation becomes an Organized Mission or Ecclesial Community with right to representation in Convention when:

(a) It includes 10 or more adult confirmed lay members of the Diocese of Kentucky;

(b) The members, by a majority vote, declare their adherence to the doctrine, discipline, and worship of the Episcopal Church and their agreement to abide by the Constitution and Canons of the Protestant Episcopal Church in the United States of America and of the Diocese of Kentucky;

(c) There is sufficient financial commitment to sustain the life of the Congregation, including the services of a Priest, and to share appropriately in the life of the Diocese;

(d) The Standing Committee consents to the recognition of the Congregation.

Sec. 3. Upon recognition as an Organized Mission or Ecclesial Community, the Bishop, in consultation with its members, shall name the Congregation; appoint a Warden and Bishop's Committee, which shall perform the duties of a Vestry; report the formation of the Congregation to the Secretary, who shall enroll it in the lists of Congregations entitled

to one (1) vote in Convention; and designate a Vicar or Priest-in-Charge to oversee the spiritual life of the Congregation.

Sec. 4. An Organized Mission or Ecclesial Community of the Diocese will continue to have its Warden and Bishop's Committee appointed annually by the Bishop and to be served by a Vicar or Priest-in-Charge until it is accepted in status as a Parish. It shall be expected to sustain its own life, make provisions for regular worship, and to participate in the life of the Diocese.

Sec. 5. Notwithstanding the aforesaid provisions of the Canon, any Parish may, with the consent of the Bishop and the Trustees and Council, establish a Mission church, to be referred to as a "Parochial Mission", which shall be subject to the same rules for its governance as Missions established directly by the Bishop; provided however, that the Trustees and Council will not be obligated to provide any funds for its maintenance, that the property thereof shall belong to the Parish which established the Mission, that the Minister-in-Charge shall be appointed by the Rector of the establishing Parish subject to confirmation by the Bishop, and that the Warden and Church Committee shall be appointed by the Vestry of the establishing Parish, subject to confirmation by the Bishop.

Sec. 6. The Bishop, by and with the advice and consent of the Trustees and Council, may appoint two (2) general missionaries, who shall do such work as the Bishop may determine and render a monthly report of their labors to the Trustees and Council in writing.

Sec. 7. A Mission may purchase property, real and personal, title of which shall be transferred to and held in the name of the Diocese. Such property may be occupied and used by the Mission so long as the Mission remains a part of, and subject to, this Church and its Constitution and Canons and of this Diocese and subject to its Canons.

CANON 19

ADMISSION OF PARISHES INTO UNION WITH THE CONVENTION

Sec. 1. A Congregation desiring to be received into union with the Convention of the Church in this Diocese as a Parish shall submit to the Convention its Articles of Incorporation as filed with the Secretary of State of Kentucky, together with the evidence that it acknowledges the authority of the Constitution and Canons of the General Convention of the Protestant Episcopal Church in the United States of America, and of the Canons of this Diocese, and that it adheres to the doctrine, discipline, and worship of said Church. A certificate from the Ecclesiastical Authority shall be presented, stating the notice of the organization of such Congregation was received at least one (1) month before the stated meeting of the Convention, and that such organization is approved.

Sec. 2. No Congregation shall be received into union with the Convention of the Church in this Diocese as a Parish, except it have at least thirty (30) adult confirmed members in good standing, over sixteen (16) years old, and shall furnish such evidence of its financial condition as shall satisfy the Convention that it will be entirely self-supporting. It is the duty of the Vestry of every Parish, and of the Bishop's Committee of every Mission, to raise and pay promptly the money stipulated for the support of their Ministers, at such intervals of payment as may previously have been agreed upon between the Rector, or if there be no Rector, the member of the Clergy in charge of the Congregation and the Vestry or Bishop's Committee.

Sec. 3. Whenever any Congregation of the Church in this Diocese shall not have at least three (3) adult confirmed members in good standing, and shall fail to have public service in the Congregation by a person authorized to conduct the public services of the Church, at

least once every three (3) months of the year preceding the stated meeting of the Convention, such Parish shall be removed from the list of Congregations of the Diocese.

Sec. 4. Upon admission of a Parish into union with the Convention and its incorporation under the laws of the Commonwealth of Kentucky, all property, real or personal, otherwise being held in its behalf by the Diocese, will be transferred to the corporation, upon the understanding and condition that all such property is held in trust for the Church and will revert to the Diocese should the Congregation ever cease to exist as a Parish of this Diocese.

CANON 19A

AIDED PARISH

Sec. 1. The Convention may establish an Aided Parish, which shall be an intermediate position between that of an Organized Mission established under Canon 18 and a Parish established under Canon 19.

Sec. 2. (a) The Convention may in its discretion grant an Organized Mission the status of Aided Parish upon application by the Organized Mission, received by the Bishop at least one (1) month prior to the stated meeting of the Convention and with the certified approval of the Bishop.

(b) Such status, if granted, shall continue for five (5) consecutive years, including the year in which such status is granted, if such Aided Parish can meet from its own resources not less than 75% of its budget for each of those five (5) years. The balance of its budget shall continue to be met by the Diocese.

(c) If during any of those five (5) years, such Aided Parish cannot meet at least 75% of its budget, it shall become an Organized Mission at the end of the year in which the budget requirement was not met.

(d) If such Aided Parish meets the budget requirement for each of five (5) consecutive years, it may apply to be received into union with the Convention as a Parish, provided it meets all the requirements of Canon 19. If such an Aided Parish either does not meet the requirements of Canon 19 or chooses for whatever reason not to apply for admission as a Parish, the Aided Parish shall become an Organized Mission subject to the provisions of Canon 18 and Canon 19.

(e) No Aided Parish established under this Sec. 2 shall hold title to property, and such title shall be conveyed to that Congregation only after Parish status has been established under Canon 19.

(f) An Aided Parish established under this Sec. 2 shall continue to be subject to those provisions of Canon 18, pertaining to an Organized Mission, not inconsistent with this Section.

Sec. 3. (a) Notwithstanding the provisions of Canon 19, the Convention may grant the status of Aided Parish, upon application of a Parish received by the Bishop at least nine (9) months prior to the stated meeting of the Convention and with the certified approval of the Bishop.

(b) Such status, if granted, shall continue so long as the Parish is unable to pay 100% of its current expenses, but can pay at least 75% of its expenses at least the next five (5) years, including the year in which such status was granted. A request should be made to the Diocese to pay any part, or all, of the balance.

(c) If during any one (1) of these five (5) consecutive years, such Aided Parish cannot pay at least 75% of its expenses as determined by the Convention, it shall become an Organized Mission under Canon 18.

(d) If at the end of the five (5) consecutive years such Aided Parish is unable to meet

100% of its current expenses, such Aided Parish shall become an Organized Mission under Canon 18.

(e) An Aided Parish recognized under this Sec. 3 shall continue to hold all other privileges of Parish status not specifically inconsistent with this Section.

CANON 20

MERGER OR CONSOLIDATION OF CONGREGATIONS

The Bishop, with the advice and consent of the Standing Committee, may, upon terms satisfactory to the respective Congregations and Rectors, if there be such, merge two (2) or more Congregations into one (1) surviving Congregation or consolidate two (2) or more Congregations into one (1) new Congregation. The title to property of the separate Congregations shall be transferred or vested as provided in the plan of merger, or the plan of consolidation, approved by the separate Congregations and the Standing Committee.

CANON 21

PARISH MEETINGS AND VOTERS AT THE SAME

Sec. 1. Each Parish shall hold an Annual Meeting. The meeting shall include a report by the Rector, by the Treasurer of all money handled, by the Vestry concerning financial condition and on behalf of appropriate parochial organizations of work done and contemplated. Each Parish shall elect members of a Vestry at the time of the Annual Meeting.

Sec. 2. The following persons, and they alone, shall be competent voters at Parish meetings, and at the election of Vestries: Communicants in good standing, of the age of sixteen (16) years or over, and who have in some way contributed to the support of the Parish. In cases of disputed elections, an appeal shall lie to the Standing Committee, whose judgment shall be final.

Sec. 3. In case of a vacancy in the Rectorship, the Senior Warden shall arrange for the Annual Parish Meeting and present the report generally made by the Rector.

CANON 22

ELECTION OF A VESTRY

Sec. 1. At the Annual Congregational Meeting each year, the legal voters of every Parish shall elect, by ballot, out of the number of communicants in good standing of the Parish, of the age of sixteen (16) years and over, a Vestry, of not less than three (3) in number nor more than twenty-one (21). Nothing herein shall prohibit a Parish from specifying that one (1) or more of the Vestry elected during any year to be a person of the age of sixteen (16) to eighteen (18) years who shall serve a one-year term with the right to vote.

In electing a Vestry, the legal voters shall choose by ballot one-third (1/3) of the whole number of the Vestry to serve for one (1) year and until the election of their successors; one-third (1/3) of the whole number to serve two (2) years and until the election of their successors; and one-third (1/3) of the whole number to serve for three (3) years and until the election of their successors, and thereafter the term of office of members of the Vestry shall be for three (3) years and until the election of their successors. No member of a Vestry shall be eligible for re-election until an interval of one (1) year has elapsed; provided, however, that a member of the Vestry elected to fill an unexpired term shall be eligible for re-election to the next succeeding full term.

Notwithstanding the above provision for electing members of the Vestry for three-year terms, any Parish may by majority vote at its Annual Congregational Meeting or by appropriate provisions in the Articles of Incorporation or By-Laws of the Parish provide for

the election of the entire Vestry for a one-year term.

In the absence of a procedure specified in the Articles of Incorporation of the Parish, the Vestry shall elect three (3) communicants of the Parish as judges of the election, and shall fix the time and place thereof. Two (2) of such three (3) judges shall be a quorum to conduct the election, and when called upon to monitor the election shall keep a record of the number of people present, count the ballots, or cause the same to be done, and declare the result. No vote shall be by proxy and cumulative voting is not allowed.

Sec. 2. (a) When vacancies among their number occur, the Vestry may elect successors for the remainder of the unexpired term of such retiring members. At their first meeting they shall elect out of their number: a Senior Warden, a Junior Warden, and a Secretary, and they shall also elect a Treasurer for the Parish, provided, however, that in the case of Christ Church Cathedral, the Bishop, in consultation with the Dean, shall annually appoint from the Lay Members of the Chapter, a Senior Warden.

In case so many of the Vestry shall offer their resignations that, were all such resignations accepted, the number remaining in the Vestry would be reduced below the legal and canonical limit, then the Vestry shall act upon each resignation separately and proceed to fill the vacancy so caused before considering any other resignation, so that at no time shall the Parish be deprived of a legal and canonical Vestry.

(b) If any person elected to the Vestry shall fail to attend its meetings or to serve on any Committee, the Vestry shall have the right to declare such person's election void and proceed to elect a successor to serve the unexpired term.

Sec. 3. Notwithstanding the provisions and limitations of this Canon, Sec. 1, in the event of the merger or consolidation of two (2) or more Parishes in the Diocese, the Vestry of the merged Parish may, for a period of three (3) years immediately following the merger, consist of such a number of the Vestry not to exceed the combined number on the Vestries of the Parishes before the merger, and such mergers of the Vestry shall be equally divided between the merged Parishes.

CANON 23

DUTIES OF VESTRIES

Sec. 1. The duty of the Vestry of each parish shall be to provide for and regulate its temporal affairs in accordance with Canon 15 and cooperate with the Rector for the promotion of the spiritual welfare of the Cure. It is the duty of the Vestry of every Parish, and of the Bishop's Committee of every Mission, to raise and pay promptly the money stipulated for the support of their Ministers, at such intervals of payment as may previously have been agreed upon between the Rector, or if there be no Rector, the member of the Clergy in charge of the congregation and the Vestry or Bishop's Committee.

Sec. 2. In the event of the Rector's death, resignation or removal, the Vestry shall notify the Bishop without delay, make provision for services of public worship, and call a Rector. No election of a Rector shall be held until: 1) the Wardens submit the name of the Priest whom the Vestry proposes to elect to the Bishop, if there be one; 2) the Wardens have provided sufficient time, not exceeding thirty (30) days, to the Bishop to communicate with the Vestry thereon; and 3) the Bishop's communication, if made within that period, has been considered by the Parish or Vestry at a meeting called and held for that purpose. Written notice of the election, signed by the Wardens, shall be sent to the Ecclesiastical Authority of the Diocese. If the Ecclesiastical Authority is satisfied that the person so chosen is a duly qualified priest and that the priest has accepted the office, the notice shall be sent to the

Secretary of the Convention, who shall record it.

Sec. 3. The Rector shall be *ex officio* a member of the Vestry, with a vote, and its Presiding Officer. The Rector may originate motions and enter into the debate; but when doing so shall call upon one (1) of the Wardens or a member of the Vestry to take the Chair. In the absence of the Rector, the Senior Warden shall preside; in the absence of both the Rector and Senior Warden, the Junior Warden shall preside; in the absence of Rector and Wardens, the Vestry may elect its Presiding Officer *pro tempore*. The Rector, or the Presiding Officer, if voting as a member of the Vestry, shall have no casting vote in case of a tie. The Vestry may fix the time for its regular meetings. Special meetings may be called by the Rector, or the Wardens, or any three (3) of the Vestry members, upon reasonable notice to the Rector, Wardens, and Vestry members.

Sec. 4. The duty of the Secretary is to take minutes of the proceedings of the Vestry, and to record them in a Parish book kept for that purpose alone; to preserve the records, to attest the public acts of the Vestry, to perform such other duties as may be legally assigned, and to deliver to any successor all books and papers in the Secretary's possession belonging to the Parish.

Sec. 5. The duty of the Treasurer is to receive all Parish funds, to keep accurate account of all monies, to disburse Parish funds as ordered by the Vestry, and to make regular reports thereof to the Rector and Vestry, to perform such other duties which may legally be assigned, and to deliver to any successor all monies, accounts, and vouchers in the Treasurer's possession belonging to the Parish. The Treasurer shall be adequately bonded (Canon 15, Section 3).

Sec. 6. No Vestry of any Parish shall encumber or alienate any real property held by the Parish or any part thereof without the prior written consent of the Bishop and the Standing Committee of the Diocese, however, this section does not apply to leases or rental agreements so long as any potential lease or agreement does not grant to the lessee or tenant an option or right to purchase any part of the property and does not place a lien upon the fee interest of the property. No Vestry of any Parish may amend the Articles of Incorporation of the Parish's corporation, or attempt to present amended Articles of Incorporation to the Kentucky Secretary of State, unless the text of the proposed amendment or amendments has received the prior written approval of the Bishop and either the Chancellor or the Vice Chancellor of the Diocese.

CANON 24

DISSOLUTION OF THE PASTORAL CONNECTION

Sec. 1. The Pastoral connection between the Rector and the Parish may be dissolved at any time by the joint consent of the Rector and of the Vestry.

Sec. 2. If for any urgent reason a Rector, or the Parish committed to such Rector's charge, or its Vestry shall desire a separation and dissolution of the Pastoral relation, and the parties be not agreed respecting such separation and dissolution, notice in writing may be given by either party to the Ecclesiastical Authority of the Diocese. The Bishop, in case the difference be not settled by the Bishop's Godly judgment, shall ask the advice and consent of the Standing Committee of the Diocese, and proceeding with their aid and counsel, shall be the ultimate arbiter and judge. If the Diocese be vacant, the Ecclesiastical Authority shall select a Bishop of an adjacent Diocese to act as the Bishop, and with like force and effect. The judgment shall be either that the Pastoral relation between the parties shall cease and determine at a time and upon terms therein specified, or that the said relation shall not be terminated; and such judgment shall be binding upon both parties. In the event of the failure

or the refusal of either party to comply with the terms of such judgment, the Bishop may inflict such penalties as may be provided by the Canons of the Diocese; and in default of any provisions of such penalties therein, the Bishop may (a) in the case of a Rector, suspend such Rector from the exercise of priestly office until such Rector shall comply with said judgment; (b) in the case of a Vestry, the Bishop shall recommend to Diocesan Convention that the union of the Parish with the Convention shall cease until it shall have complied with the Bishop's judgment.

Sec. 3. In no case shall the Pastoral connection be dissolved without the consent of the Rector until all money owing to the Rector by the Parish shall have been paid or settled upon terms approved by the Ecclesiastical Authority.

Sec. 4. If the Rector of a Parish shall wish to terminate the employment of an Assistant or Associate Priest or Curate by the Parish, such Rector shall, in writing and prior to putting into effect such determination, communicate the wish to the Ecclesiastical Authority, together with the reason motivating such determination. The Ecclesiastical Authority shall promptly confer with such Rector, and they shall discuss said determination and reasons. The Ecclesiastical Authority may also consult with the Assistant or Associate Priest or Curate. The Rector shall hear the Godly admonition of the Ecclesiastical Authority and reflect upon it before proceeding further in the matter.

In no case shall the employment of the Assistant or Associate Priest or Curate be dissolved until all money owing to such person by the Parish shall have been paid or settled upon terms approved by the Ecclesiastical Authority.

CANON 25

TEMPORARY SUPPLY OF VACANT PARISHES

Sec. 1. If there be a vacancy in a Congregation, the Wardens, or other proper officers of the Parish, shall immediately notify the Bishop and shall make provision for Divine Services. If the Wardens or other proper officers shall fail for more than thirty (30) days to make provision for Divine Services, the Bishop, or in the event of a vacancy in the Episcopate, the President of the Standing Committee, may take order to supply the Parish temporarily. The Parish shall pay the expenses of the supply.

Sec. 2. It is the duty of the Clergy, their expenses being borne, and having the consent of their Vestry, if in charge of a Parish, to comply with the requisition of the Bishop, or in the event of a vacancy in the Episcopate, of the President of the Standing Committee, in order to supply a vacant Parish.

Sec. 3. The services of an Interim Priest may be employed by a Parish during the time that a successor Rector is being chosen. The Vestry and the Interim Priest shall have a written contract specifying the length in terms of service and setting out the expectations of both Vestry and Priest during the period of service.

Sec. 4. Upon the resignation or death of a Rector, or the dissolution of a Pastoral relationship, the Vestry shall consult with the Bishop on the selection of a successor. A Search Committee may be appointed by the Vestry which may work in consultation with the Diocesan Deployment Officer or other consultant. The Vestry shall administer the affairs of the Parish during the vacancy, in consultation with the Bishop, in preparation for the call of a new Rector.

CANON 26

THE CATHEDRAL

Sec. 1. The Church in the Diocese of Kentucky hereby acknowledges Christ Church Cathedral, Louisville, as the Cathedral Church of this Diocese, with the same ecclesiastical jurisdiction, rights, privileges, and obligations as any Parish organization in union with the Convention.

Sec. 2. The Chapter of the Cathedral shall be incorporated under the laws of the Commonwealth of Kentucky.

CANON 27

DUTIES OF THE LAITY

Sec. 1. It is the duty of every member of this Diocese to live in harmony with the responsibilities of that member's Baptism and to be faithful in working, praying, and giving for the spread of the Kingdom of God. It is the duty of every member to live in the daily exercise of worship. It is the duty of the Clergy to instruct their people publicly from time to time regarding this subject.

Sec. 2. It shall be the duty of every communicant of a Parish to attend the services and to support financially and otherwise, according to such communicant's ability, the work of the Congregation, Diocese, and work outside the Church as will contribute to the spread of the Kingdom of God. Every communicant removing from one Congregation to another, or habitually attending, or intending to attend, for the period of one (1) year or more the services of a Congregation other than that where such person may be enrolled as a communicant, shall obtain a Letter of Transfer to the latter Congregation, and shall not be considered or treated as a communicant of the latter Congregation until said Letter of Transfer shall have been accepted and acknowledged to the former Congregation and the communicant shall have been regularly enrolled therein.

CANON 28

DUTIES OF THE CLERGY

Sec. 1. The Rector, or if there be a vacancy in the Parish, the member of the Clergy in charge of a Congregation has control of, and is responsible for, the public worship in the Church, the music, and the furniture and appointments of the Chancel. Nothing, however, connected with the furnishing or arrangements of the Chancel, or alteration thereof, shall be done contrary to the admonition or judgment of the Bishop.

Sec. 2. The Rector, or if there be a vacancy in the Parish, the member of the Clergy in charge of a Congregation shall promptly make, in the official Parish register, an accurate and complete record of all baptisms, confirmations, marriages, and burials within the cure, and a list of all communicants, families, and persons therein. Such records shall be submitted to the Bishop, for inspection, at every formal visitation to the Parish or Mission, and at any other time when the Bishop may demand it.

Sec. 3. The Rector, or if there be a vacancy in the Parish, the member of the Clergy in charge of a Congregation shall, not later than February 1st of each year, deliver to the Secretary of the Diocese two (2) copies of a report of the condition of the Congregation in the form provided by the General Convention, and shall file a copy thereof in the Parish or Mission record. The Secretary of the Diocese shall forward one (1) copy to the National Church.

Sec. 4. The duties of the Clergy include also those prescribed from time to time in the National Canons.

CANON 29
ECCLESIASTICAL DISCIPLINE

Sec. 1. The ecclesiastical discipline of Members of the Clergy shall be governed by Title IV of the Canons for the Government of The Protestant Episcopal Church in the United States of America (the “Church”), as presently adopted and as hereafter amended by the General Convention. Terms and phrases used in this Canon shall have the meanings provided in the Constitution and Canons of the Church.

Sec. 2. (a) There is hereby established a court to be known as the Disciplinary Board consisting of seven (7) members, four (4) of whom shall at all times be Members of the Clergy canonically resident in a diocese of the Church in the Commonwealth of Kentucky, and three (3) of whom shall at all times be qualified adult communicants in good standing of a diocese of the Church in the Commonwealth. Members of the Standing Committee shall not be disqualified for election to the Board.

(b) At each annual meeting of the Convention a sufficient number of qualified Clergy and adult communicants in good standing of the Diocese of Kentucky shall be elected as needed to complete the composition of the Board for the coming year. Each member shall be elected for a three (3) year term and thereafter until his or her successor has been elected. The terms of the members shall commence on the first (1st) day following election. Members may be reelected for up to three (3) successive terms but no member shall be eligible for reelection for at least one (1) year after the end of his or her third (3rd) consecutive term. Partial terms shall not be considered in determining whether a member has served three (3) successive terms.

(c) In the event that a vacancy occurs between sessions of the Convention, the President of the Board shall notify the Bishop of the vacancy and request appointment of a replacement member of the same order as the member to be replaced. The Bishop shall appoint as a replacement Board member a person who meets the same eligibility requirements as are stated in Section 2(a) of this Canon to complete the unexpired term.

Sec. 3. (a) If during a proceeding under Title IV and this Canon any member of a Conference Panel or Hearing Panel shall become aware of a personal conflict of interest or undue bias, that member shall immediately notify the President of the Board and request the appointment of a replacement member of the Panel. Respondent, Respondent’s Counsel and the Church Attorney shall have the right to challenge any member of a Panel for conflict of interest or undue bias by motion to the Panel for disqualification of the challenged member. The members of the Panel not the subject of the challenge shall promptly consider the motion and determine whether the challenged Panel member shall be disqualified from participating in that proceeding. In the event that the non-challenged Panel members split equally concerning the challenge, the President of the Disciplinary Board shall cast the deciding vote.

(b) In the event a member of a Conference Panel or a Hearing Panel who was identified to hear a pending case withdraws as the result of a personal conflict of interest or as a result of a challenge, no vacancy will be created on the Board but the President of the Board shall request the Bishop who, following consultation with the Standing Committee, shall appoint a replacement member to the Panel for the pending case. The replacement may be another member of the Disciplinary Board of this Diocese or a member of the Disciplinary Board of the Diocese of Lexington and such appointee may serve on the Panel until the conclusion of the Panel’s involvement with the pending case.

Sec. 4. (a) Within thirty (30) days following the annual Convention, the Bishop shall appoint either a member of the Clergy or an adult communicant in good standing in this Diocese

to serve for the following year as Intake Officer and shall convey the name of such person to the Secretary and the Chancellor. The Bishop shall announce the name of the Intake Officer in appropriate Diocesan publications and the Bishop and the Intake Officer shall jointly and severally publicize the methods and means of reporting or forwarding information concerning potential Offenses to the Intake Officer. Following the appointment of the initial Intake Officer, he or she shall create a Diocesan Intake Journal in which the Intake Officer, and each succeeding Intake Officer, shall record the date and all initially received specifications concerning every allegation of an Offense forwarded to the Intake Officer, including the name(s) of Member(s) of the Clergy involved, the name(s) of all Injured Persons, the name of the Complainant(s) and witnesses, if any. Following the final resolution of every allegation of an Offense, the Intake Officer shall record the date and nature of the resolution in the Intake Journal. The information recorded in the Intake Journal shall be kept confidential except for purposes of administration of proceedings under Title IV or as otherwise provided in Title IV.

(b) Within two (2) months following each Annual Convention, the Chancellor shall convene an organization meeting of the Board and the Intake Officer. At the meeting the members of the Board shall elect from among themselves by majority vote, one (1) person to serve as President of the Board for a one-year term and the Chancellor shall familiarize the members of the Board with the provisions of Title IV and this Canon. Following the organization meeting, the President of the Board and the Intake Officer shall compile a proposed roster of persons who would be qualified to serve, if and when needed, as Advisors, Investigators and Conciliators for pending cases and the Intake Officer shall provide the names of such persons to the Bishop.

Sec. 5. The Bishop shall appoint, in consultation with the President of the Board, one or more persons, each of whom has advised the Bishop that he or she will agree to serve, upon request, as an Investigator. Investigators may, but need not be, members of the Church.

Sec. 6. The Bishop shall annually appoint an attorney or attorneys who are Members of the Church and are licensed to practice law in the Commonwealth of Kentucky to serve as Church Attorney(s) for the following calendar year. The person(s) so selected need not reside within this Diocese. In the course of his or her duties a Church Attorney may consult with the President of the Board. The Bishop, following consultation with the Standing Committee, may remove a Church Attorney from office at any time.

Sec. 7. The Bishop may appoint a qualified person as an Advisor for every Complainant. The Bishop shall make a qualified Advisor available for every Respondent before the imposition of any restriction on ministry or placement on Administrative Leave, or before the Respondent is called upon to respond to a Complaint. Persons serving as Advisors shall hold no other appointed or elected position provided for under this Title, and shall not include the Chancellor or Vice Chancellor of this Diocese or any person likely to be called as a witness in the proceeding relating to the Complaint.

Sec. 8. The Board shall appoint a Board Clerk to assist the Board with records management and administrative support. The Clerk may be a member of the Board.

Sec. 9. (a) This Diocese shall, subject to approval by Trustees and Council, reimburse the reasonable costs and expenses of: the Board; the Intake Officer; and, the Board Clerk. This Diocese shall, subject to approval by Trustees and Council, pay the reasonable fees and reimburse the reasonable costs and expenses incurred during the investigation or prosecution of a pending case by: the Investigator; Advisors appointed or made available by the Bishop; the Church Attorney; the Conference Panel; the Hearing Panel; and, the coordinator of a pastoral response.

(b) In the event that either a final Order dismissing a Complaint or an Accord approved by the Bishop contains a finding that the Complaint was frivolous or not brought in good faith by the Complainant, the reasonable defense fees and costs incurred by the Respondent may be paid or reimbursed by this Diocese, subject to approval by Trustees and Council.

Sec. 10. Records of active proceedings before a Hearing Panel, including the period of any pending appeal, shall be certified by the President of the Panel and shall be preserved and maintained in the custody of the Board Clerk, or the Diocesan offices.

Sec. 11. The Bishop shall make provision for the permanent storage of records of all proceedings under this Canon and Title IV in, or under the control of, the Diocesan office and in the Archives of the Church, as prescribed in Title IV.

Sec. 12. Any meeting required under Title IV and this disciplinary Canon, other than during proceedings before a Hearing Panel at which evidence may be taken or examined by the Hearing Panel, may be conducted either in person or through telephonic or other electronic communications equipment by means of which all persons participating in the meeting can hear each other at the same time.

Sec. 13. When appointing members of a Hearing Panel the President of the Board shall endeavor to ensure a level of legal expertise among or for its members.

Sec. 14. This Canon has been entered into following an agreement between the Bishop of this Diocese and the Bishop of the Diocese of Lexington. The Bishop of this Diocese and the President of the Board appointed pursuant to this Canon may develop and share resources for the implementation of, and proceedings under, Title IV with their counterparts in the Diocese of Lexington.

Transition Provisions. The terms of the persons who were elected as members of the Ecclesiastical Court at the 181st and the 182nd Annual Conventions of the Diocese, and any persons then serving for unexpired terms, shall serve beginning on July 1, 2011 as initial members of the Disciplinary Board under this Canon for the terms to which elected, or appointed, and until their successors have been elected by subsequent Annual Conventions, and one (1) new Member of the Clergy shall be elected at the 183rd Annual Convention of the Diocese for a three year term on the initial Disciplinary Board. [Two members who were elected to the Ecclesiastical Court at the 180th Annual Convention, one Clergy selected by lot and one Lay, shall serve if needed for an ecclesiastical trial under the predecessor Title IV and Canon 29 until at least June 30, 2011. Matters which are pending on June 30, 2011 under the predecessor Title IV and Canon 29 shall proceed to conclusion, if necessary, in accordance with Title IV and Canon 29 and members of the Ecclesiastical Court in this Diocese on such date shall not lose jurisdiction concerning such proceedings by reason of the adoption of this Canon.] At the 184th Annual Convention, three persons shall be elected, two for three year terms and one for a two year term. At the 185th Annual Convention three persons shall be elected for terms of three years each. At the 186th and 187th Annual Conventions, two persons shall be elected for terms of three years each. At subsequent Annual Conventions either three or two persons shall be elected for three years terms as needed to maintain a Disciplinary Board consisting of four Clergy and three Lay members.

CANON 30

COMMISSION ON MINISTRY

At each stated meeting of the Convention, there shall be elected a Commission on Ministry, not to exceed fifteen (15) Clergy and Lay persons, the members of which shall

be nominated by the Bishop and confirmed by vote of the Convention. Each person so elected shall serve for one (1) year and until a successor shall be elected and qualified. The Commission on Ministry shall operate in accordance with the procedures established by the National Canons.

CANON 31

THE BISHOP DUDLEY MEMORIAL FUND, INC.

The Bishop Dudley Memorial Fund, Inc. (formerly the Board of Trustees of the Bishop Dudley Memorial) is a nonstock, nonprofit corporation organized and existing as a religious corporation under Chapter 273 of the Kentucky Revised Statutes. It is governed by nine (9) Trustees who are Lay persons elected by the Convention. Three (3) Trustees shall be elected each year for a term of (3) years to succeed the three (3) members whose terms expire, but in the event of the failure to elect by the Convention for any cause, they shall hold over until their successors are elected and qualified. No member who has served for any part of the term elected shall be eligible for re-election until an interval of one (1) year has elapsed. The incumbent Trustees shall have the power to fill vacancies in their number during the recess of the Convention.

The Corporation shall have charge of the Endowment Fund for the support of the Episcopate in this Diocese, and of all the additions thereto and accretions thereof, and of all real estate belonging to the said Endowment Fund, including an Episcopal residence, which residence it shall keep in repair and properly insured, and pay all taxes against the same, if any are legally assessed.

This corporation shall be governed in the discharge of its duties by the Canons of the Diocese and the resolutions of the Convention not inconsistent with its Articles of Incorporation, and it shall make a report, in writing, to every stated meeting of the Convention. Copies of its Articles of Incorporation shall be deposited with the Diocesan Registrar. Changes in the Articles of Incorporation shall be submitted for the approval of Convention before becoming effective.

CANON 32

THE CHURCH PENSION FUND

Sec. 1. In conformity with the legislation adopted by the General Convention of 1913, pursuant to which The Church Pension Fund was duly incorporated, and in conformity with the Canon of the General Convention "Of The Church Pension Fund", as heretofore amended and as it may hereafter be amended, the Diocese of Kentucky hereby accepts and acknowledges The Church Pension Fund, a corporation created by Chapter 97 of the Laws of 1914 of the State of New York as subsequently amended, as the authorized and approved pension system for the Clergy of the Protestant Episcopal Church in the United States of America and for their dependents and declares its intention of supporting said Fund in accordance with its Rules.

Sec. 2. The Bishop of this Diocese shall appoint annually a Committee of the Church Pension Fund to consist of two (2) Presbyters and two (2) Lay Persons for a term of one (1) year and until their successors shall have been appointed or qualified, and the Bishop may from time to time fill by appointment any vacancies in said Committee caused by resignation, death, or inability to act.

Sec. 3. The duties of said Committee shall be as follows:

(a) To be informed of, and to inform the Clergy and Laity of this Diocese of the pen-

sion system created by the General Convention and committed by it to the Council of The Church Pension Fund, in order that the ordained Clergy of the Church may be assured of pension protection for themselves in the event of old age or total and permanent disability and for their spouses and minor orphan children in the event of death.

(b) To receive reports from The Church Pension Fund, from time to time, on the status of the pension assessments payable to said Fund, under its Rules and as required by Canon Law, by this Diocese and by the Parishes, Missions, and other ecclesiastical organizations within this Diocese.

(c) To make an annual report to the Convention of this Diocese of such matters relating to The Church Pension Fund as may be of interest to the said Convention and to make quarterly reports to the Council.

(d) To cooperate with The Church Pension Fund in doing all things necessary or advisable in the premises to the end that the Clergy of this Diocese may be assured of the fullest protection by said Fund under its established Rules.

Sec. 4. It shall be the duty of this Diocese and of the Parishes, Missions, and other ecclesiastical organizations therein, each through its Treasurer or other proper official, to inform The Church Pension Fund of salaries and other proper compensation paid to members of the Clergy by said Diocese, Parishes, Missions, and other ecclesiastical organizations for services rendered, currently or in the past, prior to their becoming beneficiaries of said Fund, and changes in such salary and other compensation as they occur; and to pay promptly to The Church Pension Fund the pension assessments required thereon under the Canon of the General Convention and in accordance with the Rules of said Fund.

Sec. 5. It shall be the duty of every member of the Clergy canonically resident in or serving in this Diocese to inform The Church Pension Fund promptly of such facts as dates of birth, of ordination or reception, of marriage, births of children, deaths, and changes in cures or salaries, as may be necessary for its proper administration and to cooperate with said Fund in such other ways as may be necessary in order that said Fund may discharge its obligations in accordance with the intention of the General Convention in respect thereto.

Sec. 6. (a) It shall be the duty of the Treasurer of the Diocese to pay to the Fund the premiums payable on behalf of the Bishop of the Diocese, and also of the Bishop Coadjutor, and the Bishop Suffragan, if there be such.

(b) It shall also be the duty of the Treasurer of the Diocese to pay to the Fund the premiums payable on account of all stipends received by members of the Clergy from the Council.

Sec. 7. It shall be the duty of every member of the Clergy as aforesaid receiving a stipend or stipends, to furnish a statement of such stipend or stipends to the Committee on The Church Pension Fund whenever said Committee shall in writing ask for such statement.

Sec. 8. (a) If any Parish shall become six (6) months in arrears in payment of assessment of its Rector or other Clergy to the Fund, as attested by formal statement from the office of the Fund, such Parish shall be deprived of Lay representation in the Convention of the Diocese until such arrears in excess of six (6) months have been paid.

(b) If any Parish or Mission receiving regular grants from the Diocese shall permit the assessment of its Rector or Priest-in-Charge to become three (3) months in arrears, as shown by formal statement from the office of The Church Pension Fund, the Treasurer of the Diocese is directed to pay said arrears in assessment and pay currently further assessments as they become due, deducting said payments from sums granted said Parish or Mission.

CANON 33
DEPUTIES TO THE GENERAL CONVENTION
AND THE PROVINCIAL SYNOD

Sec. 1. At the stated meeting of the Convention in the calendar year preceding the year in which the General Convention is to meet, four (4) members of the Clergy, canonically resident in the Diocese, and four (4) resident adult confirmed members in good standing, of the Diocese, shall be elected as Deputies of the Church in this Diocese to the General Convention for a term of three (3) years and until the election of their successors. At the same meeting, and in the same manner, two (2) members of the Clergy and two (2) Lay persons, having the qualifications for Deputies, shall be elected as Alternates.

Sec. 2. As soon as any one of the Deputies-elect shall find that such Deputy-elect will be unable to attend the General Convention, such Deputy shall signify this inability to the Ecclesiastical Authority. The Ecclesiastical Authority shall supply the vacancies so arising from the respective list of Alternate Clerical and Lay Deputies, in the Order in which such Alternate Deputies were elected.

Sec. 3. The Bishop, or in the Bishop's absence the Standing Committee, shall appoint such Deputies to the Provincial Synod as may be appropriate to the Synod Agenda in any year.

CANON 34
TRUSTEES OF THE UNIVERSITY OF THE SOUTH

The Trustees shall consist of one (1) member of the Clergy and two (2) Lay persons. At each Annual Convention one (1) Trustee shall be elected of the same Order as the retiring member for a term of three (3) years and until a successor is elected and qualified.

CANON 35
COMMITTEE ON CHURCH ARCHITECTURE AND ALLIED ARTS

Sec. 1. The Committee on Church Architecture and Allied Arts shall consist of the Bishop, who shall be a member, *ex officio*, no fewer than three (3) members of the Clergy, and two (2) Lay persons versed in ecclesiastical designs. The Committee shall be appointed by the Bishop at each Annual Convention.

Sec. 2. It shall be the duty of every Mission or Parish receiving aid from the Diocese to lay before this Committee plans of any new church, chapel, or related buildings, and of any proposed changes in any existent church, chapel, or related buildings; and no such work or erection or change shall be undertaken until the said plans have received the approval of the Committee.

Sec. 3. It shall further be the duty of the Committee, at the request of the Bishop, to advise the Council in the examination and approval of sites for the erection of proposed churches, chapels, and related buildings.

Sec. 4. The Committee shall also consider plans for the furnishing and embellishment of all such churches, chapels, and related buildings; and no work of erection, change, or ecclesiastical furnishings, including memorials, shall be undertaken until the plans have received the approval of the Committee.

Sec. 5. It shall be the duty of the Committee, when requested by any Parish, to extend assistance in the way of counsel and to advise with regard to the plans for any new church, chapel, or related buildings, or any change in the construction or ecclesiastical furnishings thereof, including memorials. The counsel and advice of the Committee shall be given in writing to the Parish requesting the same within one (1) calendar month after the receipt of the plans by said Committee.

CANON 36

CHURCH-RELATED INSTITUTIONS

Sec. 1 The mission and ministry of the Church in this Diocese can often be delivered through, or in cooperation with, other institutions. The Diocese, one or more of its parishes or committed Episcopalians have been instrumental in the founding and support of many institutions which have served not only the mission of the Church but also benefited their communities. Entities which are or have been affiliated with the Diocese include the Norton Hospital of Norton Healthcare, the Episcopal Church Home, the Home of the Innocents, the Woodcock Foundation, Saint Francis School, Saint Francis High School, Saint George's Community Center, Inc., Episcopal Housing Corporation of Kentucky, Inc., and the Aaron McNeil Center

Sec. 2. Every board, foundation or other entity existing prior to the amendment of this Canon which desires to benefit from the group income taxation exemption of the National Church and the Episcopal Church in this Diocese (other than its parishes, missions and ecclesial communities, all Commissions and Committees of the Convention, and all Departments and Committees of Trustees and Council) shall satisfy the following organizational requirements and be subject to the control of and be accountable to the Diocese:

(a). *Non-profit, charitable standards.* The entity shall be organized as a Kentucky charitable, non-profit corporation under Chapter 273 of the Kentucky Revised Statutes; adopt governing documents which qualify the organization as a “tax exempt organization” as defined in the United States Internal Revenue Code; obtain from the Internal Revenue Service its own employer identification number; and submit a request to the Bishop of this Diocese and to the Treasurer of the National Church to be recognized as a “local entity” of the Diocese for the purposes of the group exemption from income taxation provided for the National Church and its affiliated organizations; and

(b). *Control and Accountability standards.* The entity must: submit its articles of incorporation and bylaws, and all amendments to both, to the Chancellor or Vice Chancellor of the Diocese and obtain an opinion from either that the articles of incorporation and bylaws are not inconsistent with the Constitution and Canons of the National Church and the Charter and Canons of the Diocese; name either the Bishop or a rector or his or her appointee to serve as an *ex officio* member of its board of directors or trustees; submit a written report annually to the Treasurer of the Diocese and to the Chair of the Department of Mission and Evangelism concerning its programs and operations, and its compliance with the business and employment policies of the Diocese (including without limitation, non-discrimination in employment and programs, sexual misconduct and abuse prevention training, institutional financial controls, maintenance of liability insurance, submission of audits of its financial records, etc.); and, submit annually a report of its work to the Convention for inclusion in the *Journal*.

CANON 37

COMMITTEE ON CANONS

Sec. 1. At every stated meeting of the Convention, the Presiding Officer shall appoint a Committee on Canons consisting of five (5) Presbyters and five (5) resident Lay adult confirmed members in good standing of the Diocese who shall serve for one (1) year or until their successors are appointed.

Sec. 2. The Committee shall receive all proposed amendments of the Canons and after due consideration of same shall make a report to the Convention upon them. They shall also

present to the Convention such amendments as they may deem proper, originating within the Committee.

CANON 38

AMENDMENT OF THE CANONS

Sec. 1. Every proposed amendment of the Canons shall be presented in writing at a stated meeting of the Convention in the form in which it is designed to stand. It shall be referred to the Committee on Canons, who shall consider same, and make a report to the Convention with its recommendation. All proposed amendments affecting either the addition to or the alteration of the Diocesan Canons shall be sent, if possible, to the Chancellor at least three (3) months before the session of the Convention at which such amendment is intended to be presented, the Chancellor to present them to the Committee on Canons.

Sec. 2. The vote of the Clergy and Lay representation upon the report of the Committee shall be taken separately. If a majority of the votes cast by each Order shall be in its favor, it shall stand adopted, subject to the approval of the Bishop.

CANON 39

EPISCOPAL CHURCH FOUNDATION OF THE DIOCESE OF KENTUCKY

Sec. 1. There is hereby established the Episcopal Church Foundation of the Diocese of Kentucky which shall be governed and administered by the Trustees and Council of the Protestant Episcopal Diocese of Kentucky and in that capacity the Council shall have the custody and control and be charged with the investment of all funds entrusted to the said Council by the Convention, of all trust and capital funds heretofore in the custody of the Treasurer of the Diocese or of any other officer thereof (except reserve and funds for current use temporarily held in cash or short-term securities and except assets held in the Marmion Revolving Loan Fund, which shall remain in the custody of the Treasurer or the Treasurer's agent) and all other trust, permanent, or endowment funds received by the Diocese by gift, bequest, or devise, unless the will or instrument of donation specified otherwise.

Sec. 2. Purpose: It is not intended that the Foundation be used only to underwrite the routine work of the Church but that it shall serve to increase, promote, reinvigorate, and make more effective the Episcopal Church and its institutions throughout the Diocese of Kentucky.

Sec. 3. The aforesaid Council shall hold and administer all funds that may be turned over to it by the Convention, and all donations, bequests, devises, and legacies to the Diocese in accordance with the direction of the Convention, the donor, the grantor, or the testator. In all cases in which the donor, grantor, or testator has not indicated any special object to which the same shall be applied, then the same shall be applied in accordance with the directions of the Council. The Finance Committee may make recommendations to the Council for application of such property and the income therefrom.

Sec. 4. The Council may maintain such separate accounts within the Foundation as may in its opinion be necessary to properly separate the funds held for various purposes. However, there shall be separate accounts designated as:

(a) Endowment Fund, from which income only is to be expended. Gifts and bequests to the Endowment Fund shall be designated in its records, and in the annual report of the Foundation in accordance with the instructions of the donor or testator, or in such manner as the Council may direct if there are no such instructions; and the annual report shall show each gift or bequest by name together with the original amount thereof.

(b) Advance Fund, which shall be a general fund in which shall be placed funds awaiting expenditure for capital projects and funds received for expenditure and not as endowment.

(c) Marmion Revolving Loan Fund.

(d) Commingled Fund, in which shall be maintained funds received for particular Diocesan purposes or for the use of Diocesan Missions, and funds held for the use of any Organized Parish when a Parish requests that they be so held; and

(e) Such other accounts as the Council may establish. Unless otherwise designated in the will or instrument of gift, any gift, bequest, or devise to the Foundation shall be placed in one of the Funds as directed by the Council.

Sec. 5. The Council of the Diocese shall have an annual audit made at the close of each year by a Certified Public Accountant of all the funds held by the Foundation; and the Bishop, as Presiding Officer of the Council, or such other person as the Bishop may designate, shall make a report of the receipts and expenditures from the Foundation at the Annual Convention.

Sec. 6. The Council shall take such steps as it deems necessary to publicize the Foundation and its purposes.

CANON 40

LAY READERS

Sec. 1. The term "Lay Reader" is defined to mean a person who, after selection, training and licensing as in this Canon provided, regularly leads public worship under the direction of a member of the Clergy in charge of the Congregation. Training and licensing of Lay Readers within the Diocese of Kentucky shall be in such a manner as may be prescribed, from time to time, and in writing, directed to the Clergy, by the Bishop.

CHARTER OF THE PROTESTANT EPISCOPAL DIOCESE OF KENTUCKY, INC

ARTICLE I **NAME**

Section 1. The name of this corporation is “The Protestant Episcopal Diocese of Kentucky, Inc.”. It shall be known as and transact business under this name. It is referred to hereinafter as the “corporation”.

Section 2. The corporation is the successor to “The Bishop of Kentucky”, a corporation sole incorporated under Act of the General Assembly approved on March 6, 1888. The corporation has had continuous existence since that date under its previous names of “The Bishop of Kentucky”, “Trustees of the Episcopal Diocese of Kentucky”, “Trustees of the Protestant Episcopal Diocese of Kentucky”, and “Trustees and Council of the Protestant Episcopal Diocese of Kentucky” The name of this corporation was amended in 2011 to its present name.

ARTICLE II **DURATION**

The corporation shall have perpetual duration.

ARTICLE III **PRINCIPAL OFFICE AND REGISTERED OFFICE**

The mailing address of the corporation’s principal office is 425 South Second Street, Suite 200, Louisville, Kentucky 40202.

The registered office of the corporation is located at 425 South Second Street, Suite 200, Louisville, Kentucky 40202, and the name of the registered agent of the corporation at that address is The Right Reverend Terry Allen White.

ARTICLE IV **PURPOSES AND POWERS**

Section 1. This corporation is a constituent part of the Protestant Episcopal Church in the United States of America and as such the corporation adheres to the doctrine, discipline and worship of the Protestant Episcopal Church in the United States of America and is a component of the one holy Catholic and Apostolic Church of Christ. This corporation acknowledges the authority of the Protestant Episcopal Church of the United States of America over all of its property, real, personal and mixed. The corporation shall conduct its affairs in conformity with and obedience to the doctrine, discipline and worship provided by the Constitution and Canons of the Protestant Episcopal Church in the United States of America as such Constitution and such Canons may be amended from time to time. The corporation

and the Council (hereinafter defined) shall have the powers and authority provided by the Canons of the Diocese of Kentucky (including without limitation the Canons relating to business methods in church affairs) as adopted by the Convention of the Diocese, as such Canons may be amended from time to time.

Section 2. The corporation is organized and shall at all times be operated not for profit but exclusively for the benefit of and to carry out the purposes of the Episcopal Diocese of Kentucky, all within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”). No part of the corporation’s income or property shall inure to the private benefit of any donor, director or individual having a personal or private interest in the activities of the corporation. The corporation shall not directly or indirectly participate in or intervene in any political campaign on behalf of any candidate for public office. No substantial part of the corporation’s activities shall be carrying on propaganda or otherwise attempting to influence legislation (except as permitted by Section 501(h) of the Code). The corporation shall be authorized to pay reasonable compensation for services rendered, to make reimbursement for reasonable and appropriate expenses, and make distributions in furtherance of its exempt purposes described herein.

Section 3. Subject to the foregoing, this corporation shall have as supplemental powers the powers of a non-stock, non-profit religious corporation under the provisions of Chapter 273 of the Kentucky Revised Statutes. Without limitation, it shall have the power to sue and be sued and to contract and be contracted with. It shall have the power to hold all property heretofore conveyed, bequeathed or devised to Thomas Underwood Dudley as Bishop or to this corporation under its former names and to receive, hold and acquire by purchase, gift, bequest or otherwise, any property, real, personal, or mixed, in trust for the use and benefit of any parish or mission of said Church, or for any charitable or educational purpose or institution organized or to be organized by said Church, or under its supervision and direction. The corporation shall have the power to sell and convey, and to mortgage or pledge any of said property and to use or reinvest the proceeds, or any part thereof, arising therefrom for any purpose aforesaid. It may have and use a corporate seal and renew, alter and change the same at pleasure.

Section 4. Any provision of this Charter or the corporation’s by laws to the contrary notwithstanding, the corporation shall not have any purpose or object, nor have or exercise any power, or engage in any activity which in any way contravenes or is in conflict with the provisions of Sections 1 and 2 of this Article IV.

ARTICLE V MANAGEMENT

Section 1. The business of the corporation, and the temporal affairs of the Episcopal Diocese of Kentucky, shall be managed by a board which is known as Trustees and Council (hereinafter referred to as the “Council”). The Council shall be, subject to the authority of the Convention, the Canons of the Diocese and this Charter, the governing and policy making board of the Diocese of Kentucky. It shall carry out the policies of the Protestant Episcopal Diocese of Kentucky as established by the Convention of the Diocese. The Council shall make and preserve a full record of all its acts and shall have the right to adopt by laws,

rules and regulations for its government and the government of its various officers, agents, departments, commissions and committees.

Section 2. The Council shall be composed of the Bishop Diocesan, the Bishop Coadjutor if there is one, the Bishop Suffragan if there is one, the Secretary of the Diocese, the Treasurer of the Diocese, the Chancellor of the Diocese, and not less than 12 nor more than 17 additional Trustees. All of the Trustees, including the foregoing, shall be elected in the manner set forth in the Canons of the Diocese of Kentucky as adopted by the Convention of the Diocese, as such Canons may be amended from time to time.

Section 3. The Bishop shall be President of the Council. The Council may elect such other officers and appoint such other agents as it may deem proper, and it shall have power to fill any vacancies that occur among the Trustees during the recess of the Convention of the Diocese of Kentucky; provided however, that the Secretary, Treasurer and Chancellor shall be elected in accordance with appropriate provisions of the Canons of the Diocese of Kentucky. A majority of all members of the Council shall constitute a quorum.

Section 4. The Convention shall annually elect successors to the elected members whose terms have expired, but in the event of a failure to elect for any cause, the Trustees in office shall hold over until their successors have been elected and have qualified.

ARTICLE VI EPISCOPAL CHURCH FOUNDATION OF THE DIOCESE OF KENTUCKY

Section 1. All trust and capital funds heretofore in the custody of the Treasurer of the Diocese, or of any other officer thereof, all other trust, permanent or endowment funds heretofore received by the Diocese of Kentucky (other than the corpus administered by the Board of Trustees of the Bishop Dudley Memorial) by gift, bequest or devise (unless the will or instrument of donation specified otherwise), all further funds that may be designated by the Convention for other than current use, and all donations, bequests, devises and legacies to the Diocese of Kentucky for other than current use shall constitute the corpus of The Episcopal Church Foundation of the Diocese of Kentucky. The assets of the Foundation shall be accounted for separately from the annual budget of the Diocese and from any other current funds which are temporarily held in cash or short-term securities in the custody of the Treasurer or the Treasurer's agent.

Section 2. The Foundation shall be managed in accordance with the Canons of the Diocese.

Section 3. Notwithstanding any other provisions of this Charter, the Foundation shall be administered in all respects so as to comply with the applicable provisions of the Internal Revenue Code and the laws of the United States and the State of Kentucky respecting the capital and trust funds of religious bodies. In this connection, the income from such funds shall be distributed in each taxable year in such manner as not to subject the Foundation to tax under Section 4942 of the Internal Revenue code. Said Foundation is specifically prohibited from engaging in any act of self-dealing as defined in Section 4941(d) of the Internal Revenue Code, is prohibited from retaining any excess business holdings as defined in Section 4943(c), is prohibited from making any investments in such manner as to subject

the fund to tax under Section 4944 and is prohibited from making any taxable expenditures as defined in Section 4945(d).

ARTICLE VII
INDEMNIFICATION

The Council may provide for the indemnification of any Trustees or officers, and any former Trustees and officers, of the corporation to the extent provided by state law and the by laws; provided, however, such indemnification shall not be offered to any person with respect to an action which a majority of the impartial members of the Council determines was in conflict with the provisions of Kentucky law setting forth Standards of Conduct for directors or officers of charitable corporations or Articles IV or V of this Charter, and such indemnification shall not limit liability for: (a) any transaction in which a Trustee's or officer's personal financial interest is in conflict with the financial interest of the corporation; (b) for acts or omissions not in good faith or which involve intentional misconduct, or are known to the Trustee or officer to be a violation of law; or (c) or for any transaction from which the Trustee or officer derives an improper personal benefit.

ARTICLE VIII
AMENDMENTS

This Charter currently sets forth corresponding provisions of prior Charters as amended and supersedes the original Charter of the corporation and all prior amendments thereto. Future amendments to this Charter shall be adopted at an annual meeting of the Convention of the Diocese of Kentucky.

ARTICLES OF INCORPORATION OF THE BISHOP DUDLEY MEMORIAL FUND, INC.

Article I **NAME**

The name of this corporation, existing under the “Kentucky Nonprofit Corporation Acts” (KRS 273.161 to KRS 273.390, as they may be amended from time to time, the “Act”), shall be “The Bishop Dudley Memorial Fund, Inc.” (the “Corporation”).

ARTICLE II **BOARD OF TRUSTEES**

Section 1. The affairs of the Corporation shall be managed by a Board of Trustees composed of nine (9) Lay persons (“Trustees”) elected by the Convention of the Protestant Episcopal Diocese of Kentucky (the “Diocese”), a constituent entity of the Protestant Episcopal Church in the United States of America (the “PECUSA”). Except as limited by these Articles of Incorporation or Bylaws of the Corporation, the Board of Trustees shall have the powers of a board of directors under the Act, including the power to fill vacancies in the Board of Trustees during the recess of the Convention and to elect a President, a Vice President, a Secretary, a Treasurer, and such other officers as it may deem proper.

Section 2. In accordance with historic practice of the Corporation, the terms of three members of the Board of Trustees shall expire with the election of three successors at each regular annual Convention of the Diocese, to serve a term expiring at the third such regular annual Convention after their election. In the event of a failure to elect for any cause, those Trustees in office shall hold over until their successors are duly elected and qualified.

ARTICLE III **PARTICULAR PURPOSES AND POWERS**

Section 1. The Board of Trustees so constituted shall have charge of all money, funds and property of every kind and description, now held or which may hereafter be contributed for the support of the Episcopate of the Diocese, including when entrusted to its care the Episcopal residence or residences. The Board of Trustees shall have power to receive, acquire and hold in trust any and all property, real, personal, or mixed, which comes into its possession, whether by purchase, gift, bequest, or otherwise, solely for the support of the Episcopate of the Diocese, may sell and convey any of said property, receive and collect any rents and profits there from, and apply or re-invest the proceeds, or any part thereof, for said purpose.

Section 2. In furtherance of its purposes, the Corporation may engage in any and all lawful activities or pursuits for which a corporation may be incorporated under the Act and to exercise any and all powers that such corporations may now or hereafter exercise, whether or not specifically set forth herein, but subject to Sections 3 and 4 of this

Article III and any limitations contained in these Articles of Incorporation or Bylaws of the Corporation.

Section 3. The Corporation is a supporting organization of and for the PECUSA and the Diocese and as such the Corporation adheres to the doctrine, discipline and worship of the PECUSA and is a component of the one holy Catholic and Apostolic Church of Christ. The Corporation acknowledges the authority of the PECUSA over all of the Corporation's property, real, personal and mixed. The Corporation shall conduct its affairs in conformity with and obedience to the doctrine, discipline and worship provided by the Constitution and Canons of the PECUSA and the Canons of the Diocese (including without limitation the Canons of the Diocese relating to the Corporation and business methods in church affairs), as such Constitution of the PECUSA and such Canons of the PECUSA and the Diocese may be amended from time to time.

Section 4. The Corporation is organized and shall at all times be operated, not for profit, but exclusively for the benefit of and to carry out the purposes of the Diocese, all within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), so long as the Diocese qualifies as an organization described in Section 501(c) (3) or Section 509(a)(2) of the Code, in such manner that (i) no part of the Corporation's income or property shall inure to the private benefit of any donor, director or individual having a personal or private interest in the activities of the Corporation; (ii) the Corporation shall not directly or indirectly participate in or intervene in any political campaign on behalf of any candidate for public office; (iii) no substantial part of the Corporation's activities shall be carrying on propaganda or otherwise attempting to influence legislation (except as permitted by Section 501(h) of the Code); and (iv) the Corporation shall be authorized to pay reasonable compensation for services rendered, to make reimbursement for reasonable and appropriate expenses, and make distributions in furtherance of its exempt purposes described herein. Any provision of these Articles of Incorporation or the By-Laws of the Corporation to the contrary notwithstanding, the Corporation shall not have any purpose or object, nor have or exercise any power, or engage in any activity which in any way contravenes or is in conflict with the provisions of Sections 1, 3 and 4 of this Article III.

ARTICLE IV. **DURATION**

The Corporation was originally incorporated on September 15, 1905 under the name "Board of Trustees of the Bishop Dudley Memorial" and has had continuous existence since that date. The duration of the Corporation is perpetual.

ARTICLE V. **INVESTMENTS AND DISTRIBUTIONS**

Section 1. The Board of Trustees and any investment advisor which may be employed by the Board of Trustees in its discretion shall invest and keep invested all monies held by the Board of Trustees in such investments as are permitted by the laws of the Commonwealth of Kentucky. The Board of Trustees shall be the person responsible for managing and investing all institutional funds held by the Corporation for the purposes

of the Kentucky Uniform Prudent Management of Institutional Funds Act or any similar successor act.

Section 2. From the gross income derived from the funds in its hands, the Board of Trustees may in its discretion set aside, annually or at such other times as it may deem advisable, a portion of the income so received, which shall be added to and become a part of the principal. The Board of Trustees in its discretion may distribute each year to the Treasurer of the Diocese, for the benefit and support of the Episcopate of the Diocese, an amount equal to not more than the lesser of [i] five (5) percent of the trailing twelve (12) quarter moving market average value of the funds in its hands calculated as of June 30 of the prior year, or [ii] five (5) percent of the trailing four (4) quarter moving market average value of the funds in its hands calculated as of same date (in each case net of investment management expenses for the trailing four (4) quarters ended as of the same date).

ARTICLE VI. **DISSOLUTION**

The corporation may be dissolved by unanimous vote of the Board of Trustees and the concurring vote of the Convention in accordance with Canon 8, as it may be amended or superseded from time to time, and otherwise in accordance with the Act. In the event of a dissolution and liquidation, the assets of the Corporation in the process of dissolution shall be applied and distributed as follows:

(A) All liabilities and obligations of the Corporation shall be paid and discharged, or adequate provisions shall be made therefor.

(B) All other assets which are not held upon a condition requiring return, transfer or conveyance by reason of dissolution, shall be transferred or conveyed to the corporation now known as Trustees and Council of the Protestant Episcopal Diocese of Kentucky, a Kentucky non-profit religious corporation, if that organization at the time of transfer or conveyance, however then named, is described in Section 170(b)(1)(A) (other than in clauses (vii) and (viii)) and in Section 501(c)(3) of the Code, or in corresponding provisions of any subsequent federal tax laws. If that organization is not then (a) in existence, or (b) so described, then all remaining assets of the Corporation shall be transferred or conveyed [1] to a successor or similar existing organization in and of the Diocese organized and operated exclusively for the benefit of and to carry out the purposes of the PECUSA and the Diocese described in Section 170(b)(1)(A) (other than in clauses (vii) and (viii)) and in Section 501(c)(3) of the Code, or in corresponding provisions of any subsequent federal tax laws or [2] if there is no such organization then (a) in existence, or (b) so described, then to the Executive Council of the PECUSA.

ARTICLE VII. **BY-LAWS**

The Board of Trustees may adopt By-Laws for the Corporation and duly from time to time alter, amend, or repeal such By-Laws so long as the provisions thereof are not inconsistent with these Articles of Incorporation.

ARTICLE VIII.
REGISTERED OFFICE/AGENT

The registered office of the Corporation is presently 425 South Second Street, Suite 200, Louisville, Kentucky 40202 and the name of its registered agent at such address is Becky Meyer. The address of the registered office and the name of the agent may be changed from time to time in accordance with law without amendment to these Articles of Incorporation.

ARTICLE IX.
PRINCIPAL OFFICE

The mailing address of the Corporation's principal office is presently 425 South Second Street, Suite 200, Louisville, Kentucky 40202, to the attention of the President of the Corporation. The address of the principal office may be changed from time to time in accordance with law without amendment to these Articles of Incorporation.

ARTICLE X.
LIABILITY AND INDEMNIFICATION

Section 3. No Trustee shall be personally liable to the Corporation for monetary damages for breach of his or her duties as a Trustee after the date of filing these Amended and Restated Articles of Incorporation except for liability:

- (A) For any transaction in which the Trustee's personal financial interest is in conflict with the financial interests of the Corporation;
- (B) For acts or omissions not in good faith or which involve intentional misconduct or are known to the Trustee to be a violation of law;
- (C) For any transaction from which the Trustee derived an improper personal benefit.

If the Act is amended after approval of this Article to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a Trustee shall be deemed to be eliminated or limited by this provision to the fullest extent then permitted by the Act, as so amended. Any repeal or modification of this Article shall not adversely affect any right or protection of a Trustee existing at the time of such repeal or modification.

Section 4. The Board of Trustees may provide for the indemnification of any Trustee or officer, and any former Trustee or officer, of the Corporation or other person to the extent provided by state law and the By-Laws of the Corporation, except in relation to any matters as to which he or she shall be adjudged to be liable for negligence or misconduct in the performance of duty to the Corporation and subject to the general fiduciary standards of conduct applicable to all (i) directors set forth in KRS 273.215 and (ii) officers set forth in KRS 273.229.

ARTICLE XI.
MEMBERS

The Corporation shall have no members, nor shall it issue shares of capital stock.

ALPHABETICAL INDEX OF THE CANONS

	Page
- A -	
Admission of Parishes into Union with the Convention.....	D-19
Aided Parish.....	D-20
Amendment of Canons	D-33
Architecture, Church and Allied Arts, Committee on.....	D-31
Auditing of Church Funds	D-13
- B -	
Bishop Dudley Memorial, Board of Trustees of the	D-29
Bishop, Election of a.....	D-6
Bonding of the Treasurer and Custodians of Funds.....	D-10, D-13
Boundaries of the Diocese	D-3
Budget, Trustees and Council	D-14
Business Methods in Church Affairs	D-13
- C -	
Canons, Amendment of.....	D-33
Canons, Committee on.....	D-32
Cathedral, The	D-25
Chancellor of the Diocese	D-12
Charters:	
The Protestant Episcopal Diocese of Kentucky	D-35
Bishop Dudley Memorial Fund, Inc.	D-39
Church Architecture and Allied Arts, Committee on	D-31
Church in America, Relationship to the	D-3
Church-Related Institutions	D-32
Church Pension Fund.....	D-29
Clergy, Duties of the	D-25
Commission on Ministry.....	D-28
Committee on Canons.....	D-32
Committees of Trustees & Council.....	D-17
Congregations, Merger or Consolidation of	D-21
Convention:	
Eligibility to Vote in	D-3, D-4
Meetings, Members and Organization of the	D-3
Membership of	D-3
Presiding Officer of the	D-8
Quorum of	D-8
Voting in the	D-9
Council, Trustees and.....	D-16
Credentials for Convention	D-3, D-4
- D -	
Deputies to the General Convention and the Provincial Synod.....	D-31
Diocesan Budget	D-14
Diocesan Missions and Ecclesial Communities	D-18

Diocese:	
Budget of the	D-14
Charter	D-35
Chancellor of the	D-12
Trustees and Council of the	D-16
Historiographer of the	D-11
Registrar of the	D-11
Secretary of the	D-10
Standing Committee of the	D-12
Territorial Extent of the	D-3
Treasurer of the	D-10
Dissolution of the Pastoral Connection.....	D-23
Dudley Memorial, Board of Trustees of the Bishop	D-29
Dudley Memorial Fund, Inc.	D-39
Duties of the Clergy	D-25
Duties of the Laity	D-25
Duties of Vestries	D-22
- E -	
Ecclesial Communities.....	D-18
Ecclesiastical Discipline	D-26
Election of a Bishop.....	D-6
Election of Vestry.....	D-21
Episcopal Church Foundation of the Diocese of Kentucky	D-33
Extent of the Diocese	D-3
- F -	
Finance, Committee on	D-17
Foundation, Episcopal Church, Diocese of Kentucky	D-33
Fund, Church Pension	D-29
Furnishing, or Arrangements, of the Chancel	D-25
- G -	
General Church, Adherence to Canons of the	D-3
General Convention, Deputies to the	D-31
- H - I -	
Historiographer of the Diocese	D-11
Indebtedness of Parish or Mission	D-14
Institutions, Church-Related	D-32
Insurance of Buildings and Contents	D-14
- L -	
Laity, Duties of the.....	D-25
Lay Readers	D-34
- M -	
Meetings and Members of the Convention	D-3
Meetings, Parish, and Voters at the same.....	D-21
Memorial, Board of Trustees of the Bishop Dudley	D-29
Merger or Consolidation of Congregations	D-21
Methods, Business, in Church Affairs	D-13
Ministry, Commission on	D-28

Missions, Diocesan, and Ecclesial Communities	D-18
- N -	
New Parishes, Admission of	D-19
- O -	
Organization of the Diocese.....	D-3
- P -	
Parish Meetings and Voters at the same	D-21
Parish, Aided	D-20
Parishes, Admission of New	D-19
Parishes, Reverting to Mission Status.....	D-20
Parishes, Temporary Supply of Vacant	D-24
Parochial Reports	D-4
Pastoral Connection, Dissolution of the.....	D-23
Pension Fund, The Church.....	D-29
Presiding Officer of the Convention	D-8
Provincial Synod, Deputies to the.....	D-31
- Q -	
Quorum of the Convention	D-8
- R -	
Readers, Lay	D-34
Registrar of the Diocese.....	D-11
- S -	
Secretary of the Diocese	D-10
Standing Committee of the Diocese	D-12
Supply, Temporary, of Vacant Parishes.....	D-24
Synod, Deputies to the Provincial.....	D-31
- T -	
Temporary Supply of Vacant Parishes	D-24
Territorial Extent of the Diocese.....	D-3
Transfer of Communicants.....	D-25
Treasurer of the Diocese	D-10
Trustees, Board of, of the Bishop Dudley Memorial	D-29
Trustees and Council.....	D-16
Trustees of the University of the South	D-31
- V -	
Vacant Parishes, Temporary Supply of	D-24
Vestries, Duties of	D-22
Vestries, Election of	D-21
Voters at Parish Meetings.....	D-21
Voting at the Convention.....	D-9

BY-LAWS
OF
TRUSTEES AND COUNCIL
DIOCESE OF KENTUCKY

(REVISION OF 2007; AS AMENDED THROUGH JANUARY 2013)

CONTENTS OF THE BY-LAWS

(Listed in Numerical Order)

I.
TRUSTEES AND COUNCIL

Section 1.1	Executive Committee	50
Section 1.2.	Standards of Membership on Trustees and Council	50
1.2.1	Commitment.....	50
1.2.2	Preparation and Materials	50
1.2.3	Attendance and Participation	51
1.2.4	Conduct of Meetings	52
1.2.5	Witnessing.....	52
1.2.6	Group Life.....	52
1.2.7	Worship	52
1.2.8	Resolutions.....	52
1.2.9	Right to Limit Debate.....	52
1.2.10	Conflict of Interest.....	53

II.
UNITS THAT COMPOSE THE DIOCESE

Section 2.1.	Organizational Units of the Diocese.....	53
2.1.1	Departments	53
2.1.2	Committees	53
2.1.3	Commissions.....	53
2.1.4	Deaneries.....	53

Section 2.2.	Departments	54
2.2.1	Department of Stewardship and Finance	54
2.2.2	Department of Christian Formation	54
2.2.3	Department of Justice and Jubilee.....	54
2.2.4	Department for Mission and Evangelism	55
Section 2.3.	Committees of Trustees and Council	55
2.3.1	Finance Committee	55
2.3.2	Investment Committee	56
2.3.3	Budget Committee	57
2.3.4	Mission Funding Committee.....	58
	1. General.....	58
	2. Processing Applications for the Forward Fund	58
	3. Processing Applications for the Advance Fund.....	59
2.3.5	Audit Committee	60
2.3.6	Real Estate Committee.....	61
Section 2.4.	Diocesan Institutions and Other Organizations.....	61
2.4.1	Board of All Saints' Episcopal Center	61
2.4.2	St. George's Community Center	61
2.4.3	Episcopal Housing Corporation	61
Section 2.5.	Deaneries.....	61

III.

ADDITIONAL BUSINESS METHODS IN CHURCH AFFAIRS

Section 3.1.	Special and Emergency Needs	62
Section 3.2.	Expenditures Made By Various Departments.....	62
Section 3.3.	Adjustments by Departments, Committees, Commissions and Boards of their Budgets.....	62
Section 3.4.	Purchases of Tangible Personal Property	62
Section 3.5.	Episcopal Church Foundation and Marmion Revolving Loan Fund.....	63
3.5.1	Commingled Fund for Investment.....	63
3.5.2	Marmion Revolving Loan Fund	63
Section 3.6.	Use of Unrestricted Gifts, Bequests, etc.....	66

Section 3.7.	Reimbursement of Travel Expenses	66
Section 3.8.	All Saints' Episcopal Center Endowment Fund	67
Section 3.9.	Use of Discretionary Funds	67
Section 3.10.	Preparation for the Erection of Buildings by Congregations	67
Section 3.11.	Annual Rental Allowance for Missionaries.....	68
Section 3.12.	Electronic Participation and Unanimous Action	68
Section 3.13.	Vouchers, Fund Transfers and Monthly Reconciliation.....	68

I. TRUSTEES AND COUNCIL

Section I.1. Executive Committee. The Executive Committee of Trustees and Council shall consist of the Bishop, the Vice President, the Secretary, the Treasurer, the Chancellor, and one (1) member-at-large elected from and by Trustees and Council. No action may be taken by the Committee in the absence of more than one (1) of the six (6) designated members.

(a) The Executive Committee shall meet at the call of the Bishop to consider and act upon, as necessary, such matters as in the Bishop's opinion require attention prior to the next meeting of Trustees and Council but do not justify the calling of a special meeting of Trustees and Council. The Bishop shall make a full report to the next meeting of Trustees and Council upon the matters presented to the Executive Committee at any such meeting and of the action taken thereon. Each action of the Executive Committee must be ratified by Trustees and Council at the next regular or special meeting.

(b) Written notice of each meeting of the Executive Committee shall be given in advance to each member of Trustees and Council with a specific statement about the purpose of the meeting. Any four (4) members of Trustees and Council may cause the meeting to be canceled if they desire to call a special meeting, as provided in Canon 17, Section 4. The Executive Committee may also act as a Review and Agenda Committee and as such shall prepare the agenda for any forthcoming meeting of Trustees and Council, provided that when it is acting solely as a Review and Agenda Committee, no written notice shall be required.

Section I.2. Standards of Membership on Trustees and Council.

I.2.1 Commitment. Election to Trustees and Council by the Convention or pursuant to the Diocesan Canons is a privilege and an honor. Acceptance of membership on Trustees and Council signifies acceptance of the administrative and fiduciary responsibilities placed upon Trustees and Council by the General Convention Canons, the Diocesan Canons and resolutions of the Convention. Fulfillment of these responsibilities requires the agreement of all members of Trustees and Council of the provisions of the following covenant.

I.2.2 Preparation and Materials.

(a) Members will review with care, prior to each meeting, all materials provided with respect to matters to be considered at the meeting.

(b) Each member who is responsible to provide materials to the members of the Trustees and Council agrees to use his or her best efforts to deliver them to the diocesan staff at least seven business days prior to the date of the meeting so that the staff can distribute the materials to the Trustees and Council in a timely manner. If the member is unable to meet this deadline, he or she will provide the materials to the other members of the Trustees and Council by mail, fax or email for delivery to the members

at least two business days prior to the meeting. If any member distributes materials at a meeting, he or she will understand that the materials will be given only for information, and that Trustees and Council will not be asked to act on the information except in case of emergency.

(c) If materials relating to a matter that is to be considered at a meeting of Trustees and Council are emailed to a member, he or she will download and print the materials and bring them to the meeting.

1.2.3 Attendance and Participation.

(a) Members recognize that the Trustees and Council can act only if a quorum is present and that each appointment to the Trustees and Council is personal and cannot be delegated. Accordingly, each member will use his or her best efforts to attend in person all meetings of the Trustees and Council and will not be absent from a meeting except for serious reason such as personal illness or other reason not within his or her control. If a member misses more than two Trustees and Council meetings in a calendar year (except for serious reasons), he or she we may be asked by the Bishop to resign from Trustees and Council and, if applicable, from the position that causes him or her to be a member of the Trustees and Council.

(b) Each member will use his or her best efforts to attend the meetings of committees, commissions, task forces and other working groups (collectively, “Groups”) on which he or she serves. Each member who is a Chairperson or convener of a Group will provide minutes of the Group to the diocesan office promptly after the minutes are prepared. If meetings are held by teleconferencing technology call, every member agrees to use his or her best efforts to participate in these calls. If a member is unable to attend an in-person meeting of a Group, he or she will attempt to attend the meeting by conference telephone call with the permission of the Chairperson.

(c) Each member will use his or her best efforts to be on time for all meetings and be present for the entire meeting.

(d) Each member will give full attention to each matter being considered and to listen respectfully to each person who speaks at the meeting. Each member agrees to express all questions, concerns and positions on all matters on which he or she has a question, a concern or a position.

(e) Each member will direct all comments to the substance of the matter being considered and will avoid all statements that might harm another or diminish another’s reputation.

(f) During the course of a meeting, each member will turn any cell phones off or adjust them (such as by putting them in “vibrate” mode) so that the receipt of a call will not disturb others. If a member receives a call that requires immediate attention, he or she will leave the meeting with decorum and participate in the call outside the room in which the meeting is being held and outside the hearing of those attending the meeting.

(g) Each member will act so that Trustees and Council fulfills its legal obligations to the Diocese and its people under the Kentucky Not-For-Profit-Corporation Law and the Canons of the General Convention and of the Diocese.

I.2.4 Conduct of Meetings.

(a) Each member will listen with care to the views and questions of others and to use best efforts to understand and appreciate the positions of all persons who address Trustees and Council.

(b) Each member will seek consensus on all matters presented to the Trustees and Council.

(c) Each member will seek to maintain an appropriate balance concerning the duration of discussions. Mindful of the value of the time of fellow members, each member will avoid making cumulative and repetitive comments. At the same time, each member agrees that all persons should be encouraged to speak at meetings. Trustees and Council should not unduly restrict discussion of any matter as to which members desire to continue deliberations.

(d) In making reports to Trustees and Council, each member can expect that all other members have reviewed written reports in advance of the meeting and that only highlights of the report, or other matters that are not readily apparent from the written material, should be presented orally at the meeting. Each member will answer all questions concerning his or her reports in appropriate detail.

I.2.5 Witnessing. Membership on Trustees and Council quite often needs the extra work of mediation; *i.e.*, the work which we complete often must be interpreted and clarified to the Diocese through its congregations and groups.

I.2.6 Group Life. Members will maintain the life and cohesiveness of the group.

I.2.7 Worship. The life of Trustees and Council will include an expression of corporate worship at every meeting in which members of Council will participate.

I.2.8 Resolutions. In order to assure that the wording of motions is properly recorded, motions other than purely procedural ones shall be submitted in writing to the Secretary either before being made or promptly after having been made.

I.2.9 Right to Limit Debate. Whenever discussion on an issue becomes prolonged, a vote may be called for to: (a) refer to a future meeting's agenda; (b) limit debate; or (c) call for the question.

I.2.10 Conflict of Interest. No contract or other transaction entered into by the Council, or the Executive Committee, shall be void, and no member of the

Council shall be deemed to have violated his or her fiduciary obligations to the Council or the Diocese, by reason of a direct or indirect conflict of interest if either the material facts of the contract or transaction and as to the member's interest in such contract or transaction, or as to any common directorship, officer ship or financial interest, are disclosed in good faith or known to the Council or Executive Committee and the Council or the Executive Committee before the Council or Executive Committee authorizes such contract or transaction by a vote sufficient for such purpose without counting the vote or votes of such interested member, or the transaction, after completion, is found to have been fair to the Diocese. For the purpose of this By-Law:

(a) A conflict of interest is a transaction with the Council in which a member or officer has a direct or indirect interest.

(b) A member shall be considered to have an indirect interest in a transaction if (a) another entity in which he or she has a material financial interest or in which he or she is a general partner or shareholders is a party to the transaction; or (b) another entity of which he or she is a director, officer, trustee is a party to the transaction and the transaction is or should be considered by the Council or the Executive Committee.

II. UNITS THAT COMPOSE THE DIOCESE

Section II.1. Organizational Units of the Diocese.

II.1.1 Departments. Departments are responsible for comprehensive, ongoing work of the Church in relationship with the Bishop and receive their funding from, and report to, Trustees and Council. The present Departments are: Finance and Stewardship, Christian Formation, Justice and Jubilee, and Evangelism and Congregational Development. Designated members of Trustees and Council serve as liaisons to each of the Departments. Communications among the Departments are coordinated by the Canon to the Ordinary.

II.1.2 Committees. Committees of Trustees and Council are each responsible for a clearly defined and limited area of responsibility and each reports to Trustees and Council. The Committees of Trustees and Council are: Finance Committee, Investment Committee, Budget Committee, Mission Funding Committee, Audit Committee, and Real Estate Committee. Other committees which report to either the Bishop or to the Diocesan Convention include: Standing Committee, Disciplinary Board, Committee on Canons, Committee on Church Architecture and Allied Arts, Committee of the Church Pension Fund, the All Saints' Episcopal Center Board and the Board of Trustees of the Bishop Dudley Memorial.

II.1.3 Commissions. Commissions function as an extension of the Bishop's Ecclesiastical role and are advisory to the Bishop. Present Commissions are: Commission on Ministry, Liturgical Commission and Ecumenical Commission.

II.1.4 Deaneries. Deaneries coordinate the talents of ministries of the Episcopal congregations in certain areas.

Section II.2. Departments.

II.2.1 **Department of Stewardship and Finance.** This Department is composed of a Chairperson, who is appointed by the Bishop, the Treasurer of the Diocese *ex officio*, the President of the Bishop Dudley Memorial Fund, Inc. *ex officio*, and the Chairpersons of each of the following Committees of Trustees and Council: the Finance Committee, the Investment Committee, the Budget Committee, the Mission Funding Committee and the Audit Committee. The Department coordinates the activities of the constituent committees and reports to the Bishop and Trustees and Council. In addition to other duties, the Chairperson of the Department plans and promotes programs to encourage each person's pledging of time, talent and treasure to the Lord's service throughout his Church with the assistance of such additional volunteers as the Chairperson may enlist from time to time. The Controller is staff liaison to this Department.

II.2.2 **Department of Christian Formation.** This Department conducts, coordinates and encourages Christian formation activities including Education for Ministry programs, and develops and distributes resources for use throughout the Diocese. The Department is composed of a Chairperson, who is appointed by the Bishop, and such other persons who are nominated by the Bishop and confirmed by Trustees and Council. The diocesan Youth and Young Adults Director is staff liaison to the Department of Christian Formation. The Department shall coordinate, review and approve resources for Christian Formation and make them available to Parishes, Missions, Diocesan organizations and clergy involved in college ministries. The Department will solicit and distribute resources for church school, adult education, leadership training, camps and conferences. The Department may sponsor and promote programs in any of these areas as needed by the Church. The Department shall coordinate the Diocese's programs and ministries for youth and young adults in order to provide continuity of concept and content for youth and young adults despite the great flux among youth and young adults themselves. The Department shall report concerning its programs to Trustees and Council.

II.2.3 **Department of Justice and Jubilee.** This Department explores religious and social outreach opportunities in response to diocesan and social needs, and assists the Bishop and others to advance responses in the community. The Department is composed of a Chairperson, who is appointed by the Bishop, and such other persons who are nominated by the Bishop and confirmed by Trustees and Council. The diocesan Communications Director is staff liaison to the Department of Justice and Jubilee. The Department shall explore the social implications of the Gospel as they affect the communities in which parishes and missions are located, assist the Bishop, the diocesan staff, Departments and Commissions, individual congregations, and Episcopalians in advancing gospel-based responses to community needs, keep the Bishop and Trustees and Council informed about which concern the Church, and be available to advise the Bishop and/or Trustees and Council on request. The Department will assist Trustees and Council in the evaluation of all programs, including without limitation the United Thank Offering, the Episcopal Relief and Development and the Millennium Development Goals, which constitute part of the Church's response to social needs. The

Department will serve as the channel through which funds are provided in the operating budget for projects supported.

II.2.4 **Department of Mission and Evangelism.** This

Department oversees and promotes diocesan and congregational mission planning and implementation, and submits periodic reports to Trustees and Council concerning its activities. The Department is composed of a Chairperson, who is appointed by the Bishop, and such other persons who are nominated by the Bishop and confirmed by Trustees and Council. The Canon to the Ordinary is staff liaison to the Department of Mission and Evangelism. This Department coordinates its work with the *Mission Funding Committee* by submitting recommendations from time to time concerning the merits of funding requests for grants and loans to the *Mission Funding Committee*. The Department also coordinates its work with the *Budget Committee* by submitting recommendations annually concerning the merits of requests from missions and ecclesial communities for funding in the next annual budget of the Diocese. The Department shall have a special concern for the evangelistic role of the Church. It will keep before the congregations of the Diocese the challenge of a clear presentation of the Good News which expects and receives a response from Christians through the living out of their baptismal covenant. Members of the Department will stay informed on styles and methods of evangelism elsewhere in the Church and serve as a resource to congregations interested in special programs of evangelism and assist them to the extent possible when asked.

Section II.3. Committees of Trustees and Council.

II.3.1 **Finance Committee.**

(a) The Finance Committee is the entity within the Diocese which is created in accordance with Diocesan Canon 17, Section 8. The Finance Committee shall consist of a Chairperson who is a lay person who is appointed by the Bishop, the Treasurer of the Diocese *ex officio*, the President of the Bishop Dudley Memorial Fund, Inc. *ex officio*, and such additional members as are nominated by the Bishop and approved by Trustees and Council.

(b) The Finance Committee shall supervise on behalf of Trustees and Council compliance with the “business methods in church affairs” which are set forth in General Convention Canon I.7.1(a), Diocesan Canon 15 and Section III of these By-Laws, and shall report to Trustees and Council from time to time concerning compliance therewith. The Finance Committee is also responsible for: fiscal planning for the short and long range financial support of the Diocese; the administration of funds budgeted for diocesan operations, purposes, goals, and principles; reporting to Trustees and Council on the status of accounts; evaluating recommendations provided to Trustees and Council associated with annual audits of diocesan fiscal affairs; and general oversight over the income and expenses of the Diocese.

(c) The Committee will receive reports on the real and personal property of the Diocese and on trusts and reserve funds and their investment and may

make recommendations on policies governing the purchase, sale, and disposition of real and personal property of the Diocese or property in which the Diocese has an interest and on policies governing the purchase, sale and disposition of securities held by trusts and reserve funds and on interest received by them, although the responsibility for the proper investment of the funds shall reside in the *Investment Committee*. The Committee will review the regular financial statements prepared in the diocesan office and, working with the Treasurer, will make certain that funds are available for authorized expenses. The Finance Committee will receive recommendations from the *Mission Funding Committee* concerning proposed grants from the *Forward Fund* or the *Advance Fund* and proposed loans from the *Marmion Revolving Loan Fund*. If the Finance Committee agrees that the recommendation of the *Mission Funding Committee* complies with the requirements for the proposed grant or loan, determines that sufficient resources are available and that the applicant is in compliance with diocesan Canons and policies, the Finance Committee will approve funding for the grant or loan. If the amount of the grant or loan as approved by the Finance Committee is less than \$15,000, the Chairperson of the Finance Committee shall authorize the Treasurer of the Diocese to fund the grant or loan. If the amount of the grant or loan as approved by the Finance Committee is in excess of \$15,000, the application must be approved in advance by Trustees and Council. If Trustees and Council approves the funding of the grant or loan, Trustees and Council shall authorize the Treasurer of the Diocese to fund the grant or loan. The Finance Committee shall monitor compliance by the recipients with the terms of all *Forward Fund* and *Advance Fund* grants. The Finance Committee shall monitor compliance by the recipients with the terms of all *Marmion Revolving Fund* loans that are disbursed, and the Committee shall, if appropriate, refer defaulted loans to the Chancellor for collection.

(d) The Committee shall meet at least four (4) times each year, shortly prior to regular meetings of Trustees and Council. The Committee may have such other meetings as the Chair shall determine.

II.3.2 **Investment Committee**. The Investment Committee is the entity within the Diocese which is created by Diocesan Canon 17, Section 11. The Investment Committee shall consist of three (3) persons, one of whom shall be the Chairperson, who is appointed by the Bishop, and two (2) additional persons, one of whom shall be a member of the Clergy, who are nominated by the Bishop and approved by Trustees and Council. At least one member of the Investment Committee shall be a member of Trustees and Council. The Investment Committee shall have the responsibility, either by itself or through agents of its choosing, to provide for the investment and reinvestment of the securities and other intangible property of the Diocese, without the prior approval of any transaction by the Trustees and Council, subject to the limitations of Diocesan Canon 17, Section 11. The Investment Committee shall supervise the investment and reinvestment of funds of the Episcopal Church Foundation of the Diocese of Kentucky in accordance with the provisions of Diocesan Canon 39. The Investment Committee shall report concerning the investment results and compliance with the Canon and diocesan policies to Trustees and Council.

II.3.3 **Budget Committee.**

(a) At a regularly scheduled meeting of the Trustees and Council before July 1 of each year, the Bishop shall appoint a Budget Committee which shall consist of a Chairperson, who is a member of Trustees and Council and appointed by the Bishop, and not less than four (4) nor more than six (6) additional persons who are nominated by the Bishop and approved by Trustees and Council. A majority of the members of the Budget Committee, including the Chair, shall be members of Trustees and Council.

(b) The Committee shall solicit requests for, and opinions concerning, funding the annual operations of diocesan programs and operations from diocesan officers, Departments, Committees, Commissions, missions and other ecclesial communities and church related institutions. The Committee shall review all such requests and opinions and present a recommended Diocesan operating budget for the coming year to Trustees and Council at a regularly scheduled meeting before July 1 of each year. Proposed expenditures shall be balanced against anticipated available income and other resources.

(c) At the meeting of Trustees and Council after July 1 of each year, a list of all organizations supported in the current Diocesan budget will be submitted to Trustees and Council showing the amount involved, the purpose of the organization, and the nature of Diocesan participation. Trustees and Council will instruct the Budget Committee on any desired changes in support prior to the preparation of the Diocesan budget for the following year. Continuing support will go to the line item budgets for the organizations and will not be itemized in the Diocesan budget. (Examples of organizations in this category are ESMA, EDEO, Episcopal Peace Fellowship.)

(d) Prior to the preparation of the Diocesan budget in each year, any agency of community service supported by the Diocesan budget will be expected to present a written request for assistance on a form prepared by and furnished by the Diocese. The organization will be asked by that form to justify its need for the coming year, and to present a moving three-year projection of its program which can be looked at in relation to the Mission Statement and Goals of the Diocese. (Examples of organizations in this category are St. George's Community Center, and Aaron McNeil House.)

(e) As a normal practice, the Diocese will pay its "fair share" of any support of any organization in which the Trustees and Council has or the Diocesan Convention has concluded that the Diocese shall have membership, as determined by the Board of the organization, if the Diocese is officially represented on the Board. Should there be a request for more than what is deemed by the Diocesan representative to be such fair share, specific action by Trustees and Council authorizing payment of such a request must be taken in advance of payment. In the event that Trustees and Council determines that other member organizations are not paying their fair share, the Diocese will pay no more than twenty percent (20%) above the average being paid by other members. (Example: If the average support is seventy percent (70%) of the amount

requested, the Diocese will pay not more than ninety percent (90%) of its requested amount.) (Examples of organizations in this category are: Kentucky Council of Churches, Kentuckiana Interfaith Community.)

(f) Trustees and Council shall cause the Committee's proposed Diocesan budget, as tentatively adopted by Trustees and Council, to be published to each congregation.

(g) Not less than thirty (30) days prior to the next annual Convention the Committee shall review the actual amount of income pledged by the congregations. In the case of any congregation which has not submitted a pledge, the Committee may estimate the amount it believes such congregation will ultimately pledge, based on reliable information the Committee has developed, including but not limited to the past history of the congregation's acceptances and verbal assurances or estimates from congregation leadership. The Committee may add to such income anticipated from congregations, if it thinks it proper to do so, all or part of its estimate of the income to be derived during the budget year from surplus or endowed funds, bearing in mind the provisions of Canon 39, Section 2. Proposed expenditures shall be reviewed and adjusted to balance with anticipated total income. The budget thus developed by the Committee shall be recommended to Trustees and Council for adoption in time for distribution along with Advance Reports to the Clergy and elected deputies prior to the convening of the Convention.

II.3.4 Mission Funding Committee.

1. **General.** The Mission Funding Committee shall consist of a Chairperson, who is appointed by the Bishop, and such additional members as are nominated by the Bishop and approved by Trustees and Council. The members of the Committee shall include at least two (2) members of the *Department of Mission and Evangelism*. Members of the Mission Funding Committee will be asked to serve three-year terms, with one-third of the members rotating off each year. The Mission Funding Committee shall be responsible for processing applications for grants from the *Forward Fund* and the *Advance Fund* and recommending the funding of worthy requests to the *Finance Committee* in writing. The Mission Funding Committee's report to the Finance Committee shall include the Mission Funding Committee's assessments concerning the priority it assigns to the approved grant applications in the event that sufficient funds are not available to provide for full funding of all approved applications. The Mission Funding Committee shall review requests from congregations for subsidies in the next year's annual diocesan budget and recommend the funding of worthy requests to the *Budget Committee* in writing. The Mission Funding Committee will report concerning the number of applications received and acted upon to Trustees and Council at its next regularly scheduled meeting.

2. **Processing Applications for the Forward Fund.** The Mission Funding Committee will be responsible for the selection of congregations and officially constituted bodies within the Diocese to receive funding from the Forward Fund for new, creative, and innovative programs that will further the ministry of the Church. Projects must be presented by an organizational unit of the Diocese: Parish, Mission, Department,

Committee, Commission, or church-related institution. The Committee must report its actions to Trustees and Council at the next regularly scheduled meetings, including ways in which each grant fulfills the Fund objectives.

(a) All proposals for funding must be in writing. The proposal will state the purpose, timetable, and leadership of the project as well as standards against which success will be measured. The primary criterion used by the Committee will be whether the project proposed will strengthen, renew, or build up the ministry of the Episcopal Church. Additional considerations will give preference to originality and potential success and will preclude budgetary support for any ongoing project or program. The Committee will work with the applicants to modify their applications to help them conform to the goals of the Forward Fund.

(b) No Forward Fund monies will be used to balance the Diocesan Budget. The Forward Fund corpus will not be reduced except by vote of the Diocesan Convention.

(c) The following criteria will guide the Committee:

(i) Special preferences and attention will be given to new modes and expressions of Christian ministry.

(ii) Only proposals with definite time frames and (if needed) plans for future funding will be considered for assistance.

(iii) Low priority will generally be accorded proposals dealing with routine costs or “survival” programs.

(iv) The presenting body is expected to demonstrate its support of the proposal through a commitment of additional funds, leadership, and volunteer services, as appropriate.

(v) Preference will be given where two (2) or more units of the Diocese are cooperating in the project or when it is ecumenical in nature.

(vi) Projects must be consistent with the goals and objectives of the Diocese of Kentucky.

(d) Recipients will be notified by the Chair of the Committee who will inform them of expectations in terms of progress reports, financial statements, and evaluations to be submitted to the Committee. If a grant made has not been drawn within eighteen (18) months by the recipient, the commitment to the recipient shall lapse unless the recipient requests and the Committee approves an extension.

(e) The *Finance Committee* shall advise the Mission Funding Committee at least semi-annually as to the Fund income balance available for distribution.

3. ***Processing Applications for the Advance Fund.*** The Mission Funding Committee will be responsible for the selection of congregations and officially

constituted bodies within the Diocese to receive funding from the Advance Fund. The Advance Fund is a general fund within the Episcopal Church Foundation of the Diocese, described in Diocesan Canon 39, in which is placed funds awaiting expenditure for capital projects and funds received for expenditure rather than permanent endowment.

II.3.5 Audit Committee.

(a) The Audit Committee shall consist of a Chairperson appointed by the Bishop and such additional members as are nominated by the Bishop and approved by Trustees and Council. This Committee is responsible for recommending the selection of a firm of certified public accountants to Trustees and Council and negotiating with the selected firm the terms of engagement for annual audits of all diocesan accounts, including the permanent and endowment funds of the Episcopal Church Foundation of the Diocese, and for such additional work as Trustees and Council and the Audit Committee deem prudent concerning the financial affairs of the Diocese.

(b) Upon approval of the *Finance Committee* and then Trustees and Council, the Chairperson of the Audit Committee shall sign a letter of engagement on behalf of Trustees and Council with a firm of certified public accountants. The diocesan staff will provide copies of the letter of engagement to at least the Bishop, the Treasurer, the Chairperson of the *Finance Committee*, the Canon to the Ordinary and the Controller.

(c) The Audit Committee will assist the diocesan staff during the conduct of annual audits of diocesan accounts. Upon completion of the auditors' work pursuant to the letter of engagement, the Audit Committee will review the auditors' report or reports and their management letter or auditors' comments, the Audit Committee shall forward the results of the audit and the auditors' comments to Trustees and Council, and the Audit Committee shall convey to Trustees and Council the Audit Committee's own recommendations and comments concerning the audit and the audit process to Trustees and Council. The sequential order of approval of the annual audit shall be: (1) the Audit Committee; (2) the *Finance Committee*; and (3) Trustees and Council. Each member of Trustees and Council will receive original copies of the auditors' reports and auditors' comments. The Controller shall make copies of the most recent annual audit of diocesan accounts available for review in the diocesan offices by any Episcopalian who requests it and, upon payment of the copying cost thereof, may send copies thereof to any Episcopalian.

(d) The Audit Committee shall design and supervise the implementation of appropriate procedures and policies concerning annual audits of all parishes, missions and other ecclesial communities in order to promote compliance with the letter and spirit of Diocesan Canon 15, Section 2 and General Convention Canon I.7.1(a).

(e) The Chairperson of the Audit Committee shall work with the Controller and/or the bookkeeper in regard to any data directly concerning the quarterly reports of the Diocese's "net assets", financial position, activities and cash flows. The Controller shall mail copies of diocesan financial reports to the members of the Audit Committee not less frequently than quarterly.

II.3.6 **Real Estate Committee.** The Real Estate Committee shall consist of a Chairperson appointed by the Bishop and such additional members as shall be nominated by the Bishop and approved by Trustees and Council. In the absence of another selection, the Vice Chancellor shall serve *ex officio* as the Chair of the Real Estate Committee. The Committee shall advise and assist the Bishop and Trustees and Council on the purchase or sale of real estate for the Diocese, take steps to compile and preserve complete records on all real estate belonging to the Diocese and report to Trustees and Council concerning compliance with Diocesan Canon 17, Section 10.

Section II.4. Diocesan Institutions and Other Organizations. Trustees and Council has the responsibility, on behalf of the Diocese and the Episcopal Church, to exercise control and accountability over the following institutions and organizations whose income tax exemption is provided by the Episcopal Church. Each of the following institutions and organizations reports concerning its programs to the Bishop and Trustees and Council.

II.4.1 **Board of All Saints' Episcopal Center.** The Board of All Saints' Episcopal Center will be named from time to time by the Bishop. The Board will recommend to the Bishop and Trustees and Council ways and means to fulfill its mission statement, which is "To inspire, renew and equip through loving example and service those who break bread with us and share in the quest for spiritual renewal and Christian community" at the Diocese's camp and conference center in Grayson County, Kentucky. The Board will: administer the funds and physical resources of the Church at All Saints'; appoint, after consultation with the Bishop, a Center Director; set policy for operations of the center; enhance the mission of the Church and to develop Diocesan usage; supervise the work of the Center Director; and establish procedures governing the use of All Saints' Episcopal Center.

II.4.2 **St. George's Community Center.** An affiliated corporation manages a Center in Western Louisville which serves youth and elderly persons through innovative and creative educational programs and meaningful activities. The Center is managed by a Board of Directors who are appointed from time to time by the Bishop for three year terms and a Center Director, who is an employee of the Diocese.

II.4.3 **Episcopal Housing Corporation.** This affiliated corporation promotes housing for low to moderate income persons. The corporation is managed by a board of directors, which consists of Trustees and Council as its members change from time to time, and an Executive Committee consisting of the corporation's officers.

Section II.5. Deaneries. Deaneries consist of geographical groupings of congregations. The Bishop, with the concurrence of the Standing Committee, has commissioned five deaneries within the Diocese: the Four Rivers Deanery, the Twin Rivers Deanery, River Cities Deanery (Louisville West), Beargrass (Louisville Southeast), and Northeast Jefferson/Shelby County. Diocesan deaneries function to provide collegial life support and, where appropriate, enhanced joint ministry in their respective regions. The clergy of each deanery select their own deanery leader. The frequency of deanery meetings and functions are determined by the deanery's constituency.

III. ADDITIONAL BUSINESS METHODS IN CHURCH AFFAIRS

Section III.1. Special and Emergency Needs. When special and emergency needs of a Diocesan nature come to the attention of the Bishop between meetings of Trustees and Council, the funds needed shall be taken from the contingency item in the Budget and not from lapsed balances. The Bishop is authorized to draw on the contingency item for such special and emergency expenses between meetings of the Council with respect to any single item of \$200 or less. For items in excess of \$200, but not in excess of \$700, the Bishop shall also secure the approval of any two (2) of the following: the Treasurer, Vice-President of the Council, and the Chair of the Finance Committee. At each meeting the Bishop shall inform the Council in writing of all expenditures thus made since its last meeting.

Section III.2. Expenditures Made By Various Departments. The Treasurer or Controller of the Diocese will advise each unit head of the status of that unit's financial position each month. Should it be necessary to over-expend a unit's budget, the matter will be taken up by the unit head in consultation with the Treasurer of the Diocese and the Chair of the *Finance Committee* before such over-expenditure is made. If in the opinion of the Treasurer and the Chair of the *Finance Committee* the expenditure is justified, such over-expenditure can be approved. The *Finance Committee* or Department head may refer any such questions to Trustees and Council for final action.

Section III.3. Adjustments by Departments, Committees, Commissions and Boards of their Budgets. Departments, Committees, Commissions, and Boards are authorized to make necessary adjustment in allocations within their overall budgets provided that: (1) the adjustment does not tamper with any salary or other personnel commitments; (2) the adjustment does not initiate any new ongoing work or program; (3) the adjustment is made in consultation with the Bishop and reported to Trustees and Council at the next meeting.

Section III.4. Purchases of Tangible Personal Property. Whenever it shall seem appropriate to the Bishop to acquire for the Diocese one (1) or more unbudgeted items of tangible personal property having an estimated useful life of not less than three (3) years and costing in the aggregate more than \$2,000 but less than \$10,000, the Bishop is authorized to acquire the same and charge the cost thereof to such capital fund or funds of the Diocese, as in the opinion of the Bishop, is most appropriate. In no one (1) calendar year shall the Bishop make such expenditure in the aggregate in excess of \$10,000. The Bishop shall, in every case, report any such acquisitions to the next meeting of Trustees and Council. The *Budget Committee*, in preparing the Diocesan budget for the next succeeding four (4) calendar years shall provide for restoring any capital fund so charged out of regularly budgeted funds at the rate of twenty-five percent (25%) per year of the total so expended. Acquisitions costing less than \$2,000 shall be charged to the appropriate budget line item in the year in which the cost was disbursed. Acquisitions costing more than \$10,000 shall not be acquired unless first approved by Trustees and Council after receiving recommendations of the Bishop and the Chair of the *Finance Committee*. In approving any such unbudgeted acquisition, Council shall determine the appropriate funding mechanism.

Section III.5. Episcopal Church Foundation and Marmion Revolving Loan Fund.**1. *Commingled Fund for Investment.***

The permanent and endowment funds of the Episcopal Church Foundation of the Diocese of Kentucky and current funds known as the Commingled Fund have been placed with a single financial institution and consolidated, along with parish-owned agency funds, as a single fund solely for investment. The Investment Committee and the Audit Committee shall ensure that the constituent funds of the Commingled Fund are accounted for separately in periodic and annual accountings provided to Trustees and Council. (Article VI of the Charter of Trustees and Council; Diocesan Canon 39).

2. *Marmion Revolving Loan Fund.*

(a) *History.* The Marmion Revolving Loan Fund, originally called the Revolving Loan Fund, resulted from a capital campaign in the 1950's whose purpose, in part, was to create a permanent fund whose principal could be loaned from time to time to members of the Clergy to assist with the purchase of residences for themselves and their families and to Congregations for the purchase or improvement of their worship spaces. The Marmion Revolving Loan Fund is managed by the Treasurer of the Diocese, or his or her agent, and is accounted for separately from the Diocese's other permanent and endowment funds. (Diocesan Canon 39). Since in recent years the Marmion Revolving Loan Fund has been invested in relatively liquid registered securities, Trustees and Council has authorized the Treasurer and the Controller to use a portion of the Fund to cover short-term liquidity needs which occur in the annual diocesan budget cycles because of, among other causes, slow receipt of congregational pledges or because distributions from the Commingled Fund may only be received at the beginning of each calendar quarter.

(b) Processing Applications for the Marmion Revolving Loan Fund.

Applications for loans from the Marmion Revolving Loan Fund shall be made to and evaluated by the Finance Committee who shall forward the applications to Trustees and Council along with the Committee's recommendations. Trustees and Council shall receive and evaluate and, if determined to be in the best interests of the Diocese, make loans from the Marmion Revolving Loan Fund to Clergy (for the purchase of real property) and to Parishes, Aided Parishes, and Mission Congregations or such other groups or agencies directly related to the Diocese (for the purchase of real property, or the construction, expansion, or major repair of any improvement to real property) subject to the following terms of this Bylaw.

(c) Calculation of Interest Rates for Loans.

(i) Promptly following the beginning of each calendar year, the Treasurer, in consultation with the Controller, shall ascertain the average market rate of interest applicable to U.S. Treasury Securities maturing in five (5) and (10) years, respectively, as of the first business day of the year. Loans approved during each calendar year shall bear interest, fixed by the Treasurer for the life of the loan, at seventy-five percent (75%) of the interest rate so ascertained in that year for comparable maturities of U.S. obligations, or three (3%) percent, whichever is greater. With the approval of Trustees and Council, payment of the initial installment of interest may be deferred once for a period not exceeding twelve (12) months.

(ii) Notwithstanding the provisions of paragraph 2(c)(i) above, Trustees and Council shall further make available to loan recipients a program to provide incentives to congregations which meet the goals of Canon 16, Section 3 by pledging at least 15% of their canonical income to support the Diocesan Budget and purchasing health insurance in compliance with the Denominational Health Plan, as follows:

(A) For the years 2012, 2013 and 2014, Trustees and Council will accept a reduced interest rate payable on existing loans to missions and congregations if they meet certain criteria on an annual basis. Trustees and Council will reduce the Marmion Loan rate to 1%, recalculate the monthly loan payments for three years only, and forgive the difference in interest rate from the note down to 1% on all existing loans to missions or congregations which commit in writing, prior to the first day of each preceding annual convention, to give 15% of their canonical income as determined pursuant to Canon 16, Section 3 to support their Diocesan Commitment and come into compliance for 2012, 2013 and 2014 with the Denominational Health Plan (General Convention Resolutions 1997-C024 and 2009-A177). (These loans totaled approximately \$554,639 in 2011.)

(B) All new Marmion loans in 2012, 2013, and 2014 will be documented in accordance with the first paragraph of this paragraph 2(b) but will be subject to the 1% reduced rate if a congregation or mission for each of such years meets both the 15% pledge and the Denominational Health insurance conditions described above.

(C) The Finance Committee and Trustees and Council will review, throughout each year, all loans to determine if the participating congregations and missions are compliant with the conditions described above. If any congregation or mission is not compliant, its interest rate for the current year and its monthly payment amounts will revert to the original loan terms retroactively to the beginning of the year.

(D) Trustees and Council will also reduce the interest rate payable on Marmion All Saints loans, the Marmion Diocesan search loan, and the Marmion Diocesan computer systems loan to 1% effective October 1, 2011, for the balance of 2011 and for the years 2012, 2013 and 2014. (These loans totaled approximately \$231,030 in 2011.)

Unless Trustees and Council takes further action at a later date, the interest rates on all Marmion Revolving Loans outstanding on December 31, 2014 will revert to the terms of the original promissory notes or paragraph 2(c)(i) for years after 2014.

(d) *Advice.* The Chairman of the Finance Committee, the Treasurer, and Trustees and Council may solicit advice concerning loan applications from the Department of Mission and Evangelism and from the Mission Funding Committee. All loan applications which are approved by the Finance Committee shall be forwarded to Trustees and Council for consideration.

(e) *Repayment terms.* Repayments of the principal amount shall be made according to an agreed-upon, periodic repayment schedule. No repayment period shall extend beyond ten (10) years from the date of the loan.

(f) *Further Terms.* No individual loan to a congregation or other entity may exceed \$100,000 and the total of all Marmion Revolving Loans to a congregation may not exceed \$100,000. The Finance Committee or Trustees and Council may impose such further conditions upon loans as they may deem appropriate.

(g) *Relation to Loans from Commercial Banks.* A congregation making a request for a loan from the Fund need not first have applied for a commercial loan unless there are two (2) or more pending requests for loans which exceed the available funds.

(h) *Requirements for Clergy Loans.* All loans to clergy of the Diocese shall be subject to the following conditions:

- (i) The loan shall be solely to assist such clergy with making a down payment on the purchase of a residence for themselves and their families.
- (ii) The loan shall be repayable in not more than one hundred twenty (120) equal installments, such payments to be applied first to the payment of interest on the unpaid balance, with the remainder of each payment to be applied to the reduction of the principal.
- (iii) The loan may not exceed \$20,000.
- (iv) No loan shall be made to the Bishop or any other member of Trustees and Council unless each of the members of Trustees and Council who assents to or participates in the making of such loan agrees to be personally liable to Trustees and Council for the amount of such loan until the repayment thereof. (KRS 273.241).

(i) *Security for Repayment.* Every Marmion Revolving loan shall be secured by a duly recorded first or second mortgage in favor of the Diocese on the property to be purchased or improved with the proceeds of the loan (unless the property is owned by the Diocese), unless there shall be such other arrangement for securing the loan as may be deemed appropriate under special circumstances by the Finance Committee or Trustees and Council.

(j) *Limit on New Loans.* No loan shall be made if after such loan would be disbursed there shall remain in the Marmion Revolving Loan Fund \$100,000 or less available for lending to congregations.

(k) *Liquidity Loans.* Not more frequently than once a year, Trustees and Council may designate an amount up to \$50,000 within the Marmion Revolving Loan Fund which the Controller, acting with either the oral or written approval of the Bishop, may request in writing from time to time to be used to avoid default upon short-term diocesan obligations in anticipation of revenues within the following thirty (30) days. The Controller's request shall be made to the Treasurer, with a copy to the Chairman of the Finance Committee. Upon receipt of written approval from the Chairman of the Finance Committee, or in his or her absence from the Vice President of Trustees and

Council, the Treasurer may liquidate sufficient securities in the Fund and cause the proceeds to be transferred to a Diocesan checking account designated by the Controller. All such short-term loans shall be recorded as receivables in the accounts of the Marmion Revolving Loan Fund and as payables in the current accounts of the Diocese.

(I) Reports to Trustees and Council. The Treasurer of the Diocese shall include a statement of financial condition of the Marmion Revolving Loan Fund as an addition to each periodic report to Trustees and Council. The report shall include, at least, the following detail: the most recent balance of invested securities and cash held in the Fund, the total of all outstanding Marmion loans to congregations, clergy and other entities together with the names of the obligors, the maturity dates of the loans and their status (current, late, etc.), the available amount in the liquidity account, and the total balance of the Marmion Revolving Loan Fund.

Section III.6. Use of Unrestricted Gifts, Bequests, etc. When the Diocese receives money or other marketable assets by gift, bequest, or otherwise, from sources which are not part of the Diocese's regularly budgeted income earned on its invested Capital Fund, and the purpose for which has not been clearly limited or designated by the source furnishing the money or marketable assets to the Diocese, Trustees and Council shall make a determination as to what shall be done with such money or other marketable assets under the following options:

(a) Add it to the Commingled Fund with a designation by Council as to the purpose or purposes for which the income from such cash or marketable assets shall be used (subject to Council's modification or alteration of such purposes from time to time).

(b) Add it to the Endowment Fund.

(c) Place it in the Advance Fund to be expended for a need of the Diocese not otherwise provided for, the need for which shall be clearly stated in the resolution of Council making such determination.

(d) Divide it among any of the above options in such proportion as Council may deem appropriate and such designation shall be clearly set forth in Council's resolution making the determination.

Section III.7. Reimbursement of Travel Expenses. The Diocese will reimburse travel expenses for any member of the Diocese who travels at the request of the Bishop or a designee of the Bishop to attend Diocesan meetings or events from some county other than the county in which the meeting or event takes place. The Diocese will reimburse for use of a personal vehicle at a mileage rate which corresponds to the IRS rate for charitable travel, and other out-of-pocket expenses limited to tolls, meals, overnight accommodations, and registration fees. Claims for reimbursement under this policy must be submitted in writing and supported by appropriate documentation. When approved by the Bishop, or a designee of the Bishop, they will be paid as submitted. This policy does not apply to the Bishop of the Diocese, other employees of the Diocese whose principal office is at the Diocesan Office, or those who are otherwise reimbursed.

Section III.8. All Saints' Episcopal Center Endowment Fund. There is hereby established within the Episcopal Church Foundation a fund to be known as The All Saints' Episcopal Center Endowment Fund. Gifts of money or securities to the Episcopal Church Foundation and designated for the endowment of All Saints' Episcopal Center shall be credited to The All Saints' Episcopal Center Endowment Fund. The proceeds of such gifts may be placed in the Commingled Fund for purposes of management and investment. The principal of the gifts and the income there from shall be recorded in The All Saints' Episcopal Center Endowment Fund.

Income from The All Saints' Episcopal Endowment Fund shall be distributed quarterly, or at such other intervals as Trustees and Council may from time to time designate, to or on behalf of the Center. No distribution other than a quarterly one need be made unless the then accumulated balance totals at least \$250.

If the present All Saints' Episcopal Center shall cease to exist and not be replaced by another Conference Center owned by the Episcopal Diocese of Kentucky, the principal of The All Saints' Episcopal Center Endowment Fund shall nonetheless remain intact. Income from the Endowment Fund shall thereafter be used for the support of mission congregations within the Diocese of Kentucky.

Section III.9. Use of Discretionary Funds. All funds held in the "discretionary fund" of any Bishop of the Diocese, whether active or retired, shall be used only for purposes consistent with the charitable nature of the Church's activities, such as support of the poor, hungry, homeless, and other needy, as well as for expenses of such Bishops in the conduct of the business of the Church, including those items which the Internal Revenue Service (IRS) would consider as justifiable business deductions. No such funds shall be expended for any personal purposes of the Bishop.

Section III.10. Preparation for the Erection of Buildings by Congregations. It is the policy of the Council to insist that a congregation focus its attention on its worship and program of total activities, outreach and evangelism, rather than on the erection of a building that may not be commensurate with the congregation's ability to pay, and will cause the congregation to exhaust more of its energy on raising money to pay off capital debt for years to come, than on its primary tasks of worship, witness, and evangelism. Any Parish or Mission receiving aid from this Diocese, in considering plans for the erection of a church building or parish house shall:

(a) Study carefully, with outside consultant help, its future needs for a house of worship or parish house facilities, its opportunities for serving the community, and the possible use of its facilities during the week as well as on Sundays.

(b) Use the good offices of the *Department of Mission and Evangelism* whose approval for the proposed building shall be secured before an architect is engaged, where the building is for a mission.

(c) Consider needs and opportunities over a long period of time in the congregation and community.

(d) In keeping with the Diocesan Canons, submit to the *Committee on Church Architecture and Allied Arts* initial proposed plans for any anticipated buildings, and that Committee shall consider the appropriateness of the building's ecclesiastical structure and arrangement, as well as its suitability for the program envisioned by the congregation in the future before any detailed plans are requested of any architect, which plans in turn must receive the approval of the Committee.

Section III.11. Annual Rental Allowance for Missionaries. Each missionary of the Diocese shall receive an annual rental allowance (including utilities) of not less than \$1,000, and if no amount is specified in the annual budget, it shall be presumed that the first \$1,000 paid to a missionary in any year is for such rental allowance.

Section III.12. Electronic Participation and Unanimous Action. Meetings of Trustees and Council and any of its committees may be conducted by teleconferencing communications technology at which a quorum of Trustees and Council and any of its committees is present and able to hear each other speaking throughout. Any action which may be taken at a meeting of Trustees and Council and any of its committees may be taken without a meeting if a consent in writing which sets out the action so taken has been signed by all members of Trustees and Council and any of its committees. Such consent shall have the same force and effect as a unanimous vote and may be stated as such in any articles or documents filed with the Secretary of State.

Section III.13. Vouchers, Fund Transfers and Monthly Reconciliation.

(a) Every request for transfer of monies authorized in the Diocese's annual budget shall require a standard requisition sheet (voucher) which explains the purpose of the transfer and which is signed by the Bishop, the Canon to the Ordinary, an officer of Trustees and Council, the Controller, or the Chairperson of a diocesan Department, Committee or Commission.

(b) All transfer of monies from one Diocesan account to another shall name "Diocese of Kentucky, Account # _____" as payee. If a check is to a brokerage account, the name of the broker or investment manager shall be the payee but the Diocesan account number shall appear next to said name on the payee line and if the check is for more than \$10,000.00, the check shall be signed by two officers of Trustees and Council (including the Bishop but excluding any staff person).

(c) The Controller, or the bookkeeper, shall have no check signing authority. The Controller shall reconcile, or supervise the reconciliation of, all checking accounts of the Diocese on a monthly basis.

MINISTRIES OF SERVICE RELATED TO THE DIOCESE

HOME OF THE INNOCENTS

1100 East Market Street, Louisville, Kentucky 40206 - (502) 596-1000

Provides resident services for children and youth

†

THE EPISCOPAL CHURCH HOME

7504 Westport Road, Louisville, Kentucky 40222 - (502) 736-7800

Provides four levels of personal nursing care

†

THE UNIVERSITY OF THE SOUTH

Sewanee, Tennessee 37383 - (931) 598-1000

*A College of Arts and Sciences and a School of Theology owned by 28
Southern Dioceses of the Episcopal Church*

†

ALL SAINTS' EPISCOPAL CENTER

833 Hickory Grove Road, Leitchfield, Kentucky 42754-9998

(270) 259-3514 - Fax (270) 259-0526 - (888) 853-6776 (for reservations only)

The Camp, Conference and Retreat Center of the Diocese of Kentucky

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THE WOODCOCK FOUNDATION

425 South Second Street, Suite 200

Louisville, Kentucky 40202 - (502) 584-7148

Scholarship Program for college students

†

SAINT GEORGE'S COMMUNITY CENTER, INC.

1205 South 26th Street, Louisville, Kentucky 40210 (502) 775-6232

†

NORTON HOSPITAL OF NORTON HEALTHCARE

200 East Chestnut Street, Louisville, Kentucky (502) 629-8000

P.O. Box 35070, Louisville, KY 40232-5070

Formerly the John N. Norton Memorial Infirmary