

# proclaiming the **WORD** OF GOD



**2013 Diocesan Convention**  
November 8-9

**Journal of the Diocese of Olympia**  
103rd Annual Convention  
Tacoma, Washington



Journal of Proceedings  
2013 Annual Convention

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# Section 1

*Minutes of the 103<sup>rd</sup> Annual Diocesan Convention of the Diocese of Olympia*  
Hotel Murano & Bicentennial Pavilion, Tacoma, Washington

Friday, November 8, 2013

## **Call to Order, Welcome & Opening Worship**

The 103<sup>rd</sup> Convention of the Diocese of Olympia was called to order by the Rt. Rev. Greg H. Rickel, bishop diocesan; Rickel welcomed those gathered to the celebration of *Proclaiming the Word of God, in our Lives, in our Worship, in the World.*

## **Bishop's Address**

Bishop Rickel presented his annual address to the convention. *[Text, Pages 16-21]*

## **Certification of Quorums**

The Rev. Marda Steedman Sanborn, secretary of convention, declared she had satisfactory evidence that a canonical quorum in both orders was present and **moved** that convention dispense with the reading of all names.

**No objection; the Secretary certified the quorum**

## **Convention Organized for Business**

Bishop Rickel declared the 103<sup>rd</sup> Convention of the Diocese of Olympia organized for business.

## **Introduction of the Head Table**

Bishop Rickel introduced those seated at the head table: **the Rev. Marda Steedman Sanborn**, secretary of convention; **Mrs. K. Ann McCartney**, parliamentarian; **the Rev. Andrea McMillin**, dispatch of business; and **Ms. Judy Andrews**, diocesan chancellor.

## **Committee on Dispatch of Business**

Bishop Rickel recognized the Rev. Andrea McMillin, chair; McMillin **moved** Dispatch of Business document A.11 for acceptance. *[Document, Pages 26-27]*

**Motion carried**  
**Agenda adopted**

McMillin reviewed the rules for submitting resolutions within the six-hour window.

## **Committee on Privilege**

Bishop Rickel recognized the Rev. John Ferguson, chair, Committee on Privilege, to present the report

on the granting of privilege of convention. Ferguson referred to document E.9 and **moved** that seat and voice be granted to those listed. *[Document, pg. 71-72]*

**Motion carried**  
**Privilege granted**

## **Office of the Bishop Report on Congregational Status**

Bishop Rickel recognized Secretary Steedman Sanborn who reported, pursuant to Canon 2, section 4(b), she had received from the Office of the Bishop the Congregations in Good Standing Report stating all congregations are in either good standing or provisional good standing for this convention.

**No action required**

## **Secretary of Convention**

Bishop Rickel recognized Mrs. Pam Tinsley and Mrs. Leann Torgerson-Harrison, co-chairs of the Nominations Committee; on behalf of the Committee they **moved** the Rev. Marda Steedman Sanborn be elected Secretary of Convention.

**Motion Carried**  
**Steedman Sanborn elected**

Steedman Sanborn appointed the following Assistant Secretaries serving this convention: **Dede Moore, Sharon Pethers, Blaire Notrica, Angela Mealing, Dana Chapman** and **Shannon Jergenson.**

## **Parliamentarian**

Bishop Rickel appointed **Mrs. K. Ann McCartney** as the parliamentarian for the 103<sup>rd</sup> Convention.

## **Chancellor and Vice Chancellor**

Bishop Rickel appointed **the Hon. Judy Andrews, Esq.**, chancellor of the Diocese of Olympia; **the Hon. Duncan Bayne, Esq.**, and **the Hon. Mike Reynvaan, Esq.**, vice chancellors of the Diocese of Olympia.

**Appointments accepted**

Chancellor Judy Andrews appointed the following assistant chancellors: **Jeffrey Helsdon, R. Thomas Olsen** and **Tom Platt.**

**Committee on Nominations**

Bishop Rickel recognized Mrs. Leann Torgerson-Harrison and Mrs. Pam Tinsley, co-chairs, to continue the report of the Nominations Committee. Convention members were referred to report B.3 [Document, Pages. 28-34]. The Committee nominated the following persons for diocesan offices:

Standing Committee

The Rev. Dr. Suzi Robertson, Good Samaritan, Sammamish

The Rev. Craig Vocelka, St. Antony of Egypt, Silverdale

The Rev. Martin Yabroff, St. Andrew, Tacoma

Mr. Jerry Carlin, St. Barnabas, Bainbridge Island

Mr. John E. (Ted) Ederer, St. John, Kirkland

Dr. Kathryn Rickert, St. Augustine’s in-the-Woods, Freeland

**Nominations closed, ballots prepared**

Cathedral Vestry

Ms. Barbara Larson, St. Andrew, Seattle

**Nominations closed  
Larson elected**

Diocesan Council—Clergy Be Attitudes Regional Ministry

The Rev. Robert C. “R.C.” Laird, St. Luke Seattle

**Nominations closed  
Laird elected**

Diocesan Council—Clergy Evergreen Regional Ministry

The Rev. Bonnie Malone, St. George, Maple Valley

**Nominations closed  
Malone elected**

Diocesan Council—Lay Holy C Regional Ministry

Ms. Jamie Balducci, Epiphany Parish of Seattle

**Nominations closed  
Balducci elected**

Diocesan Council—Clergy Willapa Regional Ministry

The Rev. Joe Mikel, St. David of Wales, Shelton

**Nominations closed  
Mikel elected**

Diocesan Council—Lay Mount Baker Regional Ministry

Ms. Betty Anne McCoy, Christ Church, Anacortes

Ms. Mary Jane Van Hoesen, St. Paul, Bellingham

**Nominations closed, ballot prepared**

Diocesan Council—Lay Peninsula Regional Ministry

Mr. Robert Brooks, St. John, Gig Harbor

Ms. Joan Collins, St. Barnabas, Bainbridge Island

**Nominations closed, ballot prepared**

Diocesan Council—Clergy Rainier Regional Ministry

The Rev. Kendall Haynes, St. Matthew, Brown’s Point/Tacoma

**Nominations closed  
Haynes elected**

Archivist and Records Manager

Ms. Diane Wells.

**Nominations closed  
Wells elected**

Treasurer

Ms. Barbara Fox, Church of the Resurrection, Bellevue.

**Nominations closed  
Fox elected**

Historiographer

Br. Carle Griffin.

**Nominations closed  
Griffin elected**

**Candidates for Deputy to General Convention**

Bishop Rickel called for nominations from the floor for the position of deputy to General Convention 2015. Convention members were referred to report B.4 [Document, Pages 35-40].

General Convention – Lay Order

Ms. Judith Andrews, St. Mark’s Cathedral, Seattle

Ms. Hisako Beasley, St. Mark’s Cathedral, Seattle

Ms. Charlotte Brown, St. Joseph-St. John, Lakewood/Steilacoom

Ms. Sandra Carter, Christ Church, Puyallup

Ms. Katrina Hamilton, St. Peter, Seattle

Mr. Don Little, St. Bede, Port Orchard

Ms. Betty Anne McCoy, Christ Church, Anacortes

Mr. Doug Oles, Church of the Redeemer, Kenmore

**Nominations closed, ballot prepared**

General Convention – Clerical Order

The Rev. Jaime Case, St. Luke ~ San Lucas, Vancouver

The Rev. Stephen Crippen, St. Mark’s Cathedral, Seattle

The Rev. R.C. Laird, St. Luke, Seattle

The Rev. Stephen Moore, All Saints, Bellevue

The Rev. Kevin Pearson, St. Luke, Renton

The Rev. Hunt Priest, Emmanuel Church, Mercer Island

The Rev. Dr. Marda Steedman Sanborn, St. James, Kent

The Rev. Rachel Taber-Hamilton, Trinity Church, Everett

The Very Rev. Steve Thomason, St. Mark’s Cathedral, Seattle

The Rev. Martin Yabroff, St. Andrew, Tacoma

**Nominations closed, ballot prepared**

## Introduction to voting procedures

### First ballot

Bishop Rickel recognized Mrs. Katie Akesson, elections official; Akesson introduced the balloting system to be used in the 2013 elections. Bishop Rickel declared the polls open.

### First ballot completed

### Introduction of theme

Bishop Rickel recognized the Rev. Samuel Torvend and the Rev. Janet Campbell to introduce the theme for the convention and the upcoming year: *Proclaiming the Word of God, in our Lives, in our Worship, in the World.*

### St. Mark's Cathedral

Bishop Rickel recognized the Very Rev. Steve Thomason, dean of St. Mark's Cathedral, to bring greetings from the Cathedral.

### El Salvador Committee

Bishop Rickel recognized the Rev. Rilla Barrett and the Rev. Carol Rodin; Barrett and Rodin presented on the work of the Committee for the Companionship Relationship with the Diocese of El Salvador.

### Committee on Resolutions

Bishop Rickel recognized Mr. Duncan Bayne, chair, Resolutions Committee; Bayne presented and moved Resolution #4 with a committee recommendation of "do pass."

### Resolution #4—Call for prayers for the people and church in El Salvador during challenging transition time

**Resolved**, that this 103rd Convention of the Diocese of Olympia sends its warmest greetings to The Rt. Rev. Bishop Martin Barahona and the people and clergy of the Anglican Episcopal Church of El Salvador, and commit ourselves to pray for the bishop and people of the church during the process of discernment and call for a new Bishop, and be it further **Resolved**, that we will pray for Bishop Barahona and his wife, Betty, during the time of his transition into retirement and the discernment of his next phase of ministry, and be it further **Resolved**, that the members of the Diocese of Olympia commit ourselves to praying for a peaceful electoral process and transition of governments during the current time leading up to presidential elections in February of 2014.

**Motion carried**  
**Resolution #4 adopted**

## Outside Church Walls

Bishop Rickel recognized Mr. Greg Rhodes, the Rev. George McDonnell, and Mr. Robert Ogden; these three, plus some youth, presented on the work of the Outside Church Walls group during 2013.

### Report of the first ballot

Bishop Rickel called on Secretary Marda Steedman Sanborn for the report of the first ballot.

### Standing Committee

Concurrence between orders (64 clergy/207 lay on this ballot) required to elect.

Clerical Order —

Suzi Robertson 52 clergy 200 lay

Craig Vocelka 20 clergy 62 lay

Martin Yabroff 55 clergy 150 lay

**NO ELECTION**

Concurrence between orders (58 clergy/204 lay on this ballot) required to elect.

Lay Order —

Jerry Carlin 30 clergy 105 lay

John E. (Ted) Ederer 32 clergy 130 lay

Kathryn Rickert 63 clergy 172 lay

**NO ELECTION**

### Diocesan Council—Mt. Baker—Lay

Simple majority (249) needed to elect.

Betty Anne McCoy 300

Mary Jane Van Hoesen 196

**MCCOY ELECTED**

### Diocesan Council—Peninsula—Lay

Simple majority (238) needed to elect.

Robert Brooks 152

Joan Collins 323

**COLLINS ELECTED**

### General Convention Deputy—Clergy

Concurrence between orders (63 clergy/205 lay on this ballot) required to elect.

Jaime Case 40 clergy 132 lay

Stephen Crippen 53 clergy 150 lay

R.C. Laird 48 clergy 159 lay

Stephen Moore 48 clergy 192 lay

Kevin Pearson 53 clergy 121 lay

Hunt Priest 63 clergy 200 lay

Marda Steedman Sanborn 57 clergy 223 lay

Rachel Taber-Hamilton 47 clergy 181 lay

Steven L. Thomason 54 clergy 148 lay

Martin Yabroff 34 clergy 127 lay

**NO ELECTION**

General Convention Deputy—Lay

Concurrence between orders (62 clergy/201 lay on this ballot) required to elect.

Judith Andrews	104 clergy	303 lay
Hisako Beasley	77 clergy	237 lay
Charlotte Brown	60 clergy	224 lay
Sandra Carter	22 clergy	83 lay
Katrina Hamilton	80 clergy	226 lay
Don Little	24 clergy	119 lay
Betty Anne McCoy	34 clergy	145 lay
Doug Oles	86 clergy	265 lay

**ANDREWS, OLES, BEASLEY & HAMILTON ELECTED**

**Second ballot**

Bishop Rickel recognized Mrs. Katie Akesson, elections official, to introduce the second ballot. Bishop Rickel declared the polls open.

**Second ballot completed**

**Recess**

Bishop Rickel declared the business session of Convention in recess until 8:30 AM Saturday morning.

**Bishop’s Cross Presentations**

During the evening banquet, hosted by the Mission to Seafarers with entertainment by the Christ Church, Tacoma, Choir, Bishop Rickel presented a Bishop’s Cross award to Jan Akin.

**Jan Akin:** For 28 years, she has been a leader in youth work in the Willapa Region of our diocese. She has served as a dynamic youth minister for St John's, Olympia, and St Benedict's, Lacey. This amazing woman has been active in JYC and HYC serving as facilitator for small groups and helping out in big ways and small. She has supported and encouraged youth to be a known presence on the convention floor and being part of the

larger church. Just two highlights of her ministry with youth include Pancake Races on Shrove Tuesday, and Secret Saints, in which adults in the congregation were invited to pray for and be in relationship with a child in the church community during Lent. Each Sunday, little cards or notes or a small token was left for the child. In the final week of Lent, the saint who prayed for them throughout Lent was revealed. Beyond church walls, she seeks Christ in the homeless youth of Olympia. She forged relationships with the Olympia Public School District’s Homeless Advocacy Officer to create outreach programs connecting parish youth with homeless youth. She created a program called, "The Empty Easter Basket Project," making sure that kids who are homeless in Olympia had an Easter Basket each year. Jan’s enthusiasm and energy in continuing to foster the good work at Camp Michael, has been exceptional. Jan was inspired by the vision of camp founder Brother Michael to continue to nurture an affordable, residential, Christian camp in the Willapa region. She has been a tremendous leader, helping to develop and grow the programs of the camp, which just this summer celebrated 41 years. Camp Michael is a favorite place for the children in Willapa Region and she is passionate about keeping the camp affordable for all children in the region, ensuring that no child will be excluded from camp. In addition to many years of service as a youth minister, she has also served as Willapa Regional Convener for Convention Delegates and as Photographer for Diocesan Convention. There are few that have taken more seriously the call to help children and youth grow into the full stature of Christ. She is loose cannon of good will and a most extraordinary youth minister. I present the Bishop’s Cross to **JAN AKIN.**

## Saturday, November 10, 2012

### **Morning Prayer / Call to Order / Dispatch of Business**

Morning worship was celebrated. Bishop Rickel called the convention to order. Dispatch of Business chair, Andrea McMillin, provided reminders and rules for voting and speaking to the convention.

### **Report of the second ballot**

Bishop Rickel called on Secretary Marda Steedman Sanborn for the report of the second ballot.

#### Standing Committee

Concurrence between orders (105 clergy/180 lay on this ballot) required to elect.

Clerical Order —

Suzi Robertson	148 clergy	197 lay
Craig Vocelka	12 clergy	31 lay
Martin Yabroff	49 clergy	130 lay

**ROBERTSON ELECTED**

Concurrence between orders (53 clergy/174 lay on this ballot) required to elect.

Lay Order —

Jerry Carlin	12 clergy	53 lay
John E. (Ted) Ederer	21 clergy	93 lay
Kathryn Rickert	71 clergy	202 lay

**RICKERT ELECTED TO FOUR-YEAR TERM**

#### General Convention Deputy—Clergy

Concurrence between orders (61 clergy/199 lay on this ballot) required to elect.

Jaime Case	33 clergy	81 lay
Stephen Crippen	57 clergy	161 lay
R.C. Laird	36 clergy	131 lay
Stephen Moore	39 clergy	161 lay
Kevin Pearson	39 clergy	86 lay
Hunt Priest	85 clergy	264 lay
Marda Steedman Sanborn	58 clergy	234 lay
Rachel Taber-Hamilton	33 clergy	156 lay
Steven L. Thomason	57 clergy	142 lay
Martin Yabroff	21 clergy	74 lay

**PRIEST ELECTED**

#### General Convention Alternates—Lay

Plurality required to elect.

Charlotte Brown	307
Sandra Carter	33
Don Little	47
Betty Anne McCoy	89

**BROWN, MCCOY, LITTLE & CARTER ELECTED**

### **Third ballot**

Bishop Rickel recognized Mrs. Katie Akesson, elections official, to introduce the third ballot. Bishop Rickel declared the polls open.

**Third ballot completed**

### **Bishop Appointments**

Bishop Rickel appointed the Convention Committees and Commissions by reference to document E.2 [**Document, pg. 6**]. Bishop Rickel continued with the following appointments (*all three-year terms*):

#### Board of Directors

**The Rev. Ann Lukens**; **Mr. Collie Liska**, St. Benedict, Lacey; **Mr. Gary Rose**, St. John, Kirkland

#### Commission on Ministry

**Mr. Karl Oles**, Church of the Redeemer, Kenmore; and additional appointments to be made at a later date.

#### Personnel Commission

**Ms. Lynn Frink**, Epiphany Parish of Seattle; **Mr. Jim Quitsland**, Grace Church, Bainbridge Island; **Ms. Courtney Searls-Ridge**, St. Paul, Seattle.

**No action required**

### **Clergy and Staff Transitions**

Bishop Rickel referred convention members to document A.6; [**Document, pg. 25**].

### **Disciplinary Board**

Bishop Rickel appointed the following members for three-year terms: **The Rev. Dr. Peter Strimer**, St. Andrew, Seattle; **Ms. Candace Weatherby**, All Saints, Vancouver; **the Rev. Jonathan Weldon**, St. Paul, Bellingham. Church Attorney: **Mr. Marvin L. Gray, Jr.**, Church of the Ascension, Seattle.

**Appointments ratified**

### **Report from the Treasurer**

Bishop Rickel recognized diocesan treasurer, Ms. Barbara Fox, for her annual report. [**Text, pg. 21-23**]

### **Action on the 2014 Budget**

Fox commended to convention the 2014 operating budget and **moved** for its ratification. [**Document, pg. 88-103**]

**Motion carried  
2014 Budget ratified**

### Constitution and Canons Committee

Bishop Rickel recognized Mr. Doug Oles, chair; Oles presented the report of the committee. [*Document, pg. 53-56*]

#### *Second vote on changes to Constitution*

Our diocesan Constitution provides (in Article XXI) that it may be amended by a majority vote of the two orders voting separately at two successive annual meetings of Convention. There were no second votes this year.

#### *First vote on changes to Constitution*

### Article XV (Admission of New Parishes and Missions)

Section 1(d) in Article XV provides that a Parish desiring admission into union with Convention must present evidence that it has at least twenty-five adult Communicants in Good Standing. Meanwhile, Canon 8(1) provides that a Parish may only be organized with at least 50 adult Communicants in Good Standing. Because the operative threshold is 50 adults, it seems appropriate to eliminate the discrepancy. The 2012 Convention referred this question back for review, and our consensus remains that it makes more sense to reconcile the inconsistency by requiring a minimum of fifty adult Communicants rather than twenty-five. We therefore propose to amend Article XV(1)(d) as follows:

*...the Parish shall have delivered...*

*(d) Satisfactory evidence that the Parish has been regularly organized by the election of two wardens, with a total of not fewer than six nor more than fifteen vestry members, and that the Parish contains at least fifty ~~twenty-five~~ adult Communicants in Good Standing.*

**Motion carried in the lay order**

**Motion carried in the clergy order**

**Amendment to Article XV adopted on first reading;  
second reading 2014**

#### *Vote on changes to Canons*

Pursuant to Canons 28 and 29, canons may be enacted or amended by a "vote of a majority of each Order." These amendments "take effect upon the adjournment of the meeting of convention at which they are enacted" unless the convention votes unanimously for the changes to take immediate effect.

### Canon 4 (Regional Ministries)

In Section 5, based on input from others, we offer the following language to reduce the mandatory number of Regional Ministry meetings:

*Each Regional Ministry shall hold at least one ~~three~~ meetings annually, normally during the month before the annual Diocesan Convention when reports on diocesan nominations, resolutions, and budget have been released ~~one in the Winter, one in the Spring and one in the Fall.~~*

**Motion carried in the lay order**

**Motion carried in the clergy order**

**Amendment to Canon 4 adopted**

### Canon 20 (Communicants):

The language relating to transfers and registration seems needlessly vague, and the Committee offers the following edits to clarify the procedures:

Section 3: It is the duty of every Communicant moving from one congregation ~~Parish~~ to another to request apply for a Certificate of his standing. This "Letter of Transfer", either from the originating congregation or from the destination congregation. ~~This document is exchanged between the clergy of the two ~~Parishes~~ or Congregations involved, and its receipt must be formally acknowledged before the transfer is complete.~~

Section 4: A Rector, Vicar or Priest-in-Charge of a congregation who ~~It is the duty of the minister in any Parish or Mission;~~ learns ing of a the removal of any member transferring of his Parish or Mission to another congregation without having secured a "Letter of Transfer;" shall notify to transmit to the clergy of the destination congregation in writing such ~~Parish or Mission a letter of advice informing him thereof.~~

#### Section 5

No clergy of this Diocese shall enter the name of any Communicant upon a the ~~a~~ congregation registry Parish list ~~list~~ who is not, except those baptized in that congregation his Parish or Mission, unless a "Letter of Transfer" is received ~~except such certificate as required in Section 3 and 4 has been delivered to him, or a satisfactory reason is given why the same has not been obtained. Upon enrolling a member who has transferred from another Episcopal congregation without a "Letter of Transfer", the clergy member shall in this latter case, notify ee of such the clergy enrollment must be sent to the minister of the congregation Parish or Mission from which the member has been removed.~~

**Motion carried in the lay order**

**Motion carried in the clergy order**

**Amendments to Canon 20 adopted**



**Canon 24 (Diocesan School of Ministry and Theology):**

Because the Diocesan School is not currently operating, the Committee recommends edits that would establish that entity as optional rather than mandatory, as follows:

Section 1: There ~~shall~~ may be a Diocesan School of Ministry and Theology, accountable to the Bishop, the purpose of which shall be to:

- a. Further the education, formation, and ministry of all baptized people.
- b. Provide training for specialized ministries.
- c. Provide continuing theological education.

Section 2: When the School is operating, it ~~There shall have~~ be a Dean ~~of the School~~ appointed by, and accountable to, the Bishop. The Dean shall be responsible for the management of the School and its program.

Section 3: When the School is operating, there ~~There shall~~ be a Board of Directors thereof consisting of at least seven members.

- a. The Dean of the School
- b. A member of the faculty appointed by the Dean to a one-year term who is eligible for reappointment.
- c. At least one student representative, elected to a one-year term by the students meeting at a site where the School offers an ongoing program.
- d. At least four members appointed by the Bishop to three-year terms, which persons are eligible for reappointment.

Section 4: The Board shall be accountable to the Bishop. Its basic functions shall be to:

- a. Oversee, review and evaluate the program of the School and ensure that its purpose is being carried out.
- b. Provide support to the Dean and faculty.
- c. Provide to the Diocese information concerning the School and its programs.

**Motion carried in the lay order  
Motion carried in the clergy order  
Amendments to Canon 24 adopted**

**Special Presentation**

Bishop Rickel announced that he had recently made the Rev. Charlie Forbes an Honorary Canon of St. Mark’s Cathedral, and read the letter that was read on his behalf during the celebration of Charlie’s 60<sup>th</sup> anniversary of ordination.

**Dear Charlie:** I write this to you, but in hopes that it will be read first to you in the celebration on June 30th. I cannot be present with you and for that I am very disappointed. But I did want to make sure I honored you along with those who will do so on that day. And I do that on behalf of all in this diocese, a diocese you have served your entire vocation with such integrity and devotion. Charles Forbes, Jr. was born in San Francisco on June 23, 1926. He received a BA from the University of Washington and a BD (cum laude) from Bexley Hall Divinity School of Kenyon College. While there he received the Dean Byrer Alumni Prize for preaching. In November 1951 Charlie sent his application for admission to Candidacy for Holy Orders to Bishop Bayne. He wrote: *I think it will arrive in time for the Standing committee on the 15th unless the Gambier dog sleds break down. I will try to remember to put an extra .08 cents in the pot on your first visitation to me to cover the cost of the envelope and stamp Miss Taylor [Bp. Bayne’s secretary] enclosed for my use.* Bp. Bayne replied: *Thanks for your note and especially for the promise of the 8 cents. I’ll hold you to that!* Charlie, if I were there I would ask, did you ever pay the 8 cents???? If not, please remit to this office as soon as possible! He was ordained a deacon by Bishop Stephen Bayne in June of 1952 and a priest in June of 1953. Charlie married Carolyn in July of 1955, perhaps one of his greatest achievements! He served in the US Navy Reserve and has served in this diocese at Trinity, Everett, the founding Vicar of St. Stephen's, Oak Harbor, a place he would return to 50 years later to help them as they lived in exile. He served also at St. Augustine's in the Woods, Freeland, Church of the Redeemer, Kenmore, St. John's, Kirkland, Chaplain for the University of Washington, St. Elizabeth, Burien, an overseas missionary for three years to Santissima Trinidad, Montevideo, Uruguay. While in Uruguay, Charlie wrote many letters which are in our archives. Finding a great deal of work to do in Montevideo, Fr. Forbes wrote: *We rise early and we work late, but at noon time there is siesta which I find is a very practical thing ... So far, my work is entirely centered in trying to build back the existing Anglican congregation. This means laying plans for very ordinary things which we take for granted in old parishes at home. But for years they have not existed here. This part is slow and must be carefully done, for the job is not just to start a choir, for example, but it is to start a choir which as time goes on will be an evangelistic tool for bringing the church to Uruguayans ... It will be an experiment to see if we can establish some contact with some of the many un-churched.* He came back to this diocese and served St. Philip's, Marysville, St. Mary's, Lakewood, and St.

George's, Seattle. He served as head of the diocesan youth department, the Board of Examining Chaplains, Diocesan Council, and as Faculty for the Diocesan School of Theology. He retired in 1989 but has continued to serve through supply and many other ways in this diocese. In a note from Canon to the Ordinary, Betsy Greenman, acknowledging his service to a congregation in his retirement she wrote: *Dear Charlie: Thank you. Thank you for being present with another congregation needing to feel the pastoral presence and priestly ministry that you so capably bring wherever you go ... your perspective and clarity have been really helpful ... I hope (the church) will find appropriate ways to express their gratitude for your ministry with them. You gave them more than they probably know. "You gave them more than they probably know."* I think that is what we can say, all of us in this diocese, about Charlie Forbes. I want to acknowledge Carolyn too, because he could not have done what he did for us, without her! Charlie, I have always relished any conversation with you. You are a fount of wisdom and you give it with great humor. I will never forget your telling of the time you were sent out by the Bishop to evangelize during the dam projects in the Skagit Valley! You should tell that on this day: congregation make him do it! Charlie, on this day when you are also celebrating your 60th anniversary of ordination and for all of what has been spoken of you, and for so much I will never know nor most of us know, on behalf of the Diocese of Olympia and by the power vested in this office I hold for them, it is the greatest privilege for me to appoint you as an **Honorary Canon of St. Mark's Cathedral** effective immediately, with all the many rights and privileges that come with such an appointment! You so deserve it. Blessings to you and Carolyn, as you have been such blessings to all of us. Faithfully, The Rt. Rev. Gregory H. Rickel, VIII Bishop of Olympia.

### Breakout Sessions

Convention members attended one of the offered breakout sessions:

- *Proclaiming the Word of God in Worship*
- *Proclaiming the Word of God in our Lives*
- *Proclaiming the Word of God in the World*
- *Outside Church Walls*

### Eucharist and Ordinations

Bishop Rickel presided and preached. The Rev. Eric Stroo and the Rev. Polly Shigaki were ordained to the permanent diaconate. [*Sermon text, pg. 23-24*]

### Report of the third ballot

Bishop Rickel called on Secretary Marda Steedman Sanborn for the report of the third ballot.

### Standing Committee

Concurrence between orders (55 clergy/149 lay on this ballot) required to elect.

Lay Order —

Jerry Carlin 52 clergy 115 lay

John E. (Ted) Ederer 56 clergy 172 lay

**EDERER ELECTED TO TWO-YEAR TERM**

### General Convention Deputy—Clergy

Plurality required to elect.

Jaime Case 78

Stephen Crippen 185

R.C. Laird 120

Stephen Moore 120

Kevin Pearson 71

Marda Steedman Sanborn 259

Rachel Taber-Hamilton 149

Steven L. Thomason 156

Martin Yabroff 59

**STEEDMAN SANBORN, CRIPPEN, & THOMASON ELECTED**

### Fourth ballot

Bishop Rickel recognized Mrs. Katie Akesson, elections official, to introduce the fourth ballot. Bishop Rickel declared the polls open.

**Fourth ballot completed**

### Faith Formation Hub

Bishop Rickel recognized the Rev. Rebecca Kirkpatrick and Ms. Cindy Spencer; Kirkpatrick and Spencer presented on changes and new initiatives in the area of Faith Formation for those Under 35.

### SERVE Program

Bishop Rickel recognized the Rev. R.C. Laird and the SERVE Fellows (Delaney Ozmun, Shawn Fiedler, Rachel Christofferson, Levi Smith, Sam Kettering, Emily Bays); Laird introduced convention members to this new program, part of the national Episcopal Service Corp. The SERVE Fellows spoke about how they came to be a part of the program and what they will be doing while here in western Washington.

### Committee on Resolutions

Bishop Rickel recognized Mr. Duncan Bayne, chair, Resolutions Committee; Bayne presented and moved Resolution #1 with a committee recommendation of "do pass."

**Resolution #1—2015 Diocesan Assessment Rate**

**Resolved,** That this 103rd Convention of the Diocese of Olympia approve the recommendation of the Diocesan Council that the 2015 diocesan assessment rate factor be set at 17.0% of the Net Disposable Income (NDI). [Document, pg. 41]

**Motion carried  
Resolution #1 adopted**

Bayne presented and moved Resolution #2 with a committee recommendation of “do pass.”

**Resolved,** That this 103rd Convention of the Diocese of Olympia authorize setting of the Cost of Living Adjustment for 2014 parochial clergy salary scale at 1.4%. [Document, pg. 42]

**Motion carried  
Resolution #2 adopted**

Bayne presented and moved Resolution #3 with a committee recommendation of “do pass as amended by committee.”

**Resolved,** that the 103rd Convention of the Diocese of Olympia tie increases to the clergy supply rate to the exact percentage of adjustment of the Cost of Living Adjustment (COLA), rounding to the nearest dollar without rounding-up. [Document, pg. 43]

**Motion carried  
Resolution #3 adopted as amended**

Bayne presented and moved Courtesy Resolutions with a committee recommendation of “do pass.”

BE IT RESOLVED, that the 103rd Annual Convention of the Diocese of Olympia express its thanks to all persons – lay and clergy – who have given freely of their time and talents to provide leadership for this Diocese over the past year, especially those who are completing their terms on Diocesan Council, the Standing Committee, and various boards, commissions, committees and task forces.

BE IT RESOLVED, that the 103rd Annual Convention of the Diocese of Olympia remember in their prayers all those in countries around the world where war, or the threat of war, is a daily reality, and for all in military service who risk life and personal safety on our behalf to bring about peace, especially the military chaplains in their rounds, duties and deployment.

BE IT RESOLVED, that the 103rd Annual Convention of the Diocese of Olympia give thanksgiving for the

leadership and ministry of our Presiding Bishop, the Most Reverend Katharine Jefferts Schori and that of her husband, Richard.

BE IT RESOLVED, that the 103rd Annual Convention of the Diocese of Olympia sends its greetings to the Archbishop of Canterbury Justin Welby, and his wife Caroline, with our thanks and our prayers.

BE IT RESOLVED, that the 103rd Annual Convention of the Diocese of Olympia sends its love and best wishes to our Bishops Retired, Bavi Edna “Nedi” Rivera, and her husband, the Rev. Robert “Bob” Moore; Sanford “Sandy” Hampton, and his wife, Mari; Vincent Warner, and his wife Shen; and William Choi, and his wife Catherine; Cabell “Cabby” Tennis, and his wife, Hyde; Craig Anderson and his wife, Lizbeth, and to Terry Cochrane, widow of the Rt. Rev. Robert Cochrane, 6th Bishop of Olympia.

BE IT RESOLVED, that the 103rd Annual Convention of the Diocese of Olympia sends its greetings to the Rt. Rev. Jim Waggoner, Bishop of Spokane and to all the clergy and people of the Diocese of Spokane.

BE IT RESOLVED, that the 103rd Annual Convention of the Diocese of Olympia sends its greetings to the Rt. Rev. Michael Hanley, Bishop of Oregon and to all the clergy and people of the Diocese of Oregon.

BE IT RESOLVED, that the 103rd Annual Convention of the Diocese of Olympia sends its greetings to the Very Rev. Peter Elliott, Diocesan Administrator of the Diocese of New Westminster and to all of the clergy and people of the Diocese of New Westminster, and offers its prayers as they prepare to elect the 9th Bishop of New Westminster.

BE IT RESOLVED, that the 103rd Annual Convention of the Diocese of Olympia sends its greetings to the Rt. Rev. Danilo Bustamante, Bishop of the South Philippines and to all the people of the Diocese of the South Philippines.

BE IT RESOLVED, that the 103rd Annual Convention of the Diocese of Olympia sends its greetings to the Rt. Rev. Suheil Dawani, Bishop of Jerusalem and the Middle East and to all of the clergy and people of the Diocese of Jerusalem and the Middle East.

Be It RESOLVED, that the 103rd Annual Convention of the Diocese of Olympia recognizes and celebrates the 50th Anniversary of St. Bede, Port Orchard.

BE IT RESOLVED, that the 103rd Annual Convention of the Diocese of Olympia express its thanks and

appreciation for the leadership of Mr. Bob Jacobs as President of the Standing Committee.

BE IT RESOLVED, that the 103rd Annual Convention of the Diocese of Olympia express its thanks and appreciation for the leadership of Mr. Bill Goodenough for his eight years as Property Representative of the Diocese of Olympia.

BE IT RESOLVED, that the 103rd Annual Convention of the Diocese of Olympia express its thanks and appreciation for the leadership of Ms. Kathy Hamilton for her twenty-three years as Canon for Youth and Young Adults of the Diocese of Olympia.

BE IT RESOLVED, that the 103rd Annual Convention of the Diocese of Olympia thanks for the able work of our Chancellor Judith Andrews.

BE IT RESOLVED, that the 103rd Annual Convention of the Diocese of Olympia express it's thanks to the Secretary of Convention, the Rev. Marda Steedman-Sanborn and to those who assisted her in preparing for this Convention.

BE IT RESOLVED, that the 103rd Annual Convention of the Diocese of Olympia express it's thanks to those who serve as pages, tellers and work in other capacities behind the scenes, making it possible for this Convention to be together and conduct its business to the Glory of God.

BE IT RESOLVED, that the 103rd Annual Convention of the Diocese of Olympia thanks all the staff of the Hotel Murano, for their care for us.

BE IT RESOLVED, that the 103rd Annual Convention of the Diocese of Olympia express its thanks and appreciation to the diocesan staff who work faithfully on behalf of the people and congregations of our Diocese and the wider Church each and every day in the spirit of Servant Leadership.

BE IT RESOLVED, that the 103rd Annual Convention of the Diocese of Olympia express its thanks for the ministry of all who have worked so hard on this Convention's planning: the Commission for Liturgy and Arts for creating our wonderful liturgies, particularly, Ms. Becky Morrill; Chair of Dispatch of Business, the Rev. Andrea McMillin; Ms. Dede Moore, Canon for Operations, for their dedicated and effective work, the diocesan staff, and the volunteers who gave their time during this convention.

**Motion carried**  
**Courtesy Resolutions adopted**

### **Fossil Fuel Conversation & Discussion**

Bishop Rickel informed convention that without objection he was calling for conversation and discussion on fossil fuel divestment prior to Resolution #5 coming to the floor. The process would include 10 minutes of information table conversation, followed by 20 minutes of comments/statements as a whole utilizing the floor microphones as designated "pro" and "con" with each speaker limited to one minute. Possible discussion questions for table conversations were distributed.

### **Committee on Resolutions**

Bishop Rickel recognized Mr. Duncan Bayne, chair, Resolutions Committee; Bayne presented and moved Resolution #5 noting the committee was divided and therefore issues "no opinion."

### **Resolution #5—Divestment from Fossil Fuels**

**Resolved**, That this 103rd Convention of the Diocese of Olympia requests the Board of Directors of the Diocese of Olympia to implement a plan to divest within five years from direct ownership of public equities and corporate bonds of the world's leading 200 fossil fuel companies as identified by the Carbon Tracker Initiative<sup>1</sup>; and be it further **Resolved**, that this 103rd Convention of the Diocese of Olympia requests that the Board of Directors of the Diocese of Olympia adopt a policy to refrain from this time forward from direct ownership of public equities and corporate bonds of the world's leading 200 fossil fuel companies as identified by the Carbon Tracker; and be it further **Resolved**, that this 103rd Convention of the Diocese of Olympia requests that the Bishop's Committee for the Environment formulate an educational plan for implementation over the next year about the issues and questions surrounding the divestment of fossil fuel holdings. [Document, pg. xx]

Ms. Sharon Wilson, St. Andrew, Seattle, spoke on behalf of those submitting the resolution. Ms. Barbara Fox, diocesan treasurer, spoke on behalf of the Board of Directors and Diocesan Investment Fund.

Proposed amendment: Ms. Barbara Fox, on behalf of the Board of Directors, **moved** to amend the resolution by adding a new fourth resolve statement as follows: **Resolved**, That the 103<sup>rd</sup> convention direct the Bishop's Committee for the Environment to develop and submit to the Board of Directors the conditions that must be met by a fossil fuel company

in order for the Diocese to reinvest in such a company. No second required.

Discussion on amendment: **Opposed** – *The Rev. Peter Strimer, St. Andrew, Seattle; the Rev. Samuel Torvend, St. Paul, Seattle; Mr. Wilson Abbott, Church of the Holy Spirit, Vashon Island.*

**Motion failed  
Amendment rejected**

Discussion on main motion: **In favor** – The Rev. Kathleen Patton, St. Stephen, Longview; Ms. Mary Lyons, St. Stephen, Longview. **Opposed** – Mr. Joe McGuire, St. Bede, Port Orchard.

Proposed division: *Ms. Debi Laughlin, Church of the Redeemer, Kenmore,* **moved** to divide the motion into the separate resolve statements.

**Failed for lack of a second**

Proposed referral: *The Rev. Irene Tanabe, St. Stephen, Seattle,* **moved** to refer the resolution to the Diocesan Council.

Discussion on referral: **Opposed** – *Mr. John Daugherty, Emmanuel Church, Mercer Island; The Rev. Martin Yabroff, St. Andrew, Tacoma.*

**Motion failed  
Referral rejected  
Motion carried on a hand count (234 in  
favor /169 opposed)  
Resolution #5 adopted  
[Document, Pages 44-49]**

#### **Standing Committee Report**

Bishop Rickel recognized Mr. Bob Jacobs, president; Jacobs reported the 2013 Mutual Ministry Review completed with the four governing bodies (Standing Committee, Board of Directors, Diocesan Council, Diocesan Staff) during Bishop Greg Rickel's sabbatical.

#### **Video – Resurreccion Day Camp**

Bishop Rickel introduced a video from the four-week summer day camp held at Iglesia de la Resurreccion in the Skagit Valley. Volunteers from the many congregations were recognized.

#### **Committee on Resolutions**

Bishop Rickel recognized Mr. Duncan Bayne, chair, Resolutions Committee; Bayne presented and moved Resolution #6 with "no opinion."

#### **Resolution #6—Amend Canon 7: The Funds of the Diocese**

**Resolved**, that the 103<sup>rd</sup> Convention of the Diocese of Olympia amend Canon 7 to read as follows, and be it

further **Resolved**, that these amendments to Canon 7 take effect January 1, 2015.

#### **Canon 7: The Funds of the Diocese**

##### Section 1: Assessments, [**Document, Page 49**]

- a. An annual assessment shall be levied upon each Parish and Mission of the Diocese. The assessment shall be a percentage of Net Disposable Income (NDI) to be calculated monthly as set forth below.
- b. ~~For each month, the assessment quotas shall be based on the Net Disposable Income (NDI) available for general Parish or Mission purposes in the second preceding month year prior to the year of assessment, (e.g. for example, the assessment due in February 2015 would be based on NDI in January 2015).~~ 1996 NDI would be the basis for 1998 assessment).
- c. NDI shall be specifically defined by resolution of Diocesan Council and the same flat assessment rate shall apply for all congregations.
- d. The assessment rate shall be set by the Annual Convention; provided that the adjusted assessment rate shall not become effective until the second year thereafter, (e.g., a ~~A~~ decision to change the rate of assessment by the Convention meeting in 2013~~1996~~ would not become effective until assessment year 2015~~1998~~).
- e. When submitting its Annual Parochial Report as required by the National Canons, each Parish and Mission shall submit its NDI for the past calendar year, and the Diocesan office shall reconcile that figure with monthly amounts paid during the year as the basis for calculating its next annual assessment.
- f. ~~If any Parish or Mission believes that there its NDI for the upcoming year has been a miscalculation in the NDI and/or its reconciliation for the previous year, it may present the grounds for such belief in writing to the Diocesan Council by June November 15 of the current year; and the Council shall work with the congregation to resolve the miscalculation have the power to change the assessment.~~
- gf. Should the Convention in any year deem it necessary to increase the revenue to be generated from assessments on Parishes and Missions in excess of that which would be provided under Section (e) above, the Convention may, by two-thirds vote, levy a special assessment upon the Parishes and Missions. Such

special assessment shall be limited to one year in duration.

hg. If any Parish or Mission fails to furnish the Diocesan office with its annual report and NDI by April 15 of any year, the Diocesan Council may fix the amount of the congregation's monthly or annual its assessment.

i. The Diocesan Council shall have the power to grant relief to any congregation by the remission of all or part of its unpaid assessment balance, accepting that no balance owed for the current year shall be reduced in that year ~~except in response to a request submitted as set forth in Section 1(h) above.~~

Mr. Jim Campbell, St. Mark, Montesano, spoke on behalf of those submitted the resolution.

Discussion: In favor – Ms. Jamie Balducci, Epiphany Parish of Seattle; The Rev. Joseph Hickey-Tiernan, St. Paul, Seattle; Mr. Eric Matthews, Grace Church, Bainbridge Island; Mr. Skip Hash, St. Germain, Hoodspport; The Rev. Richard Loop, St. Peter, Seaview; The Rev. R.C. Laird, St. Luke, Seattle; The Rev. Mike Morrissey.

Opposed – The Rev. Katherine Sedwick, St. Michael & All Angels, Issaquah; Mr. Ralph Angulo, St. Andrew, Port Angeles; Mr. Josh Prescott, Christ Church, Puyallup;

**Motion carried in the lay order.**  
**Motion carried in the clergy order**  
**Resolution #6 adopted**  
**Amendment to Canon 7 adopted**  
**Document, Pages 48-49**

#### **PLU President Greeting**

Bishop Rickel recognized Dr. Tom Krise; Krise brought greetings from Pacific Lutheran University.

#### **Ky Chen Award**

Bishop Rickel presented the Ky Chen Employee Excellence "No Problem" awards to **Mr. Larry Frodsham**, St. Benedict, Lacey.

**Larry Frodsham:** For many years, Larry searched for a church home finally finding the right one, the Episcopal Church. He and his wife, Fran, retired and moved to Lacey, Washington and began to attend St. Benedict Episcopal Church. In 2010, St Benedict was no longer able to employ a Church Secretary. Larry, in his retirement, said, I'll take on this ministry. He is the first voice you hear when you call St. Benedict. He edits the newsletter, picks up the mail, and calls the copier guy when the copier is on the fritz. When the copier breaks and our office minister that tends the bulletin can't

come in the next day to run off the bulletins, Larry says, "no problem, I'll help out." He says "no problem" when the Food Bank needs an extra hand on Saturdays. He shows up for men's breakfast, lets people into the church, and is there in so many small ways (and big ways, too). He designs forms for the Bishop's Committee and Vicar, he figures out the best buy for copier paper, saves money at every corner and is always looking out for others in his church community. He designs phone directories and cares for his fellow church members regardless of who they are. When our building minister needs a hand renting a piece of equipment to keep the church facility looking its best, Larry is there to help. When the floors of the Fellowship Hall needed buffing, Larry said, I can swab the deck. As an old Navy guy, he likes to see things running "hot, straight, and normal." He keeps St Benedict running that way, too. Very simply, Larry likes to help out with his church family. It my pleasure to award the Ky Chen Employee Excellence "No Problem" Award to Mr. "Hot, Straight, and Normal, **LARRY FRODSHAM**.

#### **Evangelism Commission**

Bishop Rickel presented the Bishop's Preaching Award to the Rev. Shelly Fayette, Church of the Good Shepherd, Vancouver, and to the Rev. Lex Breckenridge, St. Thomas, Medina.

The Rev. Melissa Skelton, Canon for Congregational Development, presented the Evangelism Commission Website Award to the Church of the Good Shepherd, Vancouver.

#### **Report of the fourth ballot**

Bishop Rickel called on Secretary Marda Steedman Sanborn for the report of the fourth ballot.

#### General Convention Alternates—Clergy

Plurality required to elect.

Jaime Case	198
R.C. Laird	264
Stephen Moore	238
Kevin Pearson	230
Rachel Taber-Hamilton	282
Martin Yabroff	150

**TABER-HAMILTON, LAIRD, MOORE, & PEARSON ELECTED**

#### **Episcopal Relief & Development**

Bishop Rickel recognized Mr. Chuck Hamilton; Hamilton presented the report in Haiku to vigorous applause.

**Recognition of youth, pages, volunteers and diocesan staff**

Bishop Rickel thanked the following groups for their dedication and hard work in putting together the 103<sup>rd</sup> Convention of the Diocese of Olympia: voting and non-voting youth presence; youth and young adults working behind the scenes as pages, especially D Bracher, Rebecca Kirkpatrick and the adult chaperones; Katie Akesson, elections official; registration volunteers from the Rainier region; liturgist and worship leaders particularly Becky Morrill, diocesan liturgist; our Liturgy and Arts Commission; musician Jason Anderson; Mr. Bill Goodenough, Board Representative as he retires at year-end 2013; Ms. Deborah Hickey-Tiernan for transforming this space into a sacred space; Head Table participants, Judy Andrews, Andrea McMillin, Ann McCartney, and Marda Steedman Sanborn; the entire Diocesan Staff who work on behalf of the

diocese each and every day; and finally, Dede Moore, who makes this meeting possible.

**Video – Bricks for Haiti**

Bishop Rickel introduced a video showing the hard work of many congregations on the Bricks for Haiti campaign.

**Final Announcements**

Secretary Marda Steedman Sanborn announced the 2014 Convention will be November 7-8 at the Hilton Seattle Airport & Conference Center.

**Adjournment**

Bishop Rickel adjourned the convention sine die at 3:42 pm.

**Evening Prayer & Commissioning**

Closing prayers, including the commissioning of all those elected during the convention, were shared.

# Section 2

## Convention Address – the Rt. Rev. Greg Rickel 103<sup>rd</sup> Diocesan Convention

*“Diocese continues decline as Bishop surfs.”* That was the sentiment of one person who responded to the brief survey developed by the Outside Church Walls group which has been working this year to continue the Mutual Ministry Review and the work of Russ Crabtree that we all worked on and heard about at this convention last year. You might remember that Russ told us that we, as a diocese, were poised with great energy, to take on new things; that this diocese was one of the best positioned, most singularly focused he had seen in his research. And you might remember his warning in all of that, such a place, such an organization, such a people focused on a common mission could not expect to accomplish the next thing doing the things it had done before. In other words, as he said, “What got you here will not get you there.”

Of course we do not know where “there” is just yet. Anyone that claims they do should be viewed with at least a modicum of healthy suspicion. Over 1000 people responded to those small index size cards which asked basically one question, “Do you attend church, or not,” and then asked you to give up to six words, either single words or a phrase that you think of when you hear the word “church.”

- Diocese continues decline as Bishop surfs
- There were others, they were funny, creative, moving and sad
- I do not go to church
- I'd rather be atheist
- Time better spent hiking on a nature trail
- I need to sleep in
- Songs speeches benches wine crackers mini pencils
- Creepy, frankincense, pedophilia, Jesus, brainwashing, architecture
- Boring, guilt trip, outdated, too early in the morning, welcoming friendly people
- I go to church
- Always asking for more money
- Mine is wonderful some are hurtful :(

- Elitism, hypocrisy, hope, insular, changing, outside the building
- Husband resists
- Community, faith, hope, life, guidance, love
- People who imagine this [survey] is useful

I thought of that quote which I paraphrase a bit here, *“A lot has been said about church; some of it complimentary, but most of it accurate.”* - Eric Idle.

It is better when we cop to the things we do, our persona as a church, taking the good with the bad, and then speaking to it, rather than running away. So, when I saw this I thought the same.

*“Diocese continues decline, as bishop surfs”.* I know I speak for the committee when I thank you for those who took the time and thought to fill these out, to offer your input, even this one, “Diocese continues decline as Bishop surfs.” We all know what was hoped for in this reply, this comment; a hope to sting just a bit. Of course there is great courage in doing this on an anonymous survey. But you know sometimes people are smarter than they think, even when they are trying to be smart in other ways. We should pay attention to this.

Now, I know some of you, amazingly are dying to hear about my sabbatical. However, I suspect just as many of you could care less. There is not a small number out there asking yourselves, “He was on sabbatical?” So, as much as I envisioned spending some of my time up here today going through that, I kept having a recurring nightmare of the relative who, after a thoroughly stomach filling, sleep inducing Thanksgiving meal, pulls out three trays of vacation slides, and painstakingly goes through each one in tremendous detail. So I am going to defer.

I will say this, I appreciated the sabbatical. I highly recommend it. It taught me much, and leaves me more to learn. It gave me time, time I desperately needed. It taught me more about time and hopefully provided some ways for me to use time differently in this next phase. It shined a refining light on what I have said all along with you, that I would stay in this vocation and office you have called me to for about 12 years and so we are half way there. The next six, I



hope, will be focused differently in preparation for more ownership by you, and more preparation for a different church and different leadership in the future.

I have told a few, and will tell you all now, that this sabbatical did all the things I now know it ought to do: make you question, and wonder. I learned how tired I was. I had not had so many people telling me what is supposed to be kind of a caring thing, but when it comes in droves becomes alarming, when just before I left people would say, "You look so tired, so worn out." I told you I wasn't. I was. I will try to listen more.

My dark night of the soul came at about two months, when I truly began to think about not coming back to this, and how, through prayer, and more than anything else the revelation to me that we, you and I, and this diocese, are onto some great things, and also just how much I enjoy being in mission with all of you. In that last week I was actually chomping at the bit to get back to this. That was a journey worth every bit of the time, and a grace I am so very thankful for. I still hope to write more and to share more as venues provide themselves and in places where you are not held hostage to my ruminations.

But, today, while I have you here I want to focus more on our life together, our future, and those amazingly profound words, "Diocese continues decline, as Bishop surfs." Actually, that card itself, and many that came from the self-identified church insiders, not the outsiders mind you, represented one of the old ways we go about things. One of the things that I suspect will not help us all as we move forward. It is a symptom of not only our church life, but the body politic in general ... we find blame. We sit in uncertain situations, with uncertain outcomes, feeling helpless in many ways, and we begin to cast blame. There is an epidemic of this in our country, and definitely in our church, of thinking the leaders are the fixers, that it is their job to fix it. We have lost to a large degree the belief that it takes adept followers as well as leaders, working together to overcome our problems.

Diocese continues decline as Bishop surfs could be a bumper sticker for this mentality. As Kurt Vonnegut once wrote, "*True Terror is to wake up one morning and discover that your high school class is running the country.*" - Kurt Vonnegut Jr.

*Here we are folks. We. Us.* Now, we might actually dispute some of what is on that card.

"Diocese continues decline as Bishop surfs." People are constantly saying that the diocese or the church is in decline because they see it only from their local reality, which may be happening, but rarely can they cite the evidence of their claim. It is there. And for the sake of our discussion today and in the days and months to come, I do not want to have that argument. I want to place this before us as a given, but I would say it a bit differently, the diocese as we have known it, become accustomed to it, been comforted, and/or troubled by it, is in decline, is changing, is not matching up with the world that faces us. Whether you believe in that or not, for the sake of my words to you today I put it out there, in that way, as a given. The church and this diocese, as we have known it is in decline.

AS Bishop surfs. And indeed I did surf. I don't do it very well. It's an ugly thing...but I do it. I learned a lot wading out into those waters. There are life lessons in every adventure. I have so much more respect and understanding for surfers, something I had never tried, ever, until that fateful day in July when I followed all those early 20 year olds out into the pounding surf. I was the old man. I should say I am the old man.

Jimmy Buffett has a song that says, "All the girls used to ask me how things are, now they ask me how things were." I got to experience that with this crowd. But I want to share that in my three weeks on that beach, in those classrooms, living at the School of the World, once my vocation was found out, I also had some amazing chances to share our faith, and our church.

I shared with you along the way that we Episcopalians often see evangelism like the person who walks out on the beach and places an aquarium in the sand and then stands around hoping the fish will jump in. Instead, we are going to have to wade out into the water, get wet, cold, beat up by the waves sometimes; be in places, doing things we never thought we would.

And as easy as it was to forget, like the person who filled out that card, surfing was really a byproduct of a deeper exploration into the Spanish language. Again, I continue to learn, I can do it a bit better, but not very well; it, too, is an ugly thing, but I do it, and I keep trying. As I answered Jo Beecher this week as to how my Spanish was coming, "Poco a poco, pero estoy trabajando en ello." It is amazing the doors that can open with just a few understood words by people from other worlds. This metaphor

should not be lost on us. We, the church, the community of Jesus Christ, are going to have to learn the new languages that are all around us. And that won't be easy. We are going to have to go to school. We are going to have to invest time. We are going to have to do things differently.

One thing I had to get in check as I began to learn surfing and Spanish was to find out where my anxiety lay, and what it was about. Only by getting honest with yourself can you begin to break it down and move through it. WE have to do that too. I am amazed quite frankly at the anxiety that has been produced by the mere existence of the Outside Church Walls group, but instead of passing that off, I want to look at that too.

When it was first reported to me that there was anxiety, anger, frustration, fear about this group, my first reaction was, good. We need some of that. But I don't want to leave it there. So for now, let me address what the charge and intent of the Outside Church Walls team was all about.

After our work with Russ Crabtree and all we learned from that effort, it was my hope to probe not so much inside, as we did in that, but instead to look outside, to the community that does not consider itself part of the church, and may not even want to be. The charge then was to bring a group of people together who could dream about what the church, if it focused far more on those outside, and not nearly as much on us insiders, might look like?

In my first meeting with them I did in fact say, everything is on the table, even the Bishop, is he the right one, do we need one at all? Their charge is to provoke a conversation, to get us all involved in what they have just begun even with a year of work, and quite frankly I witnessed them struggling for a long while with the very notion and focus, which in and of itself was a sign of an issue for us, that we don't know that language, those are waters we are just not familiar with, certainly we don't know yet how to bridge the worlds, and then, with that idea you have to acknowledge there are two different worlds that need to be bridged. Their job was to help all of us begin to really talk, create, imagine that bridge and what it is going to take to build it. And at this convention, some of that will begin, with all of you.

And when we begin to talk this way, well the anxiety rises. It is like that card, "Diocese continues decline as bishop surfs." It is packed with blame and fear. And that is how we hear it when we hear it, the church is in decline, we have to change, we are not

keeping up, etc., we hear everything I have done, perhaps what I have given my life to, has been wrong.

No. No. I say no to that. That is simply not true. And I want to present a metaphor for this that the Outside Church Walls is going to spend more time with you on. It is similar to the difference between weather and climate. Weather is the situation that presently exists in a local area. It is the storm that has blown in over Aberdeen or Kent, the sunbreak in the San Juan Islands, the hailstorm in Bremerton, the snow in Snoqualmie, and as we all know maybe on the same day and at the same hour!

And then there is climate which is how broader circumstances exist or are changing over time. Climate is the slow, almost imperceptible changes that sometimes just don't seem very apparent in the local, and that is OK. We have to deal with the hailstorm in Bremerton, while also being aware of the climate. A diocese can be about the climate, and to do that well, WE, all of us, need to be good at and know both.

It is the difference in dancing on the floor and being in the balcony to see the whole event. Outside Church Walls was an attempt to take a much closer look at the climate, so that we might all better read the weather in our local context.

Outside Church Walls is not a policy making body. It is a dreaming body, charged with not allowing us, me definitely included, to fall asleep at the switch, to let this go.

So, as much as the anxiety is actually good, in that it helps us pay attention to some of this, I would also implore you to try to relax. This is not a closed or secret group. You are not going to wake up one day and see everything changed because this group decided on it. They really vote on nothing. They dream. Your governing bodies are still in charge. The constitution and canons still pertain. Let's relax. Let's not assume the worst. Like so much of our discourse in this country now, let's act like the community we say we are, let's not eat our young or shoot the messenger in the process.

If we can master that, we will have the greatest advantage we can have. Because, as Diana Butler-Bass said of the Diocese of Olympia, and of you, the people here, when she worked with the Outside Church Walls group and our governing bodies, "If this diocese, and these people cannot figure this out, it can't be done." That is a huge compliment and burden for us.

Diocese continues decline, as bishop surfs. The other thing that bothers me about this, which is there in these six words is this notion we continue to carry, and quite frankly we do very well, and you can hear it in the words from those inside and outside the church. Diocese continues decline as Bishop surfs gives power to that notion that we are just not supposed to have any fun while we go about following Jesus.

Clergy and bishops should dig out their hair shirts, sit in the rain without an umbrella, and contemplate how they individually are to blame for the lack of world peace.

Lay people should not smile, they should not be seen in untoward places, being Christian means being dull, being bored. While you are allowed the occasional enjoyment the majority of your life, to be truly religious, is to be dour, to be valid the walk with Jesus must be seen by all that witness it a forced march.

People, let's get over ourselves. I know I always seem to try to hit you right between the eyes with reality. But I am a person of hope, of hope that comes with work. I have to say there is no community that can so quickly take hope and turn it into denial than the Church. All our hope may be in Jesus, but even he would not say for us to simply stand by and wait for something to happen, to sit with the assurance that all of the gravity and power of following Jesus Christ that we might have within us will just be miraculously taken in by the passer by and thus they will steer right towards us.

WE are too much operating in the mode of, as one blogger put it when he said we are going out of the welcoming business, no more, we will not be a welcoming church any longer. It has handicapped us. A welcoming church continues the notion that all we have to do is sit here and they will find us, come in our doors. He said, no, we are becoming an inviting church, which means we have to go out of our doors and actually meet people where they are, doing what they do, and living among them as testifying believers. And much, if not most of this, falls on lay people, not the clergy.

It is a bit like my current bank, which will remain unnamed, but for which I have a struggle right now. It has amazing people who are so nice – on the phone, in person – just very, very nice people. It has an amazing slogan printed on everything about being the greatest bank ever, and it is almost offensive because it is so untrue. Experience eventually wins.

We can sit in hope and let it become denial when we disavow the work, and the attention we have to give to that hope. So, I have hope, that kind of hope. And I know, I KNOW you do too because I see it everywhere, and am inspired by you everywhere; IN awe even.

Diocese continues decline, as Bishop surfs is not our bumper sticker ... at least not the way it was meant by the writer. I bring it up so that we might know there is a bit of that in all of us, but we can't let it win.

This is what I see. The diocese, as we know it, continues to decline, as Holy Cross Redmond is working with Eric Fritch's Chinook Farms, an organic farmer from St. John's Snohomish, to lease land for their Food Bank Farm Ministry. This ministry partnership began when the St. John's Snohomish College for Congregational Development team visited Holy Cross in Redmond last year. Holy Cross rector, Jim Eichner, who had been working previously with another farm met Eric and this relationship developed into a cooperative project between the farmer and Holy Cross – which leased three acres but actually farmed six acres in a sweetheart Gospel economics deal. In addition to this being a ministry of Holy Cross Redmond, a group of St. John's Snohomish members are involved, too. On a recent harvest day 200 people harvested 28,000 pounds and were comprised of groups from Nordstroms, Allstate, Microsoft, AT&T and National Frozen Foods Corp. All of these groups know that this is a ministry of Holy Cross Episcopal Church in Redmond and their perception of the Church has been changed positively by that.

But the congregation and community connections don't stop there. This year Holy Cross provided 1000 pounds of pumpkins to St. Columba's Kent for its Octoberfest, which brought new people from the community onto St. Columba's property. And now they are in conversation with these three congregations to help utilize 6-8 acres for farming at St. Columba's Kent. This is land that is not presently being used for anything! Jim Eichner tells me they are 1000 pounds away from 100,000 pounds grown, harvested, given.

The diocese, as we know it, continues to decline, as All Saints, Vancouver continues a joint venture with the city so that a soccer field ministry can spring up on their land. But All Saints didn't stop there – they looked at the context, their weather report, and began a hospitality ministry, then took advantage of

the “traffic on-site” to market their worship services and other thresholds for people to enter their community. All this from asking the question, “How can we utilize this land for the Gospel?” – proclaiming the Word in their community.

The diocese, as we know it, continues to decline, as Young Adult Pub Theology, meeting in bars, pop up all over this diocese, in Vancouver, Mt. Vernon, Ballard, Seattle. Young people engaged in discussions on sin, forgiveness, sacraments, religion.

The diocese, as we know it, continues to decline, as Daphne Burkhalter, Mark Blindheim, Fred Milkie, and Allen Affleck take prayer services at the King County Jail, and I know prisoners are being visited in Aberdeen and Monroe.

The diocese, as we know it, continues to decline, as St. James’ Family Center in Cathlamet, though among the smallest of our congregations, transforms the landscape of their economically distressed, but joyously positive town through the St. James Family Center, which is a perfect example of joint work by the people of this diocese in making way for funds, and the work of the local faithful, to provide quality schools and healthcare in a place that would not have it otherwise.

The diocese as we know it, continues to decline, as our College for Congregational Development thrives, teaching so many how to grow. We have now just completed the 5<sup>th</sup> year of the College for Congregational Development. In these five years teams from 51 congregations in the Diocese of Olympia have participated in the College and teams from eight dioceses outside Olympia have also participated. Beginning three years ago, other dioceses in the US and in Canada began to draw on the materials and designs developed for the College and have launched their own congregational development training programs. These dioceses are the dioceses of Mississippi, Alabama, East Tennessee, Upper South Carolina, Arkansas, and East Carolina in the U.S., and the Diocese of New Westminster in the Anglican Church of Canada. Slated to start their own programs this year are the dioceses of Spokane in the U.S. and the Diocese of Edmonton in the Anglican Church of Canada. And that all started here.

The diocese, as we know it, continues to decline, as local congregations grow, most of which participated in that College: Good Samaritan, Sammamish up 40% in the last three years; St. Paul’s, Seattle up by 28% in three years; All Saints, Vancouver ; St. Margaret’s, Bellevue; St. James, Kent;

Christ Church, Blaine; St. George, Maple Valley; Epiphany, Seattle; and many more.

The diocese, as we know it, continues to decline, as your diocesan staff adapts in amazing ways, scary ways, life changing ways, and keeps, year after year cutting funds so that assessments might be lowered, and more of those funds stay local, and yet still trying to offer the resources necessary to our gathered community we call a diocese.

The diocese, as we know it, continues to decline, as the assessment Review Task Force, put in place two years ago, which so carefully and methodically looked into this issue made a bold report to our Diocesan Council just before I left on sabbatical.

This task force took up two main issues, and their report comes in two parts to address them. Part one addresses the assessment process. Council has addressed this and a resolution will be presented to this convention. It is bold new way to make assessments real time. I don’t think anyone else is doing this. People are once again watching us across the church, wondering what we are up to!

Part two addresses the assessment level (the percentage assessed) and the purposes for which the money is used. It argues for a sharply focused mission strategy with accountability and transparency, even at the parish level. The Diocesan Council will be taking up this part in detail in the year to come, but suffice it to say a group that thought it would come back and say lower the assessment at all costs, actually said no to that, but said, instead, that its uses should be justified by clear missional strategies with accountability and transparency.

The diocese, as we know it, continues to decline, as so many Gospel centered ministries build that bridge to a world that has not given up on Jesus, but one that is very suspicious of the Church.

In short, the weather report in many places is quite good. The climate is changing. And it will affect the weather in your local area in the days and years to come. This work, we do together, is to know as much about that as we can. To know it, we are going to have to get wet, wade into the water, go and be in places we never dreamed of being, learn things we never thought we would need to learn. We can celebrate those adventures together, or we can choose to blame, and to sit quietly as all that changes around us, turning hope into denial.

The diocese as we know it ... maybe it is not all that bad that it is declining, changing, into something

different. That may change, but God will surely never abandon us.

Such change comes with growing pains, comes with a shift from what we have always known, to something that we have to learn. We have a choice here, now. We can retreat into what we have and hope, nothing more, just hope that something will happen. Or, we can engage in new places, relearn the depth and wisdom that is the richness of our faith, and our tradition and build the bridge that will share that with a new world, in a new climate.

IF we continue to do that, we will become that living word for each other and for our neighbors, living the Eucharist, living our Baptism, Proclaiming the Word, so that all might see Jesus.

The diocese continues decline, as bishop surfs. It is true, and I don't apologize for it.

**The Rt. Rev. Gregory Rickel  
November 8, 2013  
Tacoma, Washington**

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### **Treasurer's Report to Convention – 2013**

In serving God this past year as Treasurer I feel I have been serving the great wealth of this diocese, not only the financial assets, but all of the people. You won't find a lot of numbers in this report, although I keep saying to Bill Goodenough I need numbers, numbers, but I hope you hear the proclamation of God's word in what I have to report. I am here all day if you have questions.

I was wondering what I had actually gotten into last year when Steve, (our former Treasurer) handed me an Orca card that had been purchased through the Diocese, suggesting I could use it before year end. I accepted it gratefully, and then tried to use it on the Link light rail back to Seattle from SeaTac after convention, only to find there were no funds on the card. Was that telling me about the possible state of the finances in the Diocese? I learned very quickly that the state of the finances was excellent as his report last year indicated; but that was the beginning of a somewhat steep learning curve.

The Joint Finance Panel was established shortly after the Bishops arrival, with representatives from each of the governing bodies (Board, Council and Standing Committee), focusing on various aspects of the diocesan finances, but specifically internal financial controls. JFP digressed for a period of time, which brought us the church in good standing or provisional good standing polices. As noted yesterday, each congregation in the Diocese has seat, voice and vote at this convention as a result of that work. As part of that process, I have learned how gratifying it can be for a congregation to work with the Council's Budget & Finance Committee to stay on a good financial track, or with good communication and conversation can get back on track. Currently we have assessments of approximately 5% in arrears. Talk to us so you can retain your seat, voice and vote for next year.

The JFP did concentrate at the outset of this year on the question of internal controls in the finance

office. We felt this item would be raised by the auditors in the management report. At my request the Board approved the JFP as the formal Audit Committee of the Diocese with the inclusion of Mary Dickinson an accountant and board member, and we received the audit report from Petersen/Sullivan in Aug. We were very happy to receive a better than expected management report, given that the Finance office had an extremely difficult year in 2012, with employee turnover and illness. Chris Smith-Clark our Canon for Finance, is to be given a great deal of credit for keeping that office on an even keel, along with our now full time accountant Edie Pehrson. Edie came to us with many years of experience in non-profit accounting. With the help of the members of JFP and stable employment in the office, we will make some recommendations for an internal control policy. We are also finding ways to reduce the time demands on the Canon for Finance by

shifting some things to the Treasurer.

Safeguarding our physical assets can be a vital as safeguarding our children and people. As I have had the opportunity to visit parishes, either when the Bishop makes a visitation, or when asked to come for financial reasons, I have made known my hope that congregations will take a look at their facilities and make an inventory of maintenance that needs to be done. The ERD (Episcopal Relief and Development) has on their website an excellent guide for Disaster Preparedness which dovetails with the deferred maintenance problem. The issue of deferred maintenance for Diocesan owned property is a work in progress and the Board and the newly reconstituted Diocesan Committee on Insurance, which is looking at our entire property and casualty package with the hope that we will get assistance with property inspections from an insurer. All mission properties owned by the Diocese would be reviewed over a 3 year period, but it is still imperative to take a look at your facilities now as we are coming up to the storm season, as evidenced by last week's wind. I realize when a congregation is just making budget, keeping a maintenance reserve is not feasible, however, a roof leaking onto the altar or the office computer won't go away.

One of the committees that I have the privilege to sit on is that of the James F. Hodges Diocesan Investment Fund (affectionately known as DIF). I hope many of you took advantage of the workshops they provided

yesterday. As a committee of the Board we are not required to have an annual meeting, but felt it important to let the participants of the DIF know what they are doing. There are some 60 congregations participating in the DIF, along with Diocesan funds. When I say privilege I cannot say enough about the members who make up this committee. They are some of the finest, most objective professionals I have known. They have achieved some of the highest rates of return over the years with investment in quality companies, being emotionally detached and not panicking when all others were seemingly losing their heads. The cost of doing business is very low since we do not have management fees; their work is voluntary and the trading and custodial fees are low. We meet quarterly, but if it were needed due to any drastic change in the markets, appropriate actions would be taken to ensure the protection of our assets.

The Assessment Review Task Force was commissioned by the Bishop and chaired by Fr. Bob Rhodes (retired). We spent hours over a 2 year period working on the question of an equitable assessment. We discussed the history of the Diocesan assessment and went out into the Diocese interviewing congregations, large and small, along with groups such as those attending the College for Congregational Development. Two recommendations were made to the Diocesan Council; one of which was to remove diocesan grants from net disposable income calculations. The Council accepted the recommendation and it has gone into effect, with the rebate of \$148,000 to congregations who

had paid assessments on their grants. The net result to date is an unrestricted funds deficit of \$109,000. Council felt that this was proper because of the unrestricted funds net asset of \$506,000. The other recommendation will be on the floor later today as Resolution #6 proposing assessments be paid in what we call real time dollars.

At the time Greg came to the Diocese, the Diocese purchased a residence for him and Marti, with the Diocese retaining title to the property. We learned early this year that a large apartment building was to be built in a position that would potentially cause the loss of value to the Diocese and the Board determined it would be prudent to sell the property. Greg and Marti had already been talking about a smaller home and determined a condominium would suit their changing home life with Austin potentially departing for college next year. Since Greg was going on sabbatical they decided to make the move during that time and found a new home, which was purchased by the Diocese. We then placed the current property on the market and the closing took place Thursday. There were some interesting catches in the process and I was glad to have had a lending and real estate background to mitigate some potential problems.

The Diocese owns a substantial parcel of land in downtown Ballard and has embarked on a feasibility study to determine the highest and best use for the property, consistent with the mission of the congregation, the Diocese and community needs, including the potential of replacing the very old,

unusable church and the current sanctuary which was really never meant to be one. This study is being done while RC Laird and the congregation has begun a major rebuilding process of their own. The buildings on the campus reflect their age, but two have become homes, with lots of sweat equity for our 6 SERVE fellows, and there are several community service programs located on the site. Keep tuned and keep them in your prayers.

Although little is heard from or about this office, I must point out the work done by Greg Hope

and the Office of Refugee Resettlement. Much of the nature of this work has changed to more work with very low income folks, but the fact is about \$1 million of government money comes into and is managed in that office. It is a joy to talk to Greg about the work there as I sign contracts or RFP's so they can continue programs where English is a second language, or make very small loans under Federal guidelines.

One of the hardest working committees, with the most difficult job has been the Budget

and Finance Committee led by Joe McGuire of the Diocesan Council charged with producing a budget for 2014. Faced with expense requests of over \$900,000 more than revenue, the committee literally rolled up their selves and went work to determine what could be cut. Our Bishop was right there with us, helping to make the hard, sometimes gut wrenching decisions, so what you now have is the budget that has been discussed at the region meetings and at this time.

**Ms. Barbara A. Fox**  
**Diocesan Treasurer**

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### **Bishop Rickel's Convention Sermon – Ordinations to the Diaconate – 2013**

November 9th 2013

The Rt. Rev. Gregory H. Rickel  
Tacoma, Washington

Clarence Jordan once wrote, "Jesus has been so zealously worshiped, his deity so vehemently affirmed, his halo so brightly illumined, and his cross so beautifully polished that in the minds of many he no longer exists as a man. By thus glorifying him we more effectively rid ourselves of him than did those who tried to do so by crudely crucifying him."

That is certainly a rather abrupt and clear statement and one I think might be very appropriate for the ordination, very appropriately by a diocesan community, to the permanent diaconate. If you have been to any of these before you know I believe a deacon is called to go out into the world, find trouble, and bring it back to the church. Their chosen vocation and calling, or should it be the vocation that has hunted them down and found them, is there and now their living will be devoted, for the rest of their lives, to being mirrors to us so that through them we might get in touch with that diaconate in all of us,

that call from the baptismal waters to go and find trouble and bring it back to the church.

I know every time I say that one or two people, or maybe a lot of people are thinking, you know it seems the church makes enough trouble of its own, it really doesn't need to find any and bring it back. Yes, i would have to, sadly, agree. We have to deal with that too, and in the whole scheme of things that kind of inside trouble is left to the priests and lay people to deal with. Deacons ought to be blessedly left out of that, so that they might remind us of where most of our energies ought to be directed. Being in the world, evangelizing that world, is exactly why we exist in the first place. Deacons are there, to paraphrase Jordan, to be an honest check for us so that we don't so spruce up Jesus image and message as to make him almost a different being and reality entirely.

That is what the Gospel of Luke is really all about. It is a Gospel about misplaced priorities, worrying more about the pecking order and where

we fall in it, instead of the mission we are called to be about. Deacons are supposed to serve an important role as an integrity meter so that we don't fall victim to such arguments and such use of our energies.

When I was at Canterbury Cathedral several weeks ago I was so impressed with the Dean there, Dean Willis. He talked of how he and his staff had bantered around how they saw their mission in that place. They had pages and pages to look at and work from. What they decided in the end was what I would paraphrase only a little, living faithfully so that all might see Jesus. That is really a call for each and every one of us as Christians, called from the font, to live faithfully so that all might see Jesus.

These two we ordain tonight, Polly Shigaki, and Eric Stroo are exceptional indeed. Both have put forth so much effort and have made life altering decisions in order to stand here. This call is not an idol fascination for them, a hobby. Jesus has not been polished out of existence in their minds and hearts. I have seen this to be true, in living breathing ways with each of them along this walk. Both of these people are deep learners. They do not pretend to have it figured out, but they are committed to trying to figure it out.

When the Commission on Ministry met with these two for the final time before this night, they remarked about each. For Polly it was said, she has the capacity to stand at the very edge of creation and stand with those that are utterly abandoned and raise up their personhood with incredible humility.

For Eric it was said, I am amazed at how he has changed just since the last time we saw him. We are amazed and inspired by how he lives out his ministry from these liminal spaces, from the altar, from the Fatted Calf cafe, from at Camp Huston, at the Y, from the table, that is remarkable.

Those statements and so many others do not, and cannot ever sum up these two, but such fine statements do point to who they are. For those of us who know them, we recognize them very much in those statements.

Our theme for this convention is Proclaiming the Word. That is a deacon's job, to go out into

the world and proclaim the Gospel of Jesus Christ, not only in their words and in the liturgical function which is uniquely theirs to do, but even more in their lives. In fact, what brings integrity to that liturgical act, is even more accentuated when the person standing in that place, proclaiming that word is indeed known by the surrounding community as one that lives what is being proclaimed. When that integrity, consistency, and authenticity is there, then we are all convicted, moved, called to do something with this Gospel, to give it legs and heart and breath, to make it come alive in us.

When a deacon dismisses us, hopefully and most richly at the back of the church, by the doors, and the baptismal font, they then turn and walk out, bidding us to follow them, let us go forth into the world rejoicing in the power of the Spirit. For that to be efficacious, to work, the person has to be immanently follow-able. These two are.

Polly and Eric, would you please stand. You are just exactly who God called you to be. And while the church believes that you change today, that you are made different for us, you don't need to try to change. We called you to this moment and this office because of who you are. Any changing that is in order is God's to do. Just be you.

Today this diocese gathers, representing square miles, and many communities of faith of all sizes and sorts and varieties. Across those miles. In those miles between those places we call "ours" that we so arrogantly claim we own, are so very many we do not see, so much space we so often write off as not our responsibility, not our jurisdiction. Help us, along with the community of deacons in this diocese to reclaim that space, to know it as holy, and as sacred in the eyes of God, just the place, the very place, we as baptized follower of Jesus Christ must be.

May you live this vocation faithfully so that all might come to see Jesus, not polished beyond recognition, but as one in the midst of life and may we be found there too. You lead, so we may follow. May you be blessed in this new vocation you take on this day, and know that you go with our blessings.



# Section 3

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2013 Program Reports received through Diane Wells

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## Clergy and Staff Transitions 2013

Canonical clergy transferring in from other dioceses: Nancy Wynen (Southeast Florida), Jeffrey Shilling Gill (Massachusetts); Diane Moore (Colorado), JD Godwin (Dallas), Candice Corrigan (Minnesota), Dianne Andrews (Pennsylvania), Katherine Sedwick (Minnesota)

Clergy transferred to other dioceses: Stephen McHale (California)

Clergy licensed: Richard Loop (Oregon), Michael Paul (San Diego), Elizabeth Nelson (Idaho)

Deacons ordained (permanent): Eric Johnson

Deacons ordained (transitional):

Priests ordained: Diane Ramerman, Carol Rodin, Michael Carroccino, Curtis Farr, Alfredo Feregrino, Eric Mason, Jonathan Myers

Priests received:

Clergy who have retired from full-time ministry (as recorded with the Church Pension Fund): Elizabeth Bloch, Ann Lukens, Mike Morrissey, Robert Dietel

Deceased: Bill Burnett, John Huston, Richard Alan Jordan, Allan Parker, Jayne Gott

New to the diocesan staff: Eric Donner, Accounting Assistant; Edie Pehrson, Accountant; Cindy Spencer, Coordinator for Children's and Family Ministries

Diocesan staff with new roles: Shannon Jergenson, Program Coordinator for Governance, Communications and Special Projects; Rebecca Kirkpatrick, Canon for Faith Formation: Thirty-Five and Under; Dede Moore, Canon for Operations

As of the 102<sup>nd</sup> Convention of the Diocese of Olympia through October 28, 2013.

Diocese of Olympia 103<sup>rd</sup> Annual Convention  
 Friday-Saturday, November 8-9  
 “Proclaiming the Word of God in worship, with our lives, and in the world”  
**Agenda**

**Friday, November 8**

- 11:00 AM      **Registration** opens
- 12:00 PM      **Lunch** (*optional, ticket purchase required*)
- 1:00 PM      **Exhibit Exploration**
- 1:00-1:45 pm    Workshop Session 1
- 101: Website 101 (*Venice 1*)
  - 104: How Might we Help you Strengthen Worship in Your Congregation (*Venice 2*)
  - 107: Beyond Charity: The Ministry of Accompaniment (*Venice 3*)
  - 110: Fossil Fuel Divestment: A Matter of Faith? (*Venice 4*)
  - 112: DIF: Investing your Money Wisely (*The Gallery*)
  - 114: Adult Faith Formation: On-line & On-site (*Cavallino*)
  - 117: Storytelling: Connecting your Community & Ministry (*Burano*)
  - 119: Tongues Ablaze: Resources for Developing Multilingual ... (*Torcello*)
- 2:00-2:45 pm    Workshop Session 2
- 102: Social Media: The 5 Ws (*Venice 1*)
  - 105: A Taste of the College for Congregational Development (*Venice 2*)
  - 108: Utilizing Electronic Giving in your Congregation (*Venice 3*)
  - 110: Fossil Fuel Divestment: A Matter of Faith? (*Venice 4*)
  - 112: DIF: Investing your Money Wisely (*The Gallery*)
  - 115: Choosing Curriculum (*Cavallino*)
  - 118: Living Out God’s Word of Peace & Justice (*Burano*)
  - 119: Tongues Ablaze: Resources for Developing Multilingual ... (*Torcello*)
- 3:00-3:45 pm    Workshop Session 3
- 103: How’s Our Website Doing? (*Venice 1*)
  - 106: Congregational Grants: An Overview (*Venice 2*)
  - 109: Getting Smart about Mobile Communication & Stewardship (*Venice 3*)
  - 111: Making a Difference Her, Making a Difference There (*Venice 4*)
  - **113: Convention Orientation (*The Gallery*)**
  - 116: Connecting, Consulting & Creating in Children, Youth & Adult Ministries (*Cavallino*)
  - 117: Storytelling: Connecting your Community & Ministry (*Burano*)
  - 120: Meet the SERVE Fellows! (*Torcello*)
- 4:00 PM      **Convention Business Session #1**
- Opening worship** / Bishop’s Address / Opening Business / Nominations / Ballot #1
- 5:15 PM      **Break / Exhibit Exploration**
- 5:45 PM      **Convention Business Session #2**
- Theme Introduction / Report Ballot #1 / Ballot #2 / El Salvador Companionship Committee / Resolution #4 / Outside Church Walls presentation / **Evening Prayer**
- 7 PM          **Recess**
- 7:15 PM      Welcoming the World: Dinner & Entertainment (*optional, ticket purchase required*)

**Saturday, November 9**

- 8 AM – on Registration / Exhibits open
- 8:30 AM **Convention Business Session #3**  
**Morning worship** / Call to Order / Ballot #2 Report / Ballot #3 / Bishop Appointments / Clergy & Staff Transitions / Disciplinary Board / Treasurer’s Report / 2014 Budget ratification / Constitution & Canons Report / Resolution #1, #2, #3, Courtesy / Standing Committee Report
- 9:30 AM **Break / Exhibit Exploration**
- 9:45 AM **Theme breakout Sessions**
- Outside Church Walls (*Venice 1*)
  - Proclaiming the Word in Worship (*Venice 2*)
  - Proclaiming the Word in our Lives (*Venice 3*)
  - Proclaiming the Word in the World (*Venice 4*)
- 10:30 am **Clergy vesting** (Cavallino)
- 11:00 AM **Convention Eucharist & Ordinations** (*Bicentennial Pavilion*)
- Preaching: Bishop Greg Rickel
  - Offering: half designated to Colorado flood relief through ERD; half divided equally between the discretionary funds of the new deacons
- 12:30 PM **Lunch** (*optional box lunch, ticket purchase required*)
- 12:30 PM **Clergy Spouse/Partner Lunch** (*By invitation only/RSVP required*)
- 1:15 PM **Convention Business Session #4**  
**Opening song & prayer** / Ballot #3 Report / Ballot #4 / Faith Formation Hub / SERVE Program / Fossil Fuel Conversation / Resolution #5 / Episcopal Relief & Development / Mission to Seafarers / Resolution #6 / Ky Chen Award / Evangelism Commission Awards / Greeting from PLU President / Ballot #4 Report / Recognitions / Global Mission Commission / Six-hour Resolutions / Final announcements / **Evening Prayer & Commissioning**
- 4:00 PM Adjournment

# Nominations Committee

## 2013 Report to Convention

With a 150 word limit, each candidate was asked to review the job description for the position and discuss how their gifts, experiences, skills, and interests would aid this work, and how they would invigorate and/or stimulate the ministry of the particular diocesan leadership group.

MEMBERS OF THE 2013 NOMINATIONS COMMITTEE: **The Rev. Rilla Barrett**, *Church of Our Saviour, Monroe (Sno Isle)/St. Stephen, Oak Harbor (Mount Baker)*; **The Rev. Jo Beecher**, (Mount Baker); **Mr. Val Brustad**, *St. James, Kent (Evergreen)*; **the Rev. Bonnie Campbell**, *St. Mark, Montesano (Willapa)*; **the Rev. Stephen Moore**, *All Saints, Bellevue (Eastside)*; **Ms. Diane Stipp**, *St. Stephen, Seattle (Be Attitudes)/St. Mark's Cathedral, Seattle (Holy C)*; **Ms. Pam Tinsley**, *St. Andrew, Tacoma (Rainier)*, Co-Chair; **the Rev. Dennis Tierney**, *St. Barnabas, Bainbridge Island (Peninsula)*; and **Dr. Leann Torgerson-Harrison**, *Trinity Church, Everett (Sno Isle)*, Co-Chair.

### Nominees at-a-Glance:

#### ***Standing Committee*** (pg. 3-4)

##### Clerical Order

Suzi Robertson

Craig Vocelka

Martin Yabroff

##### Lay Order

Jerry Carlin

Ted Ederer

Kathryn Rickert

#### ***Cathedral Vestry*** (pg. 4)

##### Lay or Clergy

Barbara Larson

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#### ***Diocesan Council*** (pg. 4-6)

##### Be Attitudes Clergy

Robert C. Laird (R.C.)

##### Evergreen Clergy

Bonnie Malone

##### Holy C Lay

Jamie Balducci

##### Mount Baker Lay

Betty Ann McCoy

Mary Jane Van Hoesen

##### Peninsula Lay

Bob Brooks

Joan Collins

##### Rainier Clergy

Kendall Haynes

##### Willapa Clergy

Joe Mikel

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#### ***Officers of Convention*** (pg. 7)

##### ***Secretary***

Marda Steedman Sanborn

##### ***Archivist & Records Manager***

Diane Wells

Barbara Fox

##### ***Historiographer***

Carle Griffin

## BRIEF DESCRIPTION OF EACH GOVERNING BODY/OFFICE

**Standing Committee:** The Standing Committee serves as a council of advice for the bishop and becomes the diocesan ecclesiastical authority in the bishop's absence. It makes decisions about the sale, encumbrance or disposal of real property belonging to parishes of the Diocese. It interviews and makes recommendations to the bishop on candidates for Holy Orders, and the consent of the Standing Committee is required for ordination. The Standing Committee also gives or withholds consent to the election of bishops throughout the church and has judicial responsibilities in the case of clergy misconduct where the clergy or the complainant does not accept the adjudication of the bishop. By canon, no two members of the Standing Committee may be from the same congregation. Continuing members of the Standing Committee include the following: **The Rev. Marilyn Cornwell**, Church of the Ascension, Seattle (2014); **Mr. Jim Campbell**, St. Mark's Church, Montesano (2014); **the Rev. Rachel Taber-Hamilton**, Trinity Church, Everett (2015); **Ms. Alice Reid**, St. Thomas, Medina (2016); and **the Rev. Jane Maynard**, Christ Church, Tacoma (2016).

**Diocesan Council:** Between Diocesan Conventions, the Council oversees the budget and program goals of the Diocese, carrying out priorities adopted by Convention. Council develops a proposed budget to be ratified by the next convention. Members assume and accept the role of public relations and goodwill toward individuals and congregations facilitating connectedness within the Diocese. Members accept assignments, work on task groups, and attend regional, committee and commission meetings as necessary. Under the new structure, adopted by Convention 2011, the Diocesan Council includes the bishop, and two members (one clergy and one lay) representing each of the regional ministries; all members are elected by the whole convention. Continuing members of the Diocesan Council include the following: **Ms. Sally Barnes**, St. Matthew's Church, Castle Rock (2014-Columbia); **the Rev. Rilla Barrett**, St. Stephen, Oak Harbor (2014-Sno Isle); **Ms. Nadine Baxter**, St. Matthew/San Mateo, Auburn (2014-Evergreen); **Mr. Tom Boyns**, St. Stephen's Church, Seattle (2014-Be Attitudes); **The Rev. Lex Breckinridge**, St. Thomas, Medina (2014-Eastside); **Ms. Charlotte Brown**, St. Joseph-St. John, Lakewood (2014-Rainier); **the Rev. Jaime Case**, St. Luke, Vancouver (2015-Columbia); **Mr. Joe McGuire**, St. Bede's Church, Port Orchard (2014-At-Large); **Ms. Denise Patrick**, St. Hilda-St. Patrick, Edmonds (2015-Sno Isle); **Ms. Sunshine Pegues**, Good Samaritan, Sammamish (2015-Eastside); **Ms. Susan Rolfe**, St. Andrew, Aberdeen (2015-Willapa); **the Rev. James Thibodeaux**, St. Peter, Seattle (2015-Holy C); **the Rev. Dennis Tierney**, St. Barnabas, Bainbridge Island (2014-Peninsula); and **the Rev. Jonathan Weldon**, St. Paul, Bellingham (2015-Mount Baker).

**Cathedral Vestry:** Under the Cathedral governance model, adopted by Convention in 2002, the membership of the Cathedral Vestry is comprised of representatives of the Diocese and the community in addition to the St. Mark's parish. As required by St. Mark's Cathedral bylaws, Art. VI, §3, the Cathedral's Nominating & Leadership Committee forwards to the Diocesan Convention, through the diocesan Nominations Committee, its selection for diocesan representative to the Cathedral vestry for a three-year term.

**Secretary of the Diocese of Olympia:** The Secretary of the Diocese takes part in the planning, preparation and leadership of Convention. The secretary receives (through the assistant secretary) all resolutions, amendments, and official written business of convention. The secretary is official signatory of Convention correspondence and is an officer of the Diocese. As an officer, the secretary serves on the Board of Directors. This is a volunteer position.

**Archivist and Records Manager:** The archivist and records manager is the official custodian of diocesan records and is responsible for the direction and implementation of the archives and records management program of the Diocese of Olympia. This is a part-time, paid position.

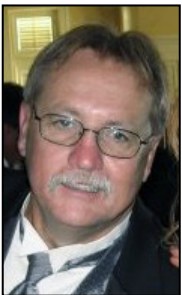
**Treasurer:** The treasurer of the Diocese has responsibility for the assets of the Diocese, including investments, cash, and real property. The treasurer advises the bishop on financial matters, oversees the diocesan accounting and insurance office, and serves as an officer of the diocesan corporation. The treasurer is accountable to the bishop and the diocesan convention. The treasurer also serves as a member of the Board of Directors, the James F. Hodges Diocesan Investment Fund, the Budget and Finance Committee of Diocesan Council, and the ERT (Early Response Team). This is a volunteer position.

**Historiographer:** The historiographer is responsible for creating, maintaining and continuing a history of the Diocese, including its significant leadership and events. This is a volunteer position.

**STANDING COMMITTEE CLERICAL ORDER** [one four-year term]



**The Rev. Dr. Suzi Robertson** – Vicar, Good Samaritan, Sammamish (Eastside). Suzi Robertson has held about every elected and appointed position in the church, across international, diocesan and denominational lines. As a priest, she is a skilled communicator, academician and trainer, and brings her wealth of knowledge, experience and resources to every position she serves. In her fifth year at Good Samaritan, she has taken it from a hurting church to a vibrant and growing church and school, and has restored it to a good relationship with the Diocese. In this diocese, she has served as a member of the School Standards Committee (current), and the Resolutions Committee. She is also an international Godly Play trainer, a Safe Guarding God's Children's trainer and an advanced mediator in both family and corporate. She is a recent graduate of the College of Congregational Development. If elected, she would be honored to serve on the Standing Committee.

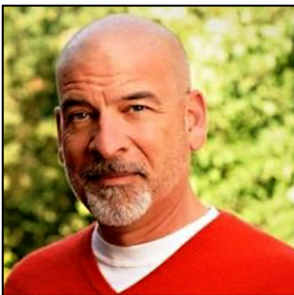


**The Rev. Craig Vocelka** – Associate Priest, St. Antony of Egypt, Silverdale (Peninsula). I am a bi-vocational priest working in the medical field and serving as associate priest at St. Antony's; I also serve in a supply role, mostly on the Olympic Peninsula. Although recently ordained, I have a tremendous amount of experience with organization boards and governance both in the community and my professional societies. Prior to ordination I served on the vestry or bishop's committee of every parish where I was a member and was senior warden at two different churches. I feel that I can bring fresh voice to the work of the diocese by serving on the Standing Committee and would be honored to serve the diocese in this capacity.



**The Rev. Martin Yabroff** – Rector, St. Andrew, Tacoma (Rainier). Martin has served our diocese as an elected representative to Diocesan Council for the past six years, including several years as chaplain (by appointment of our bishop). Other diocesan service includes Mutual Ministry Review committee, Joint Finance Panel, Ecumenical Commission, and Cursillo. He has guided several aspirants through the ordination process, and has experience in this and other dioceses with different kinds of congregations, from new starts to cathedral dean. Here in Olympia, he serves as rector at St. Andrew's, Tacoma (2007-present). "I am excited by the opportunities before us in Olympia to share the gospel in the 21st century and to support and work with our bishop and other leaders in prayerful, fair and creative ways. I fully support our diocesan vision and seek to encourage the ministries and vocations of all the people of our diocese.

**STANDING COMMITTEE LAY ORDER** [one four-year term; one unexpired one-year term]



**Mr. Jerry Carlin** – Occupation: writer; member of St. Barnabas, Bainbridge Island (Peninsula). During my fifteen years on Bainbridge Island, I've had the privilege as director of the nursery to arrange for babysitters at my parish and, regionally as chair of the CDC's Community Planning Group, evaluate and award grants to care for babies with HIV. As co-chair of the call committee at St. Barnabas, I was fortunate to witness the dynamic between parish and diocese, the astonishing flood of love for one and other within our diocese and how it's conveyed. I will bring to the Standing Committee my local, regional, and national faith based and secular perspective. I believe the Holy Spirit takes me to places, spiritually, physically; to strengthen my faith, soften my heart. I'm confident that what my eyes have seen and ears have heard combined with practical work of organization and follow through make me a solid candidate for Standing Committee.



**Mr. John E. (Ted) Ederer** – Occupation: attorney; member of St. John, Kirkland (Eastside). For 60 years, all aspects of Episcopal Church life – Sunday school, youth group, church and diocesan involvement, Cursillo – have impacted who I am as a Christian husband, father, grandfather and friend. I have been delighted to serve Christ and the church in many ways – vestries and bishop’s committees, Eucharistic minister, youth leader, Sunday school teacher, church treasurer, men’s group leader, contemporary music singer, adult education, Cursillo, convention delegate – and have always gained more than I have given. Discernment committee and search committee experiences should help in interviewing and making recommendations to the bishop on candidates for Holy Orders. Serving as treasurer and on Diocesan Council should help in

considering the sale or encumbrance of real property belonging to parishes. And I believe meeting with many bishops through the National Cursillo Committee will help in considering consent to the election of bishops. I would be honored to serve.



**Ms. Kathryn Rickert** – Occupation: teacher, musician, liturgist, author; member of St. Augustine’s in-the-Woods, Freeland (Sno Isle). The deep traditions of the Episcopal Church have nourished my soul for all of my adult life. Within this community of Christian faith, I have been called and formed into various aspects of baptismal ministry – music, liturgy, teaching, writing – as offerings of Good News to all people. I would be honored to serve as a member of the Standing Committee and seek to apply the treasures of reconciliation, compassion, justice, and wisdom of our tradition to the current needs of the Diocese of Olympia. My recent experiences at the local and national levels of the Episcopal Church – First Nations Committee, Diocese of Olympia, and the national project on the repudiation of the Doctrine of Discovery – have convinced me that the creative wisdom of the Spirit will guide and sustain this church in new and faithful ways in the future.

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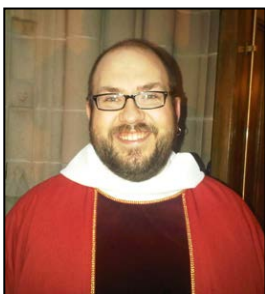
**CATHEDRAL VESTRY [one three-year term]**



**Ms. Barbara Larson** – Occupation: retired; member of St. Andrew, Seattle. My greatest passion has been working with congregations in facilitating small groups usually vestry or call committees to help them realize their potential. Over the past several years I have served on several non-profit boards sometimes in leadership positions. I have also been active in the capital campaigns at Neighborhood House and Providence Mount St. Vincent. At St Andrew’s I’ve been involved with the One World program that promotes social justice. My Diocesan activities include many years as a consultant helping congregations with planning retreats, setting yearly goals and facilitating call processes. I graduated from the College for Congregational Development. I have also been on diocesan Standing Committee twice and

served on of the Personnel Committee, serving two years as its chair. I look forward to serving as the diocesan representative on St Mark’s vestry and hope to add my skills in this ministry.

**DIOCESAN COUNCIL BE-ATTITUDES REGIONAL MINISTRY – CLERGY [one three-year term]**



**The Rev. Robert C. Laird (R.C.)** – Vicar, St. Luke, Seattle. As the Be Attitudes representative to Diocesan Council this past year, I have seen the creativity, passion, and love that the people of this diocese bring to living the Church’s mission: restoring all people to unity with God and each other in Christ. At St. Luke’s, we are facing challenges both within the church and outside it, from rebuilding after a schism, to encountering a 21st century cultural landscape that increasingly ignores religion. I am excited to bring that experience and perspective to the Council, which faces these same challenges in a larger context.



**DIOCESAN COUNCIL EVERGREEN REGIONAL MINISTRY – CLERGY [one three-year term]**



**The Rev. Bonnie Malone** – Vicar, St. George, Maple Valley. Having served on this council, completing a (one year) term for clergy of Evergreen, I am happy to be nominated again. The work of the council is vital as we continue to work towards the vision of becoming a Diocese of transformation.

**DIOCESAN COUNCIL HOLY C REGIONAL MINISTRY – LAY [one three-year term]**



**Ms. Jamie Balducci** – Occupation: data analyst; member of Epiphany Parish of Seattle. I am pleased to be nominated to the Diocesan Council. I attend Epiphany Parish where I am a regular contributor in time, talent, and treasure. Professionally, I have 12 years' experience in higher education and healthcare developing information tools. I use data stored in administrative systems to develop reports, dashboards and systems that give leaders information to support their decision making process. My approach to work is a combination of logic and heart, vision and practicality. My ability to understand the vision and context but focus on the specific question at hand is a unique and valuable skill. I am a consensus builder. When working in groups, I am constantly seeking creative solutions that give the best outcome emphasizing quality and greatest long term benefit. I hope to bring this perspective as well as prayerful consideration to the business of the Diocesan Council. Thank you for considering my nomination.

**DIOCESAN COUNCIL MOUNT BAKER REGIONAL MINISTRY – LAY [one three-year term]**



**Ms. Betty Anne McCoy** – Occupation: retired; member of Christ Church, Anacortes. I have served one year on the Diocesan Council and would welcome the opportunity to continue in this role. I feel the first year was one of education and understanding as to the importance of this body in the governance of the diocese. I am a good candidate for this position with this recent experience. I also bring the experience of being Komo Kulshan Cluster Council chair and a past senior warden at Christ Church to help me consider the issues before the council and how they affect the congregations. I do not hesitate to ask questions and give my input at the Council meetings so that my voice is heard.



**Ms. Mary Jane Van Hoesen** – Occupation: engineer; member of St. Paul, Bellingham. Today's fast paced world requires strength and stability. My faith and faith communities support constant growth in my Christian walk. A cradle Episcopalian, I grew up in the choir and EYC activities at St. Paul's Indianapolis. Married in the Episcopal chapel at Vanderbilt I continued worship at Ascension Knoxville, TN graduating from EFM and trained as a mentor at Sewanee. God puts people in our path for a reason. One such person led me to Kairos Outside Prison Ministry in East Tennessee. I have been on the Kairos Outside journey for more than 10 years as a guest, weekend leader and Advisory Council member in Tennessee and Washington. As KOWW Council chair I know the struggles of finance, policies, procedures and difficult decision making but I also know the glory God shows in HIS people when we shine HIS light through ourselves to others. Be blessed.

**DIOCESAN COUNCIL PENINSULA REGIONAL MINISTRY – LAY [one three-year term]**

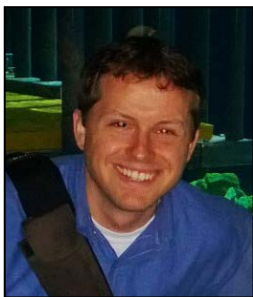


**Mr. Robert Brooks** – Occupation: semi-retired; member of St. John, Gig Harbor. I am currently senior warden at St. John's, Gig Harbor and for the past two years, have made extensive use of skills learned during a business consultant/risk assessment career. Now semi-retired, I enjoy more flexibility in my community volunteer service. I feel that I have the time and talents to help foster a better understanding in our diocese, especially as it relates to two questions. I hear in our parish: "What does the diocese do with the assessment funds we send?" and conversely from the diocese, "How has a diocesan grant helped a parish improve its ability to function in the Kingdom of God?" I feel that neither question nor its answer is communicated adequately. If elected, I would strive to make improvement of two way communications between the diocese and our individual parishes and missions a top priority. I ask for your support in this most important mission.



**Ms. Joan Collins** – Occupation: retired teacher; member of St. Barnabas, Bainbridge Island. My rector asked me to allow my name to be offered for this position because when he worked with me as senior warden he discovered that I am unafraid to ask questions, to offer my opinions and to listen to others with respect. While I don't have much work-world experience, I learned management skills at home, birthing and raising seven children. I taught English as a Second Language to adults for five years and learned to listen to a question with no preconceived idea of an answer. I have a desire to serve and an energy for ministry that comes from my dedication to discovering new gifts that I have been given.

**DIOCESAN COUNCIL RAINIER REGIONAL MINISTRY – CLERGY [one three-year term]**



**The Rev. Kendall Haynes** – Priest-in-charge, St. Matthew, Brown's Point/Tacoma. Having been rector of St. Mary, Lakewood and currently priest-in-charge of St. Matthew, Browns Point (Tacoma), I have had the opportunity to serve the Diocese of Olympia over the last five years by helping both bodies successfully navigate difficult budgetary and personnel decisions, strategically plan for growth and reimagine what it means to be the Church in our context and era. In addition to my parochial experience, I also served two years as co-convenor of the Rainier Regional Ministry. Given the density and variance of my time here in this diocese, I now feel ready and able to serve a broader decision making body such as Diocesan Council and am humbled to offer my youthful yet seasoned perspective in this nomination as our diocese

continues to grow into its mission and vision.

**DIOCESAN COUNCIL WILLAPA REGIONAL MINISTRY – CLERGY [one three-year term]**



**The Rev. Joe Mikel** – Priest-in-charge, St. David of Wales, Shelton. Sang in the junior choir at Christ Church in Puyallup in 1960. Confirmed there by Bishop Lewis, attended GTS and then ordained by Bishop Curtis in 1974. Served multiple churches in the diocese with energy to serve.

## SECRETARY OF THE DIOCESE OF OLYMPIA



**The Rev. Marda Steedman Sanborn – Rector, St. James' Church, Kent.** I am currently the Secretary of Convention and would like to continue in this position. I believe that the work I am doing for the diocese and the Board of Directors has helped guide the work and vision of the diocese. I am a member of the Consulting Network and a trainer with the College for Congregational Development. Working with a variety of congregations throughout the diocese has given me a rich awareness of our diversity and our strength which benefits my work with the diocese. I have also served on the Commission on Ministry and the Board of Examining Chaplains. I believe these ministries contribute to my skill set as a leader in the diocese.

## ARCHIVIST AND RECORDS MANAGER



**Ms. Diane Wells.** I have had the privilege of serving as your diocesan Archivist and Records Manager for almost twenty years and I have as much enthusiasm for this position today as I did when I began. Today's digital age presents many new challenges but my goal continues to be to provide the diocese and its congregations, ministries and institutions with the highest level of archival and records management expertise. I have just completed a revision of our Archives and Records Management Program: Policies and Procedures Manual including a new section on social media best practices and have recently announced the establishment of a diocesan digital archives. I also participate actively in professional organizations such as the Society of American Archivists in order to keep abreast of developments in the field. I have Masters Degrees in History and Library Science, a Certificate in Records Management and I am a Certified Archivist.

## TREASURER



**Mrs. Barbara Fox – Occupation: retired escrow officer/limited practice officer; member of Church of the Resurrection, Bellevue.** The past year provided wonderful opportunities for me to learn and to do God's work with so many people in the diocese, especially members of the Board, Council and the diocesan staff. In my capacity as Treasurer and steward of diocesan assets I am committed to continue working on those things which are left undone and those which will be revealed to us as we continue our journey guided by Christ.

## HISTORIOGRAPHER



**Br. Carle Griffin, OCP. Occupation: chef; member of the Community of the Paraclete, Seattle.** I will continue researching the history of the diocese, writing a comprehensive history for publication, and giving presentations to congregations. My academic studies at U.C. Berkeley (B.A. and M.A. in history) and my years of service and research as diocesan Historiographer have aided me in this work.

## Candidates for the Position of Deputy to General Convention 2015

Nominations for deputies to General Convention are made “from the floor” at the convention rather than as part of the slate of the Nominations Committee. Those included here submitted election materials in advance for your review; this does not preclude additional candidates having their name placed in nomination onsite at the convention.

With a 150 word limit, each candidate was asked to review the job description for the position and discuss how their gifts, experiences, skills, and interests would aid this work, and how they would invigorate and/or stimulate the ministry of the deputation.

### At-a-Glance:

#### **Clergy** (pg. 36-38)

Jaime Case  
Stephen Crippen  
RC Laird  
Stephen E. Moore  
Kevin Pearson  
Hunt Priest  
Marda Steedman Sanborn  
Rachel Taber-Hamilton  
Steven L. Thomason  
Martin Yabroff

#### **Lay** (pg. 38-40)

Judith Andrews  
Hisako Beasley  
Charlotte Brown  
Sandra Carter  
Katrina Hamilton  
Don Little  
Betty Anne McCoy  
Doug Oles

### **BRIEF DESCRIPTION OF GENERAL CONVENTION**

The General Convention is the governing body of The Episcopal Church, consisting of the House of Bishops and the House of Deputies meeting together every three years. The next meeting is scheduled for July 2015, in Salt Lake City, Utah. Every diocese is entitled to seat eight representatives in the House of Deputies, four clergy and four lay. The General Convention is a legislative body—some say the largest in the world—and it should not be surprising that it acts in large part like the Congress of the United States as many of its drafters were the same ‘fathers’ who designed the U.S. Constitution. It acts together to enact legislation and frequently seems submerged in paperwork (though folks are working to reduce the load. Much of General Convention work is actually accomplished in committee before legislation reaches the floor and committee assignments are avidly sought, for this is where legislation can best be influenced, amended or even cancelled. Most committee assignments are made on the basis of seniority, and as we have tended to have a stable representation of deputies our diocese has been blessed over the years with many such assignments. The down side to this system is that new faces tend to not get committee assignments. Although the deputies are expected to vote independently (and, by rule of the House, every deputy is required to be seated and voting), the deputation gets much out of caucusing and open discussion, both at the time of convention, and before.

CLERICAL ORDER [vote for four]



**The Rev. Jaime Case** – Rector, St. Luke~San Lucas, Vancouver (Columbia). I have been to the last four General Conventions but not as a delegate. I would like to fully participate in the life of our national church. My multicultural background, including service in a non-profit, give me a perspective that may be relevant to where the church is going in the 21st century. Nominator, Mr. Jim Gallaher; seconder, the Rev. Lex Breckenridge.



**The Rev. Stephen Crippen** – Deacon, St. Mark's Cathedral, Seattle (Holy C). As a deacon, my primary ministry is my private couples-therapy practice, along with my work as an organization-development consultant and trainer for the Diocese of Olympia. I serve St. Mark, Seattle as one of their deacons, working alongside the Sustainability team and the Eucharistic Visitors team. My spouse Andrew and I have been Episcopalians since 2005, and for twelve years I was a Lutheran parish musician. I would be a deputy who combines informed, psychologically-minded discernment with a diaconal sensibility and a deep love for the Episcopal Church. Nominator, the Rev. Earl Grout; seconder: the Rev. Kay Kessel-Hanna.



**The Rev. RC Laird** – Vicar, St. Luke, Seattle (Be Attitudes). The next General Convention will be restructuring the Church, to more effectively make Christ's love known in the 21st century. Having twice served as a deputy to General Convention, I both understand and appreciate its unique and peculiar processes. As the vicar of St. Luke's, Ballard, I have helped lead our parish restructuring and transformation as we look to what the future holds for our congregation. As a member of both Diocesan Council and the Outside Church Walls group, I have been wrestling with the challenges we face here in western Washington, and I love the unique perspective that we bring to the many challenges that face us in the coming century. I am eager to bring the creativity and ingenuity of the Diocese of Olympia to the General Convention, and help offer

the gifts of this amazing place for the good of the whole Episcopal Church. Nominator, the Rev. Dr. Peter Strimer; seconder, the Rev. Doyt Conn.



**The Rev. Stephen Moore** – Vicar, All Saints, Bellevue (Eastside). It has been my privilege to serve the larger church as a deputy to General Convention from this diocese for five terms. There must be some wisdom gained from serving in five successive general conventions. The areas about which I am most concerned are youth ministry (as a chaplain at Camp Huston), adult faith formation (as a teacher at DSOMAT), preparation for Holy Orders (as an elected member of the national General Board of Examining Chaplains), canon law (on the diocesan constitution and canons committee and as vice chair of Committee on the Constitution at General Convention) and clergy ethics and discipline. A driving concern for me is to keep the church roomy enough for all of the various sorts of folks who find God best here, including those with whom I disagree. Nominator, the Rev. Boneta Campbell; seconder, the Rev. J.R. Lander.



**The Rev. Kevin Pearson** – Rector, St. Luke, Renton (Evergreen). GC 2015 will mark a turning point for the Episcopal Church. We will seek the mind of the church on our infrastructure, leadership, and a wide range of issues. As longtime priest of this diocese and rector of a flourishing congregation, I see our church well-poised to make a difference, but often locked in old models. I have attended two previous General Conventions as observer and sponsored two diocesan resolutions to GC (hand guns and healthcare). I have served 9 years as chair of our Commission on Personnel and was recently president of our clergy association where I've brought fresh energy to matters of clergy support and compensation, leadership, and liturgy and helped forge new relationships with our neighboring dioceses. I know how to be differentiated and to work collegially and would be

honored to join Olympia's delegation in fearlessly facing the unfolding future of our beloved church. Nominator, the Rev. Canon Janet Campbell; seconder, the Rev. Dr. Jane Maynard.



**The Rev. Hunt Priest** – Rector, Emmanuel, Mercer Island (Eastside). The Episcopal Church is on the cusp of major overhaul of administrative structures and governance. I hope to continue to be part of this work that began in earnest at the 2012 General Convention in Indianapolis. A mandate for church-wide restructuring was heard loud and clear and resulted in the creation a Task Force to Re-Imagine the Episcopal Church in preparation for the 2015 Convention. In my own congregation, I have worked with staff and ministry leaders to simplify our structures and processes. We have reduced our administrative costs by using technology more effectively and empowering parishioners with tools for ministry that don't depend on the church office or contact with a staff member. Brian McLaren, speaker, author and public theologian, says this is the Episcopal moment.

I will work hard in these next years to ensure we are lean enough and open enough to rise to the occasion. Nominator, Mr. John Daugherty; seconder, the Rev. Beverly Hosea.



**The Rev. Marda Steedman Sanborn** – Rector, St. James, Kent (Evergreen). I am one of the newer members of the deputation having been elected as part of the delegation for the 2009 and 2012 General Conventions. I look forward to having the opportunity to serve again. I am well informed and committed to the work of the Episcopal Church. As a member of the diocesan Committee on Constitution and Canons, I am familiar with much of the work. My leadership role in the diocese has prepared me to be a deputy to convention. I am a member of the Consulting Network, a trainer with the College for Congregational Development, a member of the Board of Directors, and am Secretary for the Convention. I pay attention to details, work hard and believe I can invigorate/stimulate the ministry of the deputation through my knowledge, skills and humor.

Nominator, the Rev. Melissa Skelton; seconder, the Rev. Ann Lukens.



**The Rev. Rachel Taber-Hamilton** – Rector, Trinity Church, Everett (Sno Isle). I currently serve on the Executive Council Committee for Indigenous Ministry (ECCIM), our diocesan Standing Committee, and as board member of the Mission to Seafarers. Throughout 10 years of serving in the Diocese of Olympia, I have been active in several diocesan level committees and councils as well as in several provincial and national events and concerns. I am dedicated to active participation at every level of the Episcopal Church. I believe that only by such engagement are the marginalized voices of our society brought into the circle of our collective awareness for just action. At various times, I have had the privilege of being an advocate on behalf of First Nations, Ethnic Ministries, Healthcare

Chaplaincy, environmental stewardship, women in leadership, safety and equity for global seafarers, and Marriage Equality. As a delegate to General Convention, I would bring a broad experience of advocacy for social justice to our representation. Nominator, the Rev. Susan Armer; seconder, the Rev. Edie Weller.



**The Rev. Steven L. Thomason** – *Dean, St. Mark's Cathedral, Seattle (Holy C)*. Having served as a deputy to GC in 2006 and as a seminary delegate and exhibitor in 2003, I have different perspectives on the important work of General Convention. I understand the legislative process and the importance of caucusing within the diocesan deputation, and I bring a passion for the two areas that inform most of the resolutions – namely, justice and the enhancement of resources that guide common prayer and worship in our rich tradition. I would be humbly grateful to serve. Nominator, Ms. Hisako Beasley, seconder, Mr. Brett Bowton-Meade.



**The Rev. Martin Yabroff** – *Rector, St. Andrew, Tacoma (Rainier)*. Martin serves as rector of St. Andrew's, Tacoma and on Diocesan Council (as regional rep. and as Chaplain). Other diocesan service includes Cursillo and Ecumenical Commission. Experience with General Convention (deputy for 4 conventions, plus one with the Episcopal Evangelism Network). Experience in new church development and in redeveloping congregations. He brings a deep commitment to 'bridge-building' among persons and congregations of diverse perspectives and experience, and to evangelism in the broad, inclusive sense of sharing God's love through Jesus Christ in our changing society. He is excited by the insights and resources the Episcopal Church offers to our society and world. His experience in different diocesan and congregational settings would help

him to represent effectively the interests and needs of the Diocese of Olympia and to assist the General Convention in moving ahead in emerging faith and ministry. Nominator, the Rev. Edward Sterling; seconder, Ms. Sue Clary.

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#### LAY ORDER [vote for four]



**Judith Andrews** – *Occupation: attorney; member of St. Mark's Cathedral, Seattle (Holy C)*. I have had the pleasure of serving as Chancellor of the diocese for the past five years. I serve on diocesan Board of Directors and the Constitution and Canons Committee and in past years as chair of the Resolutions Committee. Unexpectedly, I find that I have a passion for the legislative process of the church and interpretation of canonical law. In addition, serving as chancellor has given me the opportunity to experience the breadth and depth of many of the issues facing the diocese. In my work for the diocese and my long involvement in social justice and other ministries at St. Mark's Cathedral, I have gained an appreciation of many of the issues facing churches today. I believe that I would bring the passion and experience that I have for and in the church to this position, as well as

my legal and analytical skills. Nominator, Mr. Duncan Bayne; seconder, the Rev. Peter Strimer.



**Hisako Beasley** – *Occupation: retired; member of St. Mark's Cathedral, Seattle (Holy C)*. Born in China, baptized and confirmed in the NSKK-Japanese Anglican church, I graduated from St. Margaret's Anglican School in Tokyo, Japan. I served at five General Conventions, and was appointed to the legislative committee each time. That's where the actual work is done before resolutions appear on the floor of convention. My experiences include: Executive Council (governing body of the Episcopal Church between General Conventions); Board of Trustees of Church Divinity School of the Pacific; diocesan Jubilee Officer; member of Bishop's Committee for Israel/Palestine; Eucharistic visitor, AIDS Care Team. My strong interest is in social justice, particularly racism, human trafficking, immigration, poverty and peace in the Middle East.

General Convention is a place to have a voice and make a difference in the greater world. My connections and experiences at all levels of the Episcopal Church would benefit my decision-making at General Convention. Nominator, Mr. Duncan Bayne; seconder, the Rev. Peter Strimer.



**Charlotte Brown** – Occupation: registered nurse retired; member of St. Joseph-St. John, Lakewood/Steilacoom (Rainier). As a member of my church I have served on the Bishop's Committee and currently as Bishop's Warden. There I continue as worship leader, chalice bearer, and delegate to convention. I'm a member of Diocesan Council as lay representative for Rainier Region and also Council member of the Grants Committee. A member of the African American Committee. I have been involved in both the Cursillo and Kairos prison ministry for more than 12 years. I had the privilege of attending the 2012 General Convention as first (1st) alternate lay deputy. I am a lifelong Episcopalian and through prayer, study, and common sense strive to serve our church with pride and joy. Nominator, the Rev Sheila Crisp; seconder, Ms. Jennell Simpson.



**Sandra Carter** – Occupation: physician, retired; member of Christ Church, Puyallup (Rainier). Since retiring from active medical practice following a 21 year military career, I now have the time available to devote to my church. I've served my parish and military chapel programs in almost every capacity for a lay person for over 35 years. Learning the most I can about the Episcopal Church from the parish to the diocese, to the national church and our place in the Anglican Communion has been my focused area of self-study since my retirement. I'm completing my fourth year of Education for Ministry and am enrolled in the Diocese of Olympia College for Congregational Development. Currently I am serving my parish as communicator, Eucharistic Minister and music. My skills through military and medicine are critical thinking, vision, discipline, communications, leadership, listening, and caring about and for people. I would like to put these skills to work for my church in challenging times of change. Nominator, the Rev. Benjamin J Newland; seconder, Mrs. Peg Blocher.



**Katrina Hamilton** – Occupation: operations manager; member of St. Peter, Seattle (Holy C). I served as an alternate to my first General Convention in 2006, a deputy in 2009, and the head of the Olympia deputation in 2012. While there I reported the activities of General Convention back to the diocese by way of a daily blog, and have truly enjoyed encouraging interest in church politics in this way. Recently I have been asked to serve on the House of Deputies Study Committee for Young Leadership, which will explore ways to cultivate and foster younger leadership in the church. Additionally, I am excited to hear what will come from the re-structuring committee that was unanimously commissioned at our last convention. I believe that the most beneficial dialog comes from listening to and learning from the opposing side, and I am interested in working towards a church structure that focuses more connection and community rather than majority voting. Nominator, Ms. Annaka Thibodeaux; seconder, the Rev. Stephen Moore.



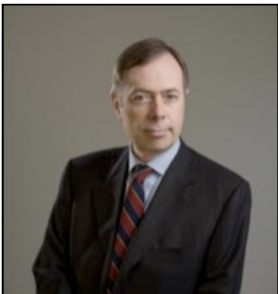
**Don Little** – Occupation: retired radar test engineer; member of St. Bede, Port Orchard (Peninsula). I strongly believe in looking only for the good in people's character and letting God guide me through this life. I see the children of the diocese as the lifeblood of the Church. I have served 4 years on diocesan council, 2 years on grants committee. I am on St Bede's Bishops Committee, choir and Youth Group leader. I have been a licensed Worship Leader, Eucharistic Visitor and Eucharistic Minister for 15 years. I take communion to Retsil once a month and lead Morning Prayer twice a month. At St Paul's I served on the Vestry, was a convention delegate, member of search committee and church school director. St. Luke's Renton, I served 6 years Vestry, 1 year convention delegate, 2 years church school director,



member of the Endowment committee and lead Morning Prayer at retirement center twice a month. Nominator, Mr. Richard F. Dykstra; seconder, Ms. Sarah Yergin.



**Betty Anne McCoy** – *Occupation: retired; member of Christ Church, Anacortes (Mount Baker).* I feel privileged to be nominated as a lay deputy to the National Convention for 2015. I have been able to grow in faith and service in the Episcopal Church since my confirmation as an adult in 1967. My service has included: COM, parish treas., commissioned Lay Minister TCM Circle, Sr. Warden, Worship leader, Reader, Faith Formation Co-coordinator, Thrift Shop volunteer/manager. I have attended National Episcopal workshops at Estes Park and E.C.C.O. I am Chair of the Komo Kulshan Cluster Council and member of the Diocesan Council. My broad experience would make me an informed deputy for the work to be done. I work well with others and bring an openness of my Faith to discussions and decision making. I welcome the opportunity to contribute to the direction of the church for the future and it would be an honor to serve in this capacity for the Olympia Diocese. Nominator, the Rev. Jo Beecher; seconder, Ms. Margie Adams.



**Doug Oles.** *Occupation: attorney; member of Church of the Redeemer, Kenmore (Be Attitudes).* After the honor of representing our diocese at the last two General Conventions, I believe that I am sufficiently 'seasoned' to contribute effectively to our next deputation. Having served several terms as a parish senior warden and a number of years as chair of the diocesan Committee on Constitution & Canons, I have a reasonable understanding of our Church and its structure. I believe that declining congregational enrollment is a key issue to be addressed, but I have confidence that faith in Jesus and our Episcopalian tradition of reason should help us find solutions. I also believe that God's gift of humor often helps to bring people together. Nominator, the Rev. Canon John Ferguson; seconder, the Rev. Alfredo Feregrino.

*Diocese of Olympia*  
**Resolutions Committee**  
*2013 Report to Convention*

MEMBERS OF THE RESOLUTIONS COMMITTEE: **Mr. Duncan Bayne**, chair, St. Mark's Cathedral, Seattle, Diocesan Vice-Chancellor; **the Rev. Bonnie Malone**, St. George, Maple Valley; **Ms. Mary Maxon**, Emmanuel Church, Mercer Island; **Mr. Ralph Provencal**, St. Benedict, Lacey; **the Rev. Suzi Robertson**, Good Samaritan Church, Sammamish; **Ms. Susan Rolfe**, St. Andrew, Aberdeen; **Mr. David Swim**, St. John the Baptist, Seattle; and **the Rev. Jonathan Weldon**, St. Paul, Bellingham.

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<u>Resolution #1</u>	<i>2015 Diocesan Assessment Rate</i>	Page 41
<u>Resolution #2</u>	<i>Cost of Living Adjustment (COLA) for 2014</i>	Page 42
<u>Resolution #3</u>	<i>Supply Clergy</i>	Page 43
<u>Resolution #4</u>	<i>Call for prayers for the people and church in El Salvador during challenging transition time</i>	Page 44
<u>Resolution #5</u>	<i>Divestment from Fossil Fuels</i>	Page 44-49
<u>Resolution #6</u>	<i>Amend Canon 7: The Funds of the Diocese</i>	Page 49-50

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1 **Resolution #1 – 2015 Diocesan Assessment Rate**

2 *Submitted by the Diocesan Council.*

3 **Resolved**, That this 103<sup>rd</sup> Convention of the Diocese of Olympia approve the recommendation of the  
4 Diocesan Council that the 2015 diocesan assessment rate factor be set at 17.0% of the Net  
5 Disposable Income (NDI).

6 **Resolutions Committee recommends: DO PASS**

7 Explanation: In accordance with Canon 7, Diocesan Convention determines the assessment rate for the  
8 second year of assessment following determination; thus the 2013 Convention sets the 2015 assessment rate.  
9 Over the past few years the rate has been reduced to the current level of 17%; the rate was 20% from 2004 to  
10 2006, 18% from 2007 to 2011, 17.5% in 2012 and 17% in 2013. Bishop Rickel and the Diocesan Council  
11 committed to a review of our assessment rate and structure, as well as our overall vision and mission. The  
12 assessment rate task force made presentations to the Diocesan Council during 2013 with several  
13 recommendations. The Diocesan Council acted on several recommendations from the Assessment Review  
14 Task Force which will take effect in 2014 and 2015 including the non-assessment of grants to congregations  
15 and a new way of calculating the NDI, with changes to Canon 7 as provided in the report of the Constitution  
16 and Canons Committee. With these changes in mind, the Diocesan Council recommends maintaining the rate  
17 at 17% in 2015. The Bishop and Council are also committed to maintaining a level of programs and resources  
18 on a diocesan level in line with the vision of the entire diocese while continuing to consider ways to reduce  
19 diocesan expenses and pass any savings on to congregations through diocesan programs that both directly  
20 and indirectly support congregations.

1 **Resolution #2 – Cost of Living Adjustment (COLA) for 2014**

2 *Submitted by the Personnel Commission of the Diocese of Olympia*

3 **Resolved**, That this 103<sup>rd</sup> Convention of the Diocese of Olympia authorize setting of the Cost of Living  
4 Adjustment for 2014 parochial clergy salary scale at 1.4%.

5 **Resolutions Committee recommends: DO PASS**

6 Explanation: As required by Canon 23, sections 2 and 5, the Personnel Commission, in July 2013, proposed  
7 the Cost of Living Adjustment (COLA) for 2014 for the parochial clergy salary scale at 1.4%. This is based on the  
8 Bureau of Labor Statistics Consumer Price Index for the Seattle-Tacoma-Bremerton area for June 2012 to June  
9 2013, which showed an increase in the cost of living of 1.4%. For information purposes the Personnel  
10 Commission offers the clergy salary scale adjusted for the proposed COLA increase:

11 Personnel Commission – 2014 Proposed Parochial Clergy Salary Scale

12 GRADE	MINIMUM	MID-POINT	MAXIMUM
13 A	\$81,712	\$102,141	\$122,569
14 B	\$74,283	\$92,854	\$111,425
15 C	\$67,519	\$84,399	\$101,278
16 D	\$61,391	\$76,739	\$92,087
17 E	\$55,878	\$69,847	\$83,816

18 **Mandatory Policies (applies to rectors and vicars):**

- 19 1. If church-owned housing is provided, the range is reduced by 20% plus the amount of any utilities  
20 provided, either in form of actual utility costs paid or in allowances provided.
- 21 2. Clergy must be paid at least the minimum of the applicable range.
- 22 3. Clergy with five (5) or more years of ordained service must be paid at least 90% of the mid-point of  
23 their congregation’s applicable grade. Note: a clergy person with less than five (5) years should be  
24 given pay raises greater than the cost-of-living adjustment so the salary would reach the 90% of mid-  
25 point by the fifth year.
- 26 4. Clergy with ten (10) or more years of ordained service must be paid at least 100% of the mid-point of  
27 their congregation’s applicable grade. Note: a clergy person approaching (10) years in the same grade  
28 or congregation should be given pay raises greater than the cost-of-living adjustment so the salary  
29 would reach the 100% of mid-point by the tenth year.
- 30 5. Exceptions to these policies require the approval of the Bishop.
- 31 6. All financial agreements with clergy must be rewritten or amended in their Letter of Mutual Ministry  
32 Agreement (LOMMA) to reflect changes in compensation or provisions and a copy forwarded to the  
33 Bishop.

34 **Advisory Policies:**

- 35 1. For assisting clergy, it is recommended that minimum compensation be established at two salary  
36 grades below that established for the parish or mission, depending upon qualifications and experience.
- 37 2. If a congregation is moving toward a higher grade, that congregation would be wise to increase toward  
38 that new salary grade incrementally.
- 39 3. Congregations are encouraged to consider clergy performance when deliberating compensation  
40 increases in excess of the COLA.
- 41 4. For interim clergy of a parish or mission, it is recommended that compensation shall be at the grade  
42 level of the parish or mission, prorated for the percentage of time committed.

1 **Resolution #3 – Supply Clergy Resolution**

2 *Submitted by the Personnel Commission of the Diocese of Olympia.*

3 **Resolved**, that the 103<sup>rd</sup> Convention of the Diocese of Olympia tie increases to the clergy supply rate  
4 to the exact percentage of adjustment of the Cost of Living Adjustment (COLA), rounding to the  
5 nearest dollar without rounding up.

6 **Resolutions Committee recommends: DO PASS AS AMENDED**

7 Explanation: This resolution corrects an oversight in the 101<sup>st</sup> Convention Supply Clergy Resolution and  
8 removes language of rounding up adjustments to rates in \$10 increments. The 101<sup>st</sup> Convention approved a  
9 resolution to tie supply clergy rate changes to the COLA, along with the provision that the rates be rounded up  
10 in \$10 increments. Subsequent reflection has revealed that the practice of rounding up causes the higher  
11 dollar rates to increase at a higher percentage than the COLA and prevents lower dollar rates from rising. The  
12 only effective change of this resolution is to remove the rounding up feature making supply clergy rates  
13 change by the amount of the COLA.

14 Thus the 2014 clergy rates adjusted for the proposed 1.4% COLA increases are as follows:

15 **Sunday/primary liturgy\***: One liturgy \$223.08; additional consecutive liturgies \$50.70 each.

16 **Weekday/evening liturgy**: \$86.19

17 **Educational/Pastoral Duties** (preparation and performance) minimum \$25.35 per hour.

- 18 • Sunday/primary liturgy includes liturgies falling on other days that require significant preparation and  
19 duties, such as Christmas, Holy Week liturgies, parish feast days, significant Saturday or Sunday  
20 evening liturgies. Congregations and supply clergy should clarify for such liturgies when making an  
21 agreement for service.
- 22 • Standard IRS business mileage rates and direct transportation costs, such as ferries, etc. shall be  
23 reimbursed.
- 24 • Reimbursement for lodging and meals must be negotiated in advance.
- 25 • Negotiation of rates below this minimum under special circumstances requires approval of the Bishop.
- 26 • These are minimum standards. Supply clergy and congregations may negotiate a higher compensation  
27 rate. Nothing herein precludes supply clergy from donating their services.
- 28 • Rate changes shall be tied to the annual COLA.

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1 **Resolution #4 – Call for prayers for the people and church in El Salvador during challenging transition**  
2 **time**

3 *Submitted by the Rev. Rilla Barrett, the Rev. Jo Beecher, the Rev. Carol Rodin, for the Committee for*  
4 *the Companionship Relationship with the Diocese of El Salvador.*

5 **Resolved**, that this 103<sup>rd</sup> Convention of the Diocese of Olympia sends its warmest greetings to The  
6 Rt. Rev. Bishop Martin Barahona and the people and clergy of the Anglican Episcopal Church of El  
7 Salvador, and commit ourselves to pray for the bishop and people of the church during the process  
8 of discernment and call for a new Bishop, *and be it further*

9 **Resolved**, that we will pray for Bishop Barahona and his wife, Betty, during the time of his transition  
10 into retirement and the discernment of his next phase of ministry, *and be it further*

11 **Resolved**, that the members of the Diocese of Olympia commit ourselves to praying for a peaceful  
12 electoral process and transition of governments during the current time leading up to presidential  
13 elections in February of 2014.

14 **Resolutions Committee recommends: DO PASS**

15 Explanation: The Diocese of Olympia has a history of friendships and accompaniment of the church and people  
16 of El Salvador going back about 25 years. Currently members of the Bishop’s–appointed El Salvador committee  
17 are working to strengthen and deepen that relationship through education and mutual ministry. This year the  
18 Anglican Episcopal Church in El Salvador is embarking on only the second bishop election in their history. At  
19 the same time the country is coming up on heavily contested presidential and legislative elections. This is a  
20 time when the need for our prayers is especially acute. This resolution will be a statement of friendship in a  
21 critical time, as well as of a deepening of our shared faith experience.



1 **Resolution #5 – Divestment from Fossil Fuels**

2 *Submitted by the Bishop’s Committee for the Environment, Nancy McConnell, chair.*

3 **Resolved**, That this 103<sup>rd</sup> Convention of the Diocese of Olympia requests the Board of Directors of the  
4 Diocese of Olympia to implement a plan to divest within five years from direct ownership of public  
5 equities and corporate bonds of the world’s leading 200 fossil fuel companies as identified by the  
6 Carbon Tracker Initiative<sup>1</sup>; *and be it further*

7 **Resolved**, that this 103<sup>rd</sup> Convention of the Diocese of Olympia requests that the Board of Directors  
8 of the Diocese of Olympia adopt a policy to refrain from this time forward from direct ownership of  
9 public equities and corporate bonds of the world’s leading 200 fossil fuel companies as identified by  
10 the Carbon Tracker; *and be it further*

11 **Resolved**, that this 103<sup>rd</sup> Convention of the Diocese of Olympia requests that the Bishop’s Committee  
12 for the Environment formulate an educational plan for implementation over the next year about the  
13 issues and questions surrounding the divestment of fossil fuel holdings.

14 **Resolutions Committee recommends: THE RESOLUTIONS COMMITTEE WAS DIVIDED AND**  
15 **THEREFORE ISSUES NO OPINION**

16 Explanation from the Bishop’s Committee for the Environment: *“The divestment movement played a key*  
17 *role in helping liberate South Africa. The corporations understood the logic of money even when they weren’t*  
18 *swayed by the dictates of morality. Climate change is a deeply moral issue too, of course. Here in Africa we see*  
19 *the dreadful suffering of people from worsening drought, from rising food prices, from floods—even though*  
20 *they’ve done nothing to cause the situation. Once again, we can join together as a world and put pressure*  
21 *where it counts.” – Archbishop Desmond Tutu<sup>2</sup>*

22 The scientific consensus is overwhelmingly clear that anthropogenic greenhouse gas emissions, primarily  
23 sourced from the burning of fossil fuels<sup>3</sup>, cause climate change.<sup>4</sup> Without a swift, concerted, global shift away  
24 from the burning of fossil fuels, the effects of climate change will displace and impoverish hundreds of millions  
25 of people in the coming century<sup>5</sup> and condemn many species to extinction. In recent years, superstorms and  
26 droughts have plagued our planet. We witness an unprecedented melting of Greenland’s ice cap, the Arctic ice  
27 pack, Antarctic glaciers and ice shelves, and mountain glaciers worldwide. Rising, acidifying<sup>6</sup> seas coupled with  
28 more violent storms are threatening communities at sea level worldwide. An estimated 400,000 people a year  
29 die from the effects of climate change<sup>7</sup>.

30 Climate scientists also inform us that if we are to limit global warming to just 2 degrees Celsius above the  
31 norm existing prior to the Industrial Revolution—a cap that is still fraught with risks<sup>8</sup> but one that even the  
32 most conservative governments in the world have agreed to meet<sup>9</sup>—then we can only emit approximately 565  
33 more gigatons of carbon dioxide<sup>10</sup>. However, the fossil fuel industry already possesses in their reserves enough  
34 carbon to emit approximately 2,795 gigatons of carbon dioxide if burned<sup>11</sup>—five times the amount that could  
35 be ‘safely’ emitted into the atmosphere.

36 As author and environmentalist Bill McKibben explains in his July 2012 article for Rolling Stone: *“Yes, this  
37 coal and gas and oil is still technically in the soil. But it’s already economically above ground – it’s figured into  
38 share prices, companies are borrowing money against it, nations are basing their budgets on the presumed  
39 returns from their patrimony. [...Those 2,795 gigatons of carbon emissions are worth about \$27 trillion. Which  
40 is to say, if you paid attention to the scientists and kept 80 percent of it underground, you’d be writing off  
41 20trillion in assets.”*<sup>12</sup>

42 Doggedly protecting these ‘gains’ while pursuing even more reserves (e.g., through oil drilling,  
43 mountaintop removal mining, hydraulic fracturing, etc.), the fossil fuel industry consistently invests large  
44 amounts of resources while either minimizing or distorting the effects of climate change. ExxonMobil, for  
45 instance, relentlessly lobbies to prevent subsidies for clean energy alternatives.<sup>13</sup>

46 Recently, the Presiding Bishop Katharine Jefferts Schori committed in a joint statement with the Church of  
47 Sweden’s Archbishop Anders Wejryd and the Evangelical Lutheran Church of America’s Presiding Bishop Mark  
48 Hanson “to make public witness about climate change through advocacy at the local, national and  
49 international levels.”<sup>14</sup> This statement further endorses advocacy “for national and international policies and  
50 regulations that enable a swift transition from dependence on fossil fuels to clean, safe, renewable energy[.]”<sup>15</sup>  
51 This divestment request is a specific effort to foster such a transition.

52 The Diocesan Investment Fund as of December 31, 2012 held about 7.5 percent of its equity holdings  
53 (about 5.17 percent of its total holdings) in the top 200 fossil fuel companies. About 84 percent of this portion  
54 is invested in Exxon and Chevron; the rest are in various mutual and exchange-traded funds. This resolution  
55 addresses only the direct holdings of the Diocesan Investment Fund, not the mutual and exchange-traded  
56 funds that may hold fossil fuel companies. An advisory memo from the Investment Committee of the Diocesan  
57 Investment Fund to the Board of Directors, dated September 12, 2013, regarding “possible effect such  
58 divestiture might have on DIF goals for building fund value and attaining yields in excess of inflation” is  
59 attached.<sup>16</sup>

60 Divestment was a vital strategy employed by many religious and educational institutions in delegitimizing  
61 and ultimately dismantling the apartheid regime in South Africa. Similarly, the milieu of climate change  
62 warrants a prayerful response and active fidelity to continuously align all our lives to Christ. In addition to our  
63 collective, high-carbon lifestyles in the Global North, our structural complicity with enterprises implicitly  
64 supported by our investments affects the well-being of our own and other lives on Earth. Our financial holdings  
65 and investments are not neutral. They are statements reflecting what we value.<sup>17</sup>

66 This resolution shares the intent of at least four similar official requests to the diocesan Board of Directors,  
67 submitted on behalf of the Bishop’s Committee for the Environment; St. Paul’s, Seattle; St. Mark’s Cathedral,  
68 Seattle; and St. Andrew’s, Seattle. In divesting from fossil fuels, the Diocese of Olympia would be joining the  
69 City of Seattle, the United Church of Christ, and hundreds of colleges and universities across the nation.

70 Explanation from the Board of Directors: In June 2013 the Board of Directors received a request from the  
71 Bishop’s Committee for the Environment (BCE) to “over the next five years divest from any direct ownership  
72 of fossil-fuel public equities and corporate bonds and refrain from adding to its portfolio from this time  
73 forward any new holdings in the top 200 fossil fuel companies.” At its June 20 meeting, the Board agreed to  
74 forward the request to the Diocesan Investment Fund (DIF) Committee and ask for its input and advice prior  
75 to consideration of action on the request.

76 At its September 19, 2013, meeting, the Board of Directors heard from Sharon Wilson, a member of the  
77 BCE, Niki Amarantides, a member of St. Paul’s, Seattle, and Michelle Rubesch, chair of the DIF. After  
78 considerable discussion the Board concluded that before deciding, a broad consultation was needed with

79 representatives of the congregations who are shareholders in the DIF. In order to provide a good discussion  
80 venue, the Board asked the Bishop's Committee on the Environment to submit a Convention Resolution that  
81 1) advised the Board to divest the Diocesan Investment Fund (DIF) of fossil fuel companies;  
82 2) proposed congregational educational activities; and  
83 3) specified conditions to be met by fossil fuel companies in order for the diocese to reinvest.  
84 To assure delegates that this proposal is financially feasible, the Board asked that the DIF letter (below) be  
85 included in explanatory materials. The Board further noted that such a resolution would give the issue the  
86 kind of high profile attention which can multiply the diocesan impact of any action the Board might take and  
87 noted that the responsibility for making a decision ultimately lies with the Board.

88 FROM: Michelle Rubesch  
89 Chair, Diocesan Investment Fund Investment Committee  
90 112 NW 46th St  
91 Seattle, WA 98107  
92 September 12, 2013

93 TO: The Rev. Dr. Ann Lukens  
94 Chair, Board of Directors  
95 Diocese of Olympia, Inc.  
96 1551 10th Avenue East  
97 Seattle, WA 98102

98 Dear Rev. Lukens,

99 The Investment Committee of the Diocesan Investment Fund (DIF) has received correspondence from the  
100 Board of Directors, including your email to the Secretary of the Committee and copies of letters addressed to  
101 the Board from the Bishop's Committee on the Environment and the Diocesan Chancellor, regarding the  
102 divestiture of equities and bonds of any of the 200 largest publicly traded fossil fuel companies and  
103 forswearing future purchases of these equities or bonds. You have asked the Committee's view on possible  
104 effect such divestiture might have on DIF goals for building fund value and attaining yields in excess of  
105 inflation, as well as our view on what investments might be substituted and any other concerns we might  
106 have. We appreciate the Board's fiduciary responsibilities in this regard, especially in light of the recently  
107 enacted Uniform Prudential Management of Institutional Funds Act.

108 I express my sincere gratitude to Bob Kuehn, Larry Kinner, and Steve Faust in preparing this letter. What  
109 follows represents their response on behalf of the Investment Committee.

110 Our short answer is that with respect to any of the 200 companies on the [gofossilfree.org](http://gofossilfree.org) list<sup>1</sup>, we can  
111 easily refrain from direct ownership and could divest our holdings of ExxonMobil and Chevron within the five-  
112 year time frame if directed to do so by the Board. These stocks represent \$2.3 million or 4.1% of the total  
113 portfolio. It is more difficult with respect to DIF's holdings of mutual funds and exchange-traded funds (ETF's).  
114 As of July 31<sup>st</sup> 2013, the DIF portfolio held \$11,268,637 in mutual funds and ETF's. This represented 19.4% of  
115 the total DIF portfolio. Those investments were chosen to achieve broader asset class diversification, and we  
116 are unable to influence the manager's choice of holdings. We estimate the allocation to Energy in the stock  
117 funds is less than 8%, so the underlying indirect exposure is currently less than 1.5% of the DIF. The exposure  
118 to the 200 largest companies is difficult for us to assess, not to mention that it is an always-moving target. The  
119 only way of reaching the goal of a fossil free portfolio would be to liquidate these holdings in their entirety.  
120 This can be done, but it would incur costs and could disrupt the fund's performance. Also, by liquidating these  
121 holdings we would run directly counter to recent repositioning of the DIF portfolio which drove the acquisition  
122 of these assets.

### 123 **Effect on Performance**

124 A recent study done by Slocum took a look at how some popular stock indices would have performed if the  
125 200 targeted fossil fuel stocks were eliminated from the total returns.

		<b>Total Return Effect of Removing Fossil Fuel Stocks from Indices</b>					
		3 Years	5 Years	7 Years	10 Years	15 Years	20 Years
		<b>Annualized Returns:</b>					
129	S&P 500	0.23	1.21	-0.13	-0.66	-0.53	-0.87
130	Russell 2000	0.22	0.61	-0.13	-0.61	-0.76	-2.40
131	MSCI ACWI	1.75	1.49	0.61	n/a	n/a	n/a
		<b>Cumulative Returns:</b>					
133	S&P 500	0.71	6.20	-0.92	-6.37	-7.73	-15.99
134	Russell 2000	0.67	3.09	-0.92	-5.96	-10.83	-38.49
135	MSCI ACWI	5.33	7.69	4.38	n/a	n/a	n/a

136 **Performance reflects total return for periods ending June 30, 2013.**

137 *Source: Study done by Slocum Consulting for a university endowment fund. Data for periods longer than one*  
 138 *year are annualized. Investments are not guaranteed or insured. The performance data shows past*  
 139 *performance and is not a guarantee of future results. Principal value and investment returns will fluctuate. This*  
 140 *report uses information that is considered reliable, but it does not represent that the information is accurate or*  
 141 *complete.*

142 These numbers suggest that for some of the more recent time periods a portfolio void of these fossil fuel  
 143 stocks would have done better than one with these holdings. However, in the longer run (over seven years),  
 144 returns have suffered without the energy exposure.

145 **Industry Outlook**

146 Looking ahead, the Committee believes the global secular supply/demand outlook is positive for the energy  
 147 sector, with the exception of the coal industry, and our expectation is that a fossil-fuel-free portfolio will  
 148 continue to underperform a diversified portfolio over the long term. We feel it is worth noting that we do not  
 149 currently have exposure to coal-related companies. Energy stocks like ExxonMobil and Chevron provide  
 150 attractive dividend yields that are stable or growing, the valuations are reasonable, and these companies  
 151 exhibit the financial qualities that satisfy our investment criteria. A portfolio with zero exposure to fossil fuel  
 152 related companies must allocate those dollars elsewhere, resulting in a more concentrated and thus more  
 153 volatile portfolio, with greater stock-specific and industry-specific risk and greater tracking error, all else  
 154 equal.

155 **Rationale for Divestiture**

156 Two reasons are often given to divest ownership of fossil fuel companies. The first is to give “political room”  
 157 and support to like-minded individuals and politicians to take actions (like a carbon tax). Hopefully these  
 158 actions would help to override the opposition and lobbying by fossil fuel companies and lead to lower  
 159 greenhouse gas emissions. The second is an investment reason. Some investors believe the market may have  
 160 already factored in the value of reported gas, oil and coal reserves into the current price of the stocks. The  
 161 idea behind this second reason is a growing conviction among investors that these reserves will lose economic  
 162 value (“so-called “stranded value”) as they are depleted or alternative sources of energy are developed. This  
 163 loss of economic value will cause the stock price to fall and investors will lose money.

164 One way the DIF Investment Committee might respond to a directive to eliminate fossil fuel companies  
 165 from its holdings would be to look for large-capitalization companies in industries which are most strongly  
 166 correlated to the historical performance of fossil fuel companies. This might include companies in the  
 167 material, industrial and utility sectors of the economy. In that way, without directly owning the stock, a proxy  
 168 for that stock could be held in the expectation that dividend yields and price appreciation might track that of  
 169 the divested fossil fuel holdings. This is not a perfect solution and would take additional time and resources  
 170 for our volunteer committee. Because the Committee meets quarterly and has no staff support or research  
 171 budget, it is limited, as a practical matter, to selecting and holding either large, well-known companies’ stocks,  
 172 usually in the S&P 500 category, or diversified mutual funds or ETF’s. It would be quite unlikely for the  
 173 committee to invest in any small alternative energy firms which tend to be more speculative, pay no



174 dividends, rarely generate profits, rely heavily on government subsidies, and for many other reasons do not  
175 satisfy our investment criteria. Thus while the Committee could seek out proxy investments, alternatives are  
176 few and fraught.

### 177 **Other Considerations**

178 The Fund Committee is well aware of the many pressures any board of directors would be subject to in the  
179 face of a request such as has been made by the Bishop's Committee on the Environment (BCE). These  
180 pressures come from both within and without the Diocese, and are principally reputational in nature, as the  
181 economic and activist impact of direct DIF actions are negligible. We believe, as do most informed people,  
182 that global warming is a clear and present danger to our future. The issue here is whether this danger can be  
183 ameliorated through our investment choices. To help you consider the effectiveness of your decision, which  
184 we will, of course accept, we offer the following thoughts:

- 185 • Has the BCE gained the endorsement of most DIF investors? About 73% of DIF assets are in the name  
186 of the 60 or so congregations that participate.
- 187 • Do the BCE and/or the congregations have a plan for sustained public witness about the divesture  
188 decision that might lead to policy makers having the "room" to oppose the coal, gas and oil interests  
189 throughout the next three to seven years when the damage to the environment is most likely to still be  
190 reversible?
- 191 • Has the BCE considered the potential benefit of retaining small (under \$5,000) positions in these  
192 companies to enable them to propose and vote on shareholder resolutions affecting climate effects;  
193 and does the BCE have the money to hire professionals to help them sort through the thicket of proxy  
194 issues and company bylaws to ensure that any proposed resolution successfully comes to a  
195 shareholder vote?
- 196 • Are there other official groups within the Diocese that might have standing equal to the BCE and that  
197 might be able to request divestiture of other holdings that conflict with that group's purpose or aims?
- 198 • Might it make sense to divest of the "enabler" industries as well, such as the railroads that haul coal,  
199 pipeline companies, and non-producing refiners? What of the major consumers of fossil energy  
200 resources, such as utility companies? Where do we draw the line?
- 201 • Does the BCE believe the argument of unintended consequences has merit (for example, the carbon  
202 footprint to build a battery may be greater than the equivalent driving of a gas automobile)?
- 203 • Would the BCE consider asking the Board to calculate the annual dividends and realized gains  
204 attributed to the DIF's direct fossil-fuel related investments, and encourage DIF shareholders to invest  
205 those earnings toward directly improving energy efficiency in the communities and congregations  
206 served by these shareholders?

207 We do not mean for the bulleted points to dissuade the Board from adopting the position of the BCE, but we  
208 do remind the Board that in the absence of sustained public witness (essentially reducing energy use  
209 throughout the Diocese and its congregations in a meaningful way), the divestiture itself might be little more  
210 than a gesture. It will not damage the fossil fuel extracting companies directly — only cost-competitive energy  
211 substitutes, public pressure and political fiat can do that.

212 Thank you for asking our view. We know you could have just given us an instruction.

213 Sincerely,

214 Michelle Rubesch

215 Chair, James Hodges Investment Fund

216 On behalf of the Fossil-Free Directive Task Force of the Investment Committee: Bob Kuehn, Past Chair, Larry

217 Kinner, Secretary, Steve Faust Member

### 218 Footnotes to Resolution #5

219 <sup>1</sup>The 200 companies are listed on page 13-14 "Unburnable Carbon: Are the World's Financial Markets Carrying a Carbon Bubble?" from  
220 the Carbon Tracker Initiative; <http://www.carbontracker.org/wp->

221 <sup>2</sup>Video recording of Archbishop Desmond Tutu; <http://www.youtube.com/watch?v=SR---xBzs09D8>

222 <sup>3</sup>"Global Greenhouse Gas Emissions Data" from U.S. Environmental Protection Agency:

223 <http://www.epa.gov/climatechange/ghgemissions/global.html>

224 <sup>4</sup>Naomi Oreskes, "The Scientific Consensus on Climate Change", *Science*, December 3, 2004;  
 225 <http://www.sciencemag.org/content/306/5702/1686.full>  
 226 <sup>5</sup>"Contribution of Working Group II to the Fourth Assessment Report of the Intergovernmental Panel on Climate Change," 2007;  
 227 [http://www.ipcc.ch/publications\\_and\\_data/ar4/wg2/en/contents.html](http://www.ipcc.ch/publications_and_data/ar4/wg2/en/contents.html)  
 228 <sup>6</sup>Ken Caldeira and Michael E. Wickett, "Anthropogenic Carbon and Ocean pH", *Nature*, 2003;  
 229 [https://pangea.stanford.edu/research/Oceans/GES205/Caldeira\\_Science Anthropogenic%20Carbon%20and%20ocean%20pH.pdf](https://pangea.stanford.edu/research/Oceans/GES205/Caldeira_Science%20Anthropogenic%20Carbon%20and%20ocean%20pH.pdf)  
 230 <sup>7</sup>"Climate Vulnerability Monitor, Second Edition", DARA and Climate Vulnerable Forum, 2012; [http://daraint.org/climate-vulnerability-](http://daraint.org/climate-vulnerability-monitor/climate-vulnerability-monitor-2012/report/)  
 231 [monitor/climate-vulnerability-monitor-2012/report/](http://daraint.org/climate-vulnerability-monitor-2012/report/)  
 232 <sup>8</sup>Just two examples of the effects of a warmer planet include the increased risk of hurricane disasters (see Kerry Emanuel, "Global  
 233 Warming Effects on U.S. Hurricane Damage," 2011; [ftp://texmex.mit.edu/pub/emanuel/PAPERS/wcas\\_2011.pdf](ftp://texmex.mit.edu/pub/emanuel/PAPERS/wcas_2011.pdf)) and species extinction  
 234 ("Contribution of Working Group II to the Fourth Assessment Report of the Intergovernmental Panel on Climate Change: Summary for  
 235 Policy Makers," 2007; <http://www.ipcc.ch/pdf/assessment-report/ar4/wg2/ar4-wg2-spm.pdf>).  
 236 <sup>9</sup>The 2010 United Nations Climate Change Conference; [http://unfccc.int/key\\_steps/cancun\\_agreements/items/6132.php](http://unfccc.int/key_steps/cancun_agreements/items/6132.php)  
 237 <sup>10</sup> "Unburnable Carbon: Are the World's Financial Markets Carrying a Carbon Bubble?" from the Carbon Tracker Initiative;  
 238 <http://www.carbontracker.org/wp-content/uploads/downloads/2011/07/Unburnable-Carbon-Full-rev2.pdf>, p. 6.  
 239 <sup>11</sup>Ibid.  
 240 <sup>12</sup>Bill McKibben, "Global Warming's Terrifying New Math", *Rolling Stone*,  
 241 <http://www.rollingstone.com/politics/news/global-warmings-terrifying-new-math-20120719>  
 242 <sup>13</sup><http://www.onlineethicalinvestor.org/eidb/wc.dll?eidbproc~reso~10279>  
 243 <sup>14</sup> May 2, 2013; <http://episcopaldigitalnetwork.com/ens/2013/05/02/sustaining-hope-in-the-face-of-climate-change/>  
 244 <sup>15</sup>Ibid.  
 245 <sup>16</sup>This advisory memo is attached at the behest of the Board of Directors. The quote is an excerpt from the first paragraph of the memo.  
 246 <sup>17</sup>Though beyond the scope of the currently proposed resolution, a portion of the funds divested from fossil fuels could be judiciously  
 247 reinvested in diversified eco-socially-responsible securities and securities in the renewable energy and efficiency sector.

1 Resolution #6 – Amend Canon 7: The Funds of the Diocese

2 *Submitted by the Diocesan Council*

3 **Resolved**, that the 103<sup>rd</sup> Convention of the Diocese of Olympia amend Canon 7 to read as follows,  
 4 and be it further

5 **Resolved**, that these amendments to Canon 7 take effect January 1, 2015.

6 Canon 7: The Funds of the Diocese

7 **Section 1: Assessments**

- 8 a. An annual assessment shall be levied upon each Parish and Mission of the Diocese. The  
 9 assessment shall be a percentage of Net Disposable Income (NDI) to be calculated monthly as set  
 10 forth below.  
 11 b. For each month, the assessment quotas shall be based on the Net Disposable Income (NDI)  
 12 available for general Parish or Mission purposes in the second preceding month year prior to the  
 13 year of assessment, (e.g. for example, the assessment due in February 2015 would be based on  
 14 NDI in January 2015~~1996~~ NDI would be the basis for 1998 assessment).  
 15 c. NDI shall be specifically defined by resolution of Diocesan Council and the same flat assessment  
 16 rate shall apply for all congregations.  
 17 d. The assessment rate shall be set by the Annual Convention; provided that the adjusted  
 18 assessment rate shall not become effective until the second year thereafter, ~~(e.g., a~~ A decision to  
 19 change the rate of assessment by the Convention meeting in 2013~~1996~~ would not become  
 20 effective until assessment year 2015~~1998~~.  
 21 e. When submitting its Annual Parochial Report as required by the National Canons, each Parish and  
 22 Mission shall submit its NDI for the past calendar year, and the Diocesan office shall reconcile

- 23 ~~that figure with monthly amounts paid during the year as the basis for calculating its next annual~~  
24 ~~assessment.~~
- 25 fh. If any Parish or Mission believes that ~~there its NDI for the upcoming year~~ has been a  
26 ~~miscalculation in the NDI and/or its reconciliation for the previous year~~, it may present the  
27 grounds for such belief in writing to the Diocesan Council by ~~June~~ November 15 of the current  
28 year; and the Council shall ~~work with the congregation to resolve the miscalculation~~ ~~have the~~  
29 ~~power to change the assessment.~~
- 30 gf. Should the Convention in any year deem it necessary to increase the revenue to be generated  
31 from assessments on Parishes and Missions in excess of that which would be provided under  
32 Section (e) above, the Convention may, by two-thirds vote, levy a special assessment upon the  
33 Parishes and Missions. Such special assessment shall be limited to one year in duration.
- 34 hg. If any Parish or Mission fails to furnish the Diocesan office with its annual report and NDI by April  
35 15 of any year, the Diocesan Council may fix the amount of the congregation's monthly or  
36 annual ~~its~~ assessment.
- 37 i. The Diocesan Council shall have the power to grant relief to any congregation by the remission of  
38 all or part of its unpaid assessment balance, excepting that no balance owed for the current year  
39 shall be reduced ~~in that year~~ ~~except in response to a request submitted as set forth in Section 1(h)~~  
40 ~~above.~~

41 **Resolutions Committee recommends: NO OPINION**

42 Explanation: During 2013, the Diocesan Council (DC) received reports from the Assessment Review Task  
43 Force (ARTF) established by Bishop Rickel. In August, the DC adopted a change in how the diocesan  
44 assessment is calculated, from an assessment based on two years prior to one based on the previous month's  
45 net operating revenue. **From the ARTF:** *"This is a dramatic change being proposed by the Task Force. The*  
46 *closer the base year is to the assessment year, the more accurately an assessment reflects a congregation's*  
47 *present circumstances. After extensive discussion by a sub-committee of the Task Force and the Task Force as*  
48 *a whole, it could find no compelling reason not to base the assessment as closely as possible on present*  
49 *circumstances. For that reason, the Task Force recommends basing the assessment in any given month on the*  
50 *Net Operating Revenue for the previous month. ... While this will make diocesan budgeting slightly less precise,*  
51 *the forecasting tools and diocesan reserves make this a minimal risk."*

52 The Budget & Finance Committee of Diocesan Council has been asked to create a simple template for use  
53 by congregation treasurers. In addition, with changes taking effect January 1, 2015, the Budget & Finance  
54 Committee has been asked to create a parallel process for 2014, along with training and educational  
55 materials.

56 The language of the proposed amendments has been reviewed by the Constitution and Canons  
57 Committee.

### Courtesy Resolutions

BE IT RESOLVED, that the 103<sup>rd</sup> Annual Convention of the Diocese of Olympia express its thanks to all persons – lay and clergy – who have given freely of their time and talents to provide leadership for this Diocese over the past year, especially those who are completing their terms on Diocesan Council, the Standing Committee, and various boards, commissions, committees and task forces.

BE IT RESOLVED, that the 103<sup>rd</sup> Annual Convention of the Diocese of Olympia remember in their prayers all those in countries around the world where war, or the threat of war, is a daily reality, and for all in military service who risk life and personal safety on our behalf to bring about peace, especially the military chaplains in their rounds, duties and deployment.

BE IT RESOLVED, that the 103<sup>rd</sup> Annual Convention of the Diocese of Olympia give thanksgiving for the leadership and ministry of our Presiding Bishop, the Most Reverend Katharine Jefferts Schori and that of her husband, Richard.

BE IT RESOLVED, that the 103<sup>rd</sup> Annual Convention of the Diocese of Olympia sends its greetings to the Archbishop of Canterbury Justin Welby, and his wife Caroline, with our thanks and our prayers.

BE IT RESOLVED, that the 103<sup>rd</sup> Annual Convention of the Diocese of Olympia sends its love and best wishes to our Bishops Retired, Bavi Edna “Nedi” Rivera, and her husband, the Rev. Robert “Bob” Moore; Sanford “Sandy” Hampton, and his wife, Mari; Vincent Warner, and his wife Shen; and William Choi, and his wife Catherine; Cabell “Cabby” Tennis, and his wife, Hyde; Craig Anderson and his wife, Lizbeth, and to Terry Cochrane, widow of the Rt. Rev. Robert Cochrane, 6<sup>th</sup> Bishop of Olympia.

BE IT RESOLVED, that the 103<sup>rd</sup> Annual Convention of the Diocese of Olympia sends its greetings to the Rt. Rev. Jim Waggoner, Bishop of Spokane and to all the clergy and people of the Diocese of Spokane.

BE IT RESOLVED, that the 103<sup>rd</sup> Annual Convention of the Diocese of Olympia sends its greetings to the Rt. Rev. Michael Hanley, Bishop of Oregon and to all the clergy and people of the Diocese of Oregon.

BE IT RESOLVED, that the 103<sup>rd</sup> Annual Convention of the Diocese of Olympia sends its greetings to the Very Rev. Peter Elliott, Diocesan Administrator of the Diocese of New Westminster and to all of the clergy and people of the Diocese of New Westminster, and offers its prayers as they prepare to elect the 9<sup>th</sup> Bishop of New Westminster.

BE IT RESOLVED, that the 103<sup>rd</sup> Annual Convention of the Diocese of Olympia sends its greetings to the Rt. Rev. Danilo Bustamante, Bishop of the South Philippines and to all the people of the Diocese of the South Philippines.

BE IT RESOLVED, that the 103<sup>rd</sup> Annual Convention of the Diocese of Olympia sends its greetings to the Rt. Rev. Suheil Dawani, Bishop of Jerusalem and the Middle East and to all of the clergy and people of the Diocese of Jerusalem and the Middle East.

Be It RESOLVED, that the 103<sup>rd</sup> Annual Convention of the Diocese of Olympia recognizes and celebrates the 50<sup>th</sup> Anniversary of St. Bede, Port Orchard.

BE IT RESOLVED, that the 103<sup>rd</sup> Annual Convention of the Diocese of Olympia express its thanks and appreciation for the leadership of Mr. Bob Jacobs as President of the Standing Committee.

BE IT RESOLVED, that the 103<sup>rd</sup> Annual Convention of the Diocese of Olympia express its thanks and appreciation for the leadership of Mr. Bill Goodenough for his eight years as Property Representative of the Diocese of Olympia.

BE IT RESOLVED, that the 103<sup>rd</sup> Annual Convention of the Diocese of Olympia express its thanks and appreciation for the leadership of Ms. Kathy Hamilton for her twenty-three years as Canon for Youth and Young Adults of the Diocese of Olympia.

BE IT RESOLVED, that the 103<sup>rd</sup> Annual Convention of the Diocese of Olympia thanks for the able work of our Chancellor Judith Andrews.

BE IT RESOLVED, that the 103<sup>rd</sup> Annual Convention of the Diocese of Olympia express its thanks to the Secretary of Convention, the Rev. Marda Steedman-Sanborn and to those who assisted her in preparing for this Convention.

BE IT RESOLVED, that the 103<sup>rd</sup> Annual Convention of the Diocese of Olympia express its thanks to those who serve as pages, tellers and work in other capacities behind the scenes, making it possible for this Convention to be together and conduct its business to the Glory of God.

BE IT RESOLVED, that the 103<sup>rd</sup> Annual Convention of the Diocese of Olympia thanks all the staff of the Hotel Murano, for their care for us.

BE IT RESOLVED, that the 103<sup>rd</sup> Annual Convention of the Diocese of Olympia express its thanks and appreciation to the diocesan staff who work faithfully on behalf of the people and congregations of our Diocese and the wider Church each and every day in the spirit of Servant Leadership.

BE IT RESOLVED, that the 103<sup>rd</sup> Annual Convention of the Diocese of Olympia express its thanks for the ministry of all who have worked so hard on this Convention's planning: the Commission for Liturgy and Arts for creating our wonderful liturgies, particularly, Ms. Becky Morrill; Chair of Dispatch of Business, the Rev. Andrea McMillin; Ms. Dede Moore, Canon for Operations, for their dedicated and effective work, the diocesan staff, and the volunteers who gave their time during this convention.

## **DIOCESE OF OLYMPIA COMMITTEE ON CONSTITUTION AND CANONS**

### **REPORT TO 2013 ANNUAL DIOCESAN CONVENTION:**

At its two meetings this year, our Committee considered clarifications to several canons and provided input to others with respect to resolutions proposing amendments to the Diocesan Constitution or Canons. We also assisted other Diocesan groups in formulating their proposals for canonical changes. The following are changes that the Committee recommends for passage at Convention:

### **Second Vote on Changes to Constitution**

Our diocesan Constitution provides (in Article XXI) that it may be amended by a majority vote of the two orders voting separately at two successive annual meetings of Convention.

**[no second votes this year]**

### **First Vote on Changes to Constitution**

#### **Constitution, Article XV (Admission of New Parishes and Missions)**

Section 1(d) in Article XV provides that a Parish desiring admission into union with Convention must present evidence that it has at least twenty-five adult Communicants in Good Standing. Meanwhile, Canon 8(1) provides that a Parish may only be organized with at least 50 adult Communicants in Good Standing. Because the operative threshold is 50 adults, it seems appropriate to eliminate the discrepancy.

The 2012 Convention referred this question back for review, and our consensus remains that it makes more sense to reconcile the inconsistency by requiring a minimum of fifty adult Communicants rather than twenty-five.

We therefore propose to amend Article XV(1)(d) as follows:

...the Parish shall have delivered...

- (d) Satisfactory evidence that the Parish has been regularly organized by the election of two wardens, with a total of not fewer than six nor more than fifteen vestry members, and that the Parish contains at least ~~fifty~~**twenty-five** adult Communicants in Good Standing.

## **Votes on Changes to Canons:**

Pursuant to Canons 28 and 29, canons can be enacted or amended by a "vote of a majority of each Order". These amendments "take effect upon the adjournment of the meeting of Convention at which they are enacted" unless the Convention votes unanimously for the changes to take immediate effect.

### **Canon 19 (Regional Ministries):**

In Section 5, based on input from others, we offer the following language to reduce the mandatory number of Regional Ministry meetings:

Each Regional Ministry shall hold at least ~~one~~<sup>three</sup> meetings annually, normally during the month before the annual Diocesan Convention when reports on diocesan nominations, resolutions, and budget have been released~~one in the Winter, one in the Spring and one in the Fall.~~

### **Canon 20 (Communicants):**

The language relating to transfers and registration seems needlessly vague, and the Committee offers the following edits to clarify the procedures:

#### **Section 3**

It is the duty of every Communicant moving from one ~~congregation~~<sup>Parish</sup> to another to request apply for a Certificate of his standing. This "Letter of Transfer", either from the originating congregation or from the destination congregation. This document ~~is~~ exchanged between the clergy of the two Parishes or Congregations involved, and its receipt must be formally acknowledged before the transfer is complete.

#### **Section 4**

A Rector, Vicar or Priest-in-Charge of a congregation who ~~It is the duty of the minister in any Parish or Mission,~~ learning of a the removal of any member transferring of his Parish or Mission to another congregation without having secured a "Letter of Transfer," shall notify to transmit to the clergy of the destination congregation in writingsuch Parish or Mission a letter of advice informing him thereof.

## Section 5

No clergy of this Diocese shall enter the name of any Communicant upon ~~at the congregation registry Parish list who is not~~, ~~except those~~ baptized in ~~that congregation his Parish or Mission~~, unless a “Letter of Transfer” is received ~~except such certificate as required in Section 3 and 4 has been delivered to him~~, or a satisfactory reason ~~is~~ given why the same has not been obtained. ~~Upon enrolling a member who has transferred from another Episcopal congregation without a “Letter of Transfer”, the clergy member shall~~ ~~in this latter case, notify~~ ~~of such the clergy enrollment must be sent to the minister~~ of the ~~congregation Parish or Mission~~ from which the member has been removed.

## Canon 24 (Diocesan School of Ministry and Theology):

Because the Diocesan School is not currently operating, the Committee recommends edits that would establish that entity as optional rather than mandatory, as follows:

### Section 1

There ~~may shall~~ be a Diocesan School of Ministry and Theology, accountable to the Bishop, the purpose of which shall be to:

- a. Further the education, formation, and ministry of all baptized people.
- b. Provide training for specialized ministries.
- c. Provide continuing theological education.

### Section 2

~~When the School is operating, it There~~ shall ~~have be~~ a Dean ~~of the School~~ appointed by, and accountable to, the Bishop. The Dean shall be responsible for the management of the School and its program.

### Section 3

~~When the School is operating, T~~here shall be a Board of Directors thereof consisting of at least seven members.

- a. The Dean of the School
- b. A member of the faculty appointed by the Dean to a one-year term who is eligible for reappointment
- c. At least one student representative, elected to a one-year term by the students meeting at a site where the School offers an ongoing program.
- d. At least four members appointed by the Bishop to three-year terms, which persons are eligible for reappointment.



**Section 4**

The Board shall be accountable to the Bishop. Its basic functions shall be to:

- a. Oversee, review and evaluate the program of the School and ensure that its purpose is being carried out.
- b. Provide support to the Dean and faculty.
- c. Provide to the Diocese information concerning the School and its programs.

Faithfully submitted,

COMMITTEE ON CONSTITUTION  
& CANONS

Douglas Oles, Chair  
Judith L. Andrews, Chancellor  
Duncan Bayne, Vice Chancellor  
Sarah S. Mack  
Ann McCartney  
Donna R. McNamara  
Canon Dede Moore, Diocesan Staff  
The Reverend Stephen Moore  
The Reverend Marda Steedman Sanborn

*Diocese of Olympia*  
**2013 CONVENTION COMMITTEES & COMMISSIONS**

Constitution & Canons Committee

\*Mr. Douglas Oles, *Redeemer, Kenmore*  
Ms. Judith Andrews, *Diocesan Chancellor*  
Mr. Duncan Bayne, *Diocesan Vice Chancellor*  
Ms. Sarah S. Mack, *Trinity Church, Everett*  
Ms. K. Ann McCartney, *St. Mark's Cathedral, Seattle*  
Ms. Donna McNamara, *St. John the Baptist, Seattle*  
Canon Dede Moore, *Canon for Operations*  
The Rev. Stephen Moore, *All Saints, Bellevue*  
The Rev. Dr. Marda Steedman Sanborn, *Sec. of Convention*

Resolutions Committee

\*Mr. Duncan Bayne, *Diocesan Vice Chancellor*  
The Rev. Bonnie Malone, *St. George, Maple Valley*  
Ms. Mary Maxon, *Emmanuel, Mercer Island*  
Mr. Ralph Provencal, *St. Benedict, Lacey*  
The Rev. Suzi Robertson, *Good Samaritan, Sammamish*  
Ms. Susan Rolfe, *St. Andrew, Aberdeen*  
Mr. David Swim, *St. John the Baptist, Seattle*  
The Rev. Jonathan Weldon, *St. Paul, Bellingham*

Nominations Committee

\*Ms. Pam Tinsley, *St. Andrew, Tacoma*  
\*Dr. Leann Torgerson-Harrison, *Trinity, Everett*  
The Rev. Rilla Barrett, *Our Saviour, Monroe*  
The Rev. Jo Beecher, *retired*  
Mr. Val Brustad, *St. James, Kent*  
The Rev. Bonnie Campbell, *St. Mark, Montesano*  
The Rev. Stephen Moore, *All Saints, Bellevue*  
Ms. Diane Stipp, *St. Stephen, Seattle*  
The Rev. Dr. Dennis Tierney, *St. Barnabas, Bainbridge Isl.*

Disciplinary Board

The Rev. Lex Breckinridge, *St. Thomas, Medina*  
Mr. Mac Brown, *St. Mark's Cathedral, Seattle*  
Mr. Mark Hutcheson, *Epiphany Parish of Seattle*  
Mr. Karl Oles, *Redeemer, Kenmore*  
The Rev. Peter Strimer, *St. Andrew, Seattle*  
The Rev. Pat Taylor, *retired*  
The Rev. Dr. Tom Warne, *Good Shepherd, Vancouver*  
Ms. Candace Weatherby, *All Saints, Vancouver*  
The Rev. Jonathan Weldon, *St. Paul, Bellingham*

Commission on Personnel

\*The Rev. Kevin Pearson, *St. Luke, Renton*  
Ms. Linda Bruen, *Good Samaritan, Sammamish*  
Ms. Lynn Frink, *Epiphany Parish of Seattle*  
The Rev. William Fulton, *St. Antony, Silverdale*  
Ms. Cheryl Middleton, *St. Andrew, Seattle*  
Mr. Jim Quitslund, *Grace Church, Bainbridge Island*  
Ms. Courtney Searls-Ridge, *St. Paul, Seattle*  
Mr. John Sutherland, *St. Paul, Seattle*  
The Rev. Jonathan Weldon, *St. Paul, Bellingham*

Commission on Church Architecture

The Rev. Canon Joan Anthony, *Canon to the Ordinary*  
The Rev. Janet Campbell, *Canon for Liturgy*  
Mr. Guy Falskow, *St. Stephen, Seattle*  
Mr. William Goodenough, *Bishop's Rep for Property*  
Mrs. Jeannette Moore, *St. Mark's Cathedral, Seattle*  
Mr. Allen Moses, *Redeemer, Kenmore*  
Mr. Frederick Pneuman, *St. Thomas, Medina*  
Mr. Ralph Provencal, *St. Benedict, Lacey*

Commission on Ministry

The Rev. Mark Blindheim  
The Rev. Bonnie Campbell, *St. Mark, Montesano*  
The Rev. Janet Campbell, *St. Luke, Renton*  
Ms. Mary Coon, *St. Mark's Cathedral, Seattle*  
The Rev. Marilyn Cornwell, *Ascension, Seattle*  
The Rev. Stephen Crippen, *St. Mark's Cathedral, Seattle*  
\*Mr. William Demmon, *St. Antony, Silverdale*  
The Ven. Gen Grewell, *Archdeacon*  
Ms. Heidi Kim, *St. Mark's Cathedral, Seattle*  
The Rev. David Marshall, *St. Dunstan, Shoreline*  
Ms. Roberta Newell, *St. Mary, Lakewood*  
Mr. Karl Oles, *Church of the Redeemer, Kenmore*  
The Rev. Karen Pierce, *St. Paul, Port Townsend*  
\*The Rev. Mary Shehane, *Church of the Ascension, Seattle*  
The Rev. Gail Wheatley, *St. Andrew, Port Angeles*

Liturgy & Arts Commission

\*The Rev. Samuel Torvend, *St. Paul, Seattle*  
Mr. Jason Anderson, *St. Michael & All Angels, Issaquah*  
The Rev. Elizabeth Bloch, *St. Paul, Port Townsend*  
Ms. Susan Bloomfield, *St. Benedict, Lacey*  
The Rev. Janet Campbell, *Canon for Liturgy, ex officio*  
The Rev. Gen Grewell, *Archdeacon*  
Mrs. Deborah Hickey-Tiernan, *St. Paul, Seattle*  
The Rev. Joseph Hickey-Tiernan, *St. Paul, Seattle*  
Mr. Sean Horner, *St. Paul, Seattle*  
The Rev. Mary MacKenzie, *Christ Church, Tacoma*  
Canon Becky Morrill, *Diocesan Liturgist, Canon Precentor, St. Mark's Cathedral, Seattle*  
Ms. Cheryl Smith, *Good Samaritan Sammamish*

Committee on Privilege

\*The Rev. John Ferguson, *Church of the Redeemer, Kenmore*  
Canon Dede Moore, *Canon for Operations*  
The Rev. Canon Joan Anthony, *Canon to the Ordinary*  
Mr. Blaire Notrica, *Executive Assistant to the Bishop & the Canon to the Ordinary*

Committee on Dispatch of Business

\*The Rev. Andrea McMillin, *Christ Church, Blaine*  
Ms. Dede Moore, *Canon for Operations*  
The Rt. Rev. Greg Rickel, *Bishop Diocesan*

## Report of the Commission on Personnel to Diocesan Convention 2013

The Commission on Personnel has accomplished or made significant headway on an impressive list of goals for 2013—a significant feat since it meets but four times throughout the year. I am grateful for the hard work of this dedicated and effective team.

In 2013 we worked on the following issues:

- **Tool-Kit for Conversation.** Completed and published a *Tool-Kit For Conversation* between clergy and wardens regarding clergy compensation. This project emerged from our understanding of the difficulty rectors/vicars and their wardens/vestries have negotiating and achieving just and respectful compensation. We recommend The Tool-Kit be used as a model for these important conversations so that they support healthy, mutual relationships and clergy are recognized and remunerated for their work. You may access the Tool-Kit on the Diocesan website under clergy resources. This task was led by John Sutherland, Cheryl Middleton, and Kevin Pearson.
- **Unemployment Insurance.** This year we believe we have resolved the issue of the church's just response to unemployment compensation--an issue that has long concerned our Commission and Diocese. We discovered that the State of Washington now offers non-profit organizations the benefit of administering unemployment to terminated employees in the same manner as they do employees with federal unemployment benefits. The important difference is that the church pays only the actual amount of the benefit if and when a terminated employee becomes eligible. The COP issued a recommendation to Diocesan Council that the Office of the Bishop enroll in this program as a trial to make sure it works as advertised. We hope to be able to commend it to all congregations of the Diocese at the 2014 convention. This effort was led by diocesan staff member Sharon Pethers, and COP members Lynn Frink and Linda Bruen.
- **COLA.** Each year the Commission on Personnel recommends an Cost of Living Adjustment that is applied to our Parochial Clergy Salary Scale for adoption at Convention. Our determination is based upon the Bureau of Labor Statistics report on changes to the cost of living in our region. This year we propose a Cost of Living Adjustment (COLA) of 1.4%—the exact percent cost of living rise from June 2012 to June 2013. The COLA is meant to maintain clergy salaries at at par from year to year, not as a sole mechanism for compensation changes.
- **Clergy Compensation Re-imagined.** This year the Commission engaged in nation-wide research on clergy compensation and found few examples of other dioceses which consider other than Parochial Report based factors of congregational size, budget and pledging units to determine clergy compensation. We have recognized that these factors do not reflect the full breadth of factors that may be considered and that may more truly reflect fair compensation for clergy of a truly missional church. In our research we found great encouragement of our

efforts, particularly from the Executive Officer of General Convention, but few working examples until looking to our nearest neighbor, the Diocese of New Westminster. NWM has both a conventional clergy scale such as ours and an alternative schedule that is voluntary, but intended to become standard, which in addition to standard factors of size, budget and longevity, considers years of experience in related work prior to ordination, level of education, complexity of ministry context, specialized skills, and quality of performance. NWM's alternative schedule is not fully functional and COP has pledged its support and has begun working collaboratively with NWM's compensation sub-group toward their full use of this compensation scale. Our learnings may result in our recommendation that Olympia consider such a novel approach to clergy compensation in the future. Interestingly, we noted that in both the standard and alternative schedules of the Diocese of New Westminster, clergy housing benefits are based on actual housing costs *in the region of each congregation* and is a separate value in clergy compensation ranging from \$17K to \$36K. Look for more to come in the future from this effort. This team includes Jim Quitslund, Kevin Pearson, and Courtney Searles Ridge

- **Healthcare Parity Policy.** Translated Resolution #3 – Achieving Healthcare Parity into a diocesan policy to be posted on the Diocesan Website. This effort was led by the Rev. Jonathan Weldon.

After nearly 9 years as *de facto* and official chair of the Commission on Personnel, I am turning over the leadership of this Commission. We have built a great team willing to do the sometimes difficult, adaptive work of the church as it concerns the important and real issues of compensation, benefits, justice, and sustainability. I look forward to the continued good work of this Commission and for this year, hats-off to Linda Bruen, St. Stephen's, Seattle, Lynn Frink, Epiphany, Seattle, Bill Fulton, St. Anthony, Silverdale, Cheryl Middleton, St. Andrew's, Seattle, Courtney Searls-Ridge and John Sutherland of St. Paul's, Seattle, James Quitslund, Grace, Bainbridge, Jonathan Weldon, St. Paul's, Bellingham and our new staff liaison, Dede Moore, Canon for Operations.

Yours Faithfully,

Kevin D. Pearson, *Chair*

## 2013 Standing Committee Report – Diocese of Olympia

This was a different year for the Standing Committee with the bishop on sabbatical for 4 months. He regularly attends our monthly meetings, reviews what is happening within the diocese, discusses issues that require our immediate attention and seeks advice on issues of a confidential nature. Although we missed his presence at our meetings, we knew that his sabbatical would serve him, his family and the diocese well. While the bishop was on sabbatical the diocese did perform its wide variety of functions very well!

During the year the Standing Committee performed its regular duties: giving consents or non-consents for election of bishops or bishop suffragans in the US; being represented on the diocesan Commission on Ministry and participating in candidacy day for those seeking ordination as a deacon or priest; being represented on the Joint Finance Panel that approves the annual financial audit among its other duties; approving or disapproving property issues; and simply being available as a body for consultation.

As part of the Standing Committee's Letter of Agreement with Bishop Rickel when he was called to our diocese, the committee must conduct a yearly Mutual Ministry Review with him. We have done that various ways in the previous years the bishop has been with us. For 2013, in collaboration with the bishop, we focused on how the governing bodies (Standing Committee, Diocesan Council, Board of Directors), with the inclusion of the diocesan staff, function and relate to each other and with the bishop.

What we found is that all governing bodies and staff interact and relate appropriately. Between these functioning bodies and the bishop there is a high level of trust, open communication and mutual respect. However, even though these bodies have a good relationship, it would be helpful to communicate more often, especially with matters that cross governing body lines.

Bob Jacobs, President, 2013 Standing Committee

## Report of the Board of Directors – 2013

The Board of Directors of the Diocese of Olympia, Inc. (the “Diocese”) has legal and fiduciary responsibility for the assets of the diocese, including land, buildings, endowments and other funds. It is the mission of the Board to manage these assets to further God’s work in this diocese, both now and in the future.

The Board is comprised of 12 members noted below. The Board convenes monthly as needed (with the exception of July). Loans to congregations are made from:

<b>Mission Development Fund (MDF)</b>	<b>Building Loan Fund (BLF)</b>
Assets as of 9/30/13	Assets as of 9/30/13
\$1,073,707	\$5,395,424
5 non-interest bearing loans	15 interest, 4 non-interest
\$197,747	bearing loans
2 not serviced	\$3,502,902
\$143,411	4 of 19 loans - non-performing
Property in Orchards	\$1,768,958
\$557,643	
Committed (St. John sale for George)	Interest in arrears
\$43,992	\$75,786
Available funds	Available funds
\$81,747	\$1,691,617

### Loans Made or Revised October 2012 – September 2013:

- *St. David of Wales, Shelton* – A loan of \$75,000 was added to their existing Building Loan Fund (BLF) loan (December 31, 2012 balance of \$24,235) at the board annual interest rate, and due in March 15, 2018. Monthly payments of no less than \$552.56 will be made for the period between March 2013 and February, 2018, with payment in full due March 15, 2018. Early payments may be made at any time.
- *St. Joseph-St. John, Lakewood* - Board favorably considered the request to restructure the current BLF loan by extending principal payments for two years, if the salary increase for the Rev Sheila Crisp is postponed until April 1 and if leaders submit to the March 21, 2013 Board Meeting proof of \$10,000 in new pledges. Salary increase was postponed and \$10,000 in new pledges raised.
- *St. Clare, Snoqualmie* - Extended the due date of the current BLF loan, by two years to August 2023 and further reduced the monthly payment to \$400.00 or more per month. Interest remains at the current approved lending rate of 3.5%. Current loan balance is \$60,230.00. Extension of the maturity date will result in a balloon payment in 2023.
- *St. Hilda-St. Patrick, Edmonds* - Converted \$475,000 Capital Campaign loan to a grant under Resolution 5, adopted at the 2012 Diocesan Convention, thus eliminating debt. Further that a note be established (or current note amended) for the original loan in the approximate principal balance of \$439,529.46 with a 30 year payment due date, at the current 0% interest per annum, with a payment of no less than \$100.00 per month; terms and conditions to be reviewed in 5 years, June 1, 2018.
- *St. Andrew, Tacoma* - \$200,000 construction loan/line of credit. Terms: monthly interest-only payments; no penalty for early principal payment; carried at the diocesan interest rate (which could be variable); and maturity finish date of July 1, 2016.

### Significant Actions Taken October 2012 – September 2013 (Detailed actions are available from the Board upon request):

- Thanked Mr. Steve Faust, Diocesan Treasurer, who will be retiring at Diocesan Convention after seven years of able service as Treasurer.
- Empower the St. Andrew’s House Committee to approve changes in signers on St. Andrew’s House checking account and debit card.
- Approved the use in concept of the Draft Policy for Mission Construction, to guide conversations currently underway between the Office of the Bishop and St. Bede, Port Orchard.

- Congratulated Holy Cross, Redmond, on the occasion of their paying off their loan from the Building Loan Fund.
- Approved the Building Loan Fund interest rate be set at 3.5% for 2013.
- Authorized various signers for various bank accounts and debit cards managed by the Diocese of Olympia and/or Diocese of Olympia, Inc.
- Approved Corporate Resolutions for: Real Property, James F. Hodges Diocesan Investment Fund, Diocese of Olympia, Inc., D.A. Davidson.
- St. Antony of Egypt, Silverdale
  - Approved the purchase of 7.3 acres at 11885 Old Frontier Road Northwest, Silverdale, Washington for a price up to \$450,000. Such purchase shall be contingent upon the satisfaction of each of the conditions in the Checklist, attached as Exhibit A, unless such condition is waived by one of the Authorized Officers. Raised the cap to \$475,000.
  - Authorized the finalization of a Purchase Agreement with such changes as are determined by the Authorized Officers or any one of them to be in the best interest of the Diocese.
  - Granted the Authorized Officer(s) discretionary authority and directed, on behalf of the Diocese, to approve, execute and deliver the Purchase Agreement and such other documents, certificates, instruments and notices deemed appropriate or necessary in connection with the purchase of the Property.
  - Further authorized and directed the Authorized Officers and other proper officers, agents, attorneys and employees to carry out, or cause to be carried out, all negotiations with respect to the purchase of the Property and preparation of documents in connection with such purchase; and to perform, or cause to be performed, such as other acts as they shall consider necessary or advisable in connection with the Purchase of the Property.
- Approved the Memorandum of Understanding regarding the Little Sisters of St. Clare and the Diocese of Olympia, Inc., to establish the Little Sisters of St. Clare Endowment Fund and authorized the Vice President of the Board to execute the Memorandum on behalf of the Diocese.
- Resolved that St. Mark's Cathedral may withdraw up to \$64,000 from the Joshua Green Endowment Fund, for which the Diocese of Olympia, Inc., serves as Trustee to pay the cost of a Cladding Repair and Re-cladding Study and related repairs to the exterior facades of the Cathedral.
- Approved \$11,700 from the Hodges Fund for purposes of repairs to the Diocesan House kitchen (replacement of kitchen, dining room, and restroom flooring) and the insulation of a built-in dishwasher.
- Authorized the use of CDARS at Umpqua Bank for funds in excess of \$250,000 and Barbara A Fox, Lance Ousley, and Deanna Moore to be authorized signers.
- Adopted the Mission Construction policy.
- Authorized Barbara A Fox, Ann Lukens and Marda Steedman Sanborn be the signers for the US Bank Master Service Agreement.
- Authorized the redemption of \$25,000 from the Christenson DIF account for the purpose of engaging The Enrichment Group to conduct a capital campaign feasibility study, and related expenses, for Diocese Campus Ministry at UW Seattle.
- Authorized \$22,000 from the Brown Bequest be directed toward the matching grant commitment from the Archbishop of Canterbury at St. Nicholas Seminary in Cape Coast, Ghana, for purposes of building a dormitory for women students in memory of Sam and Nathalie Brown.
- Authorized opening a Diocese Altar Guild checking account for the purposes of Altar Guild members to pay miscellaneous expenses.
- Congratulated St. Augustine- in-the-Woods for paying off their BLF loan in record time with a final payment of \$175,000.
- Approved for use the Checklist for Property Purchase by Missions.
- Established the dollar value threshold above which Board approval would be required for the sale of Moveable Assets by Missions at \$1,500.

- St. Luke, Ballard:
  - Authorized the performance of a feasibility study for the re-development of the property comprising the campus of St. Luke's Episcopal Church, Ballard in accordance with the schedule and budget attached as Exhibit A.
  - Authorized and approved the formation of a limited liability company (LLC) in which the Diocese would be the sole member of the LLC.
  - Engaged Darel Grothaus as project manager to carry out and manage the feasibility study that is authorized and delegated to the LLC.
  - Authorized and approved the transfer of the real property comprising the campus of St. Luke's, Ballard, including the church buildings and all adjacent buildings and property to the LLC.
  - Granted the authorized Officer(s), the President, Vice President and Treasurer, discretionary authority on behalf of the Diocese to approve, execute and deliver such documents, contracts, certificates, instruments and notices as such deems appropriate or necessary in connection with forming the LLC and carrying out the feasibility study.
  - Authorized and approved the expenditure of \$50,000 for costs relating to the redevelopment of the campus and an additional \$50,000 for the continuation of the feasibility study thru August 31, 2013, from Episcopal Endowment II. These advances will be repaid from Seattle Bank line of credit.
  - Authorized and approved the repayment of such costs from the proceeds of a loan to be incurred by the Diocese or limited liability company in which the Diocese is the sole member with the Seattle Bank or another banking institution.
  - Approved opening a second shelter in a portable to be managed by SHARE/WHEEL and authorized the Treasurer to sign the memo of understanding.
  - Approved using the parking lot for the City of Seattle Safe parking Program for two vehicles and authorized the Treasurer to sign the memo of understanding.
  - Approved opening an account with Seattle Bank for the purpose of receiving and distributing funds from a line of credit for the feasibility study.
  - Authorized the Rt. Rev. Greg Rickel, president; The Rev. Dr. Ann Lukens, vice president; The Rev. Dr. Marda Steedman Sanborn, secretary; and Ms Barbara A Fox, treasure, as signers for the CORPORATE RESOLUTION TO BORROW/GRANT COLLATERAL for the St. Luke's Episcopal Church Ballard Corporation, with amendment of the date to May 16, 2013.
- Approved the request from St. Germaine, Hoodspport, to release \$24,413 in bequest funds from the Howard Wilder Bequest.
- Established a formal Audit Committee composed of the Joint Finance Panel, plus an accountant or CPA should there not be such a person on the Joint Finance Panel.
- Approved spending up to \$10,000 from the Hodges Fund for repainting Diocese House offices and purchasing occasional furniture for the common area.
- Allocated up to \$25,000 from the Hodges income account for purposes of funding a two-year pilot project designed to integrate non-English speakers into diocesan meetings though translation and interpretation services.
- Approved an increase by St. Barnabas, Bainbridge Island, of an additional \$100,000 (up to a total of \$300,000) from the Hodges Challenge Grant of 1995, to allow for installation of a church-wide sprinkler system.
- Congratulated St. James, Kent; St Michael and All Angels, Issaquah; and Church of the Resurrection, Bellevue; for paying off the balances of their Building Fund loans in advance of their due dates.
- Adopted revised language and amended the Urgent Loan Application.
- Authorized expenditure of up to \$10,000 from the legal reserve to pay fees for an architectural review and a land use attorney to represent the Diocese of Olympia, Inc./Bishop's House in the City's design and public hearing process in West Seattle.
- Authorized the Representative for Property to list the bishop's house, owned by the diocese at 3290 42<sup>nd</sup> Ave SW in West Seattle for sale in July at \$810,000. Instructed the listing agent, John Thompson of Keller



Williams, to reduce the listing price to \$775,000; and further authorized the Treasurer, or in her absence, the Secretary, to negotiate a sales price, if presented with an offer, to \$725,000 (based on the market value impact of 10% as noted by Thompson) or proceed with leasing the property for a determined amount of time until completion of the California Ave. project.

- Approved the 2013 version of the Archives and Record Management Program Policies and Procedures Manual.
- Authorized the sale of St. James, Sedro Woolley Church building, Parker House, seven stained glass windows and organ. Proceeds from the sale of the Church building and Parker House to be deposited in the Mission Development Fund; proceeds minus expenses from the sale of the stained glass windows and organ to be returned to the congregation .
- Authorized \$4,500 from the Hodges Fund to replace air handler (fan and motor) in Diocesan House boiler room.
- Authorized the purchase of a new residence for the Bishop of the Diocese and the loan funds from the Episcopate Endowment #2 in the amount up to \$750,000 to be used to pay the purchase price of such residence. The proceeds from the sale of the current residence of the Bishop shall be used to repay the loan.
- Delegated to the Audit Committee the authority to review and approve the annual audits.
- Authorized Barbara A. Fox, Treasurer of the Episcopal Diocese of Olympia, to conduct transactions for the Diocese of Olympia on the Vanguard and Vanguard Brokerage Services, which includes, but is not limited to signing documents related to Vanguard mutual fund and Vanguard Brokerage accounts owned by the corporation; investing the assets of the corporation, obtaining account information and giving instructions for the purchase, sale, exchange or transfer of securities.
- Congratulated St. John the Baptist, Seattle for paying off their BLF loan when the congregation delivered a check of \$34,986.20.
- Approved \$20,575 from the Hodges Fund for Diocesan House repairs to include 1) required masonry work and installation of a copper roof over the entry lid, and 2) repair to the Great Hall rug (clean, reweave, rebind, and create a new pad).
- Requested the Bishop's Committee for the Environment (BCE) to submit a resolution to Convention that 1) advises the Board to divest the Diocesan Investment Fund (DIF) of fossil fuel companies; 2) proposes congregational education activities; and 3) specifies the conditions to be met by fossil fuel companies in order for the diocese to reinvest. Also, as part of the resolution explanation, ask BCE to include as part of the resolution, the advisory memo from the DIF dated September 12, 2013.

**Members of the 2012 – 2013 Board of Directors:** The Rt. Rev. Gregory Rickel, president; The Rev. Dr. Ann Lukens, vice president, St. Michael and All Angles, Issaquah; The Rev. Dr. Marda Steedman Sanborn, secretary, St. James, Kent; Ms. Barbara A Fox, treasurer, Church of the Resurrection, Bellevue; Mrs. Judith Andrews, chancellor, St. Mark's Cathedral, Seattle; The Rev Canon Joan Anthony, bishop representative; Mr. Bill Goodenough, property representative, Church of the Ascension, Seattle; Ms. Mary Dickinson, St. Mark's Cathedral, Seattle; Mr. George Garcia, St. Joseph St. John, Lakewood; Mr. Collie Liska, St. Benedict, Lacey; Ms. Patricia McGuire, St. Bede, Port Orchard; Mr. Gary Rose, St. John, Kirkland; and The Rev. Ray Sheldon, Faith Community Church, Kingston.

*Submitted by Bill Goodenough, Board of Directors Property Representative*

## Diocesan Council Report to Convention 2013

The Diocesan Council (DC) is the “convention in recess” and has responsibility to oversee the budget and program goals of the Diocese and to carry out the priorities adopted by convention. DC members accept assignments, work on task groups, and attend regional, committee, and commission meetings as necessary.

### Actions December 13, 2012:

- *Approved the October 11, 2012, Diocesan Council minutes as written.*
- *Placed the name of Seattle and the Diocese of Olympia in consideration to host the 2018 General Convention. [Alternate site was selected by the General Convention.]*
- *Recorded, for IRS purposes, housing allowances for Rebecca Kirkpatrick (\$27,100); Joshua Thomas (\$32,000); Christine Hertlein (\$15,000); Greg Rickel (\$23,142); Terry Kylo (\$10,080); Richard Scott (\$16,000); Joan Anthony, (\$30,000); R.C. Laird (\$25,000).*
- *Authorized the accounting office, for accounting purposes only, to write off all outstanding 2012 assessment balances.*
- *Authorized the accounting office to transfer unexpended funds (from unrestricted net assets) to the 2013 budget (dependent on a positive year-end credit balance) for the following line items: Clergy residency \$40,000; UW chaplaincy (from WWU) \$4,000; UW chaplaincy (from Youth) \$3,000; Congregation property expense \$20,000; and Bishop’s Initiatives \$40,000. Maximum to carry forward is \$107,000.*
- *Authorized the accounting office to transfer \$5,000 from the 2012 Compensation and Benefits line item to a new Fund 15 account titled “Sabbatical Reserve.” This item will be used to compensate those hired to perform required tasks when a staff person is on sabbatical. Carried.*
- *Deferred action on the proposal submitted by All Saints, Seattle, until such time as it is further discussed, finalized and signed.*
- *Approved the proposal regarding assessment payments submitted by Trinity Church, Everett.*
- *Accepted the 2014 budget timeline as presented. Carried.*

### Actions January 24, 2013:

- *Approved the December 13, 2012, Diocesan Council minutes as written.*
- *Provided 2012 assessment relief in the amount of \$9,833, for St. Mary’s Church, Lakewood.*
- *Corrected the 2013 assessment for Church of the Holy Cross, Redmond, to \$74,615 (down from \$78,286), noting that this action has no bearing on any prior years unpaid assessments.*

### Actions March 2, 2013:

- *Approved the January 24, 2013, Diocesan Council minutes as written.*

### Actions April 25, 2013:

- *Approved the March 2, 2013, Diocesan Council minutes as written.*
- *Consented to the request from Bishop Diocesan Rickel to create a second Bishop Assistant position to more effectively serve our Diocese with the stated intent of filling that position with the Rt. Rev. Craig Anderson (retired). In that role Bishop Anderson’s varying work for the Diocese of Olympia will be paid on a per diem basis. Approved by the Standing Committee April 9, 2013.*

- *Approved submission by the Refugee Resettlement Office director, Greg Hope, of a proposal to King County for funding from the Community Development Block Grant (CDBG).*
- *Changed the formula on the NDI form to exempt from assessment all diocesan congregation grants (beginning income on NDI will be line A rather than line B), beginning in 2014.*
- *Authorized an amount, not to exceed \$100,000, from the unrestricted reserve, to be administered by the office of the Canon to the Ordinary, with a report to the June 2013 Council meeting, for the purpose of adjusting 2013 assessment through grants, to transition from assessing grants to not assessing grants..*
- *Provided 2009 & 2010 assessment relief to St. Joseph-St. John, Lakewood, in the amount of \$9,123.*
- *Provided 2010 & 2011 assessment relief to St. Philip, Marysville, in the amount of \$33,630.*
- *Through a grant, corrected the 2013 assessment (based on a miscalculation in the 2011 NDI) in the amount of \$60,700 (reducing the 2013 assessment from \$297,836 to \$237,136) for St. Mark's Cathedral, Seattle.*
- *Accepted the spring draft 2014 Budget and forward it for discussion and input at the spring regional meetings.*

**Actions June 27, 2013:**

- *Approved the April 25, 2013, Diocesan Council minutes as written.*
- *Upon request from Church of the Holy Spirit, Vashon Island, changed the congregation's regional affiliation from Peninsula to Rainier.*
- *Recorded, for IRS purposes only, a revised annual housing allowance for Susan Dean effective July 1, 2013, in the amount of \$20,665 annually.*

**Actions August 22, 2013:**

- *Approved the June 27, 2013, Diocesan Council minutes as written.*
- *Adopted the recommendation on Net Operating Revenue for the calculation of the diocesan assessment, with input from the Budget & Finance Committee as requested.*
- *Adopted the recommendation on Previous Month for the calculation of the diocesan assessment.*
- *Set January 1, 2015, as the date for implementation of the new assessment calculation method; with training, education and a parallel process in 2014.*
- *Instructed the Budget & Finance Committee to work with the Committee on Constitution and Canons to identify needed changes to the canons to implement this change in assessment calculation; changes to be presented for action at the 2013 convention with an effective date of January 1, 2015.*
- *Accepted the recommendation from the Personnel Commission that the Office of the Bishop register for the alternative payment structure of unemployment compensation available from Washington State to non-profit organizations, with the State administering claims as it would if they were covered through Employment Security and the employer reimbursing the State only for payout amounts with no additional taxes or fees.*
- *Recorded, for IRS purposes, the following housing allowance: Arienne Davison (\$5,750 August 22-December 2013).*
- *Delegated to the audit committee the authority to review and approve the annual audits, including that for the operating fund.*

- *Approved the 2013 version of the Archives and Records Management Program Policies and Procedures Manual.*
- *Adopted the balanced 2014 Diocesan Operating Budget as submitted and forward same to the fall 2013 Convention for ratification.*
- *Forwarded a resolution to the fall 2013 Convention setting the 2015 assessment rate at 17%.*
- *Provided 2003-2010 assessment relief to St. David of Wales, Shelton in the amount of \$162,382.*

**Actions September 26, 2013:**

- *Elected Joe McGuire chair pro tem for the September meeting (with Bishop Greg Rickel on sabbatical).*
- *Approved the August 22, 2013, Diocesan Council minutes as written.*
- *Upon recommendation of the Commission for Episcopal School Standards, granted the full five-year certification effective September 30, 2013 and ending September 30, 2018 to the following parishes/missions that operate schools: Saint James, Cathlamet; Saint Barnabas, Bainbridge Island; Saint James, Kent; Church of the Holy Cross, Redmond; Church of the Good Shepherd, Vancouver; Saint Mary's, Lakewood; Saint Luke's Memorial, Tacoma; Saint David's, Friday Harbor. Granted the full five-year certification effective September 30, 2013 and ending September 30, 2018 to the following parishes/missions that rent space to schools: Church of the Resurrection, Bellevue; Saint Margaret's, Bellevue; Saint Peter's, Seattle; Saint Thomas, Medina; Epiphany, Seattle. Requested the Commission notify in writing each of these parishes/missions that any material changes in the operation of the school or the rental agreement must be reported to the Commission during the period of certification. Directed the Commission to prepare periodic reports on school certification matters to bring to Diocesan Council and that the Commission develop procedures for continuing certification policies no later than 2017.*
- *Upon recommendation of the Grants Committee, approved 2014 congregation grants to congregations.*
- *Recorded, for IRS purposes, the housing allowance for Rilla Barrett (\$5076.17 through December 31, 2013).*

Respectfully submitted on behalf of the Diocesan Council by,  
Ms. Dede Moore, Canon for Operations

## Report of the Commission on Ministry

Dear Bishop Rickel and the Delegates to the 103<sup>rd</sup> Convention of the Diocese of Olympia,

On April 11, 2013 Bishop Rickel ordained and commissioned the members of the Total Common Ministry Circle at Christ Church, Anacortes: Eric Johnson, deacon; Betty Anne McCoy, commission; Diane Ramerman, priest; Dale Ramerman, commissioned; and Carol Rodin, priest. Bishop Rickel ordained five new priests on June 13, 2013 at St Mark's Cathedral: Michael Carroccino, Curtis Farr, Alfredo Feregrino, Eric Mason, and Jonathan Myers.

We have been blessed to walk with the above named persons who were permanently ordained, and with those people listed below still in process.

Postulants (priest): Kate **Bast**, St Paul, Port Townsend; Alex **Labal**, St Columba, Kent; Meghan **Mullarkey**, Church of the Apostles, Seattle; John **Powless**, Church of the Apostles, Seattle; Seattle; Kate **Rickard**, St Paul, Seattle; Eliacín **Rosario-Cruz**, Church of the Apostles, Seattle; Peggy **Schnack**, St Andrew, Tacoma; Michael **Wright**, St Stephen, Longview

Postulants (deacon): Doug **Dahlgren**, Christ Church, Tacoma; Catherine **Schneider**, St. John, Gig Harbor

Postulants of the Total Common Ministry Circle of St Hugh, Allyn: Barbara **Bertsch** (commissioning), Vicki **Betsinger** (priest), Sunny **Cotey** (commissioning), Karen **Kennedy** (deacon), Carol **Kennedy** (commissioning), Cheryl **Barnes-Wilson** (commissioning), Kim **McNamara** (priest), Sheri **Simpson** (commissioning), Bill **Smith** (commissioning)

Candidates (priest): Jennifer **Daugherty**, Emmanuel, Mercer Island; John **Forman**, St Paul, Seattle; Josh **Hosler**, St Thomas, Medina; Laura **Murray**, St Paul, Bremerton; Alissa **Newton**, St Paul, Seattle

Candidates (deacon): Polly **Shigaki**, St Peter, Seattle; Eric **Stroo**, All Saints, Bellevue

In Process for Reception of Orders: Rich **Weyls**, St Paul, Seattle

Transitional Deacons: Sarah **Monroe**, St. Mark Montesano

Faithfully,  
Blaire Notrica, for the Commission on Ministry

## A Report on 2012 Resolution #4

At the 102nd Convention of the Diocese of Olympia, the following resolution was passed:

***That the Diocese call upon all of its constituent committees, commissions, institutions and congregations, to include as a part of every meeting in the calendar year 2013, no matter what the purpose, the following agenda item: "How will what we are doing here affect or involve people living in poverty?"***

A brief update follows:

This resolution was not meant to have any metrics, but was primarily designed to help bring awareness to the poverty which surrounds us on a daily basis. It was designed to bring transformation in how we think about poverty. To that end, here are some brief stories from around the Diocese which have brought about transformation and a greater awareness of those who are marginalized and living in poverty.

- ***Deacon Eric Johnson reports that one of the elements of their new Mutual Ministry Agreement is to be intentional in reaching out to their neighbors around Christ Church, Anacortes and partnering with other churches in looking for opportunities to connect with those living in poverty. Through the Red Door Thrift Shop outreach funds of \$50,000 will be donated to charities and agencies close to home and abroad to assist those in need. The Red Door also provides clothing and household goods to the indigent. However, more importantly the customers indicate that their primary reason for coming to the shop is not to get clothing or household goods, but to encounter people (the staff) who care, will listen and have conversation.***
- ***Anacortes Human Services Coalition is an agency represented by a dozen churches, Skagit County social service providers and the City of Anacortes departments. Led by Deacon Eric, this coalition enables the group to pool motel voucher funds into a centralized fund to assist the homeless by not obliging them to travel from church to church to seek assistance while at the same time giving the churches a better visibility over who they are collectively serving.***
- ***The past summer, led by Robin Ringland, La Iglesia de la Resurreccion, held a month long Summer Day Camp. This camp provided not only education, but two meals - both breakfast and lunch, plus lots a fun time. It was attended by over 100 young people from preschool age through 6th grade. They actually had a waiting list for young people who wanted to attend. Many of those who participated were only able to participate because of their age. Once they reach 7th grade during the summer months they are working in the fields and are not able to participate or they must stay at home to take care of their little brothers and sisters. Almost 100 volunteers came from all over the diocese, some for a couple of days, others for a week and others for the entire camp. Some said before leaving at the end of the first week, sign us up for next year,***

*we have been transformed by these young children who were so loving and appreciative of everything they had been given.*

- *Deacon Brian Wright has been working with the people of St. Hilda St. Patrick. Since this past February they have been supporting him in developing a more integrated approach to helping those in poverty in South Snohomish County called Connected Communities. How they have been supportive is by providing the space for meetings to take place - which means the use of the kitchen, the utilities, etc. They are also considering how in the future their space can be better used by the communities which surround St. Hilda St. Patrick which includes investing in remodeling the space to be more friendly to the neighbors in need.*
- *Recently, through the suggestion and idea of diocesan staff member, Chris Smith-Clark, the Diocesan Office has partnered with Northwest Harvest to have a bin available at D-House to fill with non-perishable foods for those in need.*
- *Deacon Sarah Monroe from St. Andrew's Aberdeen has recently developed a team of people who go out each week to be with those on streets and they are slowly building relationships. The ministry on the streets has been amazingly supported with food donations and other necessary items.*

While the above stories are only samplings, I am sure that there are many more to be shared. I hope that as you are having conversation during this Convention you will share some of your own stories with each other and continue to be transformed by them.

Respectfully submitted,  
The Venerable Gen Grewell, Archdeacon and the Community of Deacons  
November 1, 2013

*Diocese of Olympia*  
**103<sup>rd</sup> Annual Convention**

***Report of the Committee on Privilege***

The Committee on Privilege recommends that the following persons be given the privilege of voice or seat and voice at the 103<sup>rd</sup> Annual Convention of the Diocese of Olympia.

**Retired Bishops now residing in the diocese (canonical in other diocese), if present**

The Rt. Rev. Craig Anderson, Bishop Retired, South Dakota  
The Rt. Rev. Cabell Tennis, Bishop Retired, Delaware  
The Rt. Rev. William Choi, Bishop Retired, Anglican Church of Korea

**Officers of the Diocese/Convention who are not members of Convention**

Diane Wells, Archivist and Records Manager (voice)

**Diocesan Staff members who are not members of Convention**

Blaire Notrica, Executive Assistant to the Bishop & the Canon to the Ordinary  
Dede Moore, Canon for Operations  
Chris Smith-Clark, Canon for Finance  
Kerry Allman, Internet Strategist

**Others who are not members of Convention**

K. Ann McCartney, Parliamentarian  
Jason Anderson, Convention Musician  
Becky Morrill, Diocesan Liturgist

**Diocesan Mission Stations & Congregations**

Elizabeth Maupin, Church of the Apostles (COTA), Seattle  
Susan Harper, Church of the Apostles (COTA), Seattle  
Baudelina Paz, La Iglesia Episcopal de la Resurreccion, Mt. Vernon  
Salvador Morales, La Iglesia Episcopal de la Resurreccion, Mt. Vernon  
Joanne Hash, St. Germain, Hoodspport  
Skip Hash, St. Germain, Hoodspport  
John Lual, St. John Sudanese, Tukwila  
Abraham Deng, St. John Sudanese, Tukwila  
Sharon Wilson, St. Andrew, Seattle  
Rachel Duquette, St. Anne, Washougal, Diocesan Youth Presence

**Those presenting reports or speaking on behalf of presenters of resolutions to this Convention (voice only)**

Katie Akesson, Elections  
Chuck Hamilton, Episcopal Relief & Development  
Ken Hawkins, Mission to Seafarers  
Dr. Tom Krise, president, PLU  
Cindy Spencer, Coordinator for Children & Family Ministries  
Greg Rhodes, Outside Church Walls  
George McDonnell, Outside Church Walls  
Robert Ogden, Outside Church Walls  
Leanne Torgerson-Harrison, Nominations Committee



**Clergy canonically resident, but not domiciled or ecclesiastically employed within the Diocese of Olympia, if present:**

Adams, Richard	French, Dick	Shaver, Stephen
Bell, John	Hopkins, Vivian L	Sol, Brenda
Berge, Clark	Keller, Patterson	Stewart, Daniel
Bogel, Marianne	Kolbet, Paul	Stewart, Ralph
Clark, Corbet	Lindsey, Barrett	Taylor, Robert
Collins, Paul	Maier, Andrea	Thomas, Josh
Conklin, Daniel	McCaw, Mary	Tomter, Patrick
Dement, Thomas	McClain, Rebecca	Ward, Karen
Deng Deng, William	Miller, A Scott	Wilton, G.W.
Eustis, Pat	Perry, Lawrence	Wolfe, V. Eugene
Farr, Curtis	Sells, Jeff	Wong, Philip

**Clergy licensed in the Diocese of Olympia, if present:**

Armstrong, Pamela	Gallagher, Bob	Rodgers, Stephen
Axberg, Keith	Green, Mary	Rodman, Reginald
Bird, Julie	Greenwood, Don	Totman, Glenn
Bourne-Raiswell, Maggie	Holly, Gene	Tudor, William
Brown, Marilyn	Maxwell, William	Waston, Stennis
Brown, Robert	McLuen, Roy	Whitmore, Charles
Clift, Jean	Nelson, Elizabeth	
Friedrich, James	Ortung, Thomas	

*Submitted by,*

**Committee on Privilege**

*(The Rev. John Fergueson, Church of the Redeemer, Kenmore, chair; Canon Dede Moore, Canon for Operations; Mr. Blaire Notrica, Executive Secretary to the Bishop and the Canon to the Ordinary; The Rev. Canon Joan Anthony, Canon to the Ordinary)*

## REPORT OF THE ARCHIVIST AND RECORDS MANAGER

November 2013

The Archivist and Records Manager is the official custodian of diocesan records and responsible for the direction and implementation of the Archives and Records Management Program of the Diocese.

<http://www.ecww.org/departments/archives>



2013 has been another busy year for the Archives. One major project that has been completed is the revision of the *Archives and Records Management Program: Policies and Procedures Manual*, which can be found on the Archives web page at: <http://www.ecww.org/departments/archives>. A new and important part of this manual is the recently developed social media best practices section that is included as an addendum to the Internet Use Policy.

Another project that is finally underway is the microfilming and scanning of case files from our Refugee Resettlement Ministry. The first film and CD copies of these records for the years 2000 – 2008 were delivered last week and plans are in place to make preservation copies of earlier files as funds allow.

Another major accomplishment this year is the development and introduction of a digital archives for diocesan electronic documents. With the kind and invaluable assistance of Internet Strategist, Kerry Allman, the Archivist now has the ability to store and retrieve born digital diocesan records in their original electronic format.

Several new access points for archival collections have also been developed making the location and retrieval of books, artifacts, architectural drawings, framed art work, and over-size materials much easier.

The Diocese of Olympia Archives – with me as its representative - is also a founding member of the Seattle Heritage Emergency Response Network (SHERN) which has recently been established to provide mutual assistance among cultural institutions during times of emergency.

I continue to write a column for the clergy spouse/partner online newsletter, *A La Mode*; to work with other archivists to publicize the importance of preserving our documentary heritage through groups

such as Episcopal Archivists, <http://episcopalarchivists.org/>, Seattle Area Archivists and the Society of American Archivists; to provide archival reference service; to manage our diocesan archives; and to provide tours of Diocesan House. I also maintain an archives exhibit at Diocesan House. This year's exhibits have featured *Bishops' Books* and currently shows off our parish cookbook collection with a display entitled, *What's Cooking?*

In addition, I participate in the diocesan blog, making a monthly contribution and also make regular announcements on the diocesan app. Earlier blog posts from my Archives blog, *ARCHIVES IN ACTION*, can still be found on the diocesan web site under the Bishop's Staff blog.

For more information about the Archives go to the Archives page on the diocesan web site at: <http://www.ecww.org/departments/archives>.

Respectfully submitted by,



*Diane Wells, CA*

Archivist and Records Manager

[dwells@ecww.org](mailto:dwells@ecww.org)

<http://www.ecww.org/departments/archives>

# Section 4

## Leadership Lists

### Congregations of the Diocese of Olympia

Aberdeen, St. Andrew (Parish 1890)  
Allyn, St. Hugh of Lincoln (Mission 1969)  
Anacortes, Christ Church (Mission 1890)  
Auburn, St. Matthew (Parish 1896 / Mission 2011)  
Bainbridge Island, Grace Church (Mission 1994 / Parish 2010)  
Bainbridge Island, St. Barnabas (Parish 1944)  
Battle Ground, Church of the Holy Spirit (Mission 1996)  
Bellevue, All Saints (Mission 1996)  
Bellevue (formerly Seattle), Church of the Holy Apostles (Mission 1990)  
Bellevue, Church of the Resurrection (Parish 1957)  
Bellevue, St. Margaret (Parish 1957)  
Bellingham, St. Paul (Parish 1883)  
Blaine, Christ Church (Mission 1889)  
Bremerton, St. Paul (Parish 1901)  
Burien, St. Elizabeth (Parish 1941)  
Camano Island, St. Aidan (Mission 1959)  
Castle Rock, St. Matthew (Mission 1961)  
Cathlamet, St. James (Mission 1851)  
Centralia, St. John (Parish 1889 / Merged with Chehalis 2000)  
Chehalis, St. Timothy (Parish 2000 / formerly Centralia and Chehalis)  
Chehalis, Church of the Epiphany (Parish 1883 / Merged with Centralia 2000)  
Darrington, Church of the Transfiguration (Mission 1955)  
Eastsound/Orcas Island, Emmanuel Parish (Parish 1885)  
Edmonds, St. Alban (Parish 1952)  
Edmonds, St. Hilda-St. Patrick (Mission 1963)  
Elma, St. Luke (Mission 1895)  
Enumclaw, St. Catherine (Mission 1940's, closed 2007)  
Everett, Trinity Church (Parish 1892)  
Federal Way, Church of the Good Shepherd (Parish 1961)  
Forks, St. Swithin (Parochial Mission 1964)  
Freeland, St. Augustine in-the-Woods (Parish 1949)  
Fremont, Church of the Apostles – COTA (Mission Station 2010)  
Friday Harbor, St. David (Mission 1950 / Parish 1999)  
Gig Harbor, St. John (Parish 1916)  
Hoodspoint, St. Germain (Developing Cong. 1976 / Mission Station 2010)  
Issaquah, St. Michael & All Angels (Parish 1950)  
Kenmore, Church of the Redeemer (Parish 1947)  
Kent, St. James (Parish 1890)  
Kent (Des Moines), St. Columba (Mission 1957)  
Kingston, Faith Church (Mission 1997)  
Kirkland, St. John (Parish 1922)  
Lacey, St. Benedict (Mission 1980)  
Lakewood, St. Joseph-St. John (Mission 1969)  
Lakewood, St. Mary (Parish 1949)  
Longview, St. Stephen (Parish 1923)  
Lopez Island, Grace Church (Mission 1954)  
Maple Valley, St. George (Mission 1967)  
Marysville, St. Philip (Mission 1958 / Parish 1998)  
Medina, St. Thomas (Parish 1943)  
Mercer Island, Emmanuel Church (Parish 1909)  
Monroe, Church of Our Saviour (Mission 1910)  
Montesano, St. Mark (Mission 1909)  
Mount Vernon, La Iglesia Episcopal de la Resurreccion (Mission Station 2010)  
Mount Vernon, St. Paul (Parish 1891)  
Oak Harbor, St. Stephen Episcopal (Parish 1952)  
Olympia, St. Christopher (Mission 1959)  
Olympia, St. John (Parish 1853)  
Port Angeles, St. Andrew (Parish 1891)  
Port Gamble, St. Paul (Parochial Mission 1931)  
Port Orchard, St. Bede (Mission 1963)  
Port Townsend, St. Paul (Parish 1860)  
Poulsbo, St. Charles (Parish 1963)  
Puyallup, Christ Church (Parish 1882)  
Redmond, Church of the Holy Cross (Parish 1909)  
Renton, St. Luke (Parish 1892)  
Rockport, St. Martin-St. Francis (Developing Congregation 1952)  
Sammamish, Church of Good Samaritan (Mission 1990)  
Seattle, All Saints (Mission 1903)  
Seattle, Beacon Hill Church Plant (Mission Station 2010)  
Seattle, Christ Church (Parish 1903)  
Seattle, Church of the Ascension (Parish 1938)  
Seattle, Epiphany Parish of Seattle (Parish 1908)  
Seattle, St. Andrew (Parish 1906)  
Seattle, St. Clement (Parish 1890)  
Seattle, St. George (Parish 1954 / Mission 2010 / Closed 2011)  
Seattle, St. John the Baptist Church (Parish 1892)  
Seattle, St. Luke (Parish 1891 / Mission 2011)  
Seattle, St. Mark Cathedral (Parish 1889)  
Seattle, St. Paul (Parish 1892)  
Seattle, St. Peter (Parish 1908)  
Seattle, St. Stephen (Parish 1920)  
Seattle, Trinity Church (Parish 1865)  
Seaview, St. Peter (Mission 1896)  
Sedro-Woolley, St. James (Mission 1890)  
Sequim, St. Luke (Parish 1893)  
Shelton, St. David of Wales (Parish 1890)  
Shoreline, St. David Emmanuel Church (Mission 1958)  
Shoreline (formerly Seattle), St. Dunstan (Parish 1949)  
Silverdale, St. Antony of Egypt (Mission 1985)  
Snohomish, St. John (Parish 1889)  
Snoqualmie, St. Clare (Mission 1982)  
South Bend, St. John (Mission 1890)  
Tacoma, All Saints (Mission 1890)  
Tacoma, Christ Church (Parish 1889)  
Tacoma, Holy Family of Jesus Church (Mission 1980)  
Tacoma, St. Andrew (Parish 1890)  
Tacoma, St. Luke (Parish 1879)  
Tacoma, St. Matthew (Parish 1951)  
Tahuya, St. Nicholas Mission (1968)  
Tukwila, St. John's Sudanese (Mission Station 2010)  
Vancouver, All Saints (Mission 1977)  
Vancouver, Church of the Good Shepherd (Mission 1966 / Parish 2005)  
Vancouver, St. Luke (Parish 1836)  
Vashon Island, Church of the Holy Spirit (Parish 1912)  
Washougal, St. Anne (Mission 1951)  
Westport, St. Christopher (Mission 1959)

Lay Delegates & Alternates 2013 (A.7)

See Pages 81-86

Officers of the Convention

The Right Reverend Gregory Rickel, Bishop  
The Reverend Marda Steedman Sanborn, Secretary  
Mrs. Barbara A. Fox, Treasurer  
Ms. Judith Andrews, Esq., Chancellor  
Mr. Duncan Bayne, Esq., Vice Chancellor  
Mr. Mike Reynvaan, Esq., Vice Chancellor  
Br. Carle Griffin, OCP, Historiographer  
Mrs. Diane T. Wells, Archivist and Records Manager

Standing Committee

The Rev. John Allen (2013)  
Mr. Bob Jacobs (2013)  
The Rev. Marilyn Cornwell (2014)  
Mr. Jim Campbell (2014)  
The Rev. Rachel Taber-Hamilton (2015)  
Becky Clark (2015)  
The Rev. Jane Maynard (2016)  
Ms. Alice Reid (2016)

Board of Directors

The Rt. Rev. Gregory Rickel, president  
The Rev. Ann Lukens, vice president  
Mrs. Barbara A. Fox, treasurer, Resurrection, Bellevue

Ms. Judith Andrews, chancellor, St. Mark's Cathedral  
The Rev. Dr. Marda Steedman Sanborn, secretary  
Mr. William Goodenough, property representative

Directors appointed by Bishop Rickel, confirmed by Diocesan Convention

Ms. Mary Dickinson, St. Mark's Cathedral, Seattle  
Mr. George Garcia, St. Joseph-St. John, Lakewood  
Mr. Collie Liska, St. Benedict, Lacey

Ms. Patricia McGuire, St. Bede, Pt. Orchard  
Mr. Gary Rose, St. John, Kirkland  
The Rev. Ray Sheldon, Faith, Kingston

Bishop's Office Staff

**Bishop Diocesan**—The Rt. Rev. Gregory Rickel, bishop; The Rev. Canon Janet Campbell, canon for liturgy; The Ven. Gen Grewell, Archdeacon; Mr. Blaire Notrica, executive assistant to the bishop and the canon to the ordinary.

**Archives**—Ms. Diane Wells, archivist and records manager.

**Canon to the Ordinary**—The Rev. Canon Joan Anthony, canon to the ordinary; Mr. Blaire Notrica, executive assistant to the bishop and the canon to the ordinary.

**Communications**—Canon Dede Moore, canon for operations; Mr. Kerry Allman, internet strategist; Mr. Greg Hester, coordinator for graphic design & video production; Ms. Shannon Jergenson, program coordinator.

**Congregation Development**—The Rev. Canon Melissa Skelton, canon for congregational development.

**Finance, Insurance and Employee Benefits**—Ms. Barbara A. Fox, treasurer; Ms. Chris Smith-Clark, canon for finance; Ms. Edie Pehrson, accountant.

**Governance**—Canon Dede Moore, canon for operations; Mr. Bill Goodenough, board property representative; Ms. Shannon Jergenson, program coordinator; Mr. Mark Swanson, building manager; Ms. Angela Mealing, receptionist.

**Multicultural Ministries**—The Rev. Canon Arienne Davison, canon for multicultural ministries.

**Resource Center/ Adult Faith Formation**—Ms. Sue Tait, Director of Resource Center

**Stewardship & Development**—The Rev. Canon Lance Ousley, canon for stewardship and development; Ms. Sharon Pethers, coordinator for stewardship and development.

**Faith Formation: 35 and Under**—The Rev. Rebecca Kirkpatrick, canon for faith formation: 35 & under; Ms. Cindy Spencer, coordinator for children and family ministries.

## Diocesan Council

The Rt. Rev. Greg Rickel; Ms. Sally Barnes (Columbia, 2014) the Rev. Rilla Barrett (Sno Isle, 2014); Ms. Nadine Baxter (Evergreen, 2014); Mr. Tom Boyns (Be-Attitudes, 2014); the Rev. Lex Breckinridge (Eastside, 2014); Ms. Charlotte Brown (Rainier, 2014); Ms. Marie I Cain (Holy C, 2013); Ms. Sue Clary (Peninsula, 2013); the Rev. R.C. Laird (Be Attitudes, 2013); the Rev. Bonnie Malone (Evergreen, 2013); Ms. Betty Anne McCoy (Mt Baker, 2013); Mr. Joe McGuire (Convention, 2014); the Rev. Jim Neal (Willapa, 2013); Ms. Denice Patrick (Sno Isle, 2015); Ms. Sunshine Pegues (Eastside, 2015); Ms. Susan Rolfe (Willapa, 2015); the Rev. James Thibodeaux (Holy C, 2015); the Rev. Dennis Tierney (Peninsula, 2014); the Rev. Jonathan Weldon (Mt Baker, 2015); and the Rev. Martin Yabroff (Rainier, 2013). **Non-voting Members/Staff** Chancellor Judith Andrews; The Rev. Canon Joan Anthony, Canon to the Ordinary; Mrs. Barbara Fox, Treasurer; Canon Dede Moore, Canon for Operations; and Canon Christine Smith-Clark, Canon for Finance.

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## Diocesan Canonically Resident Clergy

The Right Reverend Gregory H. Rickel, Diocesan Bishop

The Right Reverend Bavi Edna "Nedi" Rivera, retired

The Right Reverend Sanford Z.K. Hampton, retired

The Right Reverend Vincent W. Warner, retired

001	Forbes Jr., Charles A.	045	Stewart, Ralph R.	089	Ridge III, Charles D.
002	Adams, Richard C.	046	Rankin, Edward H.	090	Hauge, Morris
003	Garlichs, Richard W.	047	Walker, John F.	091	Hanna, Gerald B.
004	Leche, Edward D.	048	Johns III, Norman S.	092	Carmichael, M. Jean
005	Schaeffer, John G.	049	Sell-Lee, William	093	Thompson, John K.
006	Winn, J. Barrie	050	Biever, Robert	094	Pollock, Douglas S.
007	Maddux, Donald J.	051	Fowler Jr., Stanley G.	095	Porter, Gerald W.
008	Luethe, Robin L.	052	Bethea, Robert L.	096	Van Zanten, Peter E.
009	Carpenter, George W.	053	Halbrook, Thomas R.	097	Alkins, David S.
010	Nakayama, Timothy	054	Bogel, Marianne	098	Steedman-Sanborn, Marda
011	Radcliffe, Ernest	055	Smith, Don L.	099	Paolozzi, Joann
012	Storm, David A.	056	Ferguson, John F.	100	Dietel, Robert G.
013	Carney, Joseph P.	057	Lane, John C.	101	Moore, Stephen E.
014	Johnson Jr., William C.	058	Mikel, Joseph F.	102	Smith, Kevin C.
015	Tomter, Patrick A.	059	Pyrne, Carla V.	103	Williams, Robert L.
016	Gorsuch, John P.	060	Besheer, Kimbrough A.	104	Trelease, Murray L.
017	Bigford, Jack N.	061	Snow, Peter D.	105	Martin, Irene
018	Tench, Jack M.	062	Ludden, Carol P.	106	Dierick, Frances L.
019	Stewart, Daniel R.	063	French, Richard C.	107	Gunderson, Gretchen A.
020	Bond, L. Wayne	064	Berge, William Clarke	108	Kindle, Charles R.
021	Christie, Robert L.	065	Taylor, Patricia L.	109	Wright, Scot R.
022	Peterson Jr., Phillip	066	McCulloch, Kent T.	110	Dills, R. Scott
023	Dunning, David	067	Williams Jr., Hollis R.	111	Francis, Mary Jane
024	Ethelston, Geoffrey F.	068	Nemes, John D.	112	O'Shea, Susan
025	Ross, H. Stewart	069	Dement, Thomas E.	113	Cleveland, Jennifer B.
026	Wolfe, V. Eugene	070	Ford, R. Lawrence	114	Gould, Mary D.
027	Sherman, Guy C.	071	Waring, William D.	115	Lukens, Ann Pierson
028	Fast, Todd H.	072	Lewis, Margaret K.	116	Murray, Vincent D.
029	Rhodes, Robert W.	073	Keller, Patterson	117	Scott, Richard H.
030	Rogers, Henry S.	074	Rietmann, Paul D.	118	Bigelow, Thomas S.
031	Collins, Paul M.	075	Richards, Fitzroy I.	119	Hayman, Robert F.
032	Wilson, George S.	076	Hickey-Tiernan, Joseph	120	Ensor, A. Jeanne
033	Grabinski, Kenneth	077	Astleford, Elise	121	McCaw, Mary Ann
034	Wilton, G.W.	078	Steig, Terrance	122	Brelsford, Diane
035	Clark, D. Corbet	079	Jessett, Frederick E.	123	Lonergan, W. Gerald
036	McDaniel, G. Judith	080	Moore, Robin	124	Minifie, Thomas
037	Davis, West R.	081	Bell, John R.	125	Harper, William
038	Sterling, Edward A.	082	Davis, M. Fletcher	126	Shehane, Mary K.
039	Gehrig, Stephen J.	083	Creighton, Susan	127	Kolbet, Paul R.
040	Zimmerman, Curtis	084	Stanton, Barclay R.	128	Campbell, Anne
041	Lambert, John P.	085	Phinney, James	129	Bartels, Judith T.
042	Knowles, Walter R.	086	DeVine, Whitney Jones	130	Bayles, Richard
043	Lindsey, Barrett K.	087	Mackay III, Donald	131	Mullins, Judith P.
044	Garratt, Stephen R.	088	Miller, A. Scott	132	Ruder, John Williams

133	Craighead, J. Thomas	186	Wills, Clark E.	239	Smith, Jacqueline
134	Anthony, Joan M.	187	Allen, John M.	240	Moore, David
135	Strimer, Peter	188	Buhrer, Richard	241	Heathcock, Deborah
136	Arnold-Boyd, Annette	189	Dean, Susan Chanda	242	Pearson, Kevin
137	Best, Stephen	190	Moon, Mary Louise	243	Cornwell, Marilyn
138	Korathu, Anna Maria	191	Poirier, Esther Holley	244	Dogaru, Vickie
139	Lee, Samuel	192	Rozendaal, Jay Calvin	245	Saunderson, Ann
140	Moorehead, Constance	193	Maier, Andrea R.	246	Anderson, Mary Petty
141	Peters, Gregory	194	Demura, Christine A.	247	Hopkins, Vivian
142	Simonsen, Douglas	195	Tiederman, Nancy Coppass	248	Newland, Benjamin
143	Miller, Mark	196	McQueen, Dale L.	249	Wesch, Kate
144	Dunn, Robert E.	197	Steele, Chris C.	250	Lobdell, Gary
145	Kinney, Kathleen	198	Campbell, Janet	251	Carver, Robert C.
146	MacKay, Wray	199	Seeger, Elisabeth A.	252	Yabroff, Martin I.
147	Pratt, Jennifer	200	Beecher, Josephine C.	253	Davison, Arienne S.L.
148	Stiles, Linda	201	Haase, Sylvia Anne	254	Tierney, Dennis S.
149	Miller, Judith J.	202	Logan, Christie Larson	255	Niemann, Joan
150	Walker, Randolph D.	203	Neal, James Frederick	256	Lander, James R.
151	Conklin, Daniel G.	204	Brentnall, Burden	257	Carlson, Constance
152	Trytten, Patricia S.	205	Goode, Colin	258	Campbell, Boneta
153	Cole, Dennis C.	206	Tyree-Cuevas, Susan	259	Leech, John
154	Forman, Bernard (Kim)	207	McDonnell, George Anne	260	Kirkpatrick, Rebecca
155	Prestegard, JoAnn	208	Deng Deng, William	261	Johnson, June
156	Wolford, Rachael	209	Hosea, Beverly	262	Fowler, Dan
157	Helgeson, Gail M.	210	Johnston, Zula	263	Warne, W. Tom
158	Williams, Robert H.	211	Baker, Patricia	264	Fulton, William
159	Endicott, Rachel Faith	212	Grout, Earl L.	265	DeShaw, Glen
160	Fageol, Suzanne A.	213	Marshall, David	266	Priest, Hunt
161	Brill, Steven G.	214	Taber-Hamilton, Rachel	267	Thibodeaux, James
162	Avery, Joyce M.	215	Weller, Edith	268	Jillard, Chris
163	McMeekin, Dorothy N.	216	Ackermann, John	269	Yearwood, Kirtley
164	Irving, Anthony T.	217	Morrissey, Michael	270	Haynes, Kendall
165	Spina, Frank A.	218	McMillin, Andrea	271	Robinson, Carla
166	Rhoads, Robert L.	219	Sells, Jeffrey	272	Waldie, Nan
167	Taylor, Robert V.	220	Sells, Patricia	273	Torvend, Samuel
168	Price, David L.	221	Mack, Allan E.	274	Wheatley, Gail
169	Grewell, Genevieve M.	222	Borders, LeRoy	275	Morrison, Mikel
170	Novak, Margaret A.	223	Santman, Linda	276	Barrett, Rilla
171	Shigaki, Jerry M.	224	Cochran, Elizabeth Jane	277	Fayette, Shelly
172	Wong, Philip	225	Streiff, Suzanne	278	Conn, Doyt
173	Green, Richard	226	Bloch, Elizabeth	279	Ward, Karen
174	Patton, Kathleen	227	Maynard, Jane F.	280	McClain, Rebecca
175	Wesen, Vicki	228	Garman, Gerald R.	281	Lolcama, Terri
176	Perry, Lawrence S.	229	Sheldon, Raymond S.	282	Kessel-Hanna, Kay
177	Taber-Hamilton, Nigel	230	Stroup, Susan L.	283	Pierce, Karen
178	Heller, Jan C.	231	Ballinger, Kathryn E.	284	Wright, Brian
179	Jackson, E. Michael	232	Reid, M. Sue	285	Robertson, Suzi
180	Amburgey, Cristina G.	233	Atcheson, Charles B.	286	Breckinridge, Alexander
181	Espeseth, Cynthia A.	234	Skelton, Melissa	287	Crisp, Sheila
182	Taylor, N. Dennis	235	Carlson, Sally	288	Haig, Martha Karen
183	Eichner, James	236	Lewis, Philip	289	Kingslight, Kathleen
184	Armer, Susan C.	237	MacKenzie, Mary	290	Chrisman, Robert
185	Barber, Grethe	238	Scott, Rebecca	291	Weldon, Jonathan



292	Malone, Bonnie	308	Lucas, Jeremy	324	Carroccino, Michael
293	Eustis, Pat	309	Ousley, Lance	325	Farr, Curtis
294	Parker, Stephanie	310	Blindheim, Mark	326	Feregrino, Alfredo
295	Ringland, Robin	311	Hertlein,Chris	327	Mason, Eric
296	Crippen, Stephen	312	Sol, Brenda	328	Monroe, Sarah
297	Shaver, Stephen	313	Vedanti, Jessie	329	Myers, Jonathan
298	Adams, William Seth	314	Vocelka, Craig	330	Wynen, Nancy
299	Thomas, Joshua	315	Jimenez-Mesenbring, Maria	331	Gill, Jeffrey Shilling
300	Donohue-Adams, Amy	316	Rohrer, Jane	332	Johnson, Eric
301	Loyd, Janet	317	Stelle, Eric	333	Moore, Diane
302	Tanabe, Irene	318	Ramerman, Diane	334	Godwin, JD
303	Reid, Catharine	319	Rodin, Carol	335	Corrigan, Candice
304	Case, Jaime	320	Laird, RC	336	Andrews, Dianne
305	Mesenbring, David	321	Tarter, Bill	337	Sedwick, Katherine
306	Lovelady, Ed	322	Gillett, Richard		
307	Johnson, Janis	323	Thomason, Steve		

As of October 29, 2013

Diocese of Olympia 2013 Annual Convention  
*Delegates & Alternates representing congregations as of October 29, 2013*

**Be Attitudes Regional Ministry**

*Church of the Redeemer, Kenmore*

Austin, Emily	Delegate
Laughlin, Debi	Delegate
McGlinn, Bill	Delegate
Oles, Doug	Delegate
Darrow, Lee	Alternate
Oles, Karl	Alternate

*Christ Church, Seattle*

Prohaska, Frank	Delegate
Weir, Jean	Delegate
Coryell, Julie	Alternate
Voelker, Todd	Alternate

*St Andrew, Seattle*

Adams-Lee, Keri	Delegate
Chloupek, Suzy	Delegate
Denison, Elizabeth	Delegate
Hartinger, Mark	Delegate
Hicks, Mike	Delegate
Ten Eyck, Ross	Delegate
Fowler, Reese	Alternate
Moore, Becky	Alternate

*St Luke, Seattle*

Beede, Lavonne	Delegate
Young, Susan	Delegate

*St Stephen, Seattle*

Baylor, Marge	Delegate
Blyth, Kate	Delegate
Finger, Greg	Delegate
Nauman, Rick	Delegate
Donnell, Deborah	Alternate
Hopkins, Mary Fran	Alternate
Hopkins, Robin	Alternate
Webb, Eugene	Alternate

*St David Emmanuel, Shoreline*

Byington, Edith	Delegate
Street, Hayden	Delegate
Lyons, Maureen	Alternate
Baker, Scott	Alternate

*St Dunstan, Shoreline*

Bunes, Tina	Delegate
Hinkofer, Liz	Delegate

Pacher, Chuck	Delegate
Pacher, Mary E	Delegate
Hanneman, Jonathan	Alternate
Hinkofer, Josef	Alternate
Walker, Shannon	Alternate

**Columbia Regional Ministry**

*Holy Spirit, Battle Ground*

Yorke, Bill	Delegate
Yorke, Jan	Delegate
Lenahan, Kappy	Alternate
Lenahan, Richard	Alternate

*St Matthew's, Castle Rock*

No delegation in 2013
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*St James, Cathlamet*

Coover, Iris	Delegate
Nunes, Michael	Delegate

*St Timothy, Chehalis*

Hogan, Pat	Delegate
Hogan, Sue	Delegate
Burton, Sonja	Alternate
Rickard, Carol Lee	Alternate

*St Stephen's, Longview*

Amondson, Connie	Delegate
Amondson, Wayne	Delegate
Blodgett, Stephen	Delegate
Mottet, Ann	Delegate
Spens, Crawford	Alternate
Mottet-Fox, Carolyn	Alternate

*St Peter's, Seaview*

Miller, Chuck	Delegate
Miller, Doreen	Delegate
Goodson, Gretchen	Alternate

*All Saints, Vancouver*

Ash, Kitty	Delegate
Ash, Rob	Delegate

*Good Shepherd, Vancouver*

Armstrong-Herbenson, Cheryl	Delegate
Courser, Audrey	Delegate
Courser, Jeff	Delegate
Farr, Sharon	Delegate
Herbenson, David	Delegate

Nesland, Derek	Delegate
Scott, Aaron	Delegate
Walker, Maureen	Delegate
Howard, James	Alternate
Lopez, Dodie	Alternate
Lopez, Frank	Alternate
Reynoldson, Moira	Alternate

*St Luke's/San Lucas, Vancouver*

Gallagher, Kathy	Delegate
Gallagher, Virgil (Jim)	Delegate
Sullivan, Tatiana	Delegate

*St. Anne, Washougal*

Snyder, Drew	Delegate
Whitworth, Jana	Delegate
Duquette, Rick	Alternate
Snyder, Sue	Alternate

**Eastside Episcopal Churches**

*All Saints, Bellevue*

Williams, Fred	Delegate
Williams, Judy	Delegate
Anderson, Miriam	Alternate
Callahan, Charles	Alternate

*Church of the Holy Apostles, Bellevue*

Hui, Torres	Delegate
Truong, Kathy	Delegate
Wong, Matilda	Alternate

*Church of the Resurrection, Bellevue*

Harrison, Babs	Delegate
Van der Veen, Carol	Delegate
Campbell, Pat	Alternate
Van der Veen, Jim	Alternate

*St Margaret's, Bellevue*

Couch, Missy	Delegate
Couch, Steve	Delegate
Grayson, Mille	Delegate
Jones, Carolee	Delegate
Jones, Ralph	Delegate
Knowles, Mike	Delegate
Robertson, Scott	Delegate
Scheck, Irene	Delegate
Davis, Joel	Alternate

Dolby, Mark	Alternate
Maes, Jill	Alternate
Westall, Amy	Alternate

*St Michael and All Angels, Issaquah*

Klein, Joel	Delegate
Klein, Karen	Delegate
Peterson, Eric	Delegate
Taylor, Marilyn	Delegate
Gove, Jenny	Alternate
Gray, Allen	Alternate
Lukens, Carolyn	Alternate
Toomey, Bob	Alternate

*St John, Kirkland*

Ederer, Ted	Delegate
Eggert, Lee	Delegate
Mathews, Tom	Delegate
Raymond, Donna	Delegate
Chapman Pontiff, Kelly	Alternate
Mathews, Tonja	Alternate
Merrill, Valerie	Alternate
Strathy, Nick	Alternate

*St Thomas, Medina*

Evison, Brian	Delegate
Gregory, Brian	Delegate
Hendrickson, Arne	Delegate
Hendrickson, Linda	Delegate
Magee, Rose	Delegate
Nelson, Mark	Delegate
Pneuman, Mary	Delegate
Reid, Steve	Delegate
Rogers, Anne	Delegate
Webb, Bob	Delegate
Williamson, Robert	Delegate
Bannon, Sunni	Alternate
Del Bene, Sherri	Alternate
Stevens, Delphine	Alternate

*Emmanuel Church, Mercer Island*

Affleck, Anne	Delegate
Daugherty, John	Delegate
Greaves, Jean	Delegate
Lee, Bruce	Delegate

*Holy Cross, Redmond*

Dillon, Thomas	Delegate
Dillon, Beverly	Delegate
Dietrich, Kevin	Delegate
Lauzon, Eileen	Delegate

Lauzon, Pierre	Delegate
Irwin, Heather	Delegate

*Good Samaritan, Sammamish*

Angela, Steve	Delegate
Calbom, Linda	Delegate
Farrell, Sally	Delegate
Hayes, Sally	Delegate
Johnson, Bud	Delegate
Meeks, Steve	Delegate
Gest, Betty	Alternate
Hamke, Kurt	Alternate

*St Clare, Snoqualmie*

Lindstrand, Diane	Delegate
Waters, Jeff	Delegate

**Evergreen Regional Ministry**

*St. Matthew/San Mateo, Auburn*

Baxter, Gordon	Delegate
Gibbs, George	Delegate
Rivera, Lupe	Delegate
Shultz-Kamadulski, Helen	Delegate
Crane, Frank	Alternate
Reveles, Maria	Alternate
Rivera, Brandon	Alternate
Springer, Lillian	Alternate

*St Elizabeth, Burien*

Thomas, David	Delegate
Tooke, Brenda	Delegate
Clogston, Bill	Alternate
Moe, Heather	Alternate

*Good Shepherd, Federal Way*

Silicani, Marcia	Delegate
Welsh, David	Delegate
Ennaro, Susan	Alternate
Brent, Waddell	Alternate

*St Columba, Kent*

Burgess, Richard	Delegate
Francisco, Karen	Delegate
Lumb, Carol	Alternate
McFayden, Doug	Alternate

*St James, Kent*

Brustad, Val	Delegate
Coburn, Michelle	Delegate
Danioth, Debbie	Delegate
Gauthier, Jan	Alternate
Gusse, Karen	Delegate

Harris, Norm	Delegate
Odgen, Richard	Delegate
Zimmer, Tom	Delegate
Barber, Joyce	Alternate
Brustad, Laura	Alternate
Gauthier, Don	Delegate
Gusse, Bobby	Alternate
Harris, Tovi	Alternate
Shafer, Tina	Alternate
Stril, Mark	Alternate

*St George, Maple Valley*

Boyce, Patrick	Delegate
Duvall, Duane	Delegate
Duvall, Linda	Delegate
Lancaster, Diane	Delegate
Hansen, Mark	Alternate
Hansen, Necia	Alternate

*St Luke's, Renton*

Crayne, Daniel	Delegate
Smith, Charles	Delegate
Bonilla-Centeno, Susan	Alternate
Vergara, German	Alternate

*St. John's Sudanese Episcopal, Tukwila (Mission Station)*

Deng, Abraham	Rep
Lual, John	Rep

**Holy C Regional Ministry**

*All Saints, Seattle*

Cox, Becky	Delegate
Jones, Davon	Delegate
Bright, Victor	Alternate
Danby, Dinah	Alternate

*Ascension, Seattle*

Anderson, Carol	Delegate
Boyd, Bob	Delegate
Boyd, Muriel	Delegate
Gaffney, Pat	Delegate
Anderson, Mark	Alternate
Crouch, Jim	Alternate
Maleng, Judy	Alternate
Popstojanovic, Frances	Alternate

*Church of the Apostles (COTA), Seattle (Mission Station)*

Harper, Susan	Rep
Maupin, Elizabeth	Rep

*Epiphany, Seattle*

Balducci, Jamie	Delegate
Barthold, Aubin	Delegate
Bradstreet, Charissa	Delegate
Coyle, Richard	Delegate
Hill, Margot	Delegate
Stone, Trish	Delegate
Sweeny, Louis	Delegate
Taylor, Thomas	Delegate
Corson, Marshall	Alternate
Maxson, Linda	Alternate
Pope, Chuck	Alternate
Strong, Dorothy	Alternate

*St Clement of Rome, Seattle*

Mikami, Kris	Delegate
Hill, Paul	Delegate
Mumford, Don	Alternate
Scott, Susan	Alternate

*St John the Baptist, Seattle*

Blake, Ann	Delegate
Ede, Darrel	Delegate
Johnson, Mike	Delegate
Rehm, Nell	Delegate
Freeman, Ellen	Alternate
McDonald, Jim	Alternate

*St Mark's Cathedral, Seattle*

Akanni, Seyi	Delegate
Bowton-Meade, Brett	Delegate
Johnson, Kevin	Delegate
Knoch, Lee	Delegate
Leed, Jean	Delegate
Lenker, Virginia	Delegate
Markova, Lynne	Delegate
Martin, Donna	Delegate
McCully, Janet	Delegate
Roza, Joe	Delegate
Selberg, Barbara	Delegate
Young, Doug	Delegate
Burkhart, Lee	Alternate
Ford, Ian	Alternate
Grabinski, Betsy	Alternate
Green, Jim	Alternate
Hayden, Robert	Alternate
McCloud, Sandy	Alternate
O'Sullivan, Tim	Alternate
Pro, George	Alternate

Thorpe, Doug	Alternate
Valaas, Andy	Alternate
Valaas, Nancy	Alternate
Wurtmann, Elisabeth	Alternate

*St Paul's, Seattle*

Bell, Terra Leigh	Delegate
Bucy, Katie	Delegate
Kirschner, Brad	Delegate
Pommerenke, Martin	Delegate
Cameron, Courtney	Alternate
Conley, Adam	Alternate
Lenti, Sarah	Alternate

*St. Peter, Seattle*

Asato, Mel	Delegate
Thompson, Jessie	Delegate
Thibodeaux, Annaka	Alternate
Shoji, Jay	Alternate

*Trinity, Seattle*

Dapper, Nancy	Delegate
Phan, Caroline	Delegate
Schwartz, Ron	Delegate
Stipes, Jim	Delegate
Pitcock, Harry	Alternate
Williams, Betty	Alternate

**Mt. Baker Regional Ministry**

*Christ Church, Anacortes*

Foggin, Pamela	Delegate
Foggin, Tom	Delegate
Gronholt, Mary	Alternate

*St Paul's, Bellingham*

Barnhill, Charles	Delegate
Foster, Becky	Delegate
Foster, Ted	Delegate
Lampman, Gary	Delegate
Lampman, Marian	Delegate
McHenry, Dolly	Delegate
Robinson, Greg	Delegate
Summerfield, Mary	Delegate
Tubesing, Gary	Delegate
Walton, Bea	Delegate
Howard, Brad	Alternate
O'Neal, Mike	Alternate

*Christ Church, Blaine*

Hendricks, Evelyne	Delegate
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Stockburger, Scott	Delegate
Gilliam, Colleen	Alternate

*Emmanuel, Eastsound*

Schliebus, Doug	Delegate
Schliebus, Judy	Delegate
Hansen, Dick	Delegate
Hansen, Deborah	Delegate
Nelson, Betsy	Alternate

*St David's, Friday Harbor*

Gillette, Wally	Delegate
Gillette, Pam	Delegate
MacGinitie, Walter	Alternate
MacGinitie, Ruth	Alternate

*Grace, Lopez Island*

Carver, Barbara	Delegate
Langford, Lane	Delegate
Fowler, Stephanie	Alternate
Oles, Stephen	Alternate

*La Iglesia de la Resurreccion, Mount Vernon (Mission Station)*

Morales, Salvador	Rep
Paz, Baudelina	Rep
Cesario, Bonifacio	Alternate
Cesario, Tanya	Alternate

*St. Paul, Mount Vernon*

Adams, Margie	Delegate
Taylor, Mary Ann	Delegate
Bird, Margaret	Alternate

*St Stephen's, Oak Harbor*

Taylor, Robert	Delegate
Taylor, Sandy	Delegate
Chapman, Rick	Alternate
Chapman, Michele	Alternate

*St. James, Sedro Woolley*

Sloniker, Joleen	Delegate
Tasker-Mueller, Barbara	Delegate
Baker, Judy	Alternate
Larson, Karen	Alternate

**Peninsula Regional Ministry**

*Grace, Bainbridge*

Blaney, Ruth	Delegate
Dolejsi, Mary Kay	Delegate
Jones, Terry	Delegate
Kruse, Mark	Delegate
Matthews, Eric	Delegate

McCarthy Casey, Karen	Delegate
Moller, Tom	Delegate
Renfrew, Holly	Delegate
Wesley, Ken	Delegate
Yund, Walter	Delegate
Fisher, Willa	Alternate
Milander, Carolyn	Alternate
Smith, Conni	Alternate

*St Barnabas, Bainbridge Island*

Anderson, Charles	Delegate
Atwood, Margaret	Delegate
Atwood, Peter	Delegate
Carlin, Jerry	Delegate
Collin, Joan	Delegate
Holzman, Paul	Delegate

*St Paul's, Bremerton*

Mygatt, Cliff	Delegate
Battin, Myra	Delegate
Mygatt, Chris	Alternate
Seelhoff, Rick	Alternate

*St John's, Gig Harbor*

Brooks, Bob	Delegate
Broun, Linda	Delegate
Broun, Michael	Delegate
Dolven, Rachel	Alternate
Osborn, George	Alternate

*Faith Community Church, Kingston*

Strohmayr, Rachel	Delegate
Steel, Chris	Delegate
Green, Ellen	Alternate
Toth, Frank	Alternate

*St Andrew's, Port Angeles*

Angulo, Ralph	Delegate
Deutermann, Steve	Delegate
Magner, Anna	Delegate
Wood, Ann	Delegate
Fintel, Ida	Alternate
Hansen, Deborah	Alternate
Hansen, Paul	Alternate
Milliren, Pat	Alternate
Wood, Doug	Alternate

*St Bede's, Port Orchard*

Dykstra, Richard	Delegate
Jones, Mary-Francis	Delegate
Little, Don	Alternate
Yergin, Sarah	Alternate

*St Paul's, Port Townsend*

Couch, Kathy	Delegte
Ford, Bob	Delegate
Ford, Ginny	Delegate
Kalb, Will	Delegate
Nicholson, Joan	Alternate

*St Luke's, Sequim*

Carr, Frank	Delegate
Oden, Patricia	Delegate
Oden, Jerry	Delegate
Schaumburg, Ardyth	Delegate
Junnell, Karen	Alternate

*St Antony of Egypt, Silverdale*

McGinley, Loretta	Delegate
Stephens, Ken	Delegate
Demmon, Bill	Alternate

*St. Nicholas, Tahuya*

No delegation in 2013	
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**Rainier Regional Ministry**

*St Joseph-St John, Lakewood*

Johnson, Leota	Delegate
Crisp, Robert	Delegate
Williams, Johnny	Alternate
Simpson, Jennell	Alternate

*St Mary's, Lakewood*

Bungay, Clare	Delegate
Kuljam, Jen	Delegate
Marshall, Debra	Delegate
Marshall, Will	Delegate
Kernen, Jean	Alternate
Mcllroy, Fred	Alternate
Newell, Roberta	Alternate

*Christ Church, Puyallup*

Blocher, Bruce	Delegate
Blocher, Peggy	Delegate
Jensen, Karen	Delegate
Prescott, Joshua	Delegate
Godwin, Helen	Alternate
Tanner, Rick	Alternate

*All Saints, Tacoma*

Conner, Charla	Delegate
Talbert, Larry	Delegate
Barnett, Michael	Alternate
Larson, Liz	Alternate

*Christ Church, Tacoma*

McCarren, Christi	Delegate
Stowers, Dick	Delegate
Irvin, Heidi	Alternate
Polmanteer, Michael	Alternate

*Holy Family of Jesus, Tacoma*

By, Rong	Delegate
Ly, Sotheavy	Delegate
Habb, Tula	Alternate
Yuong, Chantana	Alternate

*St Andrew's, Tacoma*

Boyce, Jeffery	Delegate
Brice, Linda	Delegate
Sharp, Jeff	Delegate
Tinsley, Pam	Delegate
Broadhead, Skip	Alternate
Mannie, Patty	Alternate
Schlosser, Geri	Alternate
Skinner, Reberta	Alternate

*St Luke's Memorial, Tacoma*

Arnberg, Bert	Delegate
Bishop, David	Delegate
Miller, Cindy	Delegate
Shoffner, Shirley	Delegate
Edwards, Angela	Alternate

*St Matthew's, Tacoma*

Ladley, Art	Delegate
Ladley, Pam	Delegate
Chege, Mosesq	Alternate
Jackson, Anna	Alternate

*Church of the Holy Spirit, Vashon*

Abbott, Wilson	Delegate
Clow, Dick	Delegate
Davis, Hunter	Delegate
Swain, David	Delegate
Drewes, Rebecca	Alternate
Land, Tom	Alternate
Pryne, Eric	Alternate
Yelken, Mark	Alternate

**Sno-Isle Regional Ministry**

*St Aidan's, Camano Island*

Columbo, Rick	Delegate
DuBois, Kathy	Delegate
Fear, Stanley	Delegate
Humes-Fear, Jackie	Delegate

Miller, Robert	Alternate
Miller, Sukey	Alternate

*Church of the Transfiguration,  
Darrington*

No delegation in 2013
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*St Alban's, Edmonds*

Bee, Liz	Delegate
McClelland, Phil	Delegate
Walker, Al	Alternate
McClelland, Robin	Alternate

*St Hilda-St Patrick, Edmonds*

Campbell, Debbie	Delegate
Patrick, Jim	Delegate
Ariz, Nancy	Alternate
Johnson, Bernie	Alternate

*Trinity, Everett*

Amdal, Julie	Delegate
Gates, Vickie	Delegate
Grodt, Pat	Delegate
Wheeler, Brian	Delegate
Prettyman, Blake	Alternate
Prettyman, Katy	Alternate
Wheeler, Bob	Alternate

*St Augustine's, Freeland*

Anderson, Harry	Delegate
Rose, Albert	Delegate
Schultz, Margaret	Delegate
Steele, Shantina	Delegate
Speir, Bert	Alternate
Speir, Mary Ann	Alternate

*St Philip's, Marysville*

Saulewicz, Janice	Delegate
Wray, Mike	Delegate

*Church of our Savior, Monroe*

Hosley, Burr	Delegate
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Woods, Deede	Delegate
Ryan, Forrest	Alternate
Ryan, Aleen	Alternate

*St John, Snohomish*

Davis, Cathy	Delegate
Gray, John	Delegate
Gray, Laurie	Delegate
Nilsen, Eivind	Delegate
Allert, Mike	Alternate
Allert, Shirley	Alternate
Covington-Kimbrough, Bea	Alternate
Ganger, Devin	Alternate

**Willapa Regional Ministry**

*St Andrew's, Aberdeen*

Rasciner, Morris	Delegate
Rolfe, Gail	Delegate
Rolfe, Wes	Delegate
Vivian, Kristin	Delegate
McQueen, Carol	Alternate
Preble, Bob	Alternate

*St Hugh of Lincoln, Allyn*

Huff, Charles	Delegate
Simpson, Sheri	Delegate
Bertsch, Barbara	Alternate
Cotey, Sunny	Alternate

*St. Luke, Elma*

Brown, Beckie	Delegate
Brown, Stephen	Delegate
Nemes, Libby	Alternate
Allshouse, Bea	Alternate

*St Germain, Hoodspport  
(Mission Station)*

Hash, Skip	REP
Hash, Joanne	REP

*St Benedict's, Lacey*

Adamscheck, Cheryl	Delegate
Akin, Mike	Delegate
Metzler, David	Delegate
O'Connor, Gretchen	Delegate
Bradford, Liz	Alternate
Daniels, Spencer	Alternate

*St Mark, Montesano*

Krug, Martha	Delegate
Stubb Venske, Mary	Delegate

*St Christopher's, Olympia*

No delegation in 2013
-----------------------

*St John's, Olympia*

Chidester, Daren	Delegate
Hughart, Paula	Delegate
Jackson, Janice	Delegate
Madison, Linda	Delegate
Portaro, Charo	Delegate
Portaro, Gustavo	Delegate
Allen, Georgie	Alternate
Johnson, David	Alternate
Stahmer, Jens-Dieter	Alternate

*St David of Wales, Shelton*

Conklin, Jef	Delegate
Conklin, Shelby	Delegate
McClanahan, Joe	Alternate
McClanahan, Laurie	Alternate

*St John's, South Bend*

Neve, Patricia	Delegate
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*St Christopher, Westport*

No delegation in 2013
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*Delegates-At-Large & Youth Representatives as of October 29, 2013*

Adams-Lee, Keri	Regional Ministry Leadership
Akin, Jan	Regional Ministry Leadership
Andrews, Judy	Diocesan Chancellor
Barnes, Sally	Diocesan Council
Baxter, Nadine	Diocesan Council
Bayne, Duncan	Diocesan Vice Chancellor
Bee, Meredith	Sno Isle Regional Youth Rep
Bender-Sweeney, Tieran	Holy C Regional Youth Rep
Boyns, Tom	Diocesan Council
Brown, Charlotte	Diocesan Council
Cain, Marie I.	Diocesan Council
Campbell, Jim	Standing Committee
Campbell, Pat	Regional Ministry Leadership
Clary, Sue	Diocesan Council Regional Ministry Leadership
Conner, Charla	Regional Ministry Leadership
DiCicco, Kelly	Regional Ministry Leadership
Dickinson, Mary	Board of Directors
Dunkelberger, Katie	Rainier Regional Youth Rep
Estep, Deborah	Regional Ministry Leadership
Fazio, Kyle	Mt Baker Regional Youth Rep
Fox, Barbara	Diocesan Treasurer
Garcia, George	Board of Directors
Gilliam, Colleen	Regional Ministry Leadership
Goodenough, Bill	Board of Directors
Gregory, Brian	Regional Ministry Leadership

Jacobs, Bob	Standing Committee
Liska, Collie	Board of Directors
Lyons, Mary	Regional Ministry Leadership
Marceau, Rene	Regional Ministry Leadership
McCartney, Ann	Parliamentarian
McCoy, Betty Ann	Diocesan Council
McCoy, David	Regional Ministry Leadership
McGuire, Joe	Diocesan Council
McGuire, Pat	Board of Directors
Montgomery, Bill	Regional Ministry Leadership
Newell, Althya	Regional Ministry Leadership
Patrick, Denice	Diocesan Council
Pegues, Sunshine	Diocesan Council
Reid, Alice	Standing Committee
Rolfe, Susan	Diocesan Council
Rose, Gary	Board of Directors
Shafer, Tina	Regional Ministry Leadership
Silvernale, Nicole	Evergreen Regional Youth Rep
Sloan, Andy	Willapa Regional Youth Rep
Smith, Charles	Regional Ministry Leadership
Stamper, Jo	Eastside Regional Youth Rep
Taylor, Tom	Regional Ministry Leadership
Van Hoesen, Mary Jane	Regional Ministry Leadership
Wiltz, Zoe	Peninsula Regional Youth Rep
Zabel, Nancy	Regional Ministry Leadership

# Section 5

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### **Diocesan Priorities**

1. Congregational Development
2. Concentrating on those aged 35 and Under
3. Stewardship of all our Resources

*Each program or department requesting budget funds was asked to identify the priorities supported. These diocesan priorities are referred to by number in each budget request presented in this document.*

*The Diocesan Vision, which expands on these priorities, is on page 6.*

## From Bishop Greg Rickel

### Dear Ones,

I write to all in the Diocese of Olympia regarding the 2014 diocesan budget. I first want to thank your Budget and Finance Committee members who have put so much time, energy, worry, and care into the preparation of this budget. I want to thank your staff, especially Dede Moore, Joan Anthony, and Chris Smith-Clark, who have put in a lot of time working on the final product. I want to thank all of you for your feedback and for your ministry, which, in the end, is the reason for all of this work; the hope of our mission together.

This budget has been the most difficult in years, perhaps the most difficult in my time here as bishop. We received new revenue projections in June 2013 which resulted in a difference between 2014 expense requests and projected revenues of just under \$900,000, in other words \$900,000 more requested expenses for 2014 than projected revenues for the same period. So, we went to work.

Several matters are reflected in this change in revenue:

- increasing the shortfall projection percentage from 2.25% to 5%, which resulted in \$100,000 less revenue. This reflects where we currently find ourselves and one reason it is so important for all congregations to keep up with their assessments whenever possible. That said, I want to thank the 95% of congregations that are current and on time, and under many difficult circumstances as well.
- other changes including no longer assessing grants to congregations, which is a good and just change, I believe, added to the projected decrease in revenues.

The Budget and Finance Committee then took the \$900,000 difference and began to work diligently at reducing it. At the June meeting they reduced the difference to just over \$400,000; more than cutting it in half. Then, I met with some of our executive staff to make further difficult decisions, including personnel decisions, cutting the difference in half yet again to just below \$200,000.

*Continued on pg. 11*

## From the Diocesan Council

### Convention members,

We present for your review and ratification our approved recommended 2014 Operating Budget for the Diocese of Olympia. This budget represents a \$720,197 reduction from the draft budget available for review and comment at the spring regional ministry meetings. This is a balanced 2014 budget with revenues and expenses of \$4,272,403, a 5.1% decrease from 2013. A detailed review of changes appears on page 14. The top five things the Diocesan Council would like you to know about these changes are:

1. Revenue projections are 5.13% below 2013 projections.
  - a. Assessment revenue is projected to be down 6.07%, reflecting the latest parochial report data and our decision to make grants to congregations non-assessed income for recipients.
  - b. The projected shortfall for non-payment of assessments has been increased from 2.25% in 2013 to 5% in 2014 reflecting 2012 actual experience and a review of current situations.
  - c. With transitions in several program areas, revenue from fees, tuitions and reimbursements is projected to be down 13.41% from 2013.

*Continued on pg. 15*

## Congregational Development

Priorities Addressed: 1, 2 & 3

Staff: **Melissa Skelton**, Canon for Congregational Development (50% time); **Lori Hardow**, Assistant (hourly as needed)

**2014 Fall Recommended: \$549,465**

**2014 Spring: \$663,825**

**2014 Request: \$748,825**

**2013 Budget: \$629,362**

Major line items:

- Grants to Congregations - \$300,000
- College for Congregational Development - \$139,800
- Salaries & benefits - \$65,500
- Represents 29.8% of program allocations & 12.9% of total budget

**Summary, pg. 12, line 7-11**

## Faith Formation

Priorities Addressed: 1, 2 & 3

Staff: **Rebecca Kirkpatrick**, Canon for Faith Formation: 35 & Under (full time); **Cindy Spencer**, Coordinator for Children's & Family Ministries (50% time); **Shannon Jergenson**, Program Coordinator, Governance, Communications & Special Projects (20% time); **Sue Tait**, Director of Diocesan Resource Center (57% time)

**2014 Fall Recommended: \$277,299**

**2014 Spring: \$521,443**

**2014 Request: \$521,443**

**2013 Budget: \$491,378**

Major line items:

- Youth - \$33,000
- Campus Ministries - \$40,650
- Young Adults - \$20,000
- Resource Center - \$13,400
- Salaries & benefits - \$160,249
- Represents 15% of program allocations and 6.5% of total budget

**Summary, pg. 12, line 12-18**

## Congregational Development

**Grants to Congregations**  
**Bishop Directed Grants**  
**Congregation Consulting Network (CCN)**  
**First Time in Charge**  
**College for Congregational Development (CCD)**

**Grants to Congregations** support congregations in development and growth. The **College for Congregational Development** trains lay and clergy leaders. Two new initiatives would add an additional training week in the summer of 2014 and redesign the curriculum into a format that does not require residential overnight programming for use by other dioceses that cannot afford a residential format, with visits to other dioceses to promote this option. The **Congregation Consulting Network (CCN)** provides consultation services to congregations. The goal of **First Time in Charge** is to raise the self-awareness, understanding and skills of clergy who are in charge of a congregation for the first time.

## Faith Formation

**Adult Resources / Youth**  
**College & University Chaplaincy / Young Adults**  
**Children & Families / Diocesan Resource Center**

Exciting things are happening in Faith Formation. With the retirement of Kathy Hamilton, Canon for Youth and Young Adults, and the departure of Josh Thomas, Faith Nexus Navigator, both programs and staffing are in transition. The Rev. Rebecca Kirkpatrick, who joined the staff in July 2012, is now the Canon for Faith Formation: 35 & Under, with responsibility for **Youth** and **Young Adult** programming. Cindy Spencer came on board in July 2013, in a new position created at the request of Bishop Rickel to focus on **Children** and **Families**, as our new Coordinator for Children's and Family Ministries. 2014 will be a year to evaluate current programs and develop new programs and resources. In addition to managing the **Diocesan Resource Center**, director, Sue Tait, will be taking a leadership role in ongoing **Adult Resources** programs such as Education for Ministry (EFM) trainings. Watch for much more information from this changing and growing ministry area.

**Supporting Congregations**

Priorities Addressed: 1 & 2

Staff: **Joan Anthony**, Canon to the Ordinary; **Janet Campbell**, Canon for Liturgy

**2014 Fall Recommended: \$280,810**

**2014 Spring: \$466,810**

**2014 Request: \$506,810**

**2013 Budget: \$280,718** (includes \$40,000 carry-forward from 2012)

Major line items:

- Clergy Residency Program - \$180,000
- Represents 15.2% of program allocations & 6.6% of total budget

**Summary, pg. 12, line 19-21**

**Evangelism**

Priorities Addressed: 2

Staff: **Melissa Skelton**, Canon for Congregational Development

**2014 Fall Recommended: \$21,651**

**2014 Spring: \$25,620**

**2014 Request: \$25,620**

**2013 Budget: \$21,651**

Major line items:

- Evangelism Program - \$21,651
- No compensation included in allocation (included elsewhere)
- Represents 1.2% of program allocations & 0.5% of total budget

**Summary, pg. 12, line 22**

**Supporting Congregations**

**Total Common Ministry (TCM)**

**Clergy Residency Program**

**Canon for Liturgy**

**Clergy Days**

**Leadership Training**

**Mission InSite**

**Misconduct rehabilitation and settlement**

**Support for congregations in conflict**

**Total Common Ministry (TCM)** is working to develop more intensive seminary-trained supervision and training of ministry support circles. Revision of the process is expected to be complete in 2013 with a revised manual published; transition and implementation of new process expected in 2013 and 2014. The **Clergy Residency Program** provides mentoring and first placement for seminary-trained priests sponsored by the Diocese of Olympia. The proposed funding continues support four priests and provides for the potential to support two more beginning in 2014. The **Canon for Liturgy** engages congregations in liturgical/space improvement and development. **Leadership Training** provides training materials for vestries and bishop’s committees, and gathers clergy of like-sized congregations to discuss common issues, identify resources and provide mutual support. The bishop hosts **Clergy Days** four times a year in two locations each quarter. The **Misconduct Case Manager, rehabilitation and settlement** are mandated by General Convention Title IV – Clergy Disciplinary Canon; funding also provides ongoing Safeguarding God’s Children training. **Mission InSite** is a service purchased on behalf of congregations providing demographic information for congregations.

**Evangelism**

**Evangelism Conference**

**Mystery Visitor Program**

**Evangelism Website**

**Evangelism** equips people in congregations to be faithful and effective listeners and responders/storytellers around a) the Good News of God in Christ in their lives, and b) their life-giving experiences in their Episcopal congregations. Vehicles include an annual conference, website and Mystery Visitor program. Two new initiatives include Preaching and Website awards.

**Emerging Missions**

Priorities Addressed: 2

Staff: **Joan Anthony**, Canon to the Ordinary

**2014 Fall Recommended: \$105,000**

**2014 Spring: \$196,000**

**2014 Request: \$196,000**

**2013 Budget: \$91,000**

Major line items:

- Emerging Missions - \$105,000
- No Compensation included in allocation; included elsewhere
- Represents 5.7% of program allocations & 2.5% of total budget

**Summary, pg. 12, line 23**

**Multicultural Ministries**

Priorities Addressed: 1 & 2

Staff: **Arienne Davison**, Canon for Multicultural Ministries (25% time)

**2014 Fall Recommended: \$126,767**

**2014 Spring: \$158,875**

**2014 Request: \$158,875**

**2013 Budget: 140,875**

Major line items:

- Multicultural Congregations - \$84,000
- Salary & benefits - \$19,767
- Represents 6.9% of program allocations & 3.0% of total budget.

**Summary, pg. 12, line 24-27**

**Emerging Missions**

**St. Luke, Seattle (Ballard)**  
**Church of the Apostles (COTA), Seattle (Fremont)**  
**TV Eucharist**  
**Catacombs project**  
**New Mission Start**

**Emerging Mission** currently supports compensation for the vicar at St. Luke’s Seattle (Ballard) during redevelopment of the congregation and property; the TV Eucharist, program being evaluated in 2013; as well as the Catacombs project and Church of the Apostles, Fremont, which support is evaluated on a year by year basis. The **New Mission Start** would fund development and launch of a congregation located in the urban Seattle area focused on English-speaking second and third generation Latino/Hispanic people.

**Multicultural Ministries**

**Multicultural Congregations**  
**Leadership Development**  
**Advocacy**

**Multicultural Congregations** is a reclassification of committee-allocated grants with partnership with Congregational Development to administer this process. Current development includes Resurreccion, Mount Vernon; Holy Family of Jesus, Tacoma; St. John Sudanese, Tukwila; Sta Isabel, Burien; and San Mateo/St. Matthew, Auburn. The core ministry of **Leadership Development** is resourcing congregations and individuals for effective ministry. Areas of focus include African American ministry, Dismantling Racism Training, First Nations, and Indo-Hispanic ministry. **Advocacy** will highlight the prophetic ministry of outreach and care to ethnically and racially marginalized peoples.

## Stewardship & Development

Priorities Addressed: 1, 2, & 3

Staff: **Lance Ousley**, Canon for Stewardship & Dev. (fulltime);  
**Sharon Pethers**, Program Coordinator (60% time)

**2014 Fall Recommended: \$187,279**

**2014 Spring: \$197,903**

**2014 Request: \$197,903**

**2013 Budget: \$195,703**

Major line items:

- Stewardship & Development program - \$37,980
- Salaries & benefits - \$149,299
- Represents 10.2% of program allocations & 4.4% of total budget.

**Summary, pg. 12, line 28-30**

## Communications

Priorities Addressed: 1, 2, & 3

Staff: **Dede Moore**, Canon for Operations;  
**Kerry Allman**, Internet Strategist (full time); **Greg Hester**, Coordinator, Graphic Design & Videography (50% time); **Shannon Jergenson**, Program Coordinator, Governance, Communications & Special Projects (30% time).

**2014 Fall Recommended: \$246,267**

**2014 Spring: \$272,667**

**2014 Request: \$272,667**

**2013 Budget: 270,659**

Major line items:

- Communications program - \$51,700
- Digital Technology - \$57,550
- Salaries & benefits - \$137,017
- Represents 13.4% of program allocations & 5.6% of total budget.

**Summary, pg. 12, line 31-34**

## Stewardship & Development

**Bishop's Society  
Workshops & Resources  
Development Gatherings  
Planned Giving Website  
Episcopal Charities Appeal  
Partnership with TENS**

The **Bishop's Society** ended 2012 with 1560 members; the goal is to increase by 8-10% each year. Plans for 2014 include **regional workshops** on planned giving, environmental stewardship, annual campaigns, development and stewardship formation for children, youth, young adults and families. Four **Development Gatherings** with the bishop will be organized in different areas of the diocese. In addition to a new blog for stewardship resources, the **Planned Giving Website** will be maintained and updated. **Episcopal Charities Appeal** (ECA) continues to explore new strategies to increase congregation participation. Our **Partnership with TENS** (The Episcopal Network for Stewardship) includes a corporate membership and membership for each congregation.

## Communications

**Social Media  
Website & Blogs  
Video-Conferencing Centers  
Online E-Newsletters  
Local Photographers & Writers  
Diocesan App  
Videos**

Communications strategy continues to be developed and implemented. With a move to all online communications more emphasis will be use of the diocesan Facebook page, **Website** and **Blogs**. Seven **E-newsletters** are currently available including a weekly events and news update, *Across the Diocese*, with the ability to request delivery through a "Join our E-newsletter" button on the home page of the diocesan website. Goals are to build a corps of **writers/photographers** from throughout the diocese, establish two or three online quarterly publications and produce monthly **videos** from Bishop Rickel. **Digital Technology** includes expansion of our video conferencing system, use of **Social Media**, an in-house video studio, the launch of a diocesan **App**, and a mobile component for the diocesan website.

## Bishop's Initiatives

Priorities Addressed: 1 & 2

Staff: **Greg Rickel**, Bishop Diocesan; **Joan Anthony**, Canon to the Ordinary

**2014 Fall Recommended: \$50,000; 2014: Spring: \$50,000; 2014 Request: \$50,000**

**2013 Budget: \$90,000** (includes \$40,000 carry-forward from 2012)

- Represents 3.0% of program allocations & 1.2% of total budget.

Summary, pg. 13, line 35

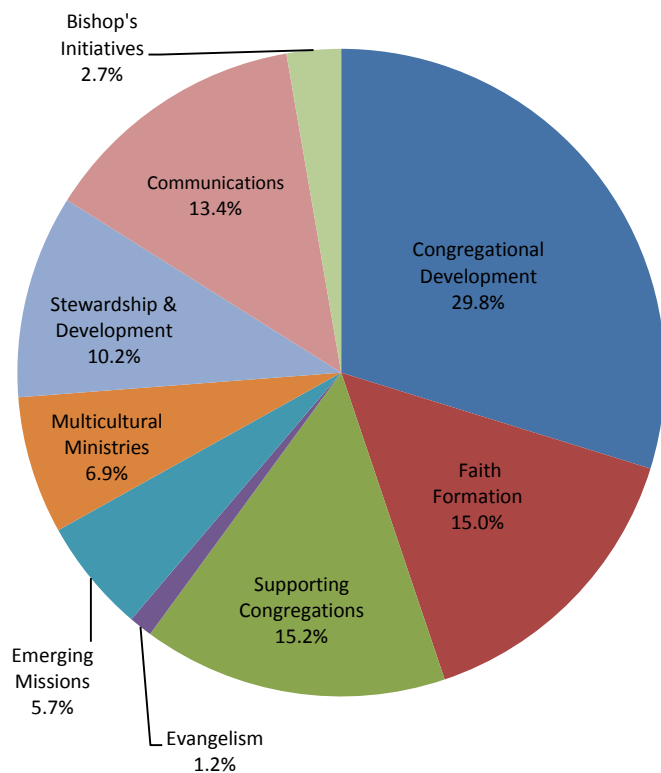
## Bishop's Initiatives

### Congregation Special Projects

Bishop's Initiatives began in 2009 with funding from the unrestricted operating reserve; it is now an ongoing line item in the operating budget funded by assessment revenue. Funds are available for use by the bishop to enable congregations to move forward with special projects and new initiatives that support their ministry and growth.

Program for Ministry: Empowering Congregations: **\$1,844,538** (43.2% of total budget)

## 2014 Program Allocations



## Diocesan Vision

We envision the Diocese of Olympia as one of the healthiest places in the Episcopal Church, growing and moving through the opportunity and challenge that come with being situated in the "None Zone" of the largely unchurched Pacific Northwest. We are a diocese on solid footing, with open communication and a resolve to live together in Christ and with Christ. We see our differences as blessings and we are committed to sharing those blessings with the world around us. We believe the core purpose of a diocese is building up the Body of Christ. The Diocese of Olympia works to fulfill that commitment in our congregations by focusing on three areas:

**Congregational development** – We believe that developing healthy congregations is central to that call. To that end, we have a clear strategy and ethos of development and health in all our congregations, no matter what the size or context. We assist congregations in facilitating clear expectations and in developing leaders – lay and clergy – who are given the skills and have the understanding to take responsibility for development. We believe that congregational development means far more than numerical growth, but when development is done well, numerical growth is often an outcome.

**Concentrating on those 35 and under** – We believe that the Church has a particular call to reach out to and attract people under age 35, many of whom are the second and third generations to have no knowledge of Christ and the Church. We believe that if we, the Church, can discover how to reach, feed and attract people under 35 we will be blessed by the tremendous leadership and spirituality this generation offers the Church. Therefore, our mission field is wherever we find this generation. We must engage with, listen to and commit resources toward all those who are 35 and younger. We equip congregations to relate to younger people and build ministry with them, and we do the same work on a diocesan level.

**Stewardship of all our resources** – We believe Christianity is a faith of abundance and blessing. Becoming a people truly in touch with this reality makes us stewards of all of our resources — human, financial, material and spiritual. At Creation, God gave us responsibility for the care of the earth. More than ever before, we are aware that what we do affects those in the next generations. Jesus teaches us that when we live for others we have abundant life. We assist congregational leaders in strengthening the stewardship of all resources in their congregations, and we practice this at a diocesan level.

The graph above provides a visual representation of the distribution of allocations within the programs for ministry outlined on page 2-6.

**Global Mission Work**

Priorities Addressed: 1 & 3

2014 Fall Recommended: \$81,155

2014 Spring: \$ 84,055

2014 Request: \$82,555

2013 Budget: \$89,999

Major line items:

- Diocesan committees - \$19,600
- Contribution to ECA - \$16,000
- Millennium Development Goals - \$29,682
- No compensation
- Represents 1.9% of total budget.

Summary, pg. 13, line 37-40

**Global Mission Work**

**Committees on: Environment, Israel/Palestine, El Salvador  
Companionship, Alcohol and Substance Abuse, Economic  
Justice, Response to AIDS, and Outdoor Ministry  
Episcopal Charities Appeal Support  
Refugee Grant Participation  
Emergency Assistance Grants  
Millennium Development Goals**

The **Bishop’s Committee for the Environment** provides leadership on projects such as the Genesis Covenant, and carbon offsets in relationship with the Episcopal Diocese of the Southern Philippines. It provides Green Grants to congregations to help reduce energy use, and resources to advocate for humane treatment of animals. The **Committee on Alcohol & Substance Abuse** offers Sunday presentations, Life in Recovery at St. Mark’s

Cathedral, and participates in diocesan events such as convention. The **Episcopal Bishop’s Committee on Israel/Palestine (EBCIP)** educates Episcopalians regarding conditions in the Holy Land utilizing a website, blogs and development of companion congregations with the Diocese of Jerusalem. The **Committee for Economic Justice** provides education and resources for congregations concerning economic justice issues, organizes for advocacy and action, and partners with interfaith coalitions. The **El Salvador Companionship Committee** is considering possibilities with this diocese. The **Outdoor Ministry Committee**, St. Francis the Wanderer, offers outdoor ministry opportunities throughout the diocese. Restricted/Non-Discretionary line items include **Refugee Grant Participation** – set at a level that allows this increasingly large program to apply for grants on the local and national level, **Emergency Assistance Grants** funded by restricted income, and **Millennium Development Goals** at the level set by a convention-approved formula. Support of diocesan and/or affiliated institutions and ministries is transitioning away from budget funding to funding through the Episcopal Charities Appeal. In 2014, rather than line item funding for these ministries, the diocesan budget will make a contribution of \$16,000 to ECA.

Global Mission Work: \$81,155 (1.9% of total budget)

**Wider Church Covenants**

2014 Fall Recommended: \$686,278

2014 Spring: \$686,278

2014 Request: \$711,278

2013 Budget: \$674,514

Major line items:

- National Church Asking (assessment) - \$649,278
- No compensation included.
- Represents 16.1% of total budget.

Summary, pg. 13, line 41-43

**Wider Church Covenants**

**National Church Asking (Assessment)  
St. Mark’s Cathedral Partnership  
Province VIII Assessment  
Ecumenical & Interfaith**

National assessment based on a formula approved by each triennial General Convention; currently 19%. Ecumenical includes support for Faith Action Network, our faith-based state public policy education and advocacy network.

Wider Church Covenants: \$686,278  
(16.1% of total budget)

## Diocesan Bishop's Office

Staff: **Greg Rickel**, Bishop Diocesan (fulltime); **Blaire Notrica**, Executive Assistant to the Bishop & to the Canon to the Ordinary (fulltime); **Gen Grewell**, Archdeacon (volunteer)

**2014 Fall Recommended: \$435,098**

**2014 Spring: \$441,906**

**2014 Request: \$441,906**

**2013 Budget: \$419,348**

- Salaries & benefits - \$268,373
- Represents 31.0% of Canonical allocations and 10.2% of total budget.

**Summary, pg. 13, line 44-46**

## Canon to the Ordinary's Office

Staff: **Joan Anthony**, Canon to the Ordinary (fulltime)

**2014 Fall Recommended: \$182,489**

**2014 Spring: \$177,374**

**2014 Request: \$177,374**

**2013 Budget: \$157,374**

- Salary & benefits - \$132,489
- Represents 13.0% of Canonical allocations and 4.3% of total budget.

**Summary, pg. 13, line 47-49**

## Treasurer's Office

Staff: **Chris Smith-Clark**, Canon for Finance (fulltime); **Edie Pehrson**, Accountant (fulltime); **Erik Donner**, Finance Assistant (50% time)

**2014 Fall Recommended: \$222,000**

**2014 Spring: \$220,049**

**2014 Request: \$220,049**

**2013 Budget: \$212,124**

- Salaries & benefits - \$186,900
- Represents 15.8% of Canonical allocations and 5.2% of total budget.

**Summary, pg. 13, line 50-52**

## Diocesan Bishop's Office

**Bishop's Office Program  
Vocations (including Commission on Ministry)  
Diaconal Formation & Archdeacon  
Theological Education Grants  
Clergy Emergency Grants  
Christiansen Grants  
Lambeth Conference Reserve  
Bishop Search/Consecration Reserve**

This office oversees the pastoral, administrative and programmatic work of the diocese. Reserve funds are built through yearly transfers from restricted funds. Grants are fully funded by restricted income and administered according to the stipulations of each fund.

## Canon to the Ordinary's Office

**Congregations in Transition  
Clergy Deployment  
Supporting Congregations (pg. 3)  
Emerging Missions (pg. 4)  
Bishop's Initiatives (pg. 6)**

The Canon to the Ordinary assists the bishop in diocesan ministry and carries out the decisions and vision of the bishop.

## Treasurer's Office

**Financial Transactions & Record Keeping  
Receives/Reviews Congregation Audits, NDI  
& Parochial Reports  
Resource for Congregation Treasurers**

The Treasurer's Office is responsible for the business matters – accounting, risk management, the Diocesan Investment Fund, property matters, insurance, and tax affairs – of the Diocese. It also serves as a resource for congregations and Episcopal institutions in the diocese.



**Archives & Records Management**

Staff: **Diane Wells**, Archivist & Records Manager (60% time); **Br. Carle Griffin**, Historiographer (volunteer)

**2014 Fall Recommended: \$56,110**  
**2014 Spring: \$59,260**  
**2014 Request: \$59,260**  
**2013 Budget: \$56,110**

- Salary & benefits - \$46,260
- Represents 4.0% of Canonical allocations and 1.3% of total budget.

Summary, pg. 13, line 53-55

**Diocesan Governance**

Staff: **Dede Moore**, Canon for Operations (fulltime); **Shannon Jergenson**, Program Coordinator, Governance, Communications & Special Projects (50% time); **Bill Goodenough**, Representative for Property (contract)

**2014 Fall Recommended: \$338,610**  
**2014 Spring: \$335,735**  
**2014 Request: \$335,735**  
**2013 Budget: \$322,610**

Major line items:

- Legal & Audit - \$77,000; 22.9%
- Convention (included in Governance Program) – \$70,500; 21.0%
- Salaries & benefits - \$127,060
- Represents 24.1% of Canonical allocations and 7.9% of total budget.

Summary, pg. 13, line 56-59

**Property & Liability Insurance**

**2014 Fall Recommended: \$70,000**  
**2014 Spring: \$70,000**  
**2014 Request: \$70,000**  
**2013 Budget: \$65,000**

- No compensation included
- Represents 5.0% of Canonical allocations and 1.6% of total budget.

Summary, pg. 13, line 60

**Archives & Records Management**

**Preservation of Historical Record**  
**Written Guides for Congregations**  
**Workshops & Consultations**  
**Access to Records of Enduring Value**  
**Chronicle Diocesan History**

This is a canonically required program. The Archivist & Records Manager provides information and records management leadership, including compliance with administrative, fiscal and legal requirements; as well as resources for congregations. The Historiographer chronicles our diocesan history and makes oral presentations as requested.

**Diocesan Governance**

**Annual Convention**  
**Diocesan Council / Regional Ministries**  
**Personnel / Liturgy & Arts Commission**  
**Board of Directors / Representative for Property**  
**Communications (pg. 5)**  
**Committee on Constitution & Canons**  
**Legal & Audit Expenses**  
**General Convention Reserve**  
**Cathedral Dean Search Reserve**

This area supports the boards, committees, councils and events that provide overall leadership of the diocese, as well as oversight of communications and Diocesan House operations. The contracted Representative for Property oversees diocesan physical assets, represents the board in property matters involving missions, and advises the bishop on the financial viability of loans from outside sources requested by parishes.

**Property & Liability Insurance**

Provides coverage for the Liability, Directors and Officers, and non-owned auto for the diocesan corporation.

## Compensation/Benefits Reserve

**2014 Fall Recommended: \$101,000**

**2014 Spring: \$101,000**

**2014 Request: \$101,000**

- Represents 7.2% of Canonical allocations and 2.4% of total budget.

**Summary, pg. 13, line 61**

## Compensation/Benefits Reserve

**Compensation/Benefits Reserve  
Unemployment & Sabbatical Reserves  
Medicare Supplement**

Provides for the likelihood of an increase in insurance premiums for diocesan staff, as well as COLA salary increases. Covers the majority of the cost of Medicare supplement policies for retired diocesan staff. When required, unemployment reserve covers unemployment costs (self-funded) for diocesan staff in accordance with 2008 convention action.

Canonical & Corporate: \$1,405,307 (32.9% of total budget)

## Diocesan House

Staff: **Angela Mealing**, Receptionist (fulltime); **Mark Swanson**, property maintenance (45% time)

**2014 Fall Recommended: \$175,125**

**2014 Spring: \$183,800**

**2014 Request: \$183,800**

**2013 Budget: \$175,125**

Major line items:

- Diocesan House - \$23,100
- Plant Services - \$76,000
- Salaries & benefits - \$74,025

**Summary, pg. 13, line 63-65**

**Diocesan House**  
**Office Supplies, Phone Service, Photocopier**  
**Building & Landscape Maintenance**  
**Building Security**  
**Hospitality & Kitchen Supplies**  
**Gas, Heat, Electricity, Garbage & Recycling**

Provides office space for diocesan staff, as well as meeting space for commissions, committees and affiliated ministries and organizations.

## Other Trustee Expenses

**2014 Fall Recommended: \$80,000**

**2014 Spring: \$80,000**

**2014 Request: \$80,000**

**2013 Budget: \$70,000** (includes \$20,000 carry-forward from 2012)

**Summary, pg. 13, line 66**

## Other Trustee Expenses

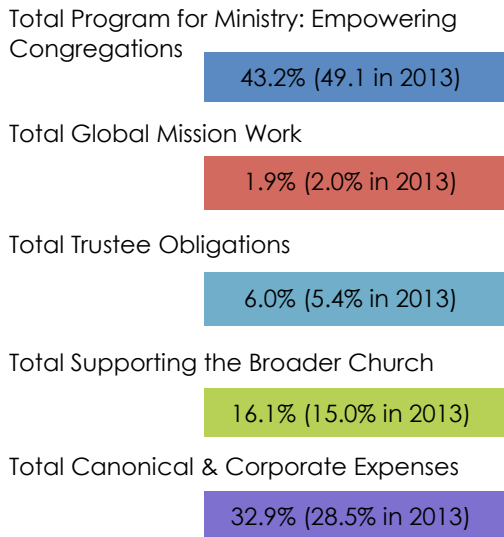
**Congregation Specific Assistance**  
**Congregation Property Expense**

**Congregation Property Expense** and **Congregation Specific Assistance** provide funds for emergency situations in congregations unable to pay monthly expenses. Two additional facilities, Huston Camp & Conference Center and St. Andrew's House each have a separate Board, and develop and support separate budgets; questions about either budget should be addressed directly to that facility.

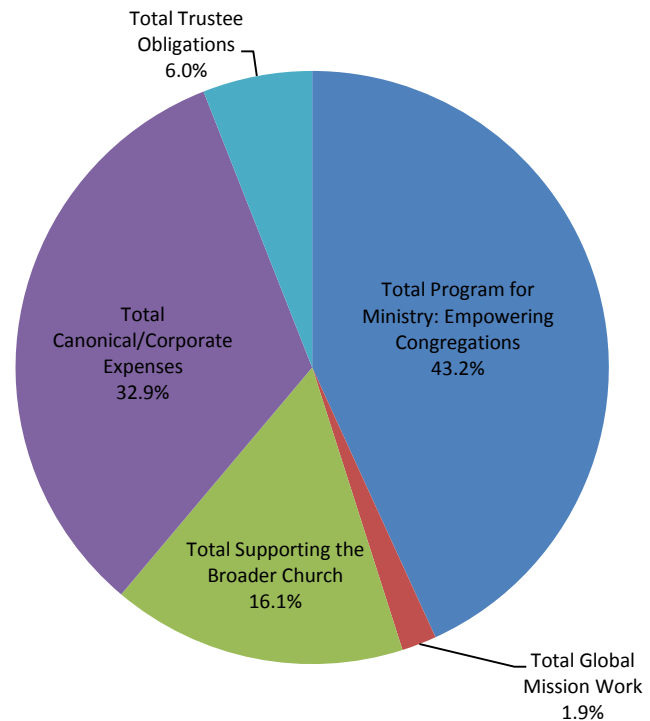
Trustee Obligations: \$255,125 (6.0% of all total budget)

Total Budget: \$4,272,403

### Budget 2014



Graph provides a visual representation of the final version of the diocesan operating budget for 2014 showing allocations by major budget areas.



#### From Bishop Rickel, continued from pg. 1

Personnel decisions included redefinition of positions, delaying or denying new positions for at least a year and perhaps for good, and more reorganization. Over \$140,000 was reduced through these changes. We have been slowly reducing staff over these last five years and that continues with this budget.

Many of the changes that resulted in the revenue difference are good changes, changes which benefit the local congregation. Fortunately, we have been working with balanced budgets the last few years and have had several years of surplus which can be used while still retaining the Council mandated reserve of at least \$250,000. With this in mind the Budget and Finance Committee has recommended taking approximately 150,000 from reserves to balance the budget for 2014. This will leave an approximate balance of \$400,000 in the prior years' cumulative surplus (approximately one month's operating expense). You can see the details of each reduction in the Explanation section of this budget document.

All this may seem dire, and in fact, it was a struggle to balance the budget with difficult decisions being required. I know you are doing much the same thing in your local context. Our collective life is strengthened by your stewardship locally, and our commitment to the same on the diocesan level. Despite the reductions, we still retain a robust budget focused on leadership, development, and ministry to the world. I am convinced we are still moving in the right direction when it comes to organization, and as we move toward a more refined vision and mission for our future years.

I want to thank all of you for your faithfulness and stewardship.

Blessings to you,

+Greg

Description		2014 Fall Final	% increase/decrease from 2014 Spring	% increase/decrease from 2014 Winter	% increase/decrease from 2013 Budget	2014 Spring Projection	2014 Winter	2013 Budget	2012 Actual	2011 Actual
<b>Revenue</b>										
1	Assessments	3,531,000			-6.1%			3,759,275	3,618,344	3,800,014
2	Unrestricted Investment Income	97,503			18.7%			82,149	101,545	85,491
3	Restricted Investment Income	369,665			15.2%			320,842	340,220	311,737
4	Other Income	143,855			-24.5%			190,500	165,901	70,171
5	Fees, Tuitions, and Reimbursements	130,380			-13.4%			150,580	121,221	122,097
6	<b>Total Revenues Projected/Used</b>	<b>4,272,403</b>			<b>-5.1%</b>	<b>-</b>	<b>-</b>	<b>4,503,346</b>	<b>4,347,231</b>	<b>4,389,510</b>
<b>Expense</b>										
<b>Program for Ministry: Empowering Congregations</b>										
7	Congregational Development - staff	65,500	-17.8%	-17.8%	8.6%	79,660	79,660	60,300	51,870	58,406
8	Congregational Development - grants to congregations	300,000	-25.0%	-33.3%	-25.0%	400,000	450,000	400,000	386,063	363,237
9	College for Congregational Development	139,800	0.0%	-20.0%	11.1%	139,800	174,800	125,875	136,350	113,642
10	Congregational Development - program	44,165	-0.5%	-0.5%	2.3%	44,365	44,365	43,187	21,200	49,431
11	<i>Congregational Development</i>	<b>549,465</b>	<b>-17.2%</b>	<b>-26.6%</b>	<b>-12.7%</b>	<b>663,825</b>	<b>748,825</b>	<b>629,362</b>	<b>595,483</b>	<b>584,716</b>
12	Faith Formation - staff	160,249	-45.3%	-45.3%	-45.3%	293,193	293,193	293,193	290,735	194,784
13	Faith Formation - adult resources	10,000	-73.0%	-73.0%	-83.8%	37,000	37,000	61,600	27,748	21,239
14	Faith Formation - youth	33,000	-23.3%	-23.3%	-23.3%	43,000	43,000	43,000	30,602	31,458
15	Faith Formation - campus ministries	40,650	-62.0%	-62.0%	-48.0%	106,850	106,850	78,185	66,560	98,576
16	Faith Formation - young adults	20,000	-28.6%	-28.6%	900.0%	28,000	28,000	2,000	1,769	
17	Faith Formation - diocesan resource center	13,400	0.0%	0.0%	0.0%	13,400	13,400	13,400	14,025	
18	<i>Faith Formation</i>	<b>277,299</b>	<b>-46.8%</b>	<b>-46.8%</b>	<b>-43.6%</b>	<b>521,443</b>	<b>521,443</b>	<b>491,378</b>	<b>431,439</b>	<b>346,057</b>
19	Clergy Residency	180,000	-42.7%	-42.7%	28.6%	314,000	314,000	140,000	97,163	106,687
20	Support for/to congregations	100,810	-34.0%	-47.7%	-28.4%	152,810	192,810	140,718	62,262	143,765
21	<i>Supporting Congregations</i>	<b>280,810</b>	<b>-39.8%</b>	<b>-44.6%</b>	<b>0.0%</b>	<b>466,810</b>	<b>506,810</b>	<b>280,718</b>	<b>159,425</b>	<b>250,452</b>
22	<i>Evangelism</i>	<b>21,651</b>	<b>-15.5%</b>	<b>-15.5%</b>	<b>0.0%</b>	<b>25,620</b>	<b>25,620</b>	<b>21,651</b>	<b>25,618</b>	<b>21,668</b>
23	<i>Emerging Missions</i>	<b>105,000</b>	<b>-46.4%</b>	<b>-46.4%</b>	<b>15.4%</b>	<b>196,000</b>	<b>196,000</b>	<b>91,000</b>	<b>49,420</b>	<b>38,542</b>
24	Multicultural Ministries - staff	19,767	-41.6%	-41.6%	-41.6%	33,875	33,875	33,875	25,875	25,000
25	Multicultural Ministries - multicultural congregations	84,000	-16.0%	-16.0%	7.7%	100,000	100,000	78,000	76,000	81,000
26	Multicultural Ministries - program	23,000	-8.0%	-8.0%	-20.7%	25,000	25,000	29,000	35,658	31,054
27	<i>Multicultural Ministries</i>	<b>126,767</b>	<b>-20.2%</b>	<b>-20.2%</b>	<b>-10.0%</b>	<b>158,875</b>	<b>158,875</b>	<b>140,875</b>	<b>137,533</b>	<b>137,054</b>
28	Stewardship and Development - staff	149,299	-0.4%	-0.4%	-0.4%	149,923	149,923	149,923	153,427	97,446
29	Stewardship and Development - program	37,980	-20.8%	-20.8%	-17.0%	47,980	47,980	45,780	44,156	50,333
30	<i>Stewardship and Development</i>	<b>187,279</b>	<b>-5.4%</b>	<b>-5.4%</b>	<b>-4.3%</b>	<b>197,903</b>	<b>197,903</b>	<b>195,703</b>	<b>197,583</b>	<b>147,779</b>
31	Communications - staff	137,017	-15.1%	-15.1%	-19.4%	161,417	161,417	169,984	183,826	241,782
32	Communications - program	51,700	-3.7%	-3.7%	19.9%	53,700	53,700	43,125	61,757	61,501
33	Digital Technology	57,550	0.0%	0.0%	0.0%	57,550	57,550	57,550	68,095	49,410
34	<i>Communications</i>	<b>246,267</b>	<b>-9.7%</b>	<b>-9.7%</b>	<b>-9.0%</b>	<b>272,667</b>	<b>272,667</b>	<b>270,659</b>	<b>313,678</b>	<b>352,693</b>

35	<i>Bishop's Initiatives</i>	50,000	0.0%	0.0%	-44.4%	50,000	50,000	90,000	65,000	29,000
36	<b>Total Program for Ministry: Congregations</b>	<b>1,844,538</b>	<b>-27.8%</b>	<b>-31.1%</b>	<b>-16.6%</b>	<b>2,553,143</b>	<b>2,678,143</b>	<b>2,211,346</b>	<b>1,975,179</b>	<b>1,907,961</b>
<b>Global Mission Work</b>										
37	<i>Commissions &amp; Committees</i>	19,600	-12.9%	-6.7%	-29.8%	22,500	21,000	27,924	25,551	26,073
38	<i>Support of affiliated institutions &amp; ministries (thru ECA)</i>	16,000	0.0%	0.0%	0.0%	16,000	16,000	16,000	15,045	12,630
39	<i>Restricted/Non-Discretionary</i>	45,555	0.0%	0.0%	-2.2%	45,555	45,555	46,575	46,270	53,649
40	<b>Total Global Mission Work</b>	<b>81,155</b>	<b>-3.5%</b>	<b>-1.7%</b>	<b>-10.3%</b>	<b>84,055</b>	<b>82,555</b>	<b>90,499</b>	<b>86,866</b>	<b>92,352</b>
<b>The Broader Church</b>										
41	<i>Wider Church Covenants</i>	37,000	0.0%	-40.3%	-40.3%	37,000	62,000	62,000	79,750	95,250
42	<i>National Church Asking (Assessment)</i>	649,278	0.0%	0.0%	6.0%	649,278	649,278	612,514	607,433	599,110
43	<b>Total The Broader Church</b>	<b>686,278</b>	<b>0.0%</b>	<b>-3.5%</b>	<b>1.7%</b>	<b>686,278</b>	<b>711,278</b>	<b>674,514</b>	<b>687,183</b>	<b>694,360</b>
<b>Canonical and Corporate Expenses</b>										
44	Diocesan Bishop's Office - staff	268,373	0.0%	0.0%	0.0%	268,373	268,373	268,373	250,182	249,556
45	Diocesan Bishop's Office - program	166,725	-3.9%	-3.9%	10.4%	173,533	173,533	150,975	133,336	174,158
46	<i>Diocesan Bishop's Office</i>	<b>435,098</b>	<b>-1.5%</b>	<b>-1.5%</b>	<b>3.8%</b>	<b>441,906</b>	<b>441,906</b>	<b>419,348</b>	<b>383,518</b>	<b>423,714</b>
47	Canon to the Ordinary's Office - staff	132,489	4.0%	4.0%	4.0%	127,374	127,374	127,374	123,627	119,137
48	Canon to the Ordinary's Office - program	50,000	0.0%	0.0%	66.7%	50,000	50,000	30,000	43,696	25,475
49	<i>Canon to the Ordinary's Office</i>	<b>182,489</b>	<b>2.9%</b>	<b>2.9%</b>	<b>16.0%</b>	<b>177,374</b>	<b>177,374</b>	<b>157,374</b>	<b>167,323</b>	<b>144,612</b>
50	Treasurer's Office - staff	186,900	1.1%	1.1%	1.1%	184,949	184,949	184,949	203,797	214,153
51	Treasurer's Office - program	35,100	0.0%	0.0%	29.2%	35,100	35,100	27,175	31,294	23,042
52	<i>Treasurer's Office</i>	<b>222,000</b>	<b>0.9%</b>	<b>0.9%</b>	<b>4.7%</b>	<b>220,049</b>	<b>220,049</b>	<b>212,124</b>	<b>235,091</b>	<b>237,195</b>
53	Archives & Records Management - staff	46,260	0.0%	0.0%	0.0%	46,260	46,260	46,260	44,600	42,676
54	Archives & Records Management - program	9,850	-24.2%	-24.2%	0.0%	13,000	13,000	9,850	12,691	9,470
55	<i>Archives &amp; Records Management</i>	<b>56,110</b>	<b>-5.3%</b>	<b>-5.3%</b>	<b>0.0%</b>	<b>59,260</b>	<b>59,260</b>	<b>56,110</b>	<b>57,291</b>	<b>52,146</b>
56	Diocesan Governance - staff	127,060	25.7%	25.7%	25.7%	101,060	101,060	101,060	65,143	58,232
57	Diocesan Governance - program	134,550	-14.7%	-14.7%	-14.1%	157,675	157,675	156,550	136,128	84,743
58	Diocesan Governance - legal & audit	77,000	0.0%	0.0%	18.5%	77,000	77,000	65,000	51,891	54,613
59	<i>Diocesan Governance</i>	<b>338,610</b>	<b>0.9%</b>	<b>0.9%</b>	<b>5.0%</b>	<b>335,735</b>	<b>335,735</b>	<b>322,610</b>	<b>253,162</b>	<b>197,588</b>
60	<i>Property &amp; Liability Insurance</i>	<b>70,000</b>	<b>0.0%</b>	<b>0.0%</b>	<b>7.7%</b>	<b>70,000</b>	<b>70,000</b>	<b>65,000</b>	<b>49,060</b>	<b>58,528</b>
61	<i>Compensation/Benefits Reserve</i>	<b>101,000</b>	<b>0.0%</b>	<b>0.0%</b>	<b>104.9%</b>	<b>101,000</b>	<b>101,000</b>	<b>49,296</b>	<b>66,414</b>	<b>122,273</b>
62	<b>Total Canonical &amp; Corporate Expenses</b>	<b>1,405,307</b>	<b>0.0%</b>	<b>0.0%</b>	<b>9.6%</b>	<b>1,405,324</b>	<b>1,405,324</b>	<b>1,281,862</b>	<b>1,211,859</b>	<b>1,236,056</b>
<b>Trustee Expenses</b>										
63	Diocesan House - staff	74,025	0.0%	0.0%	0.0%	74,025	74,025	74,025	67,025	64,494
64	Diocesan House - program	101,100	-7.9%	-7.9%	0.0%	109,775	109,775	101,100	102,010	99,965
65	<i>Diocesan House</i>	<b>175,125</b>	<b>-4.7%</b>	<b>-4.7%</b>	<b>0.0%</b>	<b>183,800</b>	<b>183,800</b>	<b>175,125</b>	<b>169,035</b>	<b>164,459</b>
66	<i>Other Trustee Expenses</i>	<b>80,000</b>	<b>0.0%</b>	<b>0.0%</b>	<b>14.3%</b>	<b>80,000</b>	<b>80,000</b>	<b>70,000</b>	<b>96,013</b>	<b>74,984</b>
67	<b>Total Trustee Expenses</b>	<b>255,125</b>	<b>-3.3%</b>	<b>-3.3%</b>	<b>4.1%</b>	<b>263,800</b>	<b>263,800</b>	<b>245,125</b>	<b>265,048</b>	<b>239,443</b>
68	Total Recommended / Budget / Actual	4,272,403	-14.4%	-16.9%	-5.1%	4,992,600	5,141,100	4,503,346	4,226,135	4,170,172
69	Total Revenue Projected / Used	4,272,403			-5.1%	4,360,923		4,503,346	4,347,231	4,389,510
70	Net Excess or Deficit	-				(631,677)		-	121,096	219,338

**For informational purposes only**

71	Balance of prior years' cumulative surplus as of June 30, 2013	\$ 541,000
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Diocese of Olympia

2013 Journal to Convention

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## 2014 Changes from Winter/Spring Versions to Fall Final Recommended

*Changes noted below recommended by the Budget & Finance Committee & Approved by the Diocesan Council*

### Revenue:

- Projected assessment revenue reduced \$228,275 to \$3,531,000 based on latest parochial report data, corrections for two congregation calculation errors, and action by Diocesan Council designating congregation grants as non-assessed income for recipients.
- Projected non-payment shortfall increased from 2.25% to 5% based on 2012 actual and current review.
- \$143,855 transferred from prior years' cumulative surplus to provide for a balanced budget.
- Projected revenues for Adult Resources, Youth Events, and Young Adults & Campus Ministries reduced or eliminated during program and staff transitions and program redevelopment. Adult Resources – reduced to \$0; Youth Events reduced from \$17,000 to \$13,500; Young Adults & Campus Ministry reduced from \$21,500 to \$18,000.
- College for Congregational Development projected revenue reduced from \$83,980 to \$61,080 reflecting elimination of a second proposed new week-long session.
- Stewardship and Development program requested to identify \$5,000 in revenue source(s) for 2014.

**St. Mark's Cathedral Partnership** (included in line 41) sets the level of partnership support at \$25,000 (down from \$50,000) based on conversations between Bishop Rickel and Dean Thomason.

**Coordinator, College for Congregational Development** new position requested for 2014; not funded.

**Grants to Congregations** (line 8) reduced to \$300,000 from \$450,000; reduced level provides funds to maintain current commitments and allows for \$130,000 in new grants in 2014.

**College for Congregational Development** (line 9) reduced from \$174,800 to \$139,800 reflecting elimination of a second new proposed week-long session.

**Faith Formation – Adult Resources** (line 13) reduced from \$37,000 to \$10,000 during transition with option for additional funding consideration as program is redeveloped.

**Faith Formation – Youth** (line 14) reduced from \$43,000 to \$33,000 during transition with option for additional funding consideration as program is redeveloped.

**Faith Formation – Campus Ministry** (line 15) reduced from \$106,850 to \$40,650 to reflect a change in location of facility/rent and leadership with responsibilities now included in the role of the Canon for Faith Formation: 35 & Under rather than a separate chaplain.

**Faith Formation – Young Adults** (line 16) reduced from \$28,000 to \$20,000 during transition with option for additional funding consideration as program is developed.

**Clergy Residency Program** (line 19) reduced from \$314,000 to \$180,000; reduced level maintains current commitments and adds potential to support two new positions in 2014.

**Total Common Ministry Program & Personnel** (included in line 20) This program is in transition with a new model being considered.

**Misconduct Case Manager** (included in line 20) reduced from \$50,000 to \$10,000; if needed funding would be drawn from a reserve.

**Support for Congregations** (included in line 20) reduced from \$32,000 to \$20,000 based on 2012 actual expenses.

**Emerging Missions** (included in line 23) reduces funding for Church of the Apostles (COTA) and The Catacomb Churches by \$5,000 each; reduces TV Eucharist funding by \$6,000.

**New Mission Start** line item eliminated as it was a duplicate of a request under Grants to Congregations.

**Stewardship & Development Program** (line 29) program asked to identify \$10,000 in program reductions; reduced from \$47,980 to \$37,980.

**Communications Program** (line 32) reduced from \$53,700 to \$51,700. 2014 funding is an approximate 18% reduction from what the 2013 funding level would have been prior to a "transition" reduction of \$20,000, and reflects program redevelopment in 2013.

**Lambeth Conference Reserve** (included in line 45) reduced to \$0 based on information from Bishop Rickel that at this time it does not appear there will be a Lambeth Conference in 2018.

### Personnel Changes:

- **Canon for Youth & Young Adults** – Kathy Hamilton retired July 2013; responsibilities assumed by Canon for Faith Formation: 35 & Under, Rebecca Kirkpatrick.
- **Coordinator, Children's & Family Ministries** – new half time position established by Bishop Rickel using funds from Hamilton position, Cindy Spencer hired July 2013.
- **Faith Nexus Navigator** – Josh Thomas resigned June 2013; position will not be filled in 2014 during program redevelopment.
- **Project Coordinator, Faith Formation** – position redefined for 2014 with this three-quarter-time position combined with an open halftime position in governance/communications in to one full time position. (See next bullet point)
- **Program Coordinator, Governance, Communication, Special Projects** – redefined position (as noted in previous bullet point); fulltime position supporting governance & convention, communications, faith formation and special projects. Shannon Jergenson transitioned from previous position to this position as of September 2013.
- **Canon for Multicultural Ministries** – reflects a change in status of Arienne Davison's position from shared with congregation to diocesan payroll

### Explanation of Changes, continued

- **Canon to the Ordinary** – salary increase approved by Bishop Rickel for 2014.
- **Accountant** – recalculation of salary and benefits for full time based on recent salary survey; position filled by Edie Pehrson effective September 1, 2013.
- **Board of Directors Representative for Property** – Bill Goodenough retires effective December 31, 2013; role being redefined.

The programs listed below requested increases for 2014; funding reduced to 2013 funding level.

- **Congregation Consulting Network** (included in line 10)
- **Evangelism Program** (line 22)

- **Multicultural Ministries Program** (line 26)
- **Bishop's Committee for the Environment** (included in line 37)
- **Vocations** (formerly Commission on Ministry & Ministry Discernment) (included in line 45)
- **Diaconal Formation** (included in line 45)
- **Archdeacon Expenses** (included in line 45)
- **Archives & Records Management** (included in line 54)
- **Governance Program** (included in line 57)
- **General Convention reserve** (included in line 57)
- **Diocesan House General** (included in line 64)
- **Plant Services General** (included in line 64)

### From Diocesan Council, continued from pg. 1

- d. A transfer of \$143,855 from the prior years' cumulative surplus has been added to revenue to balance the budget.
2. Diocesan staff positions in the Office of the Bishop have been reduced from 17.25 FTE in 2013 to 15.5 FTE in 2014.
    - a. **Positions not filled:** Canon for Faith Formation, Kathy Hamilton, retired in July 2013; the responsibilities of this position have been assumed by Rebecca Kirkpatrick, Canon for Faith Formation: 35 & Under. Josh Thomas, Faith Nexus Navigator, resigned in June 2013; the position will not be filled in 2014 as the program transitions and is redeveloped.
    - b. **Positions redefined:** The three-quarter time position of Project Coordinator for Faith Formation, held by Shannon Jergenson, was combined with an open half-time position, Coordinator for Governance and Communications in to one fulltime position, Program Coordinator: Communications, Governance, Faith Formation & Special Projects. Shannon Jergenson transitioned to this position effective September 1. In addition, the Finance Assistant position was reduced to half-time.
    - c. **New position:** Bishop Rickel established the position of Coordinator for Children's & Family Ministries; Cindy Spencer was hired for this half-time position beginning in July 2013.
  3. The two largest expense reductions:
    - a. **Grants to Congregations** 2014 request reduced from \$450,000 to \$300,000; \$300,000 represents a 25% decrease from 2013, maintains current commitments, and allows for \$130,000 in new grants in 2014.
    - b. **Clergy Residency Program** 2014 request reduced from \$314,000 to \$180,000; although still a 29% increase in funding up from \$140,000 in 2013. Reduced amount maintains current commitments and adds potential to support two new positions in 2014.
  4. Other program areas reduced include
    - a. **Faith Formation – Campus Ministries** reduced 62% reflecting a change in location of facility/rent, and leadership as responsibilities assumed by the Canon for Faith Formation: 35 & Under rather than a separate Chaplain.
    - b. **College for Congregational Development** reduced 20% from 2014 request with elimination of the proposed new second week-long session; 2014 funding is still an 11.1% increase over 2013 funding level.
    - c. **Total Common Ministry Program & Personnel** was reduced by 53% from the 2014 requested level but still reflects a 16.7% increase over 2013 funding level. This program is still in transition.
    - d. **Faith Formation – Adult Resources** reduced 73%; program is in transition (see 2a above).

*Continued next page*

## From Diocesan Council, continued from pg. 15

- a. **St. Mark's Cathedral Partnership** reduced 50% based on conversation and agreement between Bishop Rickel and Dean Thomason.
5. Insofar as the Diocesan Council is able to determine, it has protected the three emphasis areas for the diocese, maintained our constitutional and canonical responsibilities, and kept key personnel in place.

The 2014 budget is not the end; it continues our transition to a new model of being a diocesan resource for all our congregations. We are already starting development of the 2015 budget. To that end, the Diocesan Council asks that fall Pre-Convention Gatherings consider the presented budget in light of the priorities outlined in the Vision Statement (page 6) and continue to provide feedback through the Budget & Finance Committee members attending each Gathering.

While changes will not be made to this document – it is the final document that will be offered for ratification at the fall Convention – the Budget & Finance Committee and Diocesan Council will continue to work on your behalf as we refine the budget process and align ourselves for future mission and ministry.

Our goal in this budget process continues to be to provide transparency and more opportunity for input during development of each budget by delegations, clergy, congregations and regions. We thank you for your participation in this important process.

### **Your Diocesan Council**

The Rt. Rev. Greg Rickel, *Bishop Diocesan*

*Columbia region:* Ms Sally Barnes & the Rev. Jaime Case

*Willapa region:* the Rev. Jim Neal & Ms Susan Rolfe

*Rainier region:* Ms Charlotte Brown & the Rev. Martin Yabroff

*Peninsula region:* Ms Sue Clary & the Rev. Dennis Tierney\*

*Evergreen region:* Ms Nadine Baxter & the Rev. Bonnie Malone

*Eastside region:* the Rev. Lex Breckinridge & Ms Sunshine Pegues

*Holy C region:* Ms Marie Cain & the Rev. James Thibodeaux

*Be Attitudes region:* Mr. Tom Boyns\* & the Rev. RC Laird

*Sno Isle region:* the Rev. Rilla Barrett & Ms Denice Patrick

*Mt Baker region:* Ms Betty Anne McCoy & the Rev. Jonathan Weldon

*Diocesan Convention:* Mr. Joe McGuire\*

### **Additional members of the Budget & Finance Committee who are not Diocesan Council members**

The Rev. Canon Joan Anthony, *Canon to the Ordinary*

Mr. Jim Campbell, *St. Mark, Montesano*

Ms Barbara Fox, *Diocesan Treasurer*

The Rev. June Johnson, *St. John, Olympia*

Canon Dede Moore, *Canon for Operations*

Canon Chris Smith-Clark, *Canon for Finance*

\*Denotes a member of Budget & Finance Committee.



**Diocese of Olympia**

**Vital Statistics of Congregations and Missions**

— B a p t i s m s —

Year in parentheses is last year of filing if not 2012

City	Congregation	Active Members	Communicants in Good Standing	Others	Average Sunday Attendance	Sunday Eucharists	16 yrs and Older	Under 16 Years	Confirmed or Received
Aberdeen	St Andrews Episcopal Church	403	403	0	140	120	0	6	0
Allyn	St Hugh of Lincoln Episcopal Church	86	86	0	50	53	3	3	1
Anacortes	Christ Episcopal Church	104	104	0	60	67	0	1	4
Auburn	St Matthews Episcopal Church	276	264	20	87	103	0	4	0
Bainbridge Island	Grace Episcopal Church	1,046	0	0	210	0	2	8	0
Bainbridge Island	St Barnabas Episcopal Church	469	469	0	131	109	1	5	0
Battle Ground	Church of the Holy Spirit	112	112	13	50	52	0	1	0
Bellevue	All Saints Episcopal Church (2011)	30	28	0	17	49	0	0	0
Bellevue	Church of the Holy Apostles	76	28	2	20	0	0	0	0
Bellevue	Church of the Resurrection	153	105	9	55	106	0	0	0
Bellevue	St Margarets Episcopal Church	859	744	60	311	150	0	17	11
Bellingham	St Pauls Episcopal Church	1,057	1,057	0	272	154	0	7	0
Blaine	Christ Episcopal Church	81	61	3	40	0	0	0	0
Bremerton	St Pauls Episcopal Church	316	175	28	97	109	0	3	0
Burien	St Elizabeths Episcopal Church	200	200	12	59	99	2	0	2
Camano Island	St Aidans Episcopal Church	213	213	0	110	76	0	3	6
Castle Rock	St Matthew Church	57	34	2	11	41	0	0	0
Cathlamet	St James Episcopal Church	42	42	2	22	50	0	0	0
Chehalis	St Timothy Episcopal Church	127	118	0	60	59	0	0	1
Darrington	Church of the Transfiguration	18	0	0	15	47	0	2	0
Eastsound	Emmanuel Episcopal Church	201	122	8	88	88	1	0	10
Edmonds	St Albans Episcopal Church	227	135	1	68	106	0	0	1
Edmonds	St Hilda-St Patrick Church	194	189	0	83	77	1	0	2
Elma	St Lukes Episcopal Church	24	20	0	9	14	0	1	0
Everett	Trinity Episcopal Church	329	297	29	150	148	1	8	18
Federal Way	Church of the Good Shepherd	185	146	16	76	103	1	0	0
Freeland	St Augustines in-the-Woods Episcopal	151	151	54	143	113	1	2	0
Friday Harbor	St Davids Episcopal Church	90	87	25	53	106	0	2	0
Gig Harbor	St Johns Episcopal Church	376	272	10	152	114	0	4	0
Hoodsport	St Germain Episcopal Church	18	18	0	15	52	0	0	0
Issaquah	St Michael & All Angels Church	289	284	4	103	104	5	2	0
Kenmore	Church of the Redeemer	682	352	15	109	97	0	0	0
Kent	St Columba's Episcopal Church	83	81	3	57	103	0	0	2

**Diocese of Olympia**

**Vital Statistics of Congregations and Missions**

— B a p t i s m s —

Year in parentheses is last year of filing if not 2012

City	Congregation	Active Members	Communicants in Good Standing	Others	Average Sunday Attendance	Sunday Eucharists	16 yrs and Older	Under 16 Years	Confirmed or Received
Kent	St James Episcopal Church	843	547	5	207	152	4	10	8
Kingston	Faith Episcopal Church	55	55	0	26	52	0	1	0
Kirkland	St Johns Episcopal Church	404	390	0	182	104	0	8	0
Lacey	St Benedicts Episcopal Church	344	344	0	129	0	0	0	5
Lakewood	St Joseph & St John Church	86	69	4	38	53	3	0	0
Lakewood	St Marys Episcopal Church	300	300	6	167	105	1	1	0
Longview	St Stephens Episcopal Church	300	231	1	88	106	0	5	2
Lopez Island	Grace Church	159	159	0	50	52	0	0	2
Maple Valley	St Georges Episcopal Church	203	159	5	100	126	0	0	22
Marysville	St Philip Episcopal Church	57	55	17	28	70	1	1	0
Medina	St Thomas Episcopal Church	1,479	1,365	0	278	111	4	4	3
Mercer Island	Emmanuel Episcopal Church	400	394	5	146	121	0	8	2
Monroe	Church of Our Saviour Episcopal	50	50	4	23	48	0	2	0
Montesano	St Marks Episcopal Church	36	26	0	16	52	0	0	0
Mount Vernon	St Pauls Episcopal Church	99	99	0	46	67	0	0	0
Oak Harbor	St Stephens Episcopal Church	35	35	0	21	51	0	1	0
Olympia	St Christopher's Church – a Federated Congregation	189	140	21	59	65	0	1	0
Olympia	St Johns Episcopal Church	538	538	0	218	161	1	26	0
Port Angeles	St Andrews Church	221	195	0	113	151	1	2	12
Port Orchard	St Bede Episcopal Church	179	179	17	94	106	1	1	8
Port Townsend	St Pauls Episcopal Church	350	342	8	119	116	0	3	6
Puyallup	Christ Episcopal Church	309	0	0	108	103	1	6	6
Redmond	Church of the Holy Cross	822	537	45	169	108	2	3	5
Renton	St Luke Episcopal Church	226	152	49	92	107	0	2	9
Sammamish	Good Samaritan Episcopal Church	432	375	35	158	141	1	16	39
Seattle	All Saints Church	65	35	6	27	51	0	0	0
Seattle	Christ Episcopal Church	191	170	5	102	122	0	1	4
Seattle	Church of St John the Baptist	283	283	8	99	106	0	2	0
Seattle	Church of the Ascension	299	233	0	115	108	0	1	2
Seattle	Epiphany Parish of Seattle	670	670	68	280	104	1	15	0
Seattle	St Andrews Episcopal Church	725	480	0	227	159	1	10	0
Seattle	St Clements Church	76	72	0	67	52	0	0	2
Seattle	St Lukes Episcopal Church	36	29	0	24	52	0	0	0

**Diocese of Olympia**

**Vital Statistics of Congregations and Missions**

— B a p t i s m s —

Year in parentheses is last year of filing if not 2012

City	Congregation	Active Members	Communicants in Good Standing	Others	Average Sunday Attendance	Sunday Eucharists	16 yrs and Older	Under 16 Years	Confirmed or Received
Seattle	St Marks Episcopal Cathedral	2,633	1,390	215	492	222	10	9	12
Seattle	St Pauls Episcopal Church	299	299	202	253	207	2	20	0
Seattle	St Peters Episcopal Church	115	85	6	44	52	1	0	4
Seattle	St Stephens Parish	443	328	115	115	88	0	5	2
Seattle	Trinity Church Episcopal	387	387	40	159	121	2	3	5
Seaview	St Peters Episcopal Church	49	23	13	22	52	0	0	2
Sedro Woolley	St James Church	20	20	0	14	0	0	0	0
Sequim	St Lukes Episcopal Church	271	271	0	137	98	2	1	10
Shelton	Church of St David of Wales	96	95	0	61	104	1	1	0
Shoreline	St David Emmanuel Episcopal Church (2011)	59	42	0	24	100	0	0	0
Shoreline	St Dunstons Church	316	316	0	108	105	0	1	0
Silverdale	St Antony of Egypt Episcopal Church	175	160	5	80	103	0	0	0
Snohomish	St Johns Episcopal Church	253	247	8	103	102	1	2	0
Snoqualmie	St Clare of Assisi Episcopal Church	127	101	3	43	54	0	1	6
South Bend	St Johns Episcopal Church	29	29	2	17	42	0	0	0
Tacoma	All Saints Episcopal Church	111	108	9	57	90	0	0	0
Tacoma	Christ Church	248	163	39	121	105	0	1	2
Tacoma	Holy Family of Jesus Epis Church	10	10	47	35	53	0	0	0
Tacoma	St Andrews Episcopal Church	231	230	6	112	106	1	3	0
Tacoma	St Lukes Episcopal Church	472	357	3	174	103	0	13	0
Tacoma	St Matthews Episcopal Church	126	126	4	54	103	0	2	0
Tahuya	St Nicholas Episcopal Church (2011)	21	25	0	20	28	0	0	0
Vancouver	All Saints Episcopal Church	69	62	40	42	47	0	3	0
Vancouver	Church of the Good Shepherd	604	602	125	253	118	2	7	13
Vancouver	St Lukes Episcopal Church	377	345	44	189	161	0	14	12
Vashon	Church of the Holy Spirit	217	166	4	80	103	0	1	5
Washougal	St Anne Episcopal Church	108	108	16	65	54	1	2	6
Westport	St Christopher Episcopal Church	13	13	2	6	27	0	0	0
<b>Total</b>		<b>26,914</b>	<b>21,213</b>	<b>1,573</b>	<b>9,419</b>	<b>8,299.00</b>	<b>63</b>	<b>298</b>	<b>274.00</b>

**Diocese of Olympia**

**Financial Statistics of Congregations and Missions**

Year in parentheses is last year of filing if not 2012

City	Congregation	REVENUE			EXPENSE			
		Plate & Pledge Income	Operating Revenue	Total Revenue	Operating Expense	To the Diocese	Outreach & Development	Total Expense
Aberdeen	St Andrews Episcopal Church	187,608	213,884	299,314	216,658	31,831	16,751	290,037
Allyn	St Hugh of Lincoln Episcopal Church	69,104	70,191	92,319	52,379	6,833	12,560	77,181
Anacortes	Christ Episcopal Church	112,918	176,531	263,411	168,980	22,190	89,247	218,360
Auburn	St Matthews Episcopal Church	75,943	104,236	124,308	118,593	2,500	2,992	121,585
Bainbridge Island	Grace Episcopal Church	532,405	555,001	608,447	614,173	81,850	78,545	639,891
Bainbridge Island	St Barnabas Episcopal Church	386,145	458,554	656,683	433,945	73,931	182,555	637,100
Battle Ground	Church of the Holy Spirit	61,469	157,611	157,611	168,169	14,973	3,419	168,169
Bellevue	All Saints Episcopal Church (2011)	75,693	113,754	115,719	117,719	11,289	7,650	120,860
Bellevue	Church of the Holy Apostles	25,928	37,634	38,732	25,425	4,456	5,000	26,135
Bellevue	Church of the Resurrection	148,543	210,030	276,594	213,509	35,320	109,364	321,273
Bellevue	St Margarets Episcopal Church	606,092	738,967	1,093,676	1,051,200	110,490	6,912	1,059,091
Bellingham	St Pauls Episcopal Church	567,410	639,152	711,923	573,792	97,135	123,189	689,685
Blaine	Christ Episcopal Church	44,808	67,160	79,484	72,735	10,082	7,252	87,959
Bremerton	St Pauls Episcopal Church	126,019	261,840	375,463	261,702	31,552	55,924	312,163
Burien	St Elizabeths Episcopal Church	88,462	147,481	147,481	185,776	17,888	9,110	185,776
Camano Island	St Aidans Episcopal Church	134,318	164,700	604,899	178,014	26,741	69,998	243,533
Castle Rock	St Matthew Church	9,741	11,428	11,928	10,468	1,709	1,520	11,428
Cathlamet	St James Episcopal Church	15,137	16,315	22,415	16,721	3,335	0	17,821
Chehalis	St Timothy Episcopal Church	74,977	110,956	170,530	124,134	15,986	24,461	184,460
Darrington	Church of the Transfiguration	20,306	20,306	20,306	19,043	2,300	566	19,043
Eastsound	Emmanuel Episcopal Church	132,661	218,768	270,750	233,066	24,263	49,314	270,241
Edmonds	St Albans Episcopal Church	142,951	148,828	157,887	175,498	28,656	15,718	200,275
Edmonds	St Hilda-St Patrick Church	131,293	139,148	154,142	155,984	28,999	22,065	178,975
Elma	St Lukes Episcopal Church	6,317	7,954	7,954	12,348	1,235	0	12,348
Everett	Trinity Episcopal Church	266,308	337,023	346,027	341,492	30,806	5,087	348,585
Federal Way	Church of the Good Shepherd	221,510	272,862	292,571	259,324	42,501	37,288	298,949
Freeland	St Augustines in-the-Woods Episcopal	315,935	316,898	417,042	308,763	44,756	32,854	355,806
Friday Harbor	St Davids Episcopal Church	154,403	163,939	206,693	160,968	26,049	0	161,968

**Diocese of Olympia**

**Financial Statistics of Congregations and Missions**

Year in parentheses is last year of filing if not 2012

City	Congregation	REVENUE			EXPENSE			
		Plate & Pledge Income	Operating Revenue	Total Revenue	Operating Expense	To the Diocese	Outreach & Development	Total Expense
Gig Harbor	St Johns Episcopal Church	260,183	325,343	539,390	306,536	48,769	33,608	338,851
Hoodsport	St Germain Episcopal Church	23,094	28,413	30,153	28,805	1,200	374	28,805
Issaquah	St Michael & All Angels Church	219,985	220,005	338,694	217,374	34,548	144,740	363,760
Kenmore	Church of the Redeemer	250,615	265,691	265,691	265,692	39,241	85,634	343,055
Kent	St Columba's Episcopal Church	138,518	226,375	268,635	224,771	35,152	6,540	268,635
Kent	St James Episcopal Church	441,975	455,009	505,963	451,760	76,382	30,573	482,333
Kingston	Faith Episcopal Church	37,305	39,805	49,805	47,959	5,439	7,112	53,195
Kirkland	St Johns Episcopal Church	479,376	541,806	576,760	551,505	84,640	32,810	588,659
Lacey	St Benedicts Episcopal Church	225,396	231,274	238,265	238,366	20,821	21,305	247,761
Lakewood	St Joseph & St John Church	98,775	135,633	150,840	128,743	20,091	14,726	142,409
Lakewood	St Marys Episcopal Church	416,882	419,222	498,021	416,843	93,984	282,832	704,502
Longview	St Stephens Episcopal Church	254,568	286,772	358,749	298,850	52,231	25,933	347,260
Lopez Island	Grace Church	100,684	100,704	109,227	103,061	12,647	8,440	112,490
Maple Valley	St Georges Episcopal Church	143,080	198,216	214,517	159,346	27,659	17,671	171,917
Marysville	St Philip Episcopal Church	53,802	108,616	111,771	95,833	19,735	15,298	111,131
Medina	St Thomas Episcopal Church	919,700	1,069,543	3,006,287	1,057,274	169,651	26,533	1,317,714
Mercer Island	Emmanuel Episcopal Church	548,837	580,593	641,300	537,270	92,190	76,296	593,753
Monroe	Church of Our Saviour Episcopal	48,956	55,956	64,250	55,956	12,918	1,759	60,493
Montesano	St Marks Episcopal Church	18,750	23,551	27,312	23,595	2,620	7,216	27,062
Mount Vernon	St Pauls Episcopal Church	118,255	126,516	156,686	126,188	23,972	6,555	144,098
Oak Harbor	St Stephens Episcopal Church	47,386	47,386	49,914	41,825	10,560	3,232	43,700
Olympia	St Christopher's Church – a Federated Congregation	111,060	117,241	163,413	150,506	9,460	15,192	156,299
Olympia	St Johns Episcopal Church	366,815	407,793	412,049	409,875	74,577	50,864	478,364
Port Angeles	St Andrews Church	189,139	202,506	267,042	202,506	34,266	44,959	251,780
Port Orchard	St Bede Episcopal Church	156,597	167,851	380,117	171,716	29,051	56,055	240,055
Port Townsend	St Pauls Episcopal Church	243,451	256,647	312,352	265,018	39,452	61,953	332,640
Puyallup	Christ Episcopal Church	210,671	228,931	235,019	247,013	40,566	5,634	252,454
Redmond	Church of the Holy Cross	488,481	488,481	767,781	517,074	69,429	35,509	555,883

**Diocese of Olympia**

**Financial Statistics of Congregations and Missions**

Year in parentheses is last year of filing if not 2012

City	Congregation	REVENUE			EXPENSE			
		Plate & Pledge Income	Operating Revenue	Total Revenue	Operating Expense	To the Diocese	Outreach & Development	Total Expense
Renton	St Luke Episcopal Church	147,932	223,510	232,877	219,548	37,508	1,966	222,809
Sammamish	Good Samaritan Episcopal Church	183,765	268,229	273,229	269,774	34,134	60,314	329,974
Seattle	All Saints Church	51,179	106,455	108,259	121,163	6,431	1,293	122,101
Seattle	Christ Episcopal Church	297,589	346,523	376,949	352,469	62,128	21,107	381,449
Seattle	Church of St John the Baptist	278,451	310,682	386,791	309,881	52,278	2,947	337,288
Seattle	Church of the Ascension	276,814	309,013	326,923	290,530	50,802	14,758	308,423
Seattle	Epiphany Parish of Seattle	782,098	1,099,563	1,243,272	1,134,556	147,896	175,008	1,243,374
Seattle	St Andrews Episcopal Church	441,988	527,193	763,461	536,941	70,286	219,093	792,236
Seattle	St Clements Church	130,065	130,151	144,188	154,882	26,967	15,781	170,524
Seattle	St Lukes Episcopal Church	32,986	35,896	45,896	42,341	0	10,407	52,241
Seattle	St Marks Episcopal Cathedral	1,109,738	1,497,998	2,548,340	1,710,784	283,493	980,735	2,698,924
Seattle	St Pauls Episcopal Church	351,429	394,892	552,810	385,624	60,264	277,030	652,636
Seattle	St Peters Episcopal Church	82,630	113,822	131,905	120,162	15,896	5,746	144,299
Seattle	St Stephens Parish	411,098	590,504	865,002	653,784	97,362	610	653,784
Seattle	Trinity Church Episcopal	191,344	773,284	788,171	764,696	94,491	264,927	1,023,514
Seaview	St Peters Episcopal Church	31,941	44,104	49,710	48,731	5,856	0	50,433
Sedro Woolley	St James Church	40,367	46,987	47,897	43,839	8,429	695	44,534
Sequim	St Lukes Episcopal Church	251,730	287,531	288,072	278,764	56,351	36,629	314,626
Shelton	Church of St David of Wales	126,793	144,567	384,577	141,701	20,142	250,177	392,424
Shoreline	St David Emmanuel Episcopal Church (2011)	62,282	74,172	76,513	68,299	12,457	8,276	76,092
Shoreline	St Dunstans Church	223,254	230,844	259,003	255,925	35,118	19,657	276,410
Silverdale	St Antony of Egypt Episcopal Church	150,525	159,435	169,168	172,705	25,384	4,100	182,149
Snohomish	St Johns Episcopal Church	196,621	219,350	222,353	221,260	37,724	7,342	228,602
Snoqualmie	St Clare of Assisi Episcopal Church	86,795	123,422	124,297	127,096	19,160	0	127,971
South Bend	St Johns Episcopal Church	0	0	0	0	0	0	0
Tacoma	All Saints Episcopal Church	85,611	105,599	106,074	96,812	17,029	0	97,287
Tacoma	Christ Church	272,012	341,049	415,206	333,822	52,341	59,668	396,895
Tacoma	Holy Family of Jesus Epis Church	8,170	54,855	55,310	58,612	2,400	2,881	59,191

**Diocese of Olympia**

**Financial Statistics of Congregations and Missions**

Year in parentheses is last year of filing if not 2012

City	Congregation	REVENUE			EXPENSE			
		Plate & Pledge Income	Operating Revenue	Total Revenue	Operating Expense	To the Diocese	Outreach & Development	Total Expense
Tacoma	St Andrews Episcopal Church	251,495	264,787	273,738	250,334	35,228	32,577	258,766
Tacoma	St Lukes Episcopal Church	364,472	364,472	464,074	371,372	59,003	49,710	411,262
Tacoma	St Matthews Episcopal Church	148,199	151,725	195,614	137,543	21,254	1,685	138,673
Tahuya	St Nicholas Episcopal Church (2011)	21,830	26,488	26,488	19,756	2,220	849	22,730
Vancouver	All Saints Episcopal Church	50,063	104,166	110,881	115,837	11,498	23,083	138,620
Vancouver	Church of the Good Shepherd	654,948	678,243	899,753	799,054	104,724	69,433	899,754
Vancouver	St Lukes Episcopal Church	330,033	389,171	665,985	442,618	57,773	82,242	525,203
Vashon	Church of the Holy Spirit	205,113	209,758	224,461	206,271	25,239	14,807	217,827
Washougal	St Anne Episcopal Church	109,650	117,285	128,791	127,999	19,712	6,761	135,074
Westport	St Christopher Episcopal Church	6,603	8,555	10,805	1,911	1,511	2,900	4,511
<b>Total</b>		<b>19,794,353</b>	<b>24,111,310</b>	<b>32,451,155</b>	<b>24,999,234</b>	<b>3,681,396</b>	<b>4,813,888</b>	<b>30,150,365</b>

**DIOCESE OF OLYMPIA, INC.**

FINANCIAL STATEMENTS

DECEMBER 31, 2012



**C O N T E N T S**

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**INDEPENDENT AUDITORS' REPORT**

To the Diocesan Council  
Diocese of Olympia, Inc.  
Seattle, Washington

We have audited the accompanying financial statements of the Diocese of Olympia, Inc., which comprise the statements of financial position as of December 31, 2012 and 2011, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

### **Basis for Qualified Opinion**

As more fully described in Note 1 to the financial statements, buildings and improvements have been capitalized although not depreciated. In our opinion, all capital expenditures should be capitalized and depreciated over their estimated useful lives to conform with accounting principles generally accepted in the United States. Quantification of the effects on the financial statements of the preceding practices is not practicable.

### **Opinion**

In our opinion, except for the effects of the matter discussed in the Basis for Qualified Opinion paragraph, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Diocese of Olympia, Inc. as of December 31, 2012 and 2011, and changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States.

*Peterson Sullivan LLP.*

April 24, 2013

**DIOCESE OF OLYMPIA, INC.**

STATEMENTS OF FINANCIAL POSITION

December 31, 2012 and 2011

ASSETS	2012	2011
Cash and cash equivalents	\$ 1,631,641	\$ 1,312,709
Certificates of deposit	500,000	500,000
Investments	50,307,382	46,104,149
Related party loans receivable	832,693	664,500
Loan receivable	231,997	243,494
Interest and DIF income/principal receivable	81,008	117,233
Other assets	139,455	84,847
Property	33,382,828	33,542,017
Total assets	<u>\$ 87,107,004</u>	<u>\$ 82,568,949</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Distributions and other payables	\$ 367,285	\$ 234,576
Cash and investments held in trust for congregations and other institutions	28,515,825	26,085,244
Loans payable	478,471	517,633
Total liabilities	<u>29,361,581</u>	<u>26,837,453</u>
Net assets		
Unrestricted	39,252,703	37,545,131
Temporarily restricted	383,558	1,400,642
Permanently restricted	18,109,162	16,785,723
Total net assets	<u>57,745,423</u>	<u>55,731,496</u>
Total liabilities and net assets	<u>\$ 87,107,004</u>	<u>\$ 82,568,949</u>

See Notes to Financial Statements

**DIOCESE OF OLYMPIA, INC.**

STATEMENTS OF ACTIVITIES

For the Years Ended December 31, 2012 and 2011

	2012				2011			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>Support and Revenue</b>								
Contributions	\$ 296,990	\$ 20,333	\$ 4,834	\$ 322,157	\$ 205,790	\$ 1,600	\$ 29,272	\$ 236,662
Loan interest	52,832			52,832	63,684			63,684
Other investment income	71,291	572,763	35,639	679,693	84,992	469,190	34,250	588,432
Gain on sale of real estate	44,672			44,672				
Contribution from Operating Fund					191,916			191,916
Net assets released from program restrictions	1,681,964	(1,623,559)	(58,405)		501,204	(448,979)	(52,225)	
<b>Total support and revenue</b>	<b>2,147,749</b>	<b>(1,030,463)</b>	<b>(17,932)</b>	<b>1,099,354</b>	<b>1,047,586</b>	<b>21,811</b>	<b>11,297</b>	<b>1,080,694</b>
<b>Expenses and Disbursements</b>								
Ministry and transfers	33,277			33,277	10,597			10,597
Trustee obligations	63,650			63,650	66,646			66,646
Bad debt expense	5,435			5,435	5,443			5,443
Contribution to Operating Fund	511,191			511,191	538,512			538,512
Contribution to other funds	42,511			42,511	51,061			51,061
<b>Total expenses and disbursements</b>	<b>656,064</b>			<b>656,064</b>	<b>672,259</b>			<b>672,259</b>
Change in net assets before realized and unrealized gains and losses, and transfers and contributions of property	1,491,685	(1,030,463)	(17,932)	443,290	375,327	21,811	11,297	408,435
Realized and unrealized gain (loss) on investments	215,887	13,379	1,341,371	1,570,637	(471)	110	13,256	12,895
Transfer of property from parish ownership					11,214,100			11,214,100
<b>Change in net assets</b>	<b>1,707,572</b>	<b>(1,017,084)</b>	<b>1,323,439</b>	<b>2,013,927</b>	<b>11,588,956</b>	<b>21,921</b>	<b>24,553</b>	<b>11,635,430</b>
Net assets, beginning of year	37,545,131	1,400,642	16,785,723	55,731,496	25,956,175	1,378,721	16,761,170	44,096,066
Net assets, end of year	\$ 39,252,703	\$ 383,558	\$ 18,109,162	\$ 57,745,423	\$ 37,545,131	\$ 1,400,642	\$ 16,785,723	\$ 55,731,496

See Notes to Financial Statements

**DIOCESE OF OLYMPIA, INC.**

STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2012 and 2011

	2012	2011
Cash Flows From Operating Activities		
Change in net assets	\$ 2,013,927	\$ 11,635,430
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Gains on investments	(1,570,637)	(12,895)
Bad debt expense	5,435	5,443
Contributed loan payments and real estate	(39,162)	(231,799)
Gain on sale of real estate	(44,672)	
Transfer of property from parish ownership		(11,214,100)
Change in operating assets and liabilities		
Interest receivable	30,790	(18,122)
Other assets	(54,608)	(4,011)
Distributions and other payables	132,709	(36,403)
	473,782	123,543
Net cash flows from operating activities	473,782	123,543
Cash Flows From Investing Activities		
Net proceeds from (purchase of) investments	(993,291)	227,747
Loan repayments (advances), net	(156,697)	77,869
Reimbursement of capital expenditures	182,123	105,882
Proceeds from sale of real estate	58,772	
Purchase of real estate	(37,034)	(50,471)
	(946,127)	361,027
Net cash flows from investing activities	(946,127)	361,027
Cash Flows From Financing Activity		
Change in cash and investments held in trust for congregations and other institutions	791,277	(313,743)
	791,277	(313,743)
<b>Change in cash and cash equivalents</b>	<b>318,932</b>	<b>170,827</b>
Cash and cash equivalents, beginning of year	1,312,709	1,141,882
	1,312,709	1,141,882
Cash and cash equivalents, end of year	\$ 1,631,641	\$ 1,312,709

See Notes to Financial Statements

## NOTES TO FINANCIAL STATEMENTS

### Note 1. Organization and Operations

The Diocese of Olympia is a Diocese of the Domestic and Foreign Missionary Society of the Protestant Episcopal Church in the United States of America ("the Episcopal Church"). The Diocese includes all Episcopal churches and institutions in Western Washington and is composed of two separate legal entities, the Diocese of Olympia, Inc. ("the Diocese") and the Diocese of Olympia – Operating Fund ("the Operating Fund"). The operations of the missions and parishes of the Diocese are not included in these financial statements, as they are managed under local control. The Diocese's main source of support is gifts, loan interest, and investment and endowment income.

These financial statements are for the Diocese and do not include the Operating Fund. The Diocese is composed of the James F. Hodges Diocesan Investment Fund ("the DIF"), the Trust Accounts, and the combined Building Loan, Mission Development, and Real Estate Funds ("the Combined Funds"). Each of these three funds (the DIF, the Trust Accounts, and the Combined Funds) issues separate audited financial statements. The various entities discussed above are described below.

**The James F. Hodges Diocesan Investment Fund ("the DIF")** was organized in 1951 as an investment pool for the endowments of the Diocese, parishes, and related institutions. The DIF's investment strategy is to balance the need for current income and growth in asset value to offset inflation by investing in a mixture of stocks and bonds. The securities are currently held in trust with US Bank. The Diocesan Investment Committee makes investment decisions. The funds are not federally insured.

**The Trust Accounts** hold the endowment funds of the Diocese and other institutions of the Diocese for which the Diocese has been named trustee. The funds held are invested primarily in the DIF.

**The Building Loan Fund ("the BLF")** was established in 1949 to make loans to churches to assist in financing new building projects and to make loans for small building repair and improvement projects. Repayment terms vary and remaining maturities range from 1 to 18 years. Effective January 1, 1993, the Board of Directors adopted a policy of annual changes in the interest rate charged to Diocesan institutions. The rate is set annually at the One-Year Treasury Constant Maturities Index rounded up to the nearest eighth of a point plus 3% for parishes and 1.5% for missions, and the rate cannot be less than 3.5% for parishes and missions. In addition, there is a 2% cap on interest increases per year. Loans where interest is currently being waived are shown at undiscounted value.

Because of the anticipated need for funds in the future, the BLF adopted, on January 21, 1993, an interest rate incentive program to encourage faster principal repayment. In exchange for each year of loan term reduction, the BLF will reduce the interest rate on the loan by 4/10 of 1%. In addition, there are other limitations imposed on this voluntary program.

**The Mission Development Fund ("the MDF")** was set up to purchase properties in areas where growth would necessitate the establishment of a new congregation. Advances made by the MDF are generally exempt from interest and current principal repayment for a period of time even after congregations have been organized.

**The Real Estate Fund** accounts for the value of the land and buildings held by the Diocese. The value of mission property is shown as a Diocesan asset until the mission becomes a parish. Generally, in Washington State, real property used for the church's exempt purposes is exempt from real estate taxes.

**The Operating Fund** contains the operating budget, restricted income, and designated and grant funds of the Diocese of Olympia. The Operating Fund is an unincorporated association and is not included in these financial statements.

### **Financial Statement Presentation**

The Diocese reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Contributions that are received are recorded as unrestricted, temporarily restricted, or permanently restricted, depending on the existence and/or nature of any donor restrictions.

Contributions, investment income, and gains restricted by donor are reported as increases in unrestricted net assets if restrictions are met in the reporting period in which the income and gains are recognized.

### **Temporarily Restricted Net Assets**

Temporarily restricted net assets are restricted for various ministerial purposes. Most of these net assets come from the Trust Accounts.

### **Permanently Restricted Net Assets**

Permanently restricted net assets consist of funds held for various endowed purposes. Occasionally, due to loan and investment losses, there can be releases of permanently restricted net assets. Most of these net assets come from the Trust Accounts.

### **Estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

### **Fair Value Measurements**

Fair value is a market-based measurement determined based on assumptions that market participants would use in pricing an asset or liability. There are three levels which prioritize the inputs used in measuring fair value as follows:

- Level 1: Observable market inputs such as quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Observable market inputs, other than quoted prices in active markets, that are observable either directly or indirectly; and
- Level 3: Unobservable inputs where there is little or no market data, which require the reporting entity to develop its own assumptions.

The Diocese reports its investments (discussed below) at fair value.



### **Cash and Cash Equivalents**

For the purpose of the statements of cash flows, the Diocese considers all highly liquid instruments purchased with a maturity of three months or less to be cash equivalents. The Diocese regularly has cash in excess of federally insured limits with its bank.

### **Certificates of Deposit**

The certificates of deposit have original maturities exceeding three months. Of the total balance, \$273,954 serves as collateral for a loan to a bank (see Note 6) at December 31, 2012. The certificates of deposit have a carrying value (cost plus accrued interest) that approximates fair value.

### **Investments**

Investments are reported at their fair value using Level 1 observable inputs (quoted prices in active markets for identical assets) within the fair value hierarchy using quoted market rates. Gains and losses are included in the change in net assets.

Investments consisted of the following at December 31:

	<u>2012</u>	<u>2011</u>
Common stocks (including equity mutual funds)	\$ 34,576,104	\$ 31,872,019
U.S. Government debt securities	4,737,583	7,019,982
Short-term bond mutual fund	5,305,776	4,227,507
Intermediate-term bond mutual fund	3,359,619	1,243,523
Money market funds	2,328,300	1,741,118
	<u>\$ 50,307,382</u>	<u>\$ 46,104,149</u>

No single investment represents more than 10% of total investments. All investments are held in the DIF discussed earlier.

### **Loans Receivable**

Receivables are stated at the amount management expects to collect from outstanding balances. The Diocese uses the allowance method for recognizing bad debts. When an account is deemed uncollectible, it is generally written off against the allowance. Management determined an allowance was not necessary at December 31, 2012 and 2011.

Interest receivable has been accrued to December 31, 2012 and 2011. At the Council's discretion, in some instances, interest is not charged on construction loans.

The Diocese has not imputed interest on related party loans as the terms are generally undefined and the imputed interest would not generally be material.

## **Real Estate**

Real estate is to be carried at historical cost or fair value at date of donation. Although required by accounting standards generally accepted in the United States, the Diocese has elected not to record depreciation on buildings and improvements. The Diocese does not believe this election results in misleading financial statements. The effect of not depreciating buildings and improvements has not been quantified.

For missions of the Diocese, Diocesan policy is that all construction payments are made by the BLF and then reimbursed by the congregation. These expenditures are not reflected in the financial statements except to the extent that amounts advanced have not been reimbursed, or cash held has not been expended.

When a mission becomes a parish, the value of its real estate and any related loans are removed from the Real Estate Fund. No missions became a parish in 2012 and 2011.

Occasionally, the Diocese and a parish may decide it is for the mutual benefit of all parties for the parish to revert to mission status. When this happens, the fair value of its real estate is recognized as a contribution to the Real Estate Fund. In 2011, St. Matthew parish, St. Luke parish, and St. George parish all reverted back to mission status and, accordingly, all real estate related to these former parishes, with a fair value of \$11,214,100, were contributed to the Real Estate Fund.

No parishes reverted to mission status in 2012.

## **Cash and Investments Held in Trust for Congregations and Other Institutions**

Cash and investments held in trust for congregations and other institutions consist of:

	<u>2012</u>	<u>2011</u>
DIF balances	\$ 24,826,083	\$ 22,589,846
Trust account balances	<u>3,689,742</u>	<u>3,494,398</u>
	<u>\$ 28,515,825</u>	<u>\$ 26,084,244</u>

## **Taxes**

The Diocese is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. It is not required to file a federal tax return.

## **Reclassifications**

Certain prior year balances have been reclassified in order to conform to the current year presentation.

## **Subsequent Events**

The Diocese has evaluated subsequent events through the date these financial statements were available to be issued, which was the same date as the independent auditors' report.

## Note 2. Interfund Loans

As previously noted, inter-entity loans are eliminated in combination. Loans eliminated (listed by creditor) can be summarized as follows:

	2012	2011
Building Loan Fund	\$ 2,890,573	\$ 3,192,070
Mission Development Fund	205,648	291,963
Trust Accounts	1,012,847	1,012,847
	<u>\$ 4,109,068</u>	<u>\$ 4,496,880</u>

## Note 3. Endowment

The endowments are held in the Trust Accounts and consist of approximately 40 individual funds established for a variety of purposes. Its endowment includes both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments ("quasi-endowments"). As required by accounting principles generally accepted in the United States, net assets associated with endowment funds, including quasi-endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

### Interpretation of Relevant Law

The Trustees of the Trust Accounts have interpreted the State of Washington Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Trust Accounts classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, plus (b) the original value of subsequent gifts to the permanent endowment and accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund, and (c) unrealized gains and losses within the permanent endowment. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Trustees consider the following factors in making a determination to appropriate or accumulate donor-restricted funds:

- The duration and preservation of the endowment fund
- The purposes of the Trust Accounts and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation or deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Trust Accounts
- The investment policies of the Trust Accounts

Endowment net assets consisted of the following at:

	December 31, 2012			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Donor-restricted endowment funds	\$ -	\$ 383,558	\$ 18,109,162	\$ 18,492,720
Board-designated quasi-endowment funds	3,298,837			3,298,837
<b>Total funds</b>	<b>\$ 3,298,837</b>	<b>\$ 383,558</b>	<b>\$ 18,109,162</b>	<b>\$ 21,791,557</b>

	December 31, 2011			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Donor-restricted endowment funds	\$ -	\$ 1,400,642	\$ 16,785,723	\$ 18,186,365
Board-designated quasi-endowment funds	1,832,540			1,832,540
<b>Total funds</b>	<b>\$ 1,832,540</b>	<b>\$ 1,400,642</b>	<b>\$ 16,785,723</b>	<b>\$ 20,018,905</b>

Changes in endowment net assets are as follows for the years ended:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment Net Assets, December 31, 2010	\$ 1,780,122	\$ 1,378,721	\$ 16,761,170	\$ 19,920,013
Investment return	(471)	65,942	47,506	112,977
Contributions		1,600	29,272	30,872
Appropriation of endowment assets for expenditure and transfers out of endowment	52,889	(45,621)	(52,225)	(44,957)
<b>Endowment net assets, December 31, 2011</b>	<b>1,832,540</b>	<b>1,400,642</b>	<b>16,785,723</b>	<b>20,018,905</b>
Investment return	215,887	586,142	1,377,010	2,179,039
Contributions		20,333	4,834	25,167
Appropriation of endowment assets for expenditure and transfers out of endowment	1,250,410	(1,623,559)	(58,405)	(431,554)
<b>Endowment net assets, December 31, 2012</b>	<b>\$ 3,298,837</b>	<b>\$ 383,558</b>	<b>\$ 18,109,162</b>	<b>\$ 21,791,557</b>

## **Return Objectives and Risk Parameters**

The Trust Accounts have adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity or for a donor-specified period as well as quasi-endowment funds. Under this policy, as approved by the Trustees, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the S&P 500 Index while assuming a moderate level of investment risk. The Trust Accounts expect its endowment funds, over time, to provide an average rate of return of approximately 9% annually. Actual returns in any given year may vary from this amount.

## **Strategies Employed for Achieving Objectives**

To satisfy its long-term rate of return objectives, the Trust Accounts rely on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Trust Accounts target a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

## **Spending Policy and How the Investment Objectives Relate to Spending Policy**

The Trust Accounts have a policy of appropriating up to 95% of the market value of the investment in excess of the original endowment adjusted for the U.S. City Average Urban Consumers Price Index ("CPI"). In the event that the Board does not elect to appropriate the entire allowable amount, the investment gains or losses, by default, are included as a positive or negative change to permanently restricted net assets. Any losses incurred which reduce the investment value below the original endowment adjusted for CPI are included in unrestricted losses on investments. As discussed below, there were no endowments where the fair value of the investment had fallen below the original basis, adjusted for CPI as of December 31, 2012 or 2011. In establishing this policy, the Trust Accounts considered the long-term expected return on its endowment. Accordingly, over the long-term, the Trust Accounts expected the current spending policy to allow its endowment to grow at an average of 4% annually. This is consistent with the Trust Accounts' objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

## **Funds with Deficiencies**

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Trust Accounts to retain as a fund of perpetual duration. The donor requirement is based on the original endowment determined at December 31, 1985, or fund set-up date, if later. This date may be pushed back by the beneficiary, but the burden of proof to establish any pre-1985 excess appreciation will fall on the beneficiary. In accordance with accounting principles generally accepted in the United States, deficiencies of this nature are to be reported in unrestricted net assets. There were no such deficiencies as of December 31, 2012 or 2011.

#### Note 4. Loans Receivable

Loans receivable consist of the following:

	2012	2011
Parishes		
Bellevue, Church of the Resurrection	\$ 26,041	\$ -
Freeland, St. Augustine	175,000	
Issaquah, St. Michael's	34,383	151,458
Kent, St. James	5,507	22,920
Port Townsend, St. Paul	135,220	164,880
Redmond, Holy Cross		42,126
Seattle, St. John	47,551	80,208
Shelton, St. David	24,236	29,903
Tacoma, St. Mary	250,000	
Vancouver, Good Shepherd	85,373	101,368
Vancouver, Good Shepherd	49,382	49,382
Vancouver, Good Shepherd		22,255
	<u>\$ 832,693</u>	<u>\$ 664,500</u>

In addition, the Trust Accounts has a loan receivable from an unrelated party. This loan bears interest at a fixed rate of 5.0%, is secured by real property, and requires monthly repayments of principal and interest over a 30-year amortization of \$1,342, with a balloon payment of approximately \$170,000 due at maturity in July 2025. The remaining balance on the loan receivable at December 31, 2012 and 2011, was \$231,997 and \$243,494, respectively.

#### Note 5. Real Estate

As discussed in Note 1, estimates have to be used in many cases when assets are added as precise records are not always available. For the property contributed in 2011 due to the St. Matthew parish, St. Luke parish and St. George parish reverting back to mission status, some of the property added was valued using outside estimates, as precise records regarding the cost of the property were not available. The St. Matthew and St. Luke land added (\$4,644,100) was valued using information provided by the King County Department of Assessments. The St. Matthew, St. Luke, and St. George buildings added (\$6,570,000) were valued using information provided by the Diocese's insurance provider. The values provided by the insurance providers represent their estimate of the cost to replace the buildings. These were the best estimates available to value the property contributed.

Property reflected in the statements of financial position is categorized as follows:

	<u>2012</u>	<u>2011</u>
Land	\$ 7,358,231	\$ 7,358,331
Building/improvements	25,307,784	25,466,873
Bishop residence	<u>716,813</u>	<u>716,813</u>
	<u>\$ 33,382,828</u>	<u>\$ 33,542,017</u>

Beginning in 2010 and ending in 2011, a building was constructed at the Huston Center, paid for out of the Operating Fund, and was contributed to and capitalized at the Real Estate Fund. This contribution is recorded as a contribution of real estate in the statements of activities. Project costs of \$191,916 were contributed to the Real Estate Fund in 2011.

**Note 6. Loans Payable**

	<u>2012</u>	<u>2011</u>
Loan from a bank that funded the construction of the Cathlamet St. James Family Center. Payments due in monthly installments of \$2,035 including interest at 4.75% secured by real property and a certificate of deposit held by the Trust Accounts. Due in full July 2015.	\$ 273,953	\$ 285,686
Battle Ground Bond Loans bearing interest at 6.5%. Due in annual installments of \$25,000 plus interest, secured by real property. Due in full in 2014.	50,000	70,000
Loan from a family trust to purchase property. The loan is not secured. Due in monthly installments of \$1,120 including interest at 5.0% with the balance due in July 2015.	<u>154,518</u>	<u>161,947</u>
	<u>\$ 478,471</u>	<u>\$ 517,633</u>

The schedule of debt principal payments are as follows at December 31:

<u>Year Ending</u>	<u>Bank Loan</u>	<u>Battle Ground</u>	<u>Family Trust Loan</u>	<u>Total</u>
2013	\$ 11,599	\$ 25,000	\$ 5,742	\$ 42,341
2014	12,162	25,000	6,035	43,197
2015	<u>250,192</u>	<u>          </u>	<u>142,741</u>	<u>392,933</u>
	<u>\$ 273,953</u>	<u>\$ 50,000</u>	<u>\$ 154,518</u>	<u>\$ 478,471</u>

No interest expense is recorded by the Diocese as the amounts are paid and expensed by other related entities.

**Note 7. Seattle Habitat for Humanity**

On June 28, 2001, the Diocese sold property valued at \$224,600 to Seattle Habitat for Humanity ("Habitat") for \$37,151. As part of the agreement, Habitat constructed two houses and leased them back to the Diocese at nominal rent for its ministry. Only the cash portion of this transaction was reflected in the financial statements as the value of the leased property being used cannot be determined. One house is used by the Diocesan refugee program and the other by St. John, West Seattle.

**Note 8. Contingencies and Commitments****Contingencies**

No liabilities that relate to the mission congregations of the Diocese are reflected. The Diocese could be held to be a responsible party until a mission becomes a parish.

Property insurance on structures does not include earthquake insurance.



**DIOCESE OF OLYMPIA – OPERATING FUND**

FINANCIAL REPORT

DECEMBER 31, 2012

**C O N T E N T S**

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**INDEPENDENT AUDITORS' REPORT**

Diocesan Council  
Diocese of Olympia – Operating Fund  
Seattle, Washington

We have audited the accompanying statements of the Diocese of Olympia – Operating Fund (the “Operating Fund”), which comprise the statements of financial position as of December 31, 2012 and 2011, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

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

**Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Operating Fund as of December 31, 2012 and 2011, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated August 27, 2013, on our consideration of the Operating Fund's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Operating Fund's internal control over financial reporting and compliance.

### **Other Matter – Supplemental Information**

Our 2012 audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The 2012 statement of budgeted revenue and expenditures compared to actual is presented for purpose of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we express no opinion on it.

*Peterson Sullivan LLP*

August 27, 2013

**DIOCESE OF OLYMPIA – OPERATING FUND**

STATEMENTS OF FINANCIAL POSITION

December 31, 2012 and 2011

ASSETS	2012	2011
Current Assets		
Cash and cash equivalents	\$ 496,059	\$ 1,286,104
Certificates of deposit	1,716,089	1,050,000
Diocesan Investment Fund receivable	126,991	83,049
Accounts receivable	44,479	91,917
Loans receivable, current portion	158,062	137,451
Prepaid expenses	9,743	18,334
Total current assets	2,551,423	2,666,855
Loans Receivable, net of current portion	188,870	129,761
Prepaid Rent	189,016	191,967
Total assets	<u>\$ 2,929,309</u>	<u>\$ 2,988,583</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 25,976	\$ 96,469
Accrued payroll expenses	100,405	83,530
Camp Huston/St. Andrew's House deposits	90,314	81,986
Grants payable	79,443	199,892
Other payables	7,783	7,457
Total current liabilities	303,921	469,334
Post-Retirement Payable	550,000	560,000
Total liabilities	853,921	1,029,334
Net Assets		
Unrestricted	1,444,314	1,326,609
Temporarily restricted	631,074	632,640
Total net assets	2,075,388	1,959,249
Total liabilities and net assets	<u>\$ 2,929,309</u>	<u>\$ 2,988,583</u>

**DIOCESE OF OLYMPIA – OPERATING FUND**

STATEMENTS OF ACTIVITIES

For the Years Ended December 31, 2012 and 2011

	2012			2011		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenue						
Assessments	\$ 3,617,589	\$ -	\$ 3,617,589	\$ 3,799,894	\$ -	\$ 3,799,894
Contributions	9,217	105,614	114,831	80,909	118,737	199,646
Fees and tuition	1,076,608		1,076,608	976,807		976,807
Grants	714,788	92,921	807,709	594,348	51,250	645,598
Investment income from Diocesan Investment Fund	352,908	112,878	465,786	286,800	128,631	415,431
Contribution from Trust Accounts	45,405		45,405	135,154		135,154
In-kind contribution of facility use	213,421		213,421	213,421		213,421
Interest income	11,922		11,922	14,975		14,975
Miscellaneous	102,914	8,255	111,169	68,726	7,955	76,681
Net assets released from restrictions	321,234	(321,234)		234,115	(234,115)	
<b>Total support and revenue</b>	<b>6,466,006</b>	<b>(1,566)</b>	<b>6,464,440</b>	<b>6,405,149</b>	<b>72,458</b>	<b>6,477,607</b>
Expenses						
Program services	5,778,197		5,778,197	5,534,854		5,534,854
Management and general	506,698		506,698	827,047		827,047
Fundraising	63,406		63,406	50,206		50,206
<b>Total expenses</b>	<b>6,348,301</b>		<b>6,348,301</b>	<b>6,412,107</b>		<b>6,412,107</b>
<b>Change in net assets</b>	<b>117,705</b>	<b>(1,566)</b>	<b>116,139</b>	<b>(6,958)</b>	<b>72,458</b>	<b>65,500</b>
Net Assets, beginning of year	1,326,609	632,640	1,959,249	1,333,567	560,182	1,893,749
Net Assets, end of year	\$ 1,444,314	\$ 631,074	\$ 2,075,388	\$ 1,326,609	\$ 632,640	\$ 1,959,249

**DIOCESE OF OLYMPIA – OPERATING FUND**

STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Cash Flows from Operating Activities		
Change in net assets	\$ 116,139	\$ 65,500
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Change in operating assets		
Diocesan Investment Fund receivable	(43,942)	(13,104)
Accounts receivable	47,438	158,836
Contributions receivable		21,347
Prepaid expenses	8,591	50,006
Prepaid rent	2,951	2,955
Change in operating liabilities		
Accounts payable	(70,493)	(33,916)
Accrued payroll expenses	16,875	(13,812)
Camp Huston/St. Andrew's House deposits	8,328	(11,472)
Grants payable	(120,449)	(4,285)
Other payables	326	(3,119)
Post-retirement payable	(10,000)	(15,000)
	<u>(44,236)</u>	<u>203,936</u>
Cash flows from operating activities	(44,236)	203,936
Cash Flows from Investing Activities		
Purchase of certificates of deposit	(666,089)	(600,000)
Issuance of loans receivable	(229,407)	(198,973)
Payments received on loans receivable	149,687	95,627
	<u>(745,809)</u>	<u>(703,346)</u>
Cash flows from investing activities	(745,809)	(703,346)
<b>Net change in cash</b>	<b>(790,045)</b>	<b>(499,410)</b>
Cash, beginning of year	<u>1,286,104</u>	<u>1,785,514</u>
Cash, end of year	<u>\$ 496,059</u>	<u>\$ 1,286,104</u>

## NOTES TO FINANCIAL STATEMENTS

### **Note 1. Organization and Significant Accounting Policies**

#### **Organization**

The Diocese of Olympia, Inc. (the "Diocese") is a Diocese of the Domestic and Foreign Missionary Society of the Protestant Episcopal Church in the United States of America (the "Episcopal Church"). The Diocese includes all Episcopal churches in Western Washington.

The Diocese of Olympia – Operating Fund (the "Operating Fund") contains the operating budget, restricted income, designated, and grant funds of the Diocese. The Operating Fund is an unincorporated association.

The fund groupings known as the Trust Accounts, the Building Loan Fund, the Real Estate Fund, the Mission Development Fund, and the James F. Hodges Diocesan Investment Fund are reported separately in other financial statements. They are part of the Diocese, but are not separately incorporated. The Diocese is an incorporated entity. The Real Estate Fund owns the Diocesan properties that constitute the offices used by the Operating Fund, and the conference center used by and included in the budget of the Operating Fund (see Note 2). The Real Estate Fund also owns the properties used by mission parishes in the Diocese. The Diocesan Student Memorial Fund is considered to be an independent entity and is not included in these financial statements.

The Operating Fund's main source of support is assessments levied on its congregations. The assessments are a function of the congregation's revenue. Some congregations are not paying their assessments currently for various reasons. The rate of assessment shortfall currently incorporated into the budget is 15 percent. The Operating Fund also runs a large refugee resettlement, assistance, and work-training program, which is primarily funded by state and federal grants.

#### **Basis of Accounting**

These financial statements are prepared on the accrual basis of accounting and have been prepared in accordance with principles authorized by the General Convention of the Episcopal Church in the January 1, 2000, revision of the *Manual of Business Methods in Church Affairs*. At the Operating Fund, there are no differences between the Episcopal Church Basis and accounting principles generally accepted in the United States. A statement comparing budget to actual is required for budgeted funds and is included as a supplemental statement to these financial statements.

#### **Financial Statement Presentation**

The Operating Fund reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Contributions that are received are recorded as unrestricted, temporarily restricted, or permanently restricted, depending on the existence and/or nature of any donor restrictions. The Operating Fund has no permanently restricted net assets, so this class of net assets is not shown on the financial statements.



### **Designated Net Assets**

Included in unrestricted net assets are \$844,067 and \$990,908 at December 31, 2012 and 2011, respectively, of funds designated by the Diocesan Council for various ministries.

### **Temporarily Restricted Net Assets**

Temporarily restricted net assets consist of unexpended contributions restricted for particular purposes or time periods. Temporarily restricted net assets are transferred to unrestricted net assets as expenditures are incurred for the restricted purpose, or as time restrictions expire. Temporarily restricted net assets are available for the following purposes at December 31:

	<u>2012</u>	<u>2011</u>
Refugee loans	\$ 393,287	\$ 393,287
Ethnic ministries	19,670	51,392
Episcopal Charities Appeal	4,139	24,828
Scholarships	60,115	24,955
Native American (ERD) program	16,188	16,188
Theological education	5,069	7,270
Huston Center/The Operating Fund care, maintenance, and development	70,265	24,826
Other programs	62,341	89,894
	<u>\$ 631,074</u>	<u>\$ 632,640</u>

### **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from the estimated amounts.

### **Cash and Cash Equivalents**

For the purpose of the statements of cash flows, the Operating Fund considers all highly liquid instruments purchased with a maturity of three months or less to be cash equivalents. The Operating Fund regularly has cash in excess of federally insured limits with its bank.

### **Certificates of Deposit**

The Operating Fund held five certificates of deposit with an original maturity exceeding three months at December 31, 2012, and held two certificates of deposit with an original maturity exceeding three months at December 31, 2011. The certificates of deposit are recorded at cost plus accrued interest.

### **Accounts and Loans Receivable/Grant Revenue**

Accounts and loans receivable are stated at the amount management expects to collect from outstanding balances. Loans are made exclusively to qualified refugees as defined by the federal programs discussed below. Loans are offered to qualifying individuals for entrepreneur endeavors or to assist families in transitioning to living in a new region.

The Operating Fund has active refugee and employment programs supported predominantly by grant contracts with the state and the federal governments. Most of the programs are on an achievement or reimbursable expense basis. Grant revenue is recognized when the qualified reimbursable expenditure is incurred. Accounts receivable consists primarily of amounts billed but not yet collected on these grant contracts.

Almost all grant revenue was earned from three organizations during December 31, 2012 and 2011, respectively.

**Allowance for Bad Debts**

The following tables show an aging analysis of the loans receivable by the time past due at December 31, 2012 and 2011:

	<u>2012</u>	<u>2011</u>
Current	\$ 286,853	\$ 210,077
30-59 Days Past Due	5,003	1,102
60-89 Days Past Due	4,592	969
90-119 Days Past Due	4,145	1,009
> 120 Days Past Due	46,339	54,055
Total Loans Receivable	<u>\$ 346,932</u>	<u>\$ 267,212</u>

These amounts are included in the statements of financial position as follows:

	<u>2012</u>	<u>2011</u>
Loans receivable, current portion	\$ 158,062	\$ 137,451
Loans receivable, long-term portion	188,870	129,961
	<u>\$ 346,932</u>	<u>\$ 267,412</u>

The Operating Fund does not have a formal risk rating system. The Operating Fund uses the allowance method for recognizing bad debts. When determining an appropriate allowance, management considers such things as the age of the receivable and the credit history of the creditor. When an account is deemed uncollectible, it is generally written off against the allowance. No allowance for uncollectible accounts or loans receivable was required at December 31, 2012 or 2011.

**Assessments**

Assessments receivable are not recorded. Assessment revenue is recognized on the cash basis, because the Diocesan Council regularly grants assessment relief for unpaid amounts from prior years. No parish had assessments of 10% of total assessments received in 2012 or 2011.

**Fee and Tuition Revenue**

The Operating Fund operates numerous camps, conferences, and events throughout the year which are primarily held at the Huston Center and St. Andrew's House. Fees and tuition from these events are generally paid in advance, and revenue is recognized at the time of the event. Payments received for events that have not taken place are recorded as Camp Huston/St. Andrew's House deposits liability on the statements of financial position.

## **Tax Status**

The IRS has determined that the Operating Fund is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. As a religious entity, it is not required to file a federal tax return.

## **Functional Allocation of Expenses**

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

## **Subsequent Events**

The Operating Fund has evaluated subsequent events through the date these financial statements were available to be issued, which was the same as the date of the independent auditors' report.

## **Note 2. Related Organization Transactions**

The Diocese and the Operating Fund have agreed to be bound by and comply with the Constitution, Canons, Doctrines, Disciplines, and Worship of the Episcopal Church. The Operating Fund paid \$622,183 and \$619,110 in support of the Episcopal Church for the years ended December 31, 2012 and 2011, respectively.

The Diocese owns the building in which the Operating Fund has its offices. The value of the space used is considered an in-kind contribution from the Diocese and has been included in both revenue and expenses in the statements of activities at its current market rental value of \$213,421 for the years ended December 31, 2012 and 2011.

The Board of the Diocese makes annual discretionary transfers of earnings to the Operating Fund from the Trust Accounts. Income from this source for the years ended December 31, 2012 and 2011, was \$45,405 and \$135,154, respectively, and is called Contribution from Trust Accounts in the statements of activities.

In 2011, the Operating Fund completed construction of a director's residence at the Huston Center. In 2011, costs incurred on this building were \$191,916, and were contributed to and capitalized at the Real Estate Fund, and is included in Program Services Expense in the statements of activities.

## **Note 3. Prepaid Rent**

In 2003, the Diocese entered into an agreement to lease a house for \$1 per year for a term of 75 years. The Diocese gave up property as payment for the use of the house in the Operating Fund refugee program. The value of the property given up in 2003 was \$221,500, and this prepayment for the use of the house is being expensed on a straight-line basis over the life of the lease. As of December 31, 2012 and 2011, the prepaid rent balance was \$191,969 and \$194,922, respectively. As of December 31, 2012 and 2011, \$2,953 of the prepaid rent balance (the current portion) is included in prepaid expenses on the statements of financial position. Rent expense recognized for each of the years then ended was \$2,953.

#### **Note 4. Pensions/Postretirement Benefits**

##### **Pension Plans**

All full and part-time clergy employed by the Diocese are covered under a plan administered by the Church Pension Group, a national group pension plan of the Episcopal Church ("the Church Pension Fund"). These individuals have 18 percent of their compensation, including housing allowance if applicable, paid to the plan.

Lay employees are covered under a Section 403(b), Annuity Retirement Plan, of the IRC ("the Lay Employee Plan"). Employees are eligible to participate after two consecutive 1,000 hour service years. Employees are 100% vested after five years. The Operating Fund contribution is set at five percent of current year's salary plus up to an additional four percent discretionary match of voluntary employee contributions. Employer contributions for 2012 and 2011 were made as follows:

	<u>2012</u>	<u>2011</u>
Clergy	\$ 101,237	\$ 94,291
Lay employees	69,004	68,589
	<u>\$ 170,241</u>	<u>\$ 162,880</u>

The Lay Employee Plan guarantees no specific benefit, so no unfunded liability exists. All Episcopal clergy must participate in the Church Pension Fund and the liability is assumed by the Church Pension Fund. The Church Pension Fund does not specifically guarantee benefits. Because it is a church, the Operating Fund is not subject to ERISA requirements.

##### **Post-retirement Health Benefits**

A policy established by the Operating Fund in a prior year was to pay for medical health insurance coverage for retired clergy and lay employees and their spouses who are over the age of 65, who meet eligibility requirements of five years full time employment immediately prior to a retirement age of 59 1/2 or over. All lay employees hired prior to January 1, 2001, are now covered under a fixed dollar per year limitation. Employees hired after January 1, 2001, have no promise of coverage.

In 2003, the Church Pension Fund began providing medical health insurance for retired clergy and their spouses (at attainment of age 65). This has reduced the Operating Fund's future obligations.

Health insurance expense and related contribution information is summarized as follows:

	<u>2012</u>	<u>2011</u>
Benefit cost	\$ 48,270	\$ 44,982
Change in expense resulting from a change in the minimum liability	<u>(10,000)</u>	<u>(15,000)</u>
Total expense	<u>\$ 38,270</u>	<u>\$ 29,982</u>
Diocese contribution to the plan and benefits paid	<u>\$ 48,270</u>	<u>\$ 44,982</u>

The Diocese expects to contribute between \$40,000 and \$50,000 per year to the plan in future years to pay benefits. This is the same as the expected future benefit payments.

The Operating Fund has an actuarial valuation for future health insurance coverage which results in a liability for the benefit obligations of \$550,000 and \$560,000 at December 31, 2012 and 2011, respectively, using a discount rate of 5% (as there are no plan assets).

#### **Note 5. Contingent Liabilities**

No liabilities that relate to the mission congregations of the Diocese are reflected. The Operating Fund could be held to be a responsible party until a mission becomes a parish.

The Operating Fund is an agent for institutions of the Diocese and collects and remits premiums to various healthcare insurance companies in Washington.

In the normal course of business, the Operating Fund has various claims in process, matters in litigation, and other contingencies. In management's opinion, the outcome from these matters will not materially impact the Operating Fund's financial position or results of activities.

S U P P L E M E N T A L   S T A T E M E N T

**DIOCESE OF OLYMPIA – OPERATING FUND**

STATEMENT OF BUDGETED REVENUE AND EXPENDITURES COMPARED TO ACTUAL

For the Year Ended December 31, 2012

UNAUDITED

	2012 Budget	2012 Actual	Total Budget Variance
<b>Revenue</b>			
Assessments	\$ 3,649,204	\$ 3,617,589	\$ (31,615)
Contributions		2,655	2,655
Investments (Unrestricted)	99,440	373,558	274,118
Investments (Restricted)	267,090	79,331	(187,759)
Fees and tuition	128,700	127,630	(1,070)
Bank and loan interest	7,500	(3,023)	(10,523)
Miscellaneous	151,920	243,259	91,339
<b>Total revenue</b>	<b>4,303,854</b>	<b>4,440,999</b>	<b>137,145</b>
<b>Expenses</b>			
Office of the Bishop	542,221	529,121	13,100
Communications	187,676	165,576	22,100
Governing Bodies	295,034	237,662	57,372
Diocesan House	163,228	169,034	(5,806)
Archives	57,351	57,291	60
St. Mark's Cathedral	67,500	67,500	
Huston Center		13,005	(13,005)
St. Bernard's Chapel	1,027		1,027
Campus and Young Adults	170,000	170,444	(444)
Evangelism Training	25,620	25,618	2
Ethnic Ministries	141,875	137,533	4,342
Congregation/Ministry Development	188,352	208,495	(20,143)
Faith Development Program	164,129	153,189	10,940
Resource Center	120,080	123,485	(3,405)
Medicare Supplement	111,863	66,414	45,449
Stewardship & Development	204,686	197,583	7,103
Treasurer's Office	300,004	297,196	2,808
National Church Apportionment	607,433	607,433	
General Convention Deputies	13,000	13,000	
Province VIII	5,000	5,000	
Lambeth Conference	2,500	2,500	
Ecumenical & Interfaith	10,000	9,750	250
Multi-Cultural Concerns	93,271	86,866	6,405
Missioners	6,650	6,270	380
Commission on Developing Congregations	918,633	910,975	7,658
<b>Total expense</b>	<b>4,397,133</b>	<b>4,260,940</b>	<b>136,193</b>
<b>Change in net assets</b>	<b>\$ (93,279)</b>	<b>\$ 180,059</b>	<b>\$ 273,338</b>

## **NOTE TO SUPPLEMENTAL STATEMENT**

### **Note 1. Fund Groups Presented as Part of the Supplemental Statement**

The Diocese has divided the Operating Fund into five fund groups: Unrestricted, Restricted, Designated, Audit Reconciliation, and Grant. These fund groups are still used to produce management reports, but are not shown as separate funds in these financial statements.

The Diocesan budget as shown on the 2012 supplemental statement of budgeted revenue and expenditures compared to actual includes only the Unrestricted Operating, Restricted Operating and Huston Center/The Operating Fund funds (a self-supporting program comprised of both restricted and unrestricted funds), as these are the total of the funds available for the Convention to allocate in its annual budget. However, the Operating Fund includes other funds for which Diocesan Council is responsible as noted above. All of these funds are included in the Statements of Activities in the basic financial statements.



**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS**

Diocesan Council  
Diocese of Olympia – Operating Fund  
Seattle, Washington

We have audited, in accordance with the auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Diocese of Olympia – Operating Fund ("the Operating Fund") which comprise the statement of financial position as of December 31, 2012, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated August 27, 2013.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Operating Fund's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Operating Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of the Operating Fund's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses: as items 2012-1 and 2012-2.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs to be a significant deficiency: 2012-3.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Operating Fund's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **The Operating Fund's Response to Findings**

The Operating Fund's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Operating Fund's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in blue ink that reads "Peterson Sullivan LLP". The signature is written in a cursive, flowing style.

August 27, 2013

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR  
EACH MAJOR PROGRAM; REPORT ON INTERNAL CONTROL OVER  
COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL  
AWARDS REQUIRED BY OMB CIRCULAR A-133**

Diocesan Council  
Diocese of Olympia – Operating Fund  
Seattle, Washington

**Compliance**

We have audited Diocese of Olympia – Operating Fund's ("the Operating Fund") compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Operating Fund's major federal programs for the year ended December 31, 2012. The Operating Fund's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the Operating Fund's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Operating Fund's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Operating Fund's compliance.

### **Opinion on Each Major Federal Program**

In our opinion, the Operating Fund complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2012.

### **Report on Internal Control Over Compliance**

Management of the Operating Fund is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Operating Fund's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Operating Fund's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

**Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133**

We have audited the financial statements of the Operating Fund as of and for the year ended December 31, 2012, and have issued our report thereon dated August 27, 2013, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in blue ink that reads "Peterson Sullivan LLP". The signature is written in a cursive, flowing style.

August 27, 2013

**DIOCESE OF OLYMPIA – OPERATING FUND**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended December 31, 2012

Award Description	Federal CFDA Number	Contract Number	Expenditures
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
Refugee and Entrant Assistance Discretionary Grants - Microenterprise Development Project - Loan Fund	93.576 *	90RG0081/01	\$ 48,915
Refugee and Entrant Assistance Discretionary Grants - Microenterprise Development Project - Loan Fund	93.576 *	90RG0081/02	57,677
Refugee and Entrant Assistance Discretionary Grants - Microenterprise Development Project - Loan Fund	93.576 *	90RG0081/03	197,572
Refugee and Entrant Assistance Discretionary Grants - Microenterprise Development Project - Loan Fund	93.576 *	90RG0081/04	88,763
Refugee and Entrant Assistance Discretionary Grants - Individual Development Account Project	93.576 *	90Z10066/01	3,439
Refugee and Entrant Assistance Discretionary Grants - Individual Development Account Project	93.576 *	90Z10066/02	18,098
Refugee and Entrant Assistance Discretionary Grants - Individual Development Account Project	93.576 *	90Z10066/03	21,341
Refugee and Entrant Assistance Discretionary Grants - Individual Development Account Project	93.576 *	90Z10066/04	83,943
Refugee and Entrant Assistance Discretionary Grants - Individual Development Account Project	93.576 *	90Z10066/05	191,222
Refugee and Entrant Assistance Discretionary Grants - Individual Development Account Project	93.576 *	90Z10089/01	7,296
Refugee and Entrant Assistance Discretionary Grants - Administration for Children & Families Financial Assistance Award	93.576 *	90RG0089/01	153,518
Refugee and Entrant Assistance Discretionary Grants - Administration for Children & Families Financial Assistance Award	93.576 *	90RG0089/02	27,453
			<u>899,237</u>
Refugee and Entrant Assistance Discretionary Grants - Assets for Independence Demonstration Program	93.602	90E10715/01	9,312
			<u>908,549</u>
<b>U.S. DEPARTMENT OF STATE - BUREAU OF POPULATION, REFUGEES, AND MIGRATION</b>			
Pass-through from:			
Church World Services			
U.S. Refugee Admissions Program - Reception and Placement (R & P) Program	19.510	SPRMC010CA012	168,988
U.S. Refugee Admissions Program - Reception and Placement (R & P) Program	19.510	SPRMC010CA007	35,300
			<u>204,288</u>
Total Department of State - Bureau of Population, Refugees, and Migration			<u>\$ 1,112,837</u>

\* Major program

## **NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

### **Note 1. Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Diocese of Olympia – Operating Fund and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**DIOCESE OF OLYMPIA – OPERATING FUND**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

For the Year Ended December 31, 2012

A. Summary of Audit Results

**Financial Statements:**

Type of auditors' report issued: Unqualified

**Internal Control Over Financial Reporting:**

Material weaknesses identified: Yes

Significant deficiencies identified not considered to be material weaknesses: Yes

Noncompliance material to financial statements noted: No

**Federal Awards:**

Material weaknesses identified: No

Significant deficiencies identified not considered to be material weaknesses: None reported

Type of auditors' report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported: No

**Identification of major programs:**

CFDA Number

93.576

Name of Federal Program

Refugee and Entrant Assistance  
Discretionary Grants

**Dollar threshold used to distinguish between Type A and B programs:**

\$ 300,000

**Auditee qualified as low-risk auditee:**

No



B. Findings – Financial Statement Audit

**2012-1: Preparation of the Schedule of Expenditures of Federal Awards**

Condition: Federal expenditures are not reconciled and recorded in accordance with Office of Management and Budget (OMB) Circular A-133. There is also no independent review of the Schedule of Expenditures of Federal Awards.

Criteria: Internal controls should be in place that provides reasonable assurance that the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the financial statement as a whole.

Effect: There is a reasonable possibility that Schedule of Expenditures of Federal Awards to not be fairly stated in all material respects in relation to the financial statements as a whole.

Cause: The Diocese does not have procedures in place to prepare the Schedule of Expenditures of Federal Awards under Government Auditing Standards and OMB Circular A-133.

Context: This finding was noted in the process of testing and reconciling the Schedule of Expenditures of Federal Awards.

Questioned Costs: N/A.

Recommendation: Formal policies and procedures should be designed, documented, and implemented regarding reconciliation and review of all significant financial statements accounts related to federal awards to ensure that the Schedule of Expenditures of Federal Awards is fairly presented.

Views of Responsible Officials and planned Corrective Action: Working together, the Accounting Office and Refugee Resettlement Office have determined a policy to assure award accuracy. The Refugee staff will prepare the schedule of federal award activity and forward to accounting office. In the accounting office, the staff accountant will compare the activity in the ledger and, if there are any discrepancies, will research to determine cause. The two offices will determine which figures are correct and, if necessary, adjust the schedule accordingly.

**2012-2: Performance of Bank Reconciliations**

Condition: Bank reconciliations were not performed for several months during the year.

Criteria: Procedures should be in place to perform timely bank reconciliations to reduce the opportunities for misappropriation of cash and errors in financial reporting.

Effect: There is a reasonable possibility that cash accounts could be misstated.

Cause: Significant turnover of accounting personnel.

Context: This finding was noted during testing of cash as part of the financial statement audit.

Questioned Costs: N/A.

Recommendation: Control processes should be implemented to ensure that the preparation and review of bank reconciliations is performed on a monthly basis.

Views of Responsible Officials and planned Corrective Action: The Diocese agrees with this finding. Bank reconciliations are part of the responsibilities of the staff account, but due to staff turnover, including several months' vacancy of that position, not all reconciliations prepared in 2012 on a timely basis. In 2013 a contract employee was engaged to perform some of the accounting work and a part time clerk was hired to replace the two people who resigned. In 2013, the statements are again reconciled in a timely fashion.

**2012-3: Tracking Temporarily Restricted Net Assets**

Condition: Management does not have sufficient policies and procedures in place to identify, track, and record restricted funds and releases of restrictions on these funds restrictions on funds received by the Diocese.

Criteria: Internal controls should be in place to track and record restrictions on funds received, as well as related releases.

Effect: There is a reasonable possibility that temporarily and/or permanently restricted net assets and related activity is not fairly presented on the financial statements and the Diocese is not in compliance with fund restrictions.

Cause: Management does not have the staffing and infrastructure in place necessary to track restricted funds.

Context: This finding was noted during testing of net asset restrictions as part of the financial statement audit.

Questioned Costs: N/A.

Recommendation: Formal policies and procedures should be designed, documented, and implemented regarding tracking receipt and releases of funds that are for restricted purposes.

Views of Responsible Officials and planned Corrective Action: The Diocese agrees with this finding. Due to staffing, tracking and release of restricted funds has been the responsibility of only one person. In anticipation of that person's retirement, a policy will be written to provide there be a second person reviewing this activity, as the funding will not be as familiar to the new person as to the retiring employee, resulting in a higher likelihood of error.

C. Findings and Questioned Costs – Major Federal Award Programs Audit

None

**DIOCESE OF OLYMPIA – OPERATING FUND**

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Year Ended December 31, 2012

**2011-1: Preparation of the Schedule of Expenditures of Federal Awards**

Finding repeated in 2012.

**2011-2: Tracking Temporarily Restricted Net Assets**

Finding repeated in 2012.

**2011-3: Review and Reconciliation of the Diocese of Olympia, Inc. Building Loan Fund, Mission Development Fund, and Real Estate Fund**

No similar findings were noted in the 2012 audit as they do not relate to the Operating Fund and therefore are considered resolved.

**DIOCESE OF OLYMPIA, INC. –  
TRUST ACCOUNTS**

FINANCIAL REPORT

DECEMBER 31, 2012

**C O N T E N T S**

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**INDEPENDENT AUDITORS' REPORT**

Diocesan Council  
Diocese of Olympia, Inc. – Trust Accounts  
Seattle, Washington

We have audited the accompanying financial statements of the Diocese of Olympia, Inc. – Trust Accounts (“the Trust Accounts”), which comprise the statements of financial position as of December 31, 2012 and 2011 and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

### **Basis for Qualified Opinion**

As more fully described in Note 1 to the financial statements, the Bishop's residence has been capitalized although not depreciated. In our opinion, all capital expenditures should be capitalized and depreciated over their estimated useful lives to conform with accounting principles generally accepted in the United States. Quantification of the effects on the financial statements of the preceding practices is not practicable.

### **Opinion**

In our opinion, except for the effects of the matter discussed in the Basis for Qualified Opinion paragraph, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Trust Accounts as of December 31, 2012 and 2011, and changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States.

*Peterson Sullivan LLP.*

April 24, 2013

**DIOCESE OF OLYMPIA, INC.  
TRUST ACCOUNTS**

STATEMENTS OF FINANCIAL POSITION

December 31, 2012 and 2011

ASSETS	<u>2012</u>	<u>2011</u>
Current Assets		
Cash and cash equivalents	\$ 102,526	\$ 94,240
Certificate of deposit	500,000	500,000
Investments	25,188,009	23,387,937
Current portion of loan receivable	4,147	3,945
Total current assets	<u>25,794,682</u>	<u>23,986,122</u>
Non-Current Assets		
Bishop residence	716,813	716,813
Related party loans receivable	1,062,229	1,062,229
Loan receivable, net of current portion	227,850	239,549
Other assets	139,455	84,847
Total non-current assets	<u>2,146,347</u>	<u>2,103,438</u>
Total assets	<u><u>\$ 27,941,029</u></u>	<u><u>\$ 26,089,560</u></u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Cash held in trust for congregations	\$ 7,428	\$ -
Investments held in trust for congregations and other institutions	3,682,314	3,494,398
Total current liabilities	3,689,742	3,494,398
Net Assets		
Unrestricted	5,758,567	4,408,797
Temporarily restricted	383,558	1,400,642
Permanently restricted	18,109,162	16,785,723
Total net assets	<u>24,251,287</u>	<u>22,595,162</u>
Total liabilities and net assets	<u><u>\$ 27,941,029</u></u>	<u><u>\$ 26,089,560</u></u>

See Notes to Financial Statements



**DIOCESE OF OLYMPIA, INC.  
TRUST ACCOUNTS**

STATEMENTS OF ACTIVITIES  
For the Years Ended December 31, 2012 and 2011

	2012				2011			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>Support and Revenue</b>								
Contributions	\$ 25,751	\$ 20,333	\$ 4,834	\$ 50,918	\$ 10,629	\$ 1,600	\$ 29,272	\$ 41,501
Realized and unrealized gains (losses) on investments	215,887	13,379	1,341,371	1,570,637	(471)	110	13,256	12,895
Other investment income	7,641	572,763	35,639	616,043	18,346	469,190	34,250	521,786
Net assets released from program restrictions	1,681,964	(1,623,559)	(58,405)		501,204	(448,979)	(52,225)	
<b>Total support and revenue</b>	<b>1,931,243</b>	<b>(1,017,084)</b>	<b>1,323,439</b>	<b>2,237,598</b>	<b>529,708</b>	<b>21,921</b>	<b>24,553</b>	<b>576,182</b>
<b>Expenses</b>								
Operating expenses	27,771			27,771	5,793			5,793
Contributions to Operating Fund	511,191			511,191	538,512			538,512
Contributions to Other Funds	42,511			42,511	51,061			51,061
<b>Total expenses</b>	<b>581,473</b>			<b>581,473</b>	<b>595,366</b>			<b>595,366</b>
<b>Change in Net Assets</b>	<b>1,349,770</b>	<b>(1,017,084)</b>	<b>1,323,439</b>	<b>1,656,125</b>	<b>(65,658)</b>	<b>21,921</b>	<b>24,553</b>	<b>(19,184)</b>
Net Assets, beginning of year	4,408,797	1,400,642	16,785,723	22,595,162	4,474,455	1,378,721	16,761,170	22,614,346
Net Assets, end of year	\$ 5,758,567	\$ 383,558	\$ 18,109,162	\$ 24,251,287	\$ 4,408,797	\$ 1,400,642	\$ 16,785,723	\$ 22,595,162

See Notes to Financial Statements

**DIOCESE OF OLYMPIA, INC.  
TRUST ACCOUNTS**

STATEMENTS OF CASH FLOWS  
For the Years Ended December 31, 2012 and 2011

	2012	2011
Cash Flows from Operating Activities		
Change in net assets	\$ 1,656,125	\$ (19,184)
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Net realized and unrealized gains on investments	(1,570,637)	(12,895)
Change in operating assets and liabilities		
Other assets	(54,608)	(4,011)
Payable to (Receivable from) Diocesan Investment Fund		(69,079)
	30,880	(105,169)
Net cash flows from operating activities	30,880	(105,169)
Cash Flows from Investing Activities		
Proceeds from sale of investments	191,659	81,139
Purchase of investments (including reinvested dividends)	(119,052)	(132,220)
Principal payments received on loans receivable	11,496	4,652
	84,103	(46,429)
Net cash flows from investing activities	84,103	(46,429)
Cash Flows from Financing Activities		
Increase (decrease) in cash held in trust for congregations	7,428	(5,112)
Change in investments held in trust for congregations and other institutions	(114,125)	(11,628)
	(106,697)	(16,740)
Net cash flows from financing activities	(106,697)	(16,740)
<b>Change in cash and cash equivalents</b>	<b>8,286</b>	<b>(168,338)</b>
Cash and Cash Equivalents, beginning of year	94,240	262,578
Cash and Cash Equivalents, end of year	\$ 102,526	\$ 94,240

See Notes to Financial Statements

## NOTES TO FINANCIAL STATEMENTS

### **Note 1. Organization and Significant Accounting Policies**

The Diocese of Olympia, Inc. ("the Diocese") is a Diocese of the Domestic and Foreign Missionary Society of the Protestant Episcopal Church in the United States of America ("the Episcopal Church"). The Diocese includes all Episcopal churches in Western Washington.

The Diocese of Olympia, Inc. – Trust Accounts ("the Trust Accounts") hold the endowment funds for the Diocese and other institutions of the Diocese for which the Diocese has been named trustee. The funds are predominantly invested in the James F. Hodges Diocesan Investment Fund ("DIF"). The DIF is a pool of investments owned in part by the Trust Accounts and by other Episcopal entities.

The fund groupings known as the Building Loan Fund ("the BLF"), the Real Estate Fund, the Mission Development Fund ("the MDF"), and the DIF issue their own financial statements. The BLF, the Real Estate Fund, and the MDF do not invest in the Trust Accounts (or vice-versa), but, as noted above, the Trust Accounts invest in the DIF.

If the Trust Accounts make a loan to a mission or parish of the Diocese for the purchase of property, the property is recorded within the Real Estate Fund. No other transactions occur regularly between the BLF, MDF, Real Estate Fund, and the Trust Accounts.

These entities are part of the Diocese, but are not separately incorporated. The Diocese is an incorporated entity.

The Diocese of Olympia – Operating Fund ("the Operating Fund") contains the operating budget, restricted income, and designated and grant funds of the Diocese. The Operating Fund is reported separately. The Operating Fund is an unincorporated association.

Unrestricted earnings on investments held by the Trust Accounts are transferred to the Operating Fund in order to fund general operations of the Diocese. The Trust Accounts are not allocated any of the common expenses incurred and paid from the Operating Fund. Employees of this related entity maintain the books and records of the Trust Accounts at no charge to this fund.

### **Financial Statement Presentation**

The Trust Accounts report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Contributions that are received are recorded as unrestricted, temporarily restricted, or permanently restricted, depending on the existence and/or nature of any donor restrictions.

Contributions, investment income, and gains on investments restricted by donors are reported as increases in unrestricted net assets if restrictions are met in the reporting period in which the income and gains are recognized. The majority of interest and dividends are contributed to the Operating Fund (described earlier in these notes).

### **Temporarily Restricted Net Assets**

Temporarily restricted net assets are restricted for various ministerial purposes. Most of these net assets come from the Trust Accounts.

### **Permanently Restricted Net Assets**

Permanently restricted net assets consist of funds held for various endowed purposes. Occasionally, due to loan and investment losses, there can be releases of permanently restricted net assets. Most of these net assets come from the Trust Accounts.

### **Estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

### **Fair Value Measurements**

Fair value is a market-based measurement determined based on assumptions that market participants would use in pricing an asset or liability. There are three levels which prioritize the inputs used in measuring fair value as follows:

- Level 1: Observable market inputs such as quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Observable market inputs, other than quoted prices in active markets, that are observable either directly or indirectly; and
- Level 3: Unobservable inputs where there is little or no market data, which require the reporting entity to develop its own assumptions.

The Trust Accounts report investments (discussed in Note 2) at fair value.

### **Cash and Cash Equivalents**

For the purpose of the statements of cash flows, the Trust Accounts consider all highly liquid instruments purchased with a maturity of three months or less to be cash equivalents. The Trust Accounts regularly have cash in excess of federally insured limits with its bank.

### **Certificate of Deposit**

The Trust Accounts hold a certificate of deposit at December 31, 2012, and held the same certificate of deposit at December 31, 2011. The certificate of deposit has an original maturity which exceeds three months. Of the total balance, \$273,954 serves as collateral for a loan from a bank included in the Real Estate Fund's financial statements. The certificate of deposit is stated at cost plus accrued interest which approximates fair value.

### **Investments Held in Trust for Congregations and Other Institutions**

Investments held in trust for congregations and other institutions consist of amounts held by the Trust, where the Trust acts as an agent of the funds. Accordingly, earnings and losses related to these investments are not recognized in the statements of activities of the Trust Accounts.

## **Loans Receivable**

Receivables are stated at the amount management expects to collect from outstanding balances. The Trust Accounts use the allowance method for recognizing bad debts. When determining an appropriate allowance, management considers such things as the age of the receivable, the credit history of the creditor, and the assets collateralizing the loan. When an account is deemed uncollectible, it is generally written off against the allowance. The Trust Accounts have historically not experienced significant losses related to uncollectible receivables. No allowance for uncollectible accounts or loans receivable was required at December 31, 2012 or 2011.

The Trust Accounts have not imputed interest on related party loans that do not bear interest as the terms are generally undefined, the imputed interest would not generally be material, and the amounts are due from another fund of the Diocese.

## **Bishop's Residence**

Real estate (the Bishop's residence) is to be carried at historical cost or fair value at the date of donation. Although required by accounting standards generally accepted in the United States, the Diocese has elected not to record depreciation on the Bishop's residence. The Diocese does not believe this election results in misleading financial statements. The effect of not depreciating the Bishop's residence has not been quantified.

## **Taxes**

The Trust Fund is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. It is not required to file a federal tax return.

## **Reclassifications**

Certain prior year balances have been reclassified to conform to the current year presentation.

## **Subsequent Events**

The Diocese has evaluated subsequent events through the date these financial statements were available to be issued, which was the same date as the independent auditors' report.

## **Note 2. Investments**

Investments are reported at their fair value using Level 2 inputs (the value of the DIF is based on the value of the underlying investments in the DIF, which are valued using Level 1 inputs) in the statements of financial position. Unrealized gains and losses are included in the change in net assets. The majority of the Trust Accounts' investments are in the Diocesan-managed DIF. Fund activity for 2012 and 2011 is as follows:

The DIF is a type of mutual fund, open exclusively to the Diocese and its institutions. The DIF has balanced growth and income as its investment objective. At December 31, 2012, the DIF was approximately 4% cash equivalents, 18% bond mutual funds, 9% U.S. Government debt securities, and 69% common stocks (including equity mutual funds) listed on major exchanges. No single investment in the DIF represents more than 10% of total investments. Investments in the DIF are not federally insured.

**Note 3. Loans Receivable**

The Diocese (through the Trust Accounts) has loaned funds to parishes and missions (related parties) within the Diocese as follows:

Loan to	Comment/Payment/ Maturity	Rate	2012	2011
Cathlamet	No maturity date set	0%	\$ 150,000	\$ 150,000
St. Columba's, Des Moines	Land at St. Columba's, no maturity date set	0%	318,847	318,847
Battle Ground	15-year amortization at BLF mission rate due 2017	3.5%	69,000	69,000
Good Shepherd, Vancouver	On interest waiver; to be repaid after BLF loan repaid	0%	49,382	49,382
St. Hilda/ St. Patrick	On interest waiver, then 15-year amortization at BLF mission rate	0%	475,000	475,000
			<u>\$ 1,062,229</u>	<u>\$ 1,062,229</u>

In addition, the Trust Accounts have a loan receivable from an unrelated party. This loan bears interest at a fixed rate of 5.0%, is secured by real property, and requires monthly repayments of principal and interest over a 30-year amortization of \$1,342, with a balloon payment of approximately \$170,000 due at maturity in July 2025. Principal payments due in the next year of \$4,147 are presented as current on the 2012 statement of financial position; the remaining amount of \$227,850 is presented as non-current.

**Note 4. Investments Held in Trust for Congregations and Other Institutions**

Investments held in trust for congregations and other institutions at December 31 consist of:

	<u>2012</u>	<u>2011</u>
Cash held in trust for congregations		
Bond Trustee accounts	\$ 7,428	\$ -
Securities and investments held in trust for congregations and other institutions		
Annie Wright School	381,108	352,860
Bainbridge, St. Barnabas' - Hodges Endowment	808,139	841,264
Bellingham, Mabel Wilson Trust	349,958	316,160
Hoodsport, St. Germaine	86,399	79,995
Kent, St. James' - Arney Memorial	58,840	54,479
Kent, St. James' - Endowment	46,587	43,134
Lord Scholarship Fund	28,269	25,536
Seattle, St. Mark's - Hodges Endowment	1,327,750	1,229,337
Seaview, St. Peter's - Johnson Bequest	409,786	379,413
St. Paul's, Palm Desert, CA - Hodges Endowment	174,435	161,506
Tod Prichard, Allyn	11,043	10,714
	<u>3,682,314</u>	<u>3,494,398</u>
Total securities for congregations and institutions		
	<u>\$ 3,689,742</u>	<u>\$ 3,494,398</u>
Total liabilities to congregations and other institutions		

**Note 5. Endowments**

The Trust Account's endowment consists of approximately 40 individual funds established for a variety of purposes. Its endowment includes both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments ("quasi-endowments"). As required by accounting principles generally accepted in the United States, net assets associated with endowment funds, including quasi-endowments, are classified and reported based on the existence and/or nature of any donor-imposed restrictions.

**Interpretation of Relevant Law**

The Trustees of the Trust Accounts have interpreted the State of Washington Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Trust Accounts classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, plus (b) the original value of subsequent gifts to the permanent endowment and accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund, and (c) unrealized gains and losses within the permanent endowment. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Trustees consider the following factors in making a determination to appropriate or accumulate donor-restricted funds:

- The duration and preservation of the endowment fund
- The purposes of the Trust Accounts and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation or deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Trust Accounts
- The investment policies of the Trust Accounts

Endowment net assets consisted of the following at:

	December 31, 2012			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Donor-restricted endowment funds	\$ -	\$ 383,558	\$ 18,109,162	\$ 18,492,720
Board-designated quasi-endowment funds	3,012,975			3,012,975
Total funds	<u>\$ 3,012,975</u>	<u>\$ 383,558</u>	<u>\$ 18,109,162</u>	<u>\$ 21,505,695</u>

	December 31, 2011			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Donor-restricted endowment funds	\$ -	\$ 1,400,642	\$ 16,785,723	\$ 18,186,365
Board-designated quasi-endowment funds	1,707,174			1,707,174
Total funds	<u>\$ 1,707,174</u>	<u>\$ 1,400,642</u>	<u>\$ 16,785,723</u>	<u>\$ 19,893,539</u>



Endowment net assets consisted of the following at:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, December 31, 2010	\$ 1,678,043	\$ 1,378,721	\$ 16,761,170	\$ 19,817,934
Investment return	(471)	469,300	47,506	516,335
Contributions		1,600	29,272	30,872
Appropriation of endowment assets for expenditure and transfers out of endowment	<u>29,602</u>	<u>(448,979)</u>	<u>(52,225)</u>	<u>(471,602)</u>
Endowment net assets, December 31, 2011	1,707,174	1,400,642	16,785,723	19,893,539
Investment return	215,887	586,142	1,377,010	2,179,039
Contributions		20,333	4,834	25,167
Appropriation of endowment assets for expenditure and transfers out of endowment	<u>1,089,914</u>	<u>(1,623,559)</u>	<u>(58,405)</u>	<u>(592,050)</u>
Endowment net assets, December 31, 2012	<u>\$ 3,012,975</u>	<u>\$ 383,558</u>	<u>\$ 18,109,162</u>	<u>\$ 21,505,695</u>

### **Return Objectives and Risk Parameters**

The Trust Accounts have adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity or for a donor-specified period as well as quasi-endowment funds. Under this policy, as approved by the Trustees, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the S&P 500 Index while assuming a moderate level of investment risk. The Trust Accounts expect its endowment funds, over time, to provide an average rate of return of approximately 9% annually. Actual returns in any given year may vary from this amount.

### **Strategies Employed for Achieving Objectives**

To satisfy its long-term rate of return objectives, the Trust Accounts rely on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Trust Accounts target a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

## **Spending Policy and How the Investment Objectives Relate to Spending Policy**

The Trust Accounts have a policy of appropriating up to 95% of the market value of the investment in excess of the original endowment adjusted for the U.S. City Average Urban Consumers Price Index ("CPI"). In the event that the Board does not elect to appropriate the entire allowable amount, the investment gains or losses, by default, are included as a positive or negative change to permanently restricted net assets. Any losses incurred which reduce the investment value below the original endowment adjusted for CPI are included in unrestricted losses on investments. As discussed below, there were no endowments where the fair value of the investment had fallen below the original basis, adjusted for CPI as of December 31, 2012 or 2011. In establishing this policy, the Trust Accounts considered the long-term expected return on its endowment. Accordingly, over the long-term, the Trust Accounts expected the current spending policy to allow its endowment to grow at an average of 4% annually. This is consistent with the Trust Accounts' objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

## **Funds with Deficiencies**

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Trust Accounts to retain as a fund of perpetual duration. The donor requirement is based on the original endowment determined at December 31, 1985, or fund set-up date, if later. This date may be pushed back by the beneficiary, but the burden of proof to establish any pre-1985 excess appreciation will fall on the beneficiary. In accordance with accounting principles generally accepted in the United States, deficiencies of this nature are to be reported in unrestricted net assets. There were no such deficiencies as of December 31, 2012 or 2011.

## Note 6. Schedule of Net Assets

	December 31, 2012			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Other assets held in trust for Diocese				
Campaign - unrestricted	\$ 1,111,915	\$ -	\$ -	\$ 1,111,915
Diocesan School of Theology		15,833		15,833
Hodges Income Account		105,717		105,717
Huston Discretionary Account, Horn Trust		11,043		11,043
Planned Giving Gifts		7,070		7,070
Ruth and Jacques Hayes Memorial Trust		6,260		6,260
Snoqualmie, St. Bernard's Chapel	2,134			2,134
	<hr/>	<hr/>	<hr/>	<hr/>
Total other assets held in trust for Diocese	1,114,049	145,923		1,259,972
Primarily securities and investments held in trust for Diocese				
Bishop Curtis Camp Scholarship			134,507	134,507
Bishop Suffragan Endowment			46,410	46,410
Carl Knirk Memorial Scholarship		35,148	2,500	37,648
Centennial Project	351			351
Christenson Bequest			331,621	331,621
Clapp Trust			1,238,852	1,238,852
Clergy Emergency Fund			496,141	496,141
College Work Endowment			385,896	385,896
Diocesan Working Capital Trust Fund			585,741	585,741
Emergency/Temporary Help	2,913			2,913
Episcopal Charities Appeal		42,360		42,360
Episcopal House Fund	910,373			910,373
Episcopal Search Reserve	270,599			270,599
Episcopate Endowment Fund #1			5,453,118	5,453,118
Episcopate Endowment Fund #2	2,254,562			2,254,562
Grace L. Philips Memorial Fund	605,475			605,475
Hansen Fund			4,528	4,528
Hayes Trust (Held by Wells Fargo Bank)			30,890	30,890
Hodges Endowment for Diocese			2,530,626	2,530,626
Horn Memorial for Camp Huston			1,265,018	1,265,018
Human Need Endowment			293,628	293,628
James McConnell Scholarship Fund			24,826	24,826
Jean Young Memorial		17,993		17,993
KY Print Shop			1,959	1,959
Mission Ministry Endowment			1,113,247	1,113,247
Oak Harbor St. Stephens		18,519		18,519
Refugee Program Reserves		41,043		41,043
S. Eston Collins Memorial Scholarship			15,038	15,038
Sophie Henry Trust			3,087,187	3,087,187
St. Andrew's House Endowment		82,572		82,572
Thanksgiving and Memorial Fund	600,245			600,245
Theological Education Fund			1,067,429	1,067,429
	<hr/>	<hr/>	<hr/>	<hr/>
Total securities and investments held for Diocese	4,644,518	237,635	18,109,162	22,991,315
	<hr/>	<hr/>	<hr/>	<hr/>
Total net assets	\$ 5,758,567	\$ 383,558	\$ 18,109,162	\$ 24,251,287
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

	December 31, 2011			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Other assets held in trust for Diocese				
Campaign - various restrictions	\$ -	\$ 1,111,915	\$ -	\$ 1,111,915
Diocesan School of Theology		15,833		15,833
Hodges Income Account		53,948		53,948
Huston Discretionary Account, Horn Trust		8,507		8,507
Planned Giving Gifts		7,070		7,070
Ruth and Jacques Hayes Memorial Trust		4,902		4,902
Snoqualmie, St. Bernard's Chapel		2,134		2,134
		<u>1,204,309</u>		<u>1,204,309</u>
Total other assets held in trust for Diocese				
Primarily securities and investments held in trust for Diocese				
Bishop Curtis Camp Scholarship			124,537	124,537
Bishop Suffragan Endowment			41,928	41,928
Carl Knirk Memorial Scholarship		31,915	2,500	34,415
Centennial Project	317			317
Christenson Bequest			307,042	307,042
Clapp Trust			1,147,029	1,147,029
Clergy Emergency Fund			459,367	459,367
College Work Endowment			357,293	357,293
Dean Search Reserve	15,216			15,216
Diocesan Working Capital Trust Fund			542,326	542,326
Emergency/Temporary Help	5,686			5,686
Episcopal Charities Appeal		38,269		38,269
Episcopal House Fund	896,189			896,189
Episcopal Search Reserve	235,172			235,172
Episcopate Endowment Fund #1			5,048,933	5,048,933
Episcopate Endowment Fund #2	2,124,513			2,124,513
Grace L. Philips Memorial Fund	560,597			560,597
Hansen Fund			4,091	4,091
Hayes Trust (Held by Wells Fargo Bank)			29,122	29,122
Hodges Endowment for Diocese			2,343,056	2,343,056
Horn Memorial for Camp Huston			1,198,963	1,198,963
Human Need Endowment			268,538	268,538
James McConnell Scholarship Fund			19,199	19,199
Jean Young Memorial		16,255		16,255
KY Print Shop			1,769	1,769
Mission Ministry Endowment			1,029,768	1,029,768
Refugee Program Reserves		37,079		37,079
S. Eston Collins Memorial Scholarship			13,586	13,586
Sophie Henry Trust			2,858,365	2,858,365
St. Andrew's House Endowment		72,815		72,815
Thanksgiving and Memorial Fund	571,107			571,107
Theological Education Fund			988,311	988,311
		<u>196,333</u>	<u>16,785,723</u>	<u>21,390,853</u>
Total securities and investments held for Diocese	<u>4,408,797</u>	<u>196,333</u>	<u>16,785,723</u>	<u>21,390,853</u>
Total net assets	<u>\$ 4,408,797</u>	<u>\$ 1,400,642</u>	<u>\$ 16,785,723</u>	<u>\$ 22,595,162</u>

**DIOCESE OF OLYMPIA, INC.  
BUILDING LOAN FUND  
MISSION DEVELOPMENT FUND AND  
REAL ESTATE FUND**

FINANCIAL REPORT

DECEMBER 31, 2012

**C O N T E N T S**

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**INDEPENDENT AUDITORS' REPORT**

Diocesan Council  
Diocese of Olympia, Inc.  
Building Loan Fund,  
Mission Development Fund, and  
Real Estate Fund  
Seattle, Washington

We have audited the accompanying financial statements of the Diocese of Olympia, Inc. – Building Loan Fund, Mission Development Fund, and Real Estate Fund ("the Funds"), which comprise the statements of financial position as of December 31, 2012 and 2011, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

### **Basis for Qualified Opinion**

As more fully described in Note 1 to the financial statements, buildings and improvements have been capitalized although not depreciated. In our opinion, all capital expenditures should be capitalized and depreciated over their estimated useful lives to conform with accounting principles generally accepted in the United States. Quantification of the effects on the financial statements of the preceding practices is not practicable.

### **Opinion**

In our opinion, except for the effects of the matter discussed in the Basis for Qualified Opinion paragraph, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Funds as of December 31, 2012 and 2011, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States.

*Peterson Sulli LLP.*

April 24, 2013



**DIOCESE OF OLYMPIA, INC.  
BUILDING LOAN FUND, MISSION DEVELOPMENT FUND,  
AND REAL ESTATE FUND**

STATEMENTS OF FINANCIAL POSITION

December 31, 2012 and 2011

ASSETS	<u>2012</u>	<u>2011</u>
Cash and Cash Equivalents	\$ 1,529,115	\$ 1,218,469
Receivables		
Parish loans receivable, net	783,311	615,118
Interest receivable, net	<u>7,013</u>	<u>8,023</u>
Total receivables	790,324	623,141
Property		
Real estate	<u>32,666,015</u>	<u>32,825,204</u>
Total assets	<u>\$ 34,985,454</u>	<u>\$ 34,666,814</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Related party loans	\$ 1,012,847	\$ 1,012,847
Loans - unrelated parties	<u>478,471</u>	<u>517,633</u>
Total liabilities	1,491,318	1,530,480
Unrestricted Net Assets	<u>33,494,136</u>	<u>33,136,334</u>
Total liabilities and net assets	<u>\$ 34,985,454</u>	<u>\$ 34,666,814</u>

See Notes to Financial Statements

**DIOCESE OF OLYMPIA, INC.  
BUILDING LOAN FUND, MISSION DEVELOPMENT FUND,  
AND REAL ESTATE FUND**

STATEMENTS OF ACTIVITIES  
For the Years Ended December 31, 2012 and 2011

	2012	2011
Support and Revenue		
Interest (building loans)	\$ 46,207	\$ 55,552
Interest (Bolling loans)	6,625	8,132
Contributions	230,911	155,213
Contributed loan payments and other	40,328	39,948
Gain on sale of real estate	44,672	
Total support and revenue	368,743	258,845
Expenses		
Corporate/canonically required	5,506	4,804
Bad debt expense	5,435	5,443
Total expenses	10,941	10,247
Change in unrestricted net assets before contributions and transfers of property	357,802	248,598
Contributions and Transfers of Property		
Contributions of real estate		191,916
Transfer of property from former parish ownership		11,214,100
Total contributions and transfers of property		11,406,016
<b>Change in unrestricted net assets</b>	<b>357,802</b>	<b>11,654,614</b>
Unrestricted net assets, beginning of year	33,136,334	21,481,720
Unrestricted net assets, end of year	\$ 33,494,136	\$ 33,136,334

See Notes to Financial Statements

**DIOCESE OF OLYMPIA, INC.  
BUILDING LOAN FUND, MISSION DEVELOPMENT FUND,  
AND REAL ESTATE FUND**

STATEMENTS OF CASH FLOWS  
For the Years Ended December 31, 2012 and 2011

	2012	2011
Cash Flows From Operating Activities		
Change in net assets	\$ 357,802	\$ 11,654,614
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Bad debt expense	5,435	5,443
Contributed loan payments and real estate	(39,162)	(231,799)
Gain on sale of real estate	(44,672)	
Transfer of property from parish control		(11,214,100)
Decrease (increase) in interest receivable	(4,425)	(3,621)
Net cash flows from operating activities	274,978	210,537
Cash Flows From Investing Activities		
Parish loan repayments (advances), net	(168,193)	73,217
Reimbursement of capital expenditures	182,123	105,882
Proceeds from sale of real estate	58,772	
Purchases of real estate	(37,034)	(50,471)
Net cash flows from investing activities	35,668	128,628
<b>Net change in cash and cash equivalents</b>	<b>310,646</b>	<b>339,165</b>
Cash and cash equivalents, beginning of year	1,218,469	879,304
Cash and cash equivalents, end of year	\$ 1,529,115	\$ 1,218,469

See Notes to Financial Statements

## NOTES TO FINANCIAL STATEMENTS

### **Note 1. Organization and Significant Accounting Policies**

The Diocese of Olympia, Inc. ("the Diocese") is a Diocese of the Domestic and Foreign Missionary Society of the Protestant Episcopal Church in the United States of America ("the Episcopal Church"). The Diocese includes all Episcopal churches in Western Washington.

The Diocese of Olympia, Inc. – Building Loan Fund, Mission Development Fund, and Real Estate Fund ("the Funds") contain the mission sites, building loans, and real estate of the Diocese.

**The Building Loan Fund ("the BLF")** was established in 1949 to make loans to churches to assist in financing new building projects and to make loans for small building repair and improvement projects. Repayment terms vary and remaining maturities range from 1 to 18 years. Effective January 1, 1993, the Board of Directors adopted a policy of annual changes in the interest rate charged to Diocesan institutions. The rate is set annually at the One-Year Treasury Constant Maturities Index rounded up to the nearest eighth of a point plus 3% for parishes and 1.5% for missions, and the rate cannot be less than 3.5% for parishes or missions. In addition, a 2% cap on interest increases per year was adopted. Loans where interest is currently being waived are shown at undiscounted value.

Because of the anticipated need for funds in the future, the BLF adopted, on January 21, 1993, an interest rate incentive program to encourage faster principal repayment. In exchange for each year of loan term reduction, the BLF will reduce the interest rate on the loan by 4/10 of 1%. In addition, there are other limitations imposed on this voluntary program.

**The Mission Development Fund ("the MDF")** was set up to purchase properties in areas where growth would necessitate the establishment of a new congregation. Advances made by the MDF are generally exempt from interest and current principal repayment for a period of time even after congregations have been organized.

**The Real Estate Fund** accounts for the value of the land and buildings owned by the Diocese. The value of a mission congregation's property is shown as a Diocesan asset until the mission becomes a parish. Generally, in Washington State, real property used for the church's exempt purposes is exempt from real estate taxes.

### **Other Funds**

The Diocese also has other groupings known as the Trust Accounts and the James F. Hodges Diocesan Investment Fund, which are reported separately in other financial statements.

These entities are part of the Diocese, but are not separately incorporated. The Diocese is an incorporated entity.

Also, the Diocese of Olympia – Operating Fund ("the Operating Fund") is reported separately. The Operating Fund contains the operating budget, restricted income, and designated and grant funds of the Diocese. The Operating Fund is an unincorporated association.

## **Financial Statement Presentation**

The Funds report information regarding their financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Contributions that are received are recorded as unrestricted, temporarily restricted, or permanently restricted, depending on the existence and/or nature of any donor restrictions. The Funds have no temporarily or permanently restricted net assets, so these classes of assets are not presented.

Contributions, investment income, and gains restricted by donors are reported as increases in unrestricted net assets if the restrictions are met in the reporting period in which the income and gains are recognized.

## **Estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

## **Cash and Cash Equivalents**

For the purpose of the statements of cash flows, the Diocese considers all highly liquid instruments purchased with a maturity of three months or less to be cash equivalents. The Diocese occasionally has cash in excess of federally insured limits with its bank.

## **Loans Receivable**

Receivables are stated at the amount management expects to collect from outstanding balances. The Funds use the allowance method for recognizing bad debts. When an account is deemed uncollectible, it is generally written off against the allowance. Management determined an allowance was not necessary at December 31, 2012 and 2011.

Interest receivable has been accrued to December 31, 2012 and 2011. At the Board's discretion, in some instances, interest is not charged on construction loans.

## **Real Estate**

Real estate is to be carried at historical cost or fair value at date of donation. Although required by accounting standards generally accepted in the United States, the Diocese has elected not to record depreciation on buildings and improvements. The Diocese does not believe this election results in misleading financial statements. The effect of not depreciating buildings and improvements has not been determined.

For missions of the Diocese, Diocesan policy is that all construction payments are made by the BLF and then reimbursed by the congregation. These expenditures are not reflected in the financial statements except to the extent that amounts advanced have not been reimbursed, or cash held has not been expended.

When a mission becomes a parish, the value of its real estate and any related loans are removed from the Real Estate Fund. No missions became a parish in either 2012 and 2011.

Occasionally, the Diocese and a parish may decide it is for the mutual benefit of all parties for the parish to revert to mission status. When this happens, the fair value of its real estate is recognized as a contribution to the Real Estate Fund. In 2011, St. Matthew parish, St. Luke parish, and St. George parish all reverted back to mission status and, accordingly, all real estate related to these former parishes, with a fair value of \$11,214,100, were contributed to the Real Estate Fund.

No parishes reverted to mission status in 2012.

### **Related Party Loans**

The Funds have generally not imputed interest on related party loans that do not bear interest as the terms are generally undefined, the imputed interest would not generally be material, and the amounts are due to another fund of the Diocese.

### **Taxes**

The Diocese is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code. It is not required to file a federal tax return.

### **Subsequent Events**

The Funds have evaluated subsequent events through the date these financial statements were available to be issued, which was the same date as the independent auditors' report.

### **Note 2. Loans Receivable**

Loans receivable consist of the following:

<b>Parishes</b>	2012	2011
Bellevue, Church of the Resurrection	\$ 26,041	\$ -
Freeland, St. Augustine	175,000	
Issaquah, St. Michael's	34,383	151,458
Kent, St. James	5,507	22,920
Port Townsend, St. Paul	135,220	164,880
Redmond, Holy Cross		42,126
Seattle, St. John	47,551	80,208
Shelton, St. David	24,236	29,903
Tacoma, St. Mary	250,000	
Vancouver, Good Shepherd	85,373	101,368
Vancouver, Good Shepherd		22,255
	\$ 783,311	\$ 615,118

As missions are part of the Diocese (and are part of the Funds), the mission receivables do not appear in these financial statements (as they have been eliminated). Although eliminated, mission receivables are as follows:

	<u>2012</u>	<u>2011</u>
<b>Missions</b>		
Cathlamet, St. James'	\$ 225,153	\$ 198,703
Des Moines, St. Columba's	934,216	936,616
Meadowdale, St. Hilda's - St. Patrick's	434,529	436,529
Redmond, Good Samaritan	373,138	436,104
Redmond, Good Samaritan	550,063	732,186
Snoqualmie, St. Clare's	62,676	69,193
Steilacoom, St. Jos/St. John	46,632	54,194
Vancouver, All Saints'	213,277	229,492
Washougal, St. Anne	50,889	60,432
Anacortes, Christ Church		38,621
	<u>\$ 2,890,573</u>	<u>\$ 3,192,070</u>

### Note 3. Combination

As previously stated, inter-entity loans are eliminated in combination. Loans eliminated can be summarized as follows:

	<u>2012</u>	<u>2011</u>
BLF to Real Estate Fund	\$ 2,890,573	\$ 3,192,070
MDF to Real Estate Fund	205,648	291,963
	<u>\$ 3,096,221</u>	<u>\$ 3,484,033</u>

### Note 4. Real Estate

As discussed in Note 1, estimates have to be used in many cases when assets are added as precise records are not always available. For the property contributed in 2011 due to the St. Matthew parish, St. Luke parish, and St. George parish reverting back to mission status, some of the property added was valued using outside estimates, as precise records regarding the cost of the property were not available. The St. Matthew and St. Luke land added (\$4,644,100) was valued using information provided by the King County Department of Assessments. The St. Matthew, St. Luke, and St. George buildings added (\$6,570,000) were valued using information provided by the Diocese's insurance provider. The values provided by the insurance providers represent their estimate of the cost to replace the buildings. These were the best estimates available to value the property contributed.

Property reflected in the statements of financial position is categorized as follows:

	<u>2012</u>	<u>2011</u>
Land	\$ 7,358,231	\$ 7,358,331
Buildings/improvements	<u>25,307,784</u>	<u>25,466,873</u>
	<u>\$ 32,666,015</u>	<u>\$ 32,825,204</u>

Beginning in 2010 and ending in 2011, a building was constructed at the Huston Center, paid for out of the Operating Fund, and was contributed to and capitalized at the Real Estate Fund. This contribution is recorded as a contribution of real estate in the statements of activities. Project costs of \$191,916 were contributed to the Real Estate Fund in 2011.

### Note 5. Related Party Loans

As described in Note 1, the Trust Accounts are other Diocese funds that are not included in these financial statements. The Trust Accounts have made loans to the Funds as follows:

<u>Loan to</u>	<u>Comment/Payment/ Maturity</u>	<u>Rate</u>	<u>2012</u>	<u>2011</u>
Cathlamet	No maturity date set	0%	\$ 150,000	\$ 150,000
St. Columba's, Des Moines	Land at St. Columba's, no maturity date set	0%	318,847	318,847
Battle Ground	15-year amortization at BLF mission rate due 2017	3.5%	69,000	69,000
St. Hilda/ St. Patrick	On interest waiver, then 15-year amortization at BLF mission rate	0%	<u>475,000</u>	<u>475,000</u>
			<u>\$ 1,012,847</u>	<u>\$ 1,012,847</u>

No interest expense is recorded by the Funds as the amounts are paid and expensed by other related entities or funds.



**Note 6. Loans Payable**

	2012	2011
Loan from a bank that funded the construction of the Cathlamet St. James Family Center. Payments due in monthly installments of \$2,035 including interest at 4.75% secured by real property and a certificate of deposit held at the Trust Accounts. Due in full July 2015.	\$ 273,953	\$ 285,686
Battle Ground Bond Loans bearing interest at 6.5%. Due in annual installments of \$25,000 plus interest, secured by real property. Due in full in 2014.	50,000	70,000
Loan from a family trust to purchase property. The loan is not secured. Due in monthly installments of \$1,120 including interest at 5.0% with the balance due in July 2015.	154,518	161,947
	\$ 478,471	\$ 517,633

The schedule of debt maturity principal is as follows at December 31:

Year Ended	Bank Loan	Battle Ground	Family Trust Loan	Total
2013	\$ 11,599	\$ 25,000	\$ 5,742	\$ 42,341
2014	12,162	25,000	6,035	43,197
2015	250,192		142,741	392,933
	\$ 273,953	\$ 50,000	\$ 154,518	\$ 478,471

**Note 7. Contingencies and Commitments**

**Contingencies**

No liabilities that relate to the mission congregations of the Diocese are reflected in these financial statements. The Diocese could be held to be a responsible party until a mission becomes a parish.

Property insurance on structures does not include earthquake insurance.

**DIOCESE OF OLYMPIA, INC.  
THE JAMES F. HODGES  
DIOCESAN INVESTMENT FUND**

FINANCIAL REPORT

DECEMBER 31, 2012 AND 2011

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**INDEPENDENT AUDITORS' REPORT**

Diocese of Olympia, Inc.  
The James F. Hodges Diocesan Investment Fund  
Seattle, Washington

We have audited the accompanying financial statements of the Diocese of Olympia, Inc. – The James F. Hodges Diocesan Investment Fund (the "Fund"), which comprise the statements of assets and liabilities as of December 31, 2012 and 2011, including the schedules of investments, and the related statements of operations and changes in net assets for the years then ended, and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Fund as of December 31, 2012 and 2011, and the results of its operations and changes in its net assets for the years then ended in accordance with accounting principles generally accepted in the United States.

*Peterson Sullivan LLP*

April 4, 2013

**DIOCESE OF OLYMPIA, INC.**  
**THE JAMES F. HODGES DIOCESAN INVESTMENT FUND**

STATEMENTS OF ASSETS AND LIABILITIES

December 31, 2012 and 2011

ASSETS	<u>2012</u>	<u>2011</u>
Investment income receivable	\$ 73,995	\$ 109,210
Investments (at fair value):		
Equity securities	34,576,104	31,872,019
Bonds, notes, and other	13,402,978	12,491,012
Cash equivalents	<u>2,328,300</u>	<u>1,741,118</u>
Total investments	<u>50,307,382</u>	<u>46,104,149</u>
Total assets	50,381,377	46,213,359
LIABILITIES		
Distributions payable	<u>367,285</u>	<u>234,576</u>
NET ASSETS	<u><u>\$ 50,014,092</u></u>	<u><u>\$ 45,978,783</u></u>

See Notes to Financial Statements

**DIOCESE OF OLYMPIA, INC.**  
**THE JAMES F. HODGES DIOCESAN INVESTMENT FUND**

SCHEDULE OF INVESTMENTS

December 31, 2012

Equity Securities	Number of Shares	Fair Value
Abbot Laboratories	9,300	\$ 609,150
Air Products and Chemicals, Inc.	5,700	478,914
Apple Inc.	1,100	585,390
Automatic Data Processing	8,600	489,598
Becton Dickinson & Co	6,200	484,778
Berkshire Hathaway Inc. Class B	5,800	520,260
Blackrock Inc.	2,105	435,125
Boeing Company	7,800	587,808
Chevron Corp	10,575	1,143,581
Chubb Corporation	8,400	632,688
Cisco Systems, Inc.	26,800	526,604
Coca Cola Company	6,800	246,500
ConAgra Foods, Inc.	19,100	563,450
Costco Wholesale, Inc.	10,000	987,300
Eaton Vance Tax Managed Emerging Markets Fund	14,938	725,686
Emerson Electric	12,300	651,408
Enterprise Products Partners LP	13,700	686,096
Exxon Mobil Corp	12,022	1,040,504
General Electric	19,800	415,602
Google Inc.	425	300,637
HJ Heinz Co	8,700	501,816
I Shares S&P Mid Cap 400	25,250	2,567,925
I Shares S&P Small Cap 600	35,400	2,764,740
Intel Corp	12,700	261,874
International Business Machines	4,865	931,891
Johnson & Johnson	8,700	609,870
Johnson Controls, Inc.	21,020	644,683
JP Morgan Chase & Co	15,165	666,791
McGraw-Hill Cos Inc.	6,228	340,485
Microsoft	22,900	611,652
Nextera Energy Inc.	4,800	332,112
Novartis	10,700	677,310
Paccar, Inc.	22,600	1,021,746
Pfizer, Inc.	24,778	621,414
Procter & Gamble Co	10,600	719,634
Qualcomm Inc.	6,400	395,901
Southern Co	15,600	667,836
Sysco Corp	14,400	455,904
United Technologies	10,100	828,301
Vanguard Developed Markets Index	314,830	3,069,595
Vanguard Emerging Markets ETF	18,100	805,993
V F Corporation	4,516	681,781
Ventas Inc.	7,315	473,427
Verizon Communications, Inc.	21,500	930,305
Wells Fargo & Co	10,050	343,509
3M Co	5,800	538,530
Total equity securities		<u>\$ 34,576,104</u>

See Notes to Financial Statements

**DIOCESE OF OLYMPIA, INC.**  
**THE JAMES F. HODGES DIOCESAN INVESTMENT FUND**

SCHEDULE OF INVESTMENTS  
(Continued)

December 31, 2012

<u>BONDS, NOTES, AND OTHER</u>	<u>Rate of Interest</u>	<u>Maturity</u>	<u>Shares or Face Value</u>	<u>Fair Value</u>
Federal Home Loan Bank Debenture	4.375	6/14/19	\$ 1,000,000	\$ 1,193,200
Federal Home Loan Bank Debenture	4.625	6/12/15	1,000,000	1,102,040
FNMA Medium Term Notes	1.375	11/29/16	500,000	504,480
U.S. Treasury Inflation Protected Securities	2.000	1/15/14	1,877,865	1,937,863
Vanguard Intermediate Term Grade Admiral Share	Variable	n/a	325,544	3,359,619
Vanguard Short Term Investment Grade	Variable	n/a	489,915	5,305,776
Total Bonds, Notes, and Other				<u>\$ 13,402,978</u>
 <u>CASH EQUIVALENTS</u>				
First America Prime Obligation Fund	Variable	n/a	\$ 2,328,300	\$ 2,328,300
Total cash equivalents				<u>\$ 2,328,300</u>

See Notes to Financial Statements

**DIOCESE OF OLYMPIA, INC.**  
**THE JAMES F. HODGES DIOCESAN INVESTMENT FUND**

SCHEDULE OF INVESTMENTS

December 31, 2011

Equity Securities	Number of Shares	Fair Value
Abbot Laboratories	7,200	\$ 404,856
Air Products and Chemicals, Inc.	5,700	485,583
Apple Inc.	1,100	445,500
Automatic Data Processing	8,600	464,486
Becton Dickinson & Co	4,700	351,184
Berkshire Hathaway Inc. Class B	5,800	442,540
Blackrock Inc.	1,370	244,189
Boeing Company	7,800	572,130
Chevron Corp	10,575	1,125,180
Chubb Corporation	8,400	581,448
Cisco Systems, Inc.	26,800	484,544
Coca Cola Company	3,400	237,898
ConAgra Foods, Inc.	19,100	504,240
Costco Wholesale, Inc.	13,235	1,102,740
Eaton Vance Tax Managed Emerging Markets Fund	14,938	616,340
Eli Lilly & Co	8,900	369,884
Emerson Electric	12,300	573,057
Enterprise Products Partners LP	13,700	635,406
Exxon Mobil Corp	12,022	1,018,985
General Dynamics Corp	3,925	260,659
General Electric	19,800	354,618
Google Inc.	425	274,507
HJ Heinz Co	8,700	470,148
I Shares S&P Mid Cap 400	25,250	2,212,153
I Shares S&P Small Cap 600	35,400	2,417,820
Intel Corp	12,700	307,975
International Business Machines	4,865	894,576
Johnson & Johnson	8,700	570,546
Johnson Controls, Inc.	21,020	657,085
JP Morgan Chase & Co	11,700	389,025
Lazard	6,440	168,148
McGraw-Hill Cos Inc.	6,228	280,073
Medtronic, Inc.	7,800	298,350
Microsoft	22,900	594,484
Nextera Energy Inc.	4,800	292,224
Novartis	8,600	491,662
Paccar, Inc.	22,600	846,822
Pfizer, Inc.	24,778	536,196
Procter & Gamble Co	10,600	707,126
Qualcomm Inc.	6,400	350,080
Southern Co	15,600	722,124
Sysco Corp	14,400	422,352
United Technologies	10,100	738,209
Vanguard Developed Markets Index	314,830	2,672,909
Vanguard Emerging Markets ETF	18,100	691,601
V F Corporation	4,516	573,487
Ventas Inc.	7,315	403,276
Verizon Communications, Inc.	21,500	862,580
Wells Fargo & Co	10,050	276,978
3M Co	5,800	474,035
Total equity securities		<u>\$ 31,872,019</u>

See Notes to Financial Statements



**DIOCESE OF OLYMPIA, INC.**  
**THE JAMES F. HODGES DIOCESAN INVESTMENT FUND**

SCHEDULE OF INVESTMENTS  
(Continued)

December 31, 2011

<u>BONDS, NOTES, AND OTHER</u>	Rate of Interest	Maturity	Shares or Face Value	Fair Value
Federal Home Loan Bank Debenture	4.375	6/14/19	\$ 1,000,000	\$ 1,170,070
Federal Home Loan Bank Debenture	4.625	6/12/15	1,000,000	1,127,920
FNMA Medium Term Notes	1.000	5/28/15	500,000	499,715
FNMA Medium Term Notes	1.375	11/29/16	500,000	498,715
FNMA Medium Term Notes	2.250	6/28/19	500,000	501,315
U.S. Treasury Inflation Protected Securities	3.375	1/15/12	1,275,230	1,275,625
U.S. Treasury Inflation Protected Securities	2.000	1/15/14	1,838,205	1,946,622
Vanguard Intermediate Term Grade Admiral Share	Variable	n/a	124,477	1,243,523
Vanguard Short Term Investment Grade	Variable	n/a	397,322	4,227,507
Total Bonds, Notes, and Other				<u>\$12,491,012</u>
 <u>CASH EQUIVALENTS</u>				
First America Prime Obligation Fund	Variable	n/a	\$ 1,741,118	<u>\$ 1,741,118</u>
Total cash equivalents				<u>\$ 1,741,118</u>

See Notes to Financial Statements

**DIOCESE OF OLYMPIA, INC.**  
**THE JAMES F. HODGES DIOCESAN INVESTMENT FUND**

STATEMENTS OF OPERATIONS  
For the Years Ended December 31, 2012 and 2011

	2012	2011
Investment income		
Dividends and interest	\$ 1,381,588	\$ 1,238,095
Securities lending and other income	11,476	9,725
Total investment income	1,393,064	1,247,820
Expenses		
Agency fee	49,974	52,734
Accounting fee	5,000	5,543
Audit	6,900	6,750
Board miscellaneous expense	1,095	1,273
Printing and postage	681	346
Total expenses	63,650	66,646
Excess investment income over expenses	1,329,414	1,181,174
Realized and unrealized investment gain (loss)		
Net realized investment gain (loss)	(307,987)	795,392
Net unrealized investment gain (loss)	3,517,929	(793,318)
Net gain on investments	3,209,942	2,074
Change in net assets resulting from operations	\$ 4,539,356	\$ 1,183,248

See Notes to Financial Statements

**DIOCESE OF OLYMPIA, INC.**  
**THE JAMES F. HODGES DIOCESAN INVESTMENT FUND**

STATEMENTS OF CHANGES IN NET ASSETS  
For the Years Ended December 31, 2012 and 2011

	2012	2011
Change in net assets resulting from operations	\$ 4,539,356	\$ 1,183,248
Distributions paid to shareholders	(1,185,907)	(1,154,070)
Capital share transactions		
Proceeds from shareholder purchases and dividends reinvested	1,645,020	1,211,609
Shareholder redemptions	(963,160)	(1,484,635)
Increase (decrease) in net assets resulting from capital share transactions	681,860	(273,026)
Change in net assets	4,035,309	(243,848)
Net assets, beginning of year	45,978,783	46,222,631
Net assets, end of year	\$ 50,014,092	\$ 45,978,783

See Notes to Financial Statements

## NOTES TO FINANCIAL STATEMENTS

### Note 1. General

The James F. Hodges Diocesan Investment Fund (the "Fund") was organized in 1951 as an investment pool for the endowments of The Diocese of Olympia, Inc. (the "Diocese"), its parishes, missions, and related institutions. The Fund's current name was adopted in 1987.

The Fund's investment strategy is to balance the need for current income and growth in asset value to offset inflation by investing in a mixture of equity and debt securities. The securities are currently held by US Bank. The Diocesan Investment Committee makes investment decisions. The funds are not federally insured.

The Diocese has funds other than the Fund which are called the Trust Funds and the Building Loan, Mission Development, and Real Estate Fund. These funds are included in separate financial statements.

### Note 2. Basis of Accounting

These financial statements present only a selected portion of the activities of the Diocese. As such, they are not intended to and do not present either the financial position, results of operations, or changes in net assets of the Diocese.

The Fund follows the accounting policies of an investment pool, in accordance with accounting principles generally accepted in the United States. Securities are valued at fair value based on closing sales prices reported on recognized securities exchanges on the last business day of the year (see Note 4).

Securities transactions are accounted for on a trade-date basis. Realized gains and losses from securities transactions are reported on a specific identification basis. The Fund distributes net cash investment income to shareholders monthly, but net capital gains are reinvested. Shareholders may reinvest dividends, purchase, or redeem shares on a monthly basis only.

No provision is made for income taxes as the Diocese is exempt from taxation.

Requests for purchases and redemptions are administered by the Diocese which collects funds for purchases in the current month and then remits the funds to US Bank in the subsequent month. Shares are purchased at the net asset value at the beginning of the month when US Bank receives the funds. At December 31, 2012 and 2011, the Diocese held \$11,914 and \$65,014 in funds for purchase in January 2013 and 2012, respectively. These amounts are not included in the financial statements until funds are purchased. They are included in the financial statements of the Diocese.

### Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

### Note 3. Subsequent Events

The Fund has evaluated subsequent events through the date these financial statements were available to be issued, which was the same date as the independent auditors' report.

### Note 4. Fair Value Measurement

Fair value is defined as an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability.

The fair value of all investments was determined using Level 1 observable inputs (quoted prices in active markets for identical assets), within the fair value hierarchy using quoted market rates.

### Note 5. Unrealized Appreciation

Unrealized appreciation on investments was as follows at December 31, 2012:

	Cost	Fair Value	Unrealized Appreciation
Equity securities	\$ 24,279,503	\$ 34,576,104	\$ 10,296,601
Bonds, notes, and other	12,749,217	13,402,978	653,761
Cash equivalents	2,328,300	2,328,300	
	<u>\$ 39,357,020</u>	<u>\$ 50,307,382</u>	<u>\$ 10,950,362</u>

Unrealized appreciation on investments was as follows at December 31, 2011:

	Cost	Fair Value	Unrealized Appreciation
Equity securities	\$ 25,047,765	\$ 31,872,019	\$ 6,824,254
Bonds, notes, and other	11,882,833	12,491,012	608,179
Cash equivalents	1,741,118	1,741,118	
	<u>\$ 38,671,716</u>	<u>\$ 46,104,149</u>	<u>\$ 7,432,433</u>

**Note 6. Shareholders**

The Fund's investment pool activity is as follows:

	Number of Shares	Per Share Value
Shares outstanding, December 31, 2010	261,192.237	\$ 176.968
Shares purchased and dividends reinvested	6,735.135	
Shares redeemed	(8,324.262)	
Shares outstanding, December 31, 2011	259,603.110	\$ 177.112
Shares purchased and dividends reinvested	9,025.808	
Shares redeemed	(7,203.875)	
Shares outstanding, December 31, 2012	261,425.043	\$ 191.313

**Note 7. Related Party Transaction**

The Fund is charged approximately \$5,000 per year for the common expenses paid by the Diocese. This charge is included in distributions payable on the statement of assets and liabilities. Fees included in distributions payable at December 31, 2012 and 2011, are nil and \$5,543, respectively. There was no amount payable to related parties as of December 31, 2012 as the fee was paid in 2012.

**Note 8. Investment Policy: Tobacco Stocks**

In accordance with investment policy recommended by the Executive Council of the Episcopal Church, the Fund does not invest in securities issued by companies that manufacture and distribute tobacco products.