The background of the page features a large, faint watermark of the seal of the Episcopal Diocese of Newark. The seal is an oval shape with a central shield. The shield is divided into four quadrants by a cross. In the center of the shield is a peacock with its tail feathers fanned. Above the shield is a mitre. The Latin text 'DIOECESIS NEVARKENSIS IN NOVA CAESAREA SIG. MDCCCXXXIV' is inscribed around the border of the seal.

**141st Annual Convention  
of the  
Episcopal Diocese of Newark**

**2015 Budget for the  
Diocese of Newark**

**January 30-31, 2015**

*Reflects updated 2015 Pledge Information on pages 28-30  
that was distributed as a handout at Convention.*

## **Diocese of Newark—Proposed 2015 Council Budget**

### ***A 2015 Budget Vision for the Diocese of Newark***

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# Engaging the world: *What is God up to?*



141st Annual Convention • Episcopal Diocese of Newark



## I. Proposed 2015 Council Budget—Executive Summary

One of the principal actions taken at the annual Diocesan Convention is the adoption of the Diocesan operating budget for the year. This budget represents, in essence, the costs of conducting the day-to-day operations of the Diocese and its programs. The Diocesan Council is responsible for monitoring the budget during the year and taking actions as necessary between conventions.

Significant items in the proposed 2015 operating budget of the Diocese include:

- Pledge income is budgeted at \$2,100,000, which is based in part on the estimated amount received in 2014.
- Alleluia Fund income totaled \$113,000 in 2014, highest since this fund began in 2010, and is budgeted to increase to \$120,000 in 2015.
- Domestic and international outreach is budgeted to increase 3.6% over the 2014 amount (from \$165,093 to \$171,050).
- Our 2015 pledge payment to The Episcopal Church will be equal to its “ask” and represents a 7% increase over the 2014 pledge payment (from \$436,500 to \$467,200).
- Funding of \$93,000 for missional church initiatives, as well as funds to continue to support the cost of the Coordinator for Missional Church Strategy who will become a full-time employee in 2015.
- Continued cash contributions relating to future obligations: \$69,000 to the lay pension plan and \$27,000 to add to the fund created in 2013 for the expected future costs of the search and call of the next Bishop of the Diocese of Newark.

- Funding for a consultant to be the Advisor to the Bishop for Fund Development, continuing the efforts in this area that were begun in 2012.

While Convention has the responsibility to adopt a balanced operating budget for the Diocese, it is important that Convention be informed of the other financial assets of the Diocese and how they interact with each other.

Therefore, the financial information is presented in a way that outlines first the 2015 Operating Budget of the Diocese which is being presented to the Convention for its adoption, together with details on a line-by-line basis.

Following that section is additional information about the other financial assets of the Diocese.

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## II. Proposed 2015 Council Budget--Overview

### **The Budget Process**

The preparation of a budget entails a process of gathering information from a number of people and organizations, developing estimates and projections, making adjustments when the initial results are not what are desired, and working to finally balance the totals of income and expenses.

Beginning in September, the Budget & Finance Committee and Diocesan Council met periodically to review the financial situation of the Diocese and to prepare the proposed 2015

*The budget process followed this year, as in prior years, allowed members of all congregations to participate in the development of the 2015 budget.*

budget. We continued to use the process, first developed when creating the 2013 budget, which allowed individuals and organizations to request funding for specific purposes with the goal of identifying

those requests early in the budget process. The underlying premise of the process is that it is in everyone's best interest to discuss such requests as early as possible, allowing for time to properly consider each request. A Budget Forum was held in October to which any member of Diocese was invited to learn more about the proposed budget. Council then adopted the proposed 2015 budget at its December meeting.

But the budget for the Diocese of Newark is far more than a simple process of gathering information and making adjustments. Certainly all of these steps need to occur—to that degree, this is no different than most other budgets. The key difference, though, is that we need to not only provide for the ongoing operations of the Diocese, but we also need to continually consider how our resources can best support the congregations and ministries in the Diocese—especially as we seek to be more of a missional church—as well as to support the

needs of others through outreach and support of The Episcopal Church.

### **A Missional Calling**

At the same time we must continue to look to the future . . . to Engage the World as we seek to answer the question: What is God up to? We have dedicated time, talent and treasure of our diocese to address this most important matter, and we will continue to do so in 2015.

With that as part of the charge to our Diocese – and following the call of Bishop Beckwith in prior years – the proposed 2015 budget includes spending to continue more intentionally to become a missional Diocese, encouraging missional congregations, by providing training and advice to those churches. We began this journey in 2012, and the 2013 budget included funds devoted to such missional initiatives, including the hiring of a half-time Coordinator for Missional Church Strategy. A number of our churches began to work

*Our Coordinator for Missional Church Strategy began in 2013, and provides support and assistance to congregations as they seek to find ways to be missional churches.*

as part of a “Going Local” initiative in 2014, and more congregations will be added in 2015. Now, with more clarity than when these efforts began, we have included funding to increase the Coordinator position to full-time beginning in 2015 – as we join God in our neighborhoods within our Diocese.

Since 2013, we have been able to address these important areas in part by using available funds from the New Ministries Initiatives Fund and the Marge Christie Congregational Growth & Vitality Fund. The careful and prudent use of funds from these sources enables the Diocese to undertake new ministry initiatives in ways that directly support congregational missional efforts throughout the Diocese.

## II. Proposed 2015 Council Budget--Overview

The Diocese also decided in 2013 to begin to address certain future costs related to the underfunded lay pension plan and to create a fund for the costs associated with the search and call of the next bishop. Funds available from the sale of church properties in 2012 and 2014 were used for these purposes in 2013 and 2014, and the budget reflects funding from the same sources in 2015.

### ***A Budget Committed to Vitality and Viability***

The annual Diocesan operating budget is an important component of the life of the Diocese and its congregations. It provides an opportunity not only to review the past, but also to look forward to structural changes that need to be made for the longer-term health and vitality of the Diocese. We believe that by continuing to provide missional resources to congregations, investing in our future through new missional initiatives, and encouraging new models of ministry, that the 2015 operating budget is one way to achieve those goals.

Much of our lives is lived out in transition, and the Diocese and our congregations are not immune from the impact that such transitions have on the financial viability and sustainability of our churches. Yet we live in hope and in the knowledge that God provides great abundance – and that sustains us as we begin to do the work that is necessary to identify opportunities that will allow us to create a viable and God-inspired Diocese.

A number of our congregations began participating in a “Going Local” initiative in 2014, and more will join in 2015. Trained clergy and lay leaders are working within their congregations and then going beyond their walls, seeking to learn what God is up to in our neighborhoods. Other churches are in conversation with each other with a goal of finding ways to participate together in shared ministry models. And many of our congregations are continuing to engage their neighbors in new and creative ways. All of these efforts will continue in 2015 and beyond.

### **OVERVIEW OF THE 2015 DIOCESAN OPERATING BUDGET**

#### **Income**

Our budget is funded by our call to live into God’s abundant future with about 71% of income coming from pledges from the congregations in the Diocese. The 2015 budget for pledge income reflects a slight decrease as compared with the 2014 budget and is based on current estimate of the final amount of income we will receive for 2014 as well as the 2015 pledges received so far. After eight years of declining pledge income from 2002 through 2010, pledge income has approximated \$2.1 million in each of the years since then; that is also the amount that is budgeted to be received as pledge income in 2015.

*The proposed budget includes a slight decrease in pledge income in 2015.*

Other revenue comes from donations to the Alleluia Fund, which directly supports our outreach efforts. The year 2014 saw the efforts that were expended to more actively promote the Alleluia Fund rewarded with donations that exceeded the amount received in any year since the Alleluia Fund began in 2010. In addition we receive income from investments, fees, and leasing of portions of Episcopal House. Other income—from funds invested for missional opportunities, from the sale of church properties, and from the Bishop’s Discretionary Funds—provide the resources needed to cover the expenses for the year.

#### **Expenses**

A number of years ago Diocesan Council determined that it would be more appropriate and informative to present the annual budget in a way that related the finances of the Diocese to the mission of the Diocese. Thus, beginning in 2010, the expenses of the Diocese were

## II. Proposed 2015 Council Budget--Overview

realigned to present the budget in a way that complements the Mission Statement of the Diocese: *Equipping Congregations . . . Empowering People . . . Engaging the World . . . with the hope and justice of Jesus.*

Therefore the expenses included in the budget are presented in one of these three mission categories or in a Mission Oversight/Administration category. Amongst the goals of this approach are: (a) to include each expense in the most appropriate category; (b) to use as few allocations of expenses as possible; and (c) to provide such information on a consistent basis, year-to-year. By doing this, the budget and actual results can be compared with results of prior years.

We have also sought to not only simply show numbers but also to describe the categories of expenses so that a reader will have a better understanding of the information within the financial statement. Therefore there is a detailed explanation of the items that comprise each income and expense line. Additional details have been included in this year's budget to provide even more information.

As an example, the compensation and benefits of the Diocesan staff are included in each of the four categories (Equipping, Engaging, Empowering, and Mission Oversight/Administration). Because compensation and benefits account for the largest single expenditure, we have included an exhibit that summarizes the total compensation and benefits and provides details as to the breakdown of that single amount into its principal components—salary, taxes, medical/dental insurance, pension, and other benefits.

### **THE OPERATING BUDGET EXPENSE CATEGORIES**

#### **Overview**

The expenses of the operating budget are included in one of four categories, each of which is outlined below. Further details as to the individual expenses included in these categories follows the Proposed 2015 Budget itself, and are cross-referenced to the budget by line item.

The most important resource that the budget supports is to enable the Diocese to live into Christ's mission through the staff at Episcopal House. The compensation for the 14 full-time individuals on the Diocesan staff are included in the Staff lines in the *Equipping Congregations, Empowering People, Engaging the World, and Mission Oversight/Administration* portions of the budget. The only change in this number of employees is that the 2015 budget reflects the Coordinator for Missional Church Strategy who became a full-time employee in 2015 as compared to half-time in 2014.

#### **Equipping Congregations**

The Finance Department, Coordinator for Missional Church Strategy (Coordinator), and Diocesan Property Manager's efforts equip congregations for ministry by supporting them in the stewardship of their resources.



## II. Proposed 2015 Council Budget--Overview

**The Finance Department** works with clergy and laity throughout the Diocese regarding property and health insurance as well as pension questions and issues. It also works with congregations to provide support and answer questions with regards to clergy compensation,

*Equipping  
Congregations . . .  
through our missional  
initiatives, consulting  
services, and by  
providing stewardship  
resources and  
assistance in finance,  
tax, and audits of the  
records of each  
church.*

taxation issues, bookkeeping and accounting matters, audits, submission of parochial reports and annual pledges to the Diocese, and other financial areas. Financial matters are handled and reported to Diocesan Council

on a monthly basis and, together with the Budget & Finance Committee, the Finance Department prepares the annual budget that is presented to Convention for its review and adoption. The Finance Department also provides counsel and financial analysis to congregations experiencing financial challenges.

**Missional Initiatives:** For the third year in a row the budget includes spending to help the diocese and congregations become more missional. It is important that we look at this in a holistic way, with the diocese providing support to congregations as they experiment with ways of identifying what God is doing in the unique neighborhoods of our congregations.

Much has happened since early in 2012 when the Bishop announced the creation of a team which began the work of developing plans to assist congregations to identify their individual missional initiatives. In 2013 we took the critical step of hiring a half-time Coordinator for Missional Church Strategy. The Coordinator works with a team to assist our congregations in their discernment and works closely with congregations to identify possible missional

initiatives. The budget includes funds for consultants who will work with congregations, trained clergy, and lay persons who will work closely with congregations.

It is also expected that there may be shared ministry opportunities where several congregations can work together to share resources that individual congregations could not provide on their own—for example, hiring a youth minister to work with a number of congregations. The budget includes some funding to encourage these possibilities, including clergy sharing.

**Missional Funding:** We are fortunate that there are investment and endowment funds that provide the financial resources to enable the Diocese to undertake these missional efforts.

The New Ministry Initiatives Fund can be used to provide necessary financial resources, and the income from the Margie Christie

*The New Ministries  
Initiatives Fund  
enables us to invest  
in our future.*

Congregational Growth & Vitality Fund (funds from which are not required in 2015) has in the past two years been available, intended to be used to enable ministry initiatives that can assist congregations in their missional efforts.

The **Advisor to the Bishop for Development** works with the Bishop, Fund Development Committee, staff and others to share the stories of lives transformed by our Alleluia Fund ministries partners and promote participation. In addition, the Advisor consults with the Bishop and others regarding other potential areas of fund development for the Diocese.

**Clergy and Congregation Transitions:** A key role of the Diocese is to assist congregations with clergy transitions as well as ministry, clergy, and congregational development through the efforts of the Canon to the Ordinary. This takes the form of assistance provided by the Canon to the Ordinary as well as by trained consultants



## II. Proposed 2015 Council Budget--Overview

who work with congregations in the areas of mission, mutual ministry reviews, and other matters.

**Stewardship:** During 2014 there was a continued effort to provide support to congregations in their stewardship efforts. Three workshops were held where representatives from one-third of the congregations in the Diocese attended to learn more about year-round stewardship, planned giving, generational giving, and other stewardship best practices. At Vestry University in October, two stewardship and one “Finance for the Vestry” sessions were held.

**The Diocesan Property Manager** is responsible for overseeing the Episcopal House building in Newark, closed church properties, and the Bishop’s residence, as well as providing property advice and support to all congregations as needed. In the past several years, for example, support has been provided to congregations that have suffered damage from storms, and the Diocesan Property Manager has worked closely with congregations on insurance claims and issues.

### Empowering People

The Secretary of Convention, Director of Youth & Young Adult Ministries, Bishop’s Executive Assistant, and Administrator for Diocesan Ministries are key liaisons to the congregations

*Empowering People . . . working with congregations to give them the support and resources to do God’s work.*

in the Diocese through their efforts to empower people in various ministries and make connections across the Diocese. This

staff work, in addition to funding for the Commission on Ministry, the annual Clergy Conference, Namaste (Dismantling Racism), Hispanic/Latino and other ministries, empowers

the lay and clergy of our Diocese to do the work that God is calling us to do.

The Director of Youth and Young Adult Ministries, for example, provides a wealth of resources to the Diocese and its congregations through programs such as *Happening* and peer training. One goal is to nurture the spiritual formation and leadership skills of the youth and young adults of the Diocese and encourage them to fully participate in the life of the church—locally, on a Diocesan level, and globally. By consulting with congregations, and providing them and their youth ministers with resources and developing connections among them and other church and community leaders, these efforts help congregations enhance their communal life.

### Engaging the World

The Canon to the Ordinary, Communications & Technology Director, and the Administrative Assistant for Diocesan Services all work closely with our congregations to develop ministries that enable them to engage the world by sharing their stories and inviting others to participate.

We also support the broader church, as we are called to live into Christ’s mission. Our proposed budget reflects our giving to The Episcopal Church (TEC) at an increased dollar level than that given to TEC in 2014. We continue to address the unpaid portion of our pledge to TEC from 2008, and have again included a minor provision toward repayment of that year’s pledge.

The outreach component of the budget reflects our call to enter into the ever flowing stream of God’s justice, emboldened by the Holy Spirit to

*Engaging the World . . . we are called to do this by God—to spread the Gospel to our neighborhoods, as the church is called to serve those outside of our church doors as well as those inside.*



## II. Proposed 2015 Council Budget--Overview

claim the Gospel which calls us to speak up, stand up, and act wherever we encounter injustice against both humankind and this earth. The total of our domestic and international grants reflects an increase of 3.6% in outreach spending as compared with 2014.

We are eager to communicate our commitment to God's call to us, and we do this in many ways. There have been continuing refinements of the Diocesan website to make it more informative, inviting, and helpful to congregations and individuals as well as to those seeking to learn more about our Diocese. A program begun in 2012 continues to provide support to congregations in developing and maintaining their individual websites, and a number of congregations have improved their communications because of this assistance. Two eNewsletters are each published bi-weekly: *The VOICE Online* provides general interest information and *Leadership News* provides information that is relevant to clergy, wardens, treasurers, parish administrators, and other church leaders.

We continue to seek opportunities to address social justice issues in a number of ways. The budget includes funding for a portion of the costs for a social justice advocate who will represent our diocese, the Diocese of New Jersey, and the New Jersey Lutheran Synod by advocating for social justice issues in Trenton.

There are also a number of events that are developed and sponsored by the Diocese, such as the annual Vestry University, that provide opportunities for congregational leaders to gather, attend workshops on a variety of issues—from stewardship to property maintenance, from the role of a warden to healthy congregational leadership practices—and to make connections with leaders of other congregations.

And there are committees and commissions that are supported so that they can engage the world in myriad ways, through providing liturgy and music at Convention, confirmations and ordinations, as well as by providing opportunities to learn more about others through our Ecumenical and Interfaith Officer, our relationship with our companion diocese of Panama, and the other dioceses that are also part of Province II.

### **Mission Oversight and Administration**

A Diocesan budget and staff are a necessity in the Episcopal Church. A portion of our budget, therefore, is devoted to the basic administrative costs of having a Bishop, staff and building.

An important component of the budget is the assistance that is provided to eligible clergy and lay persons by providing health insurance and a pension plan that benefits lay employees. Being good stewards also entails performing regular audits, adequately insuring our properties, and keeping them in good repair. The costs associated with these areas, as well as providing the necessary technology and support for the Bishop, are included in this area of the budget.



## II. Proposed 2015 Council Budget--Overview

### **THE BOTTOM LINE**

The net result of all of the deliberations held while preparing the budget is that a balanced budget was created where income is equal to expenses.

There are challenges as there always will be, but it is important that we allocate our resources wisely to achieve the most appropriate structure that will support the congregations and their ministries in the Diocese. This proposed budget attempts to accomplish that.

We have done this by reducing costs where possible while at the same time providing the resources to support congregations as well as the clergy and laity of the Diocese. In addition, the budget includes funding to support missional initiatives, providing resources that will be used to train congregational leaders and provide consultants and companions so that the churches in our Diocese can better reach into their communities. And the budget also provides funds to continue reducing the underfunded lay pension plan liability and fund the next Bishop's search.

The Proposed 2015 Budget is located on the next page. That is followed by several pages that provide additional information about each of the line items included in the budget. It is hoped that this will give the reader the information needed to better understand the budget of the Diocese.

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**DIOCESE OF NEWARK**  
**Proposed 2015 Budget**

	Description	Budget 2014	Projected 2014	Budget 2015	2015 Budget Assumptions
	<b>Income</b>				
1	Pledge Revenue	\$ 2,125,000	\$ 2,100,000	\$ 2,100,000	
2	Alleluia Fund	100,000	113,000	120,000	Funds portion of lines 36 & 37
3	Investment Income	98,000	98,000	100,000	
4	Investment Administration Fee	115,000	121,000	124,500	25 basis points fee
5	Direct Administration Fees	31,200	31,200	39,700	
6	Rental Income-Episcopal House	63,000	63,000	63,000	Two tenants for full year
7	New Ministry Initiatives	134,640	94,333	161,692	Funds 15, 16, 18 and portion of line 14
8	Missional Church Grants	-	40,000	90,000	Funds part of line 14
9	Marge Christie CGVF	25,000	25,000	-	In 2015, MC Fund will make grants
10	Proceeds from Sale of Properties	131,000	131,000	103,000	Funds line 53, 60 and portions of staff lines
11	Bishop's Discretionary Fund	45,000	45,000	45,000	
12	Cross Roads Scholarship Fund	2,600	2,979	3,000	Funds line 29
13	<b>Total Income</b>	<b>2,870,440</b>	<b>\$2,864,512</b>	<b>\$2,949,892</b>	
	<b>Expense</b>				
	<b>Equipping Congregations</b>				
14	Staff Comp: Finance; Missional Coord.	396,160	387,075	447,649	Portion Funded by income in lines 7 and 8
15	Missional Church Initiatives	54,640	20,000	40,000	Funded by line 7
16	Missional Church Initiatives-TMN	-	43,333	52,000	Funded by line 7
17	Investing in Our Neighborhood	-	-	1,000	
18	Fund Development	50,000	41,000	50,000	Funded by line 7
19	Congregation/Clergy/Min. Development	16,150	15,211	16,150	
20	Stewardship	10,000	7,000	7,000	
21	Bishop Anand Resource Center	2,000	1,500	500	
22	<b>Total Equipping Congregations</b>	<b>528,950</b>	<b>515,119</b>	<b>614,299</b>	
	<b>Empowering People</b>				
23	Staff Comp: Sec'y to Convention; Dir. Youth & Young Adult; Bishop's Exec.; portion of Admin for Diocesan Ministries	331,650	331,811	341,055	
24	Christian Formation	15,025	10,000	12,000	
25	Diocesan Convention	7,650	6,609	3,700	
26	Clergy Conference	5,500	7,500	7,500	
27	Commission on Ministry	5,500	6,106	3,000	
28	Latino/Hispanic Ministry	4,900	2,500	2,800	
29	Cross Roads Ministry	2,600	2,979	3,000	Funded by income in line 12
30	Education for Ministry	2,100	2,100	2,100	
31	Namaste (Dismantling Racism)	700	700	700	
32	<b>Total Empowering People</b>	<b>375,625</b>	<b>370,305</b>	<b>375,855</b>	
	<b>Engaging the World</b>				
33	Staff Comp: Canon; Dir. Communication & Tech; Admin Asst for Diocesan Services	346,985	354,397	309,328	
34	The Episcopal Church (TEC) Pledge	436,500	436,500	467,200	
35	TEC 2008 Pledge Arrears	10,000	10,000	10,000	
36	Domestic Outreach Grants	145,000	145,000	150,400	
37	International Outreach Grants	20,093	20,093	20,650	
38	General Convention 2015	17,000	17,000	17,000	
39	Communications	11,140	6,428	9,065	
40	Alleluia Fund Development	6,500	3,716	5,000	
41	Province II	6,360	6,360	6,360	86% of ask
42	NJ Advocacy	-	-	10,000	
43	Deacons	4,500	2,166	3,000	
44	Liturgy & Music	4,000	3,571	4,000	
45	Cathedral	3,000	3,000	3,000	
46	Ecumenical & Interfaith Officer	2,005	2,490	2,500	
47	Companion Diocese	2,000	-	2,000	
48	Prison Ministry	500	500	500	
49	ERD Coordinator	500	500	500	
50	<b>Total Engaging the World</b>	<b>1,016,083</b>	<b>1,011,721</b>	<b>1,020,503</b>	
	<b>Mission Oversight/Admin</b>				
51	Staff Comp: Bishop, Sexton, Receptionist, portion of Admin for Diocesan Ministries	380,246	378,234	385,064	
52	Post-Retirement Insurance	93,000	92,000	87,700	
53	Lay Pension	75,000	75,000	69,000	Pension plan liability; funded by line 10
54	Administration	84,994	85,327	86,590	
55	Finance	92,900	91,269	90,158	
56	Buildings & Grounds	104,458	106,000	102,773	
57	Information Technology	30,084	30,264	28,800	
58	Bishop's Expenses	49,200	51,923	52,300	
59	Bishop's Office	9,900	9,892	9,850	
60	Search & Call of Next Bishop	30,000	30,000	27,000	Funded by line 10 (five-year plan to fund)
61	<b>Total Mission Oversight/Admin</b>	<b>949,782</b>	<b>949,909</b>	<b>939,235</b>	
62	<b>Total Expense</b>	<b>2,870,440</b>	<b>2,847,054</b>	<b>2,949,892</b>	
63	<b>Surplus</b>	<b>\$ -</b>	<b>\$ 17,458</b>	<b>\$ -</b>	

## II. Proposed 2015 Council Budget— Line Item Details

The following pages provide line by line detail of the proposed 2015 operating budget for the Diocese of Newark.

### INCOME

1. **Pledge Revenue.** Pledges from congregations to support the Diocesan operating budget were received from approximately 72% of the congregations by January 6, 2015. The budget represents an estimate of what is expected to be pledged to the Diocese when all pledges are received, less an amount for pledges that may not ultimately be paid.
2. **Alleluia Fund.** The Alleluia Fund for Outreach was created to give individuals and congregations an opportunity to participate with others across our Diocese to make a significant and important difference in the lives of many. Since its inception in 2010, donations to the Alleluia Fund have enabled the Diocese to make grants totaling \$724,000 to nearly 60 organizations. Budgeted income in 2014 of \$120,000 will provide 70% of domestic and outreach grants that are reflected in lines 36 and 37; the balance of outreach will be funded by pledge and other revenues.
3. **Investment Income.** The estimated income from investments is principally based on a spending rule that was established and has been used since 2011 of 4% applied to the average market value of investments over the preceding 12 quarter-ends. Such funds are invested through the Diocesan Investment Trust in its Growth Fund which has a target asset allocation of 74% equities and 26% fixed income securities. The amount of income includes approximately \$20,000 from Trustees' investments that it provides to support this operating budget.
4. **Investment Administration Fee.** Since approved in 2010, an investment administration fee is charged by the Diocese for funds invested in the DIT. This fee applies to substantially all funds and is calculated at .0625% (6.25 basis points) of the market value of the fund on a quarterly basis (0.25% or 25 basis points per year). Because the Diocese manages the relationship with TIAA-CREF, and provides staff support to investors, we are able to provide access to the institutional investment expertise and management fees that would not be available otherwise. The total of (a) this administration fee as well as (b) the TIAA-CREF management fee and fund fees (both of which fees were reduced in 2014 by 0.13%, or 13 basis points) is approximately 0.83% (83 basis points).
5. **Direct Administration Fee.** The Diocesan staff performs accounting and other services for a number of Diocesan entities for which there is a direct administrative charge. The charges, after no changes since 2011, were increased to offset the costs associated with those services:

<u>Entity</u>	<u>Charge</u>
ACTS/VIM Fund	\$12,500
Ward J. Herbert Fund	12,500
Bishop's Church Emergency Fund	4,000
Episcopal Capital Loan Fund	4,000
Gertrude Butts Fund	2,750
Other	3,950



## II. Proposed 2015 Council Budget— Line Item Details

6. **Rental Income—Episcopal House.** In June 2012, the fifth floor of Episcopal House, located at 31 Mulberry Street in Newark, was leased to the Victoria Foundation, a not-for-profit organization that provides grants to programs that impact the cycle of poverty in Newark. The lease has an initial term of ten years. The lease for another tenant for a portion of the first floor was renewed for a two-year period effective September 2014.
7. **New Ministries Initiative Fund.** This fund is available to support new ministries of congregations and the diocese. As in the past two years, these funds will be used to support a portion of the compensation of the Coordinator for Missional Church Strategy (the related expense is included in Line 14), Missional Church Initiatives (Line 15), Missional Church Initiatives—TMN (Line 16), and Fund Development (Line 18). Refer to Exhibit 1 for further information.
8. **Missional Church Grants.** The diocese received grants from a trust to be used for funding missional church initiatives in 2013 and 2014; an application for additional funding has been submitted, and the budget assumes that a grant will be received in 2015. In addition, the budget will be provided with funds in 2015 that were earmarked for use for missional initiatives. These funds will be used to pay for a portion of the compensation of the Coordinator for Missional Church Strategy (the expense is included in Line 14). Refer to Exhibit 1 for further information.
9. **Marge Christie Congregational Growth & Initiatives Fund.** Income from this endowment were available and used in 2013 and 2014 to support missional church initiatives. Since the income will be used for other purposes in 2015, the budget does not assume any income from that source.
10. **Proceeds from Sale of Properties.** Closed church properties were sold in 2012 and 2014 and a portion of the proceeds of those sales were made available to provide funds to reduce the underfunded lay pension plan (the funded expense is included in Line 53 and a portion is included in the staff compensation lines) and to add to the fund for the search and call of the next diocesan bishop (Line 60). Refer to Exhibit 1 for further information.
11. **Bishop's Discretionary Funds.** There are funds that have been donated to create the Bishop's Discretionary Funds (BDF). Such funds are restricted in that only the income from those funds may be used. A number of years ago an analysis determined that some operating expenses of the Diocese were being paid by the BDF. Since 2011, these expenses have been included in the operating budget of the Diocese. The BDF makes a contribution to offset those costs.
12. **Cross Roads Scholarship Funds.** The income from the restricted Cross Roads Scholarship Fund is designated for the Cross Roads Camp ministry, and is used to pay the expenses that are reflected in the operating budget shown on Line 29.

## II. Proposed 2015 Council Budget— Line Item Details

### **EXPENSES**

#### **Compensation**

Staff expenses constitute the largest share of the expenses of the Diocese, accounting for 50% of total expenses in the 2015 budget. There are 15 full-time persons on Diocesan staff; the Diocesan Property Manager's compensation is paid by the Trustees of the Episcopal Fund and, therefore, is not included in this budget. The 2015 budget includes a 3% increase in the compensation of the staff. Medical costs are budgeted to increase by approximately 1.5% in 2015, while dental costs are budgeted not to increase; the staff contributes 10% to the cost of their medical insurance through payroll deductions.

The staff employees are included in the categories as noted below. Refer to Exhibit 2 for details about the compensation and benefits for the Diocesan staff.

#### **Equipping Congregations**

In this section of the budget, we include our Diocesan Finance Office, the Coordinator for Missional Church Strategy ("Coordinator"), and the Diocesan Property Manager. Included here are the efforts of our Diocese to form disciples and strengthen our faith communities for mission. It also includes the Diocesan staff that helps congregations and the Diocese to maintain our properties and administer our financial resources.

14. **Staff.** There are three staff members in the Finance Department and the Coordinator which was a half-time position in 2014 but, effective January 1, 2015, is a full-time position. The compensation related to the property manager is subsidized by the Trustees, as a substantial amount of his time is dedicated to properties held in trust by the Trustees; therefore, none of the property manager's compensation or benefits are reflected in this budget, which is consistent with the three prior years. A portion of the compensation of the Coordinator is funded by the New Ministries Initiatives Fund (Line 7) and Missional Church Grants (Line 8).
15. **Missional Church Initiatives.** As noted in more detail (in the Equipping Congregations section that precedes the budget), this line item includes the costs associated with the training and educating of individuals who will assist congregations in becoming missional churches. In addition, costs associated with church experiments in missional initiatives as well as regional and cluster ministries are included here.
16. **Missional Church Initiatives—TMN.** In 2014 the diocese began a relationship with The Missional Network (TMN), consultants who are assisting the diocese and congregations in their missional initiatives, including the Going Local Program for congregations and working with clergy and laity with regards to necessary education and assistance. The budget assumes that TMN will continue to work with the diocese, congregations, clergy and laity, under the direction of the Coordinator, during 2015. The costs associated with this (in Lines 14, 15, and 16) are funded by income from the New Ministries Initiatives Fund in Line 7.
17. **Investing in Our Neighborhood.** As part of our Missional Church Initiatives, and consistent with the Going Local process undertaken by a number of congregations, the Bishop and staff at Episcopal House have determined that it, too, must define its neighborhood and seek to engage with it. The budget includes an amount that may be used to assist in identifying that neighborhood and funding any resulting experiments.



## II. Proposed 2015 Council Budget— Line Item Details

18. **Fund Development.** This line includes the cost of the consultant retained as Advisor to the Bishop for Fund Development and related expenses. This individual provides fund development consulting services to the Bishop and the Fund Development Committee.
19. **Congregation/Clergy/Ministry Development.** These are expenses of the office of Canon to the Ordinary that provide consultants and training resources to congregations and clergy during periods of ministry transition. In addition, this department provides resources for congregations needing assistance with conflict resolution, congregational growth and development, change management, and mutual ministry reviews.
20. **Stewardship.** Costs relating to providing stewardship education and other resources throughout the Diocese, including the annual fee for membership in The Episcopal Network for Stewardship (TENS), is included in this line.
21. **Bishop Anand Resource Center.** This center provides tools, resources and educational material to help individuals, commissions/committees and congregations work effectively. It operates both as a lending library and as a low-cost resource for books, journals and digital materials.

### **Empowering People**

This section of the budget focuses on the ministries which help each of us find our voice to live as the people of God. It includes our efforts to lift up lay and clergy through Education for Ministry, the annual Clergy Conference, Cross Roads Camp and the Commission on Ministry, as well as those that further racial justice and cultural diversity.

23. **Staff.** Salaries and benefits for the Secretary of Convention, also serving as Administrative Officer of the Diocese, Director of Youth and Young Adult Ministries, the Bishop's Executive Assistant, and one-half of the compensation cost for the Administrator for Diocesan Ministries are included here.
24. **Christian Formation.** Expenses here include the cost of retreats and conferences for youth and young adults, including subsidies and scholarships for those who require such assistance.
25. **Diocesan Convention.** The estimated \$97,000 cost of the annual Diocesan convention is substantially offset by registration fees and fees paid by vendors. The 2015 registration fee of \$190 per deputy is the same as the fee for the past three years, resulting in a net expense of \$3,700 for the 2015 convention. Refer to Exhibit 3 for additional details.
26. **Clergy Conference.** Annual grants, a contribution from the Bishop's Discretionary Fund, and fees charged to participants pay most of the cost of the annual fall clergy conference and Lenten clergy retreat. This line item reflects the expense of the conference, net of these income sources.
27. **Commission on Ministry.** Expenses include costs related to the support of individuals who are in the process of seeking ordination to the priesthood or diaconate, including subsidies for those individuals. In addition, this line item includes the costs of Diocesan workshops on ordained and lay ministry and the administrative costs of the commission and its subcommittees.





## II. Proposed 2015 Council Budget— Line Item Details

28. **Latino/Hispanic Ministry.** Provides information and resources through workshops and presentations to congregations that are actively engaged in or seeking to become engaged in Latino/Hispanic ministry.
29. **Cross Roads Camp Ministry.** The Diocese provides assistance to Cross Roads Camp in support of their scholarship assistance to campers. In 2015, as in the three prior years, all of the funding for this line item comes from the income received from funds given expressly for camp scholarships (see Line 12).
30. **Education for Ministry.** This line item subsidizes the cost to EfM participants; in 2014 there were six seminar groups with a total of 75 participants in the Diocese.
31. **Namaste (Dismantling Racism).** Provides anti-racism training and related education for clergy, postulants, and elected and appointed Diocesan lay leaders and congregations. The funds here subsidize the cost of these training events.

### Engaging the World

This section of the budget targets ministry beyond the Diocese of Newark and includes our pledge to The Episcopal Church and funding for our deputation to the triennial General Convention. Also included here is our funding for outreach grants, both domestic and international, and our ministries which focus on the incarcerated, our companion diocese relationship with Panama, and ecumenical and interfaith relations.

33. **Staff.** Salary and benefits for the Canon to the Ordinary, Director of Communications and Technology, and the Administrative Assistant for Diocesan Services are included here.
34. **The Episcopal Church Pledge.** Our 2015 pledge to The Episcopal Church (TEC) of \$467,200 represents the amount that TEC has requested of the Diocese for this year. This pledge approximates 15.8% of total income compared with 15.2% in 2014.
35. **TEC 2008 Pledge Arrears.** Our pledge to The Episcopal Church in 2008 was \$609,674, of which we have paid \$169,000, leaving a balance still due of \$440,674 as of the end of 2014. The budgeted amount for 2015 continues to make some progress toward reducing the balance due by an additional payment of \$10,000.
36. **Domestic Outreach Grants.** Our commitment to funding outreach as part of our operating budget includes grants to domestic (Line 36) as well as international entities (on Line 37). The 2015 budget for domestic and international outreach grants (on Lines 36 and 37) reflects an increase of 3.6% over the 2014 amount, and is equal to 5.8% of total income.

Exhibit 7 shows these components of the budget that are considered outreach, as well as other monies from investments and endowments that provide support to congregations and scholarships. In total, the Diocese expects to provide nearly \$1.3 million for outreach, congregational support, and scholarships in 2015, an average of about \$1.1 million for each of the last three years.

37. **International Outreach Grants.** We are committed to contribute at least 0.7% of our income to International needs, and the budget reflects that commitment.





## II. Proposed 2015 Council Budget— Line Item Details

38. **General Convention 2015.** General Convention is held every three years, and the estimated cost is accrued over a three-year period. We have estimated that the 2015 General Convention will cost approximately \$51,000; we included one-third of that in 2013 and 2014, and the same amount is included in the 2015 budget.
39. **Communications.** Includes costs for ongoing development and support of the Diocesan website as well as support provided to congregations to develop their individual websites. In addition, this line item includes the costs associated with *The VOICE Online*, *Leadership News*, and other Diocesan communications, as well as support to individual congregations as needed.
40. **Alleluia Fund Development.** Represents the estimated amount to cover expenses relating to Alleluia Fund development, including printing, postage, and other communication costs.
41. **Province II.** The Diocese is a part of Province II of The Episcopal Church. The 2015 expense represents approximately 86% of the amount requested by Province II to support its work, equal to the percentage paid in 2014.
42. **NJ Advocacy.** The budget includes an amount to provide a portion of the costs of an individual from the New Jersey Lutheran Synod who advocates for social justice issues in Trenton. The diocese is participating with the Diocese of New Jersey and the Lutheran Synod in funding this individual.
43. **Deacons.** Provides training and support to deacons of the Diocese, including the cost for participation at the Directors/Archdeacon Conference and the annual National Association of Diaconate Directors conference.
44. **Liturgy & Music.** Designs liturgies for Diocesan services (Diocesan Convention, confirmations, and ordinations) and provides liturgical resources for congregations throughout the year.
45. **Cathedral.** This expense reaffirms the Diocese's appreciation for and commitment to our cathedral, and provides funds to offset utility and other costs incurred by the Cathedral when it is used for Diocesan events.
46. **Ecumenical and Interfaith Officer.** Represents the Bishop and the Diocese in ecumenical and interreligious relationships and dialogue. Expenses include funding for ecumenical guests at Diocesan Convention.
47. **Companion Diocese.** As our relationship with the Diocese of Panama is reaffirmed and strengthened, this line item includes costs relating to travel expenses expected to be incurred in 2015.
48. **Prison Ministry.** The Diocesan budget supplements funds that are contributed directly to this commission whose ministry is to children whose parents are incarcerated and to adult inmates of Northern State Prison. Summer camperships, Saturday mentoring, and subsidized transportation to visit parents are important programs for the children; Bible-study and Prison Pen Pals are ministries with adults.





## II. Proposed 2015 Council Budget— Line Item Details

49. **Episcopal Relief and Development (ERD) Coordinator.** Coordinates the Diocese's communication about and connection with ERD. These funds pay for the costs of the ERD Coordinator to attend the annual Coordinators' Network meeting.

### Mission Oversight/Administration

This section of the budget funds the broad expense categories of oversight and administration, including the office of the Bishop.

51. **Staff.** Salary and benefits for the Bishop, the receptionist and the sexton of Episcopal House, and one-half of the compensation cost of the Administrator for Diocesan Ministries are included here.
52. **Post-Retirement Insurance.** The Diocese has committed to pay for health insurance for certain retired clergy and spouses/dependents, for those retired (or eligible for retirement) as of July 1, 2009; this commitment includes subsidizing health insurance for those not yet eligible for Medicare. Medicare-eligible retired clergy and spouses are covered under a program provided by the Church Pension Fund. The Diocese also provides health insurance and a supplement to Medicare for lay employees who have retired from Diocesan staff.
53. **Lay Pension.** This line item includes a provision to reduce the underfunded liability of the lay pension plan. This plan is underfunded by approximately \$886,000 as of the most recent actuarial valuation, and the budget includes payments into the pension plan assets with the goal of eliminating the net liability over a 15-year period. The liability will be reviewed each year and the amount to be added to the plan assets may change for the 2016 and subsequent budgets.
54. **Administration.** The cost of office equipment leases and maintenance, supplies, postage, meals for committee and other meetings, and other related costs are included here. Exhibit 4 lists the principal components of this line item.
55. **Finance.** The cost of property and liability insurance, annual audits, the mortgage on Episcopal House, and other related costs are included in this line item. Exhibit 5 lists the principal components of this line item.
56. **Buildings and Grounds.** Utilities, maintenance, and other costs for Episcopal House are summarized in Exhibit 6.
57. **Information Technology.** The cost of technology at Episcopal House, including computer equipment, software, network service, and other support.
58. **Bishop's Expenses.** Per the letter of agreement with the Bishop, this includes travel, entertainment, and auto costs of the Bishop, and utilities, maintenance, and other costs for the Bishop's residence.
59. **Bishop's Office.** Office supplies and other costs for the office of the Bishop.



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## **II. Proposed 2015 Council Budget— Line Item Details**

60. **Search & Call of Next Bishop.** It is estimated that the search and call of the 11<sup>th</sup> Bishop of the Diocese of Newark will cost approximately \$150,000, similar to the cost of the most recent search and call. This line item continues funding that cost over a five-year period that began in 2013.

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**Diocese of Newark  
Expenses Funded by Outside Sources  
Budget -- 2015**

**Funded by New Ministries Fund (Line 7)  
and Missional Church Grants (Line 8)**

Category of Spending	New Ministries Initiatives Fund	Missional Church Grants	Total	Expense Lines
Coordinator for Missional Church Strategy & Missional Church Initiatives	\$ 111,692	\$ 90,000	\$ 201,692	14, 15 & 16
Fund Development	50,000	-	50,000	18
<b>Total</b>	\$ 161,692	\$ 90,000	\$ 251,692	

**Funded by Proceeds of  
Sales of Properties (Line 10)**

Category of Spending	Undesignated Proceeds of Property Sales	Expense Lines
Lay Pension	\$ 76,000	53 & Comp. Lines
Search and Call of Next Bishop	27,000	60
<b>Total</b>	\$ 103,000	

**Diocese of Newark  
Compensation and Benefits (Lines 14, 23, 33 and 51) (a)**

Category	# Empl	Budget 2015					Total
		Wages	FICA	Pension	Medical & Dental	Other Benefits (b)	
<u>EQUIPPING CONGREGATIONS</u> Finance Department; Coordinator for Missional Church Strategy	4.0	\$ 325,546	\$ 18,835	\$ 42,775	\$ 48,768	\$ 11,725	\$ 447,649
<u>EMPOWERING PEOPLE</u> Secretary of Convention; Director, Youth/Young Adult Ministry; Bishop's Exec Asst; portion of Admin for Diocesan Ministries	3.5	238,578	18,251	21,472	51,970	10,784	341,055
<u>ENGAGING THE WORLD</u> Canon; Director, Communications and Tech; Admin Assistant for Diocesan Services	3.0	222,729	8,582	29,995	40,200	7,822	309,328
<u>MISSION OVERSIGHT/ADMIN</u> Bishop; Sexton; Receptionist; portion of Admin for Diocesan Ministries	3.5	239,216	8,310	52,768	76,300	8,470	385,064
Total -- 2015 Budget	14.0	\$ 1,026,069	\$ 53,978	\$ 147,010	\$ 217,238	\$ 38,801	\$ 1,483,096
Category	# Empl	Projected 2014					Total
<u>EQUIPPING CONGREGATIONS</u>	3.5	\$ 272,108	\$ 18,287	\$ 37,581	\$ 48,109	\$ 10,990	\$ 387,075
<u>EMPOWERING PEOPLE</u>	3.5	231,629	17,720	20,847	51,290	10,325	331,811
<u>ENGAGING THE WORLD</u>	3.0	246,831	10,213	38,937	50,518	7,898	354,397
<u>MISSION OVERSIGHT/ADMIN</u>	3.5	232,249	8,068	54,665	75,241	8,011	378,234
Total -- 2014 Projected	13.5	\$ 982,817	\$ 54,288	\$ 152,030	\$ 225,158	\$ 37,224	\$ 1,451,517

(a) Excludes the property manager whose compensation is paid by Trustees.

(b) Includes costs for unemployment, workers' compensation, disability, and life insurance.

**Diocese of Newark**  
**Diocesan Convention -- 2014 and 2015 (Line 25)**

Description	Budget 2014	Projected 2014	Budget 2015
<b>Income</b>			
Registration and Meals	\$ 88,000	\$ 88,231	\$ 88,790
Vendor Fees	5,000	5,650	5,000
Total Income	<u>93,000</u>	<u>93,881</u>	<u>93,790</u>
<b>Expenses</b>			
Hotel -- Rooms and Food	73,000	72,247	66,700
Audio/Visual Services	12,000	15,790	15,000
Election Services/Scantron	5,100	7,695	7,000
Miscellaneous	10,550	4,758	8,790
Total Expenses	<u>100,650</u>	<u>100,490</u>	<u>97,490</u>
Net Expense	<u>\$ 7,650</u>	<u>\$ 6,609</u>	<u>\$ 3,700</u>

**Diocese of Newark**  
**Administration (Line 54)**

Description	Budget 2014	Projected 2014	Budget 2015
Telephone lease and costs	\$ 16,480	\$ 18,388	\$ 19,800
Copier lease and costs	13,905	13,669	15,600
Meals for committee and other meetings	12,915	13,997	13,500
Printing and office supplies	8,858	10,411	10,900
Postage and shipping	10,712	11,252	11,000
Temporary staff	16,047	13,908	7,790
Continuing education	4,584	2,722	5,000
Miscellaneous	1,493	980	3,000
Total	<u>\$ 84,994</u>	<u>\$ 85,327</u>	<u>\$ 86,590</u>

**Diocese of Newark  
Finance (Line 55)**

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Description	Budget 2014	Projected 2014	Budget 2015
Property and liability insurance	\$ 49,600	\$ 49,286	\$ 49,000
Audit fees	22,500	22,500	23,000
Mortgage, Episcopal House	9,500	9,500	9,250
Bank and payroll charges	3,400	3,392	3,300
Postage and office supplies	2,200	1,803	1,700
Continuing education	2,300	1,972	1,500
Transportation	2,200	1,905	1,408
Miscellaneous	1,200	911	1,000
Total	<u>\$ 92,900</u>	<u>\$ 91,269</u>	<u>\$ 90,158</u>

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**Diocese of Newark  
Buildings & Grounds (Line 56)**

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Description	Budget 2014	Projected 2014	Budget 2015
Utilities	\$ 53,300	\$ 53,000	\$ 54,300
Repairs and maintenance	44,898	45,898	41,813
Security system	3,100	3,604	3,600
Materials and supplies	2,500	3,098	2,500
Miscellaneous	660	400	560
Total	<u>\$ 104,458</u>	<u>\$ 106,000</u>	<u>\$ 102,773</u>

# Finance & Budget

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## *A 2015 Budget Vision for the Diocese of Newark*

**141<sup>st</sup> Convention  
January 30-31, 2015**

**Document 141AC-R06**

*Engaging the world: **What is God up to?***



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## Budget & Finance Committee

The Rev. Barrie Bates

*The Rt. Rev. Mark Beckwith*

*Mr. Tom Bisdale, Chair*

Mr. Dall Forsythe

Mr. Lyle Hatch

*The Rev. Chuck Hatfield*

Mr. Ross Mangina

*The Rev. Tom Mathews*

The Rev. John Mennell

*Ms. Martha Reiner*

Mr. Paul Shackford, CFO

Ms. Mary Sunden

Mr. Don Taylor

*Italics signifies member of Diocesan Council*



## Agenda

- 2014 Results—Projected vs. Budget
- 2015 Diocesan Pledges
- 2015 Proposed Budget
- Diocesan Funds for Outreach, Congregational Support, and Scholarships
- Trustees of the Episcopal Fund & Investments Managed by the Diocesan Investment Trust
- Summary

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## ***2014 Results— Projected vs. Budget***

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## Where Were We a Year Ago?

- Final results for 2013—a positive bottom line
- Adopted a balanced budget for 2014
  - Pledge to The Episcopal Church = 100% of “Ask”
  - Increase in outreach
  - Committed to funding missional church initiatives
  - Continued to set funds aside for lay pension plan and for search for next bishop

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## Projected 2014 Results

Description	Budget 2014	Projected 2014 *	Better (Worse) vs. Budget
<b>INCOME</b>			
Pledge Revenue	\$ 2,125,000	\$ 2,100,000	\$ (25,000)
Alleluia Fund	100,000	113,000	13,000
Funds for Specific Expenses	290,640	290,333	(307)
Investment Income	98,000	98,000	-
All Other Income	256,800	263,179	6,379
<b>Total Income</b>	<b>2,870,440</b>	<b>2,864,512</b>	<b>(5,928)</b>
<b>EXPENSES</b>			
Personnel Salaries & Benefits	1,455,041	1,451,517	3,524
Pledge to The Episcopal Church	446,500	446,500	-
Outreach	165,093	165,093	-
Missional Church Initiatives	54,640	63,333	(8,693)
Post-Retirement & Lay Pension	168,000	167,000	1,000
Office and Administration	371,536	374,675	(3,139)
All Other Expenses	209,630	178,936	30,694
<b>Total Expenses</b>	<b>2,870,440</b>	<b>2,847,054</b>	<b>23,386</b>
<b>Excess of Income Over Expenses</b>	<b>\$ -</b>	<b>\$ 17,458</b>	<b>\$ 17,458</b>

\* Includes accrual of \$116,000 for 2014 pledges expected to be received in 2015.

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## 2014 Summary

- Met our financial goals
- Missional church initiatives
- Continued fund development efforts
- Reduced liability for lay pension plan
- Added to fund for search and call of next bishop

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## ***2015 Diocesan Pledges***

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## 2015 Congregational Pledge Process

- Request of Congregations for 2015 Pledge
  - If 2014 pledge was at or above 10%
    - Increase pledge by 0.5%
  - If 2014 pledge was below 10%
    - Move half-way to 10% in 2014 with plan to reach 10% in 2016



## Status of 2015 Pledges

- 2015 Pledges submitted by 101 congregations
  - Pledge percentage – Change vs. 2014
    - 34 Increased their pledge percentage
    - 41 Maintained their pledge percentage
    - 26 Decreased their pledge percentage
  - Normal Operating Income – Change vs. 2014
    - 39 Estimate higher NOI
    - 20 Estimate the same NOI
    - 42 Estimate lower NOI
  - Pledge Dollars – Change vs. 2014
    - 40 Increased their dollar pledge
    - 26 Maintained the same dollar pledge
    - 35 Decreased their dollar pledge

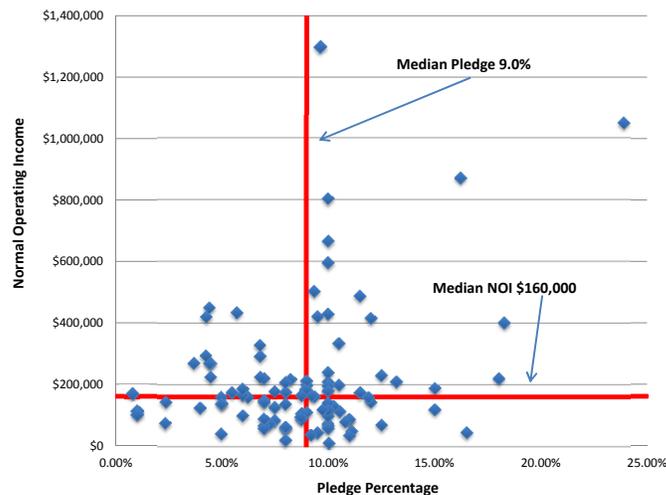


## Summary of 2015 Pledges

- Of the 101 congregations that have submitted 2015 pledges:
  - Median Pledge Percentage: 9.0%
    - Median 2014 was 9.0%
  - Median NOI: \$160,000
    - Median 2014 \$157,850
  - Total Dollars Pledged for 2015
    - Flat as compared with 2014 pledges for same congregations



## Distribution of 101 Pledges Received for 2015





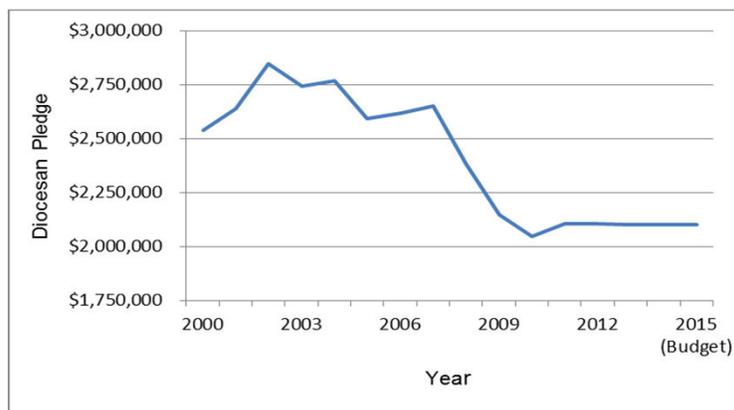
## Distribution of 2015 Pledges Received (101 Pledges)

Normal Operating Income	NOI <b>At or Above</b> \$160,000 & Pledge Percentage <b>Below</b> 9.0% <b>24 Congregations</b>	NOI <b>At or Above</b> \$160,000 & Pledge Percentage <b>At or Above</b> 9.0% <b>28 Congregations</b>
	NOI <b>Below</b> \$160,000 & Pledge Percentage <b>Below</b> 9.0% <b>25 Congregations</b>	NOI <b>Below</b> \$160,000 & Pledge Percentage <b>At or Above</b> 9.0% <b>24 Congregations</b>

Pledge Percentage



## Pledge History



## **2015 Proposed Budget**

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## **Goals of the 2015 Budget**

- Adopt a balanced budget
- Continue to provide ongoing support to congregations
- Continue funding of missional church initiatives
- Continue fund development activities
- Continue funding of lay pension plan and search & call of next bishop

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## Proposed 2015 Budget

Description	Budget 2014	Projected 2014 *	Budget 2015
<b>INCOME</b>			
Pledge Revenue	\$ 2,125,000	\$ 2,100,000	\$ 2,100,000
Alleluia Fund	100,000	113,000	120,000
Funds for Specific Expenses	290,640	290,333	354,692
Investment Income	98,000	98,000	100,000
All Other Income	256,800	263,179	275,200
<b>Total Income</b>	<b>2,870,440</b>	<b>2,864,512</b>	<b>2,949,892</b>
<b>EXPENSES</b>			
Personnel Salaries & Benefits	1,455,041	1,451,517	1,483,096
Pledge to The Episcopal Church	446,500	446,500	477,200
Outreach	165,093	165,093	171,050
Missional Church Initiatives	54,640	63,333	93,000
Post-Retirement & Lay Pension	168,000	167,000	156,700
Office and Administration	371,536	374,675	370,471
All Other Expenses	209,630	178,936	198,375
<b>Total Expenses</b>	<b>2,870,440</b>	<b>2,847,054</b>	<b>2,949,892</b>
Excess of Income Over Expenses	\$ -	\$ 17,458	\$ -

\* Includes accrual of \$116,000 for 2014 pledges expected to be received in 2015.

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## Income

- **Pledges**
- **Alleluia Fund**
- **Funds for Specific Expenses**
- **Investment Income**
- **All Other Income**

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## Income

- **Pledges**
  - Budgeted amount is equal to amount received in 2012, 2013, and 2014
  - 1% lower than budgeted in 2014

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## Income

- Pledges
- **Alleluia Fund**
  - Record amount received in 2014
  - Budgeted income will provide 70% of total domestic and international outreach
  - Balance funded by pledges and other income

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## Income

- Pledges
- Alleluia Fund
- **Funds for Specific Expenses**
  - New Ministries Initiatives Fund
  - Marge Christie Congregational Growth & Vitality Fund
  - Proceeds from Sales of Properties

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## Funds for Specific Expenses

### ***Funded by New Ministries Fund (Line 7) and Missional Church Grants (Line 8)***

Category of Spending	New Ministries Initiatives Fund	Missional Church Grants	Total
Coordinator for Missional Church Strategy & Missional Church Initiatives	\$ 111,692	\$ 90,000	\$ 201,692
Fund Development	50,000	-	50,000
Total	\$ 161,692	\$ 90,000	\$ 251,692

### ***Funded by Proceeds of Sales of Properties (Line 10)***

Category of Spending	Undesignated Proceeds of Property Sales
Lay Pension	\$ 76,000
Search and Call of Next Bishop	27,000
Total	\$ 103,000

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## Income

- Pledges
- Funds for Specific Expenses
- Alleluia Fund
- **Investment Income**
  - Increased income resulting from higher average market value of investments

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## Income

- Pledges
- Funds for Specific Expenses
- Alleluia Fund
- Investment Income
- **All Other Income**
  - Investment and other administration fees
  - Rental income of Episcopal House
  - Bishop's Discretionary Funds

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## Expenses

- **Personnel Salaries and Benefits**
- **Pledge to The Episcopal Church**
- **Outreach**
- **Missional Church Initiatives**
- **Post-Retirement Insurance & Lay Pension**
- **Office & Administration**
- **Other Expenses**

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## Expenses

- ***Personnel Salaries and Benefits***
  - Accounts for half of total expenses
  - Number of employees stable

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## Personnel Salaries & Benefits

Category	# Empl	Budget 2015					Total
		Wages	FICA	Pension	Medical & Dental	Other Benefits (b)	
<i>EQUIPPING CONGREGATIONS</i>	4.0	\$ 325,546	\$ 18,835	\$ 42,775	\$ 48,768	\$ 11,725	\$ 447,649
<i>EMPOWERING PEOPLE</i>	3.5	238,578	18,251	21,472	51,970	10,784	341,055
<i>ENGAGING THE WORLD</i>	3.0	222,729	8,582	29,995	40,200	7,822	309,328
<i>MISSION OVERSIGHT/ADMIN</i>	3.5	239,216	8,310	52,768	76,300	8,470	385,064
<b>Total – 2015 Budget</b>	<b>14.0</b>	<b>\$ 1,026,069</b>	<b>\$ 53,978</b>	<b>\$ 147,010</b>	<b>\$ 217,238</b>	<b>\$ 38,801</b>	<b>\$ 1,483,096</b>

(a) Excludes the property manager whose compensation is paid by Trustees.

(b) Includes costs for unemployment, workers' compensation, disability, and life insurance.

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## Expenses

- Personnel Salaries and Benefits
- ***Pledge to The Episcopal Church***
  - Equals 100% of the “Ask” for 2015
    - As in 2014 and 2013
  - Includes payment towards outstanding 2008 pledge

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## Expenses

- Personnel Salaries and Benefits
- Pledge to The Episcopal Church
- **Outreach**
  - Outreach spending in 2015 reflects increase of 3.6% over 2014
  - Outreach is 5.8% of total income in 2015

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## Expenses

- **Missional Church Initiatives**
  - Provide support to congregations as they experiment with ways of being missional in their neighborhoods
  - Providing assistance and training for clergy, laity, and congregations
  - Possible shared ministry opportunities

98



## Expenses

- Missional Church Initiatives
- ***Post-Retirement Insurance & Lay Pension***
  - Certain eligible retired clergy and spouses and lay employees
  - Frozen lay pension plan

99



## Expenses

- Missional Church Initiatives
- Post-Retirement Insurance & Lay Pension
- ***Office & Administration***
  - Maintaining and operating Episcopal House and diocesan operations

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## Expenses

- Missional Church Initiatives
- Post-Retirement Insurance & Lay Pension
- Office & Administration
- **Other Expenses**
  - Costs of providing support programs to congregations

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## Proposed 2015 Budget

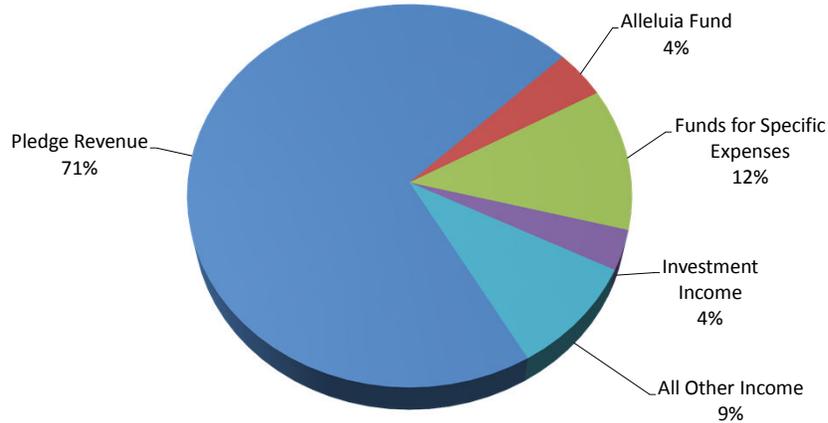
Description	Budget 2014	Projected 2014 *	Budget 2015
<b>INCOME</b>			
Pledge Revenue	\$ 2,125,000	\$ 2,100,000	\$ 2,100,000
Alleluia Fund	100,000	113,000	120,000
Funds for Specific Expenses	290,640	290,333	354,692
Investment Income	98,000	98,000	100,000
All Other Income	256,800	263,179	275,200
Total Income	<u>2,870,440</u>	<u>2,864,512</u>	<u>2,949,892</u>
<b>EXPENSES</b>			
Personnel Salaries & Benefits	1,455,041	1,451,517	1,483,096
Pledge to The Episcopal Church	446,500	446,500	477,200
Outreach	165,093	165,093	171,050
Missional Church Initiatives	54,640	63,333	93,000
Post-Retirement & Lay Pension	168,000	167,000	156,700
Office and Administration	371,536	374,675	370,471
All Other Expenses	209,630	178,936	198,375
Total Expenses	<u>2,870,440</u>	<u>2,847,054</u>	<u>2,949,892</u>
Excess of Income Over Expenses	\$ -	\$ 17,458	\$ -

\* Includes accrual of \$116,000 for 2014 pledges expected to be received in 2015.

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## 2015 Budget: Income



*Over 71% of all income for the Diocese comes from congregational pledges.*

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## 2015 Budget: Expenses

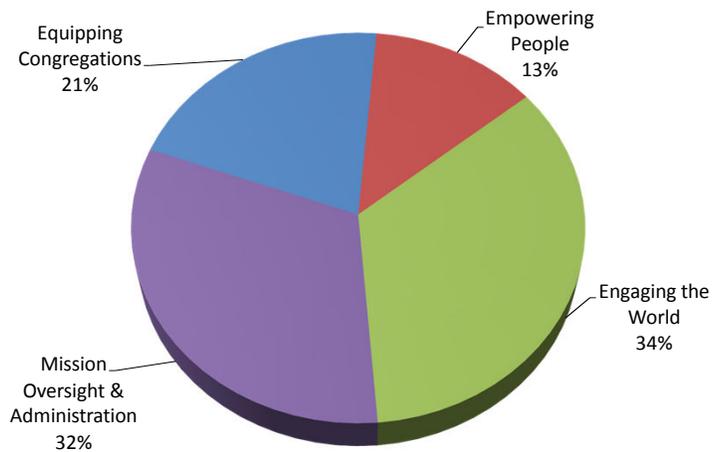
**The budget reflects our Diocesan Mission Statement:**

*Equipping Congregations . . .*

*Empowering People . . .*

*Engaging the World . . .*

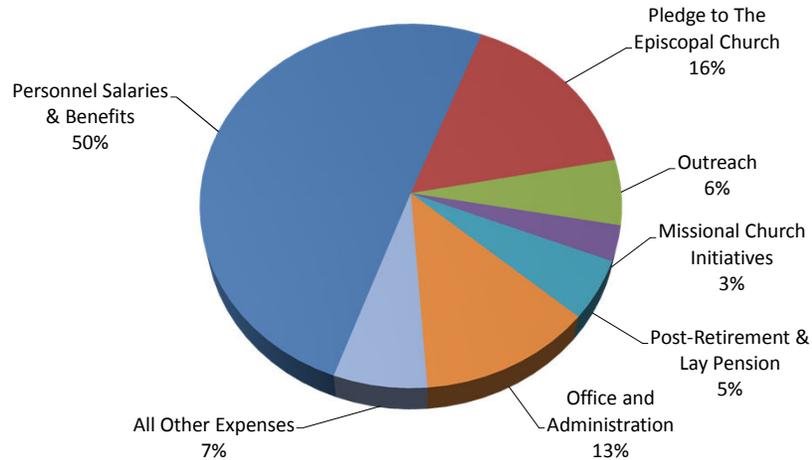
*. . . with the hope and justice of Jesus.*



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## 2015 Budget: Expenses



*Half of budgeted expenses are for personnel salaries and benefits.*

*Outreach and pledge payments to The Episcopal Church account for 22% of budgeted expenses.*

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## Summary of 2015 Proposed Budget

- Balanced Budget
- Pledges for 2015
- Funding for . . .
  - Outreach
  - Pledge to The Episcopal Church
  - Missional Church Initiatives
  - And Other Important Programs

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## **Diocesan Funds for Outreach, Congregational Support, and Scholarships**

*Engaging the world: **What is God up to?***



141st Annual Convention • Episcopal Diocese of Newark



## **Outreach, Congregational Support, & Scholarships**

Description	Actual 2013	Projected 2014	Budget 2015
<b>Outreach (a)</b>			
The Episcopal Church Pledge	\$ 438,000	\$ 446,500	\$ 477,200
Outreach (Domestic and international grants)	153,875	165,093	171,050
Total Outreach	591,875	611,593	648,250
<b>Congregational Support</b>			
Buildings	191,500	139,150	279,500
Mission	172,530	178,000	186,000
Total Congregational Support	364,030	317,150	465,500
<b>Scholarships</b>			
	151,460	130,475	156,500
Total Funding	\$ 1,107,365	\$ 1,059,218	\$ 1,270,250

(a) The Episcopal Church Pledge and Outreach are components of the 2015 operating budget. All other categories represent funds provided by investments and endowments and are *not* part of the 2015 operating budget.

***The Trustees of the Episcopal Fund  
&  
Investments Managed by the  
Diocesan Investment Trust***

*Engaging the world: What is God up to?*



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**Trustees of Episcopal Fund &  
Diocesan Investment Trust**

- Role of Trustees
  - Oversee capital assets of Diocese
  - Manage real estate
  - Provide source of funds to support closed and mission churches, as needed
  - Provide income to support 2015 budget
- Role of Diocesan Investment Trust
  - Manage \$53 million of investments

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# Investments Managed by Diocesan Investment Trust

Name / Description of Fund	Restrictions	Balance	
		Nov. 30, 2013	Nov. 30, 2014
<b>Funds for Benefit of the Trustees</b>			
Trustee Restricted Funds	Income distribution is restricted	\$ 13,198,300	\$ 12,476,846
Trustee Unrestricted Funds	Income distribution at the discretion of Trustees	2,971,162	4,522,084
For Churches/Other Ecclesiastical Institutions	Income distribution to parishes, missions and others	5,945,566	6,329,432
Jersey City Area Ministry Funds	Distribution is restricted to ministries in Jersey City	4,352,159	4,749,407
Lay Pension & Clergy Housing Equity Funds	Restricted—lay pension plan and clergy housing equity accounts	2,903,967	3,114,173
	<b>Total Funds for the Benefit of the Trustees</b>	<b>29,371,154</b>	<b>31,191,942</b>
<b>Funds for Benefit of Diocesan Council</b>			
Ward J. Herbert Fund	Endowment—Income for diocesan building renovations	5,386,028	5,661,238
ACTS/VIM Fund	Endowment—Income for grants to ministry programs/projects	4,398,938	4,545,970
Fund for Aged & Infirm Clergy	Endowment—Income for retired clergy and dependents	950,118	1,017,789
George Rath Education Fund	Endowment—Income for scholarships to clergy children	619,303	649,634
Episcopal Capital Loan Fund	Unrestricted—Loans to congregations	356,633	369,076
	<b>Total Funds for the Benefit of Diocesan Council</b>	<b>11,711,020</b>	<b>12,243,707</b>
<b>Funds for Benefit of Other Organizations</b>			
Church Accounts	Unrestricted—Income and principal available at church discretion	6,410,280	7,020,162
Gertrude Butts Fund	Endowment—Income for scholarships to diocesan youth	2,433,150	2,479,475
	<b>Total Funds for Benefit of Other Organizations</b>	<b>8,843,430</b>	<b>9,499,637</b>
	<b>Total Funds Invested in Diocesan Investment Trust</b>	<b>\$ 49,925,604</b>	<b>\$ 52,935,286</b>

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## Summary

*Engaging the world: **What is God up to?***



141st Annual Convention • Episcopal Diocese of Newark





## Summary

- **Goals of Presentation**
  - Provide projected results for 2014
  - Present the proposed 2015 budget for adoption at this Convention
  - Provide information regarding Diocesan support to congregations and others
  - Overview of role of Trustees and investments managed by Diocesan Investment Trust
- **Budget Forum**
  - At Convention: Friday, January 30<sup>th</sup>, 4:45-5:30 pm

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## IV. Proposed 2015 Council Budget—

### Diocesan Funds for Outreach, Congregational Support, and Scholarships

The Diocese provides significant funds for outreach, direct support of our congregations, and for scholarships – it is anticipated that nearly \$1.3 million will be paid in 2015.

A good portion of this is included in the 2015 Diocesan budget—our pledge to The Episcopal Church and our domestic and international outreach are budgeted to approximate \$648,250 in 2015.

Yet it is important to understand that an additional \$465,500 is expected to be distributed in 2015 to support congregations through grants from the Ward J. Herbert Fund, the Bishop’s Church Emergency Fund, ACTS/VIM, and the Marge Christie Congregational Growth & Vitality Fund. Each of these funds is overseen by a committee that ensures that the funds are distributed in accordance with the intent and restrictions of the funds.

An additional \$156,500 of scholarships to Diocesan youth and children of clergy will also be made in 2015.

Refer to Exhibit 7 for details.

Exhibit 7

Description	Actual 2013	Projected 2014	Budget 2015
<b>Outreach</b>			
The Episcopal Church Pledge (a) (b)	\$ 438,000	\$ 446,500	\$ 477,200
Outreach (Domestic and international grants) (a)	153,875	165,093	171,050
<i>Total Outreach</i>	<u>591,875</u>	<u>611,593</u>	<u>648,250</u>
<b>Congregational Support: Buildings and Mission</b>			
Ward J. Herbert	166,048	108,095	247,000
Bishop’s Church Emergency Fund	25,452	31,055	32,500
<i>Total Support--Buildings</i>	<u>191,500</u>	<u>139,150</u>	<u>279,500</u>
ACTS/VIM	138,000	142,000	150,000
Marge Christie Congregational Growth & Vitality	34,530	36,000	36,000
<i>Total Support--Programs and mission</i>	<u>172,530</u>	<u>178,000</u>	<u>186,000</u>
<i>Total Congregational Support</i>	<u>364,030</u>	<u>317,150</u>	<u>465,500</u>
<b>Scholarships</b>			
Gertrude Butts (Diocesan youth)	132,560	110,000	135,000
George Rath (Clergy children)	18,900	20,475	21,500
<i>Total Scholarships</i>	<u>151,460</u>	<u>130,475</u>	<u>156,500</u>
<i>Total Funding</i>	<u>\$ 1,107,365</u>	<u>\$ 1,059,218</u>	<u>\$ 1,270,250</u>

(a) The Episcopal Church Pledge and Outreach are components of the 2015 operating budget.

All other categories represent funds provided by investments and endowments and are *not* part of the 2015 operating budget.

(b) Includes payment of current year pledge and 2008 pledge arrears.

## **V. Proposed 2015 Council Budget—**

### **The Trustees of the Episcopal Fund and Funds Managed by the Diocesan Investment Trust**

The Trustees of the Episcopal Fund (“Trustees”) oversee the capital assets of the Diocese, a part of which are endowments and investments which, at November 30, 2014, approximated \$31.2 million. Many of these funds are restricted in terms of the use of principal and income and, therefore, it is important to keep track of the use of those funds.

The Trustees are also responsible for maintaining the properties of closed churches and diocesan-owned properties, such as Episcopal House in Newark and the Bishop’s residence, and accordingly incur expenses such as insurance, property taxes, and repair and maintenance costs. In addition, the Trustees are involved in the oversight of mission church properties and buildings, principally in their maintenance and repair.

The sale of closed church properties is also the responsibility of the Trustees. Periodically, the Trustees complete the sale of property for which it is responsible. When a closed church property is sold, the Diocese utilizes an asset distribution policy to determine the use of the net sales proceeds and the Diocesan Council, after consultation with the Bishop, Standing Committee, and Trustees, approves the distribution of such funds.

The Trustees maintain certain investments, the income from which may be used by the Trustees to pay the expenses of closed churches and other expenses. The Trustees pay the compensation of the Diocesan property manager who is responsible for overseeing the properties under the control of the Trustees, including Episcopal House and the Bishop’s residence, as well as assisting congregations in the Diocese with respect to property needs, insurance claims, and so on. In addition, the Trustees have directed approximately \$20,000 of investment income to be used by the Council for the 2015 operating budget.

All of the funds overseen by the Trustees are invested through the Diocesan Investment Trust (DIT). In addition, there are funds totaling \$21.7 million at November 30, 2014 that are invested through the DIT; these are funds held for the benefit of Diocesan Council as well as investments by individual churches and others.

Investments in the DIT are managed by TIAA-CREF Trust Company which maintains a program specifically designed to address the needs of not-for-profit institutional investors. A summary of all of the funds invested in TIAA-CREF, totaling \$52.9 million at November 30, 2014, is shown in Exhibit 8.

**Diocesan Investment Trust  
Funds Invested in the Diocesan Investment Trust  
November 30, 2014 and 2013**

Name / Description of Fund	Restrictions		Balance	
	Nov. 30, 2013	Nov. 30, 2014	Nov. 30, 2013	Nov. 30, 2014
<b>Funds for Benefit of the Trustees</b>				
Trustee Restricted Funds			\$ 13,198,300	\$ 12,476,846
Trustee Unrestricted Funds			2,971,162	4,522,084
For Churches/Other Ecclesiastical Institutions			5,945,566	6,329,432
Jersey City Area Ministry Funds			4,352,159	4,749,407
Lay Pension & Clergy Housing Equity Funds			2,903,967	3,114,173
			<u>29,371,154</u>	<u>31,191,942</u>
	Income distribution is restricted			
	Income distribution at the discretion of Trustees			
	Income distribution to parishes, missions and others			
	Distribution is restricted to ministries in Jersey City			
	Restricted--lay pension plan and clergy housing equity accounts			
	<b>Total Funds for the Benefit of the Trustees</b>			
<b>Funds for Benefit of Diocesan Council</b>				
Ward J. Herbert Fund			5,386,028	5,661,238
ACTS/VIM Fund			4,398,938	4,545,970
Fund for Aged & Infirm Clergy			950,118	1,017,789
George Rath Education Fund			619,303	649,634
Episcopal Capital Loan Fund			356,633	369,076
			<u>11,711,020</u>	<u>12,243,707</u>
	Endowment--Income for diocesan building renovations			
	Endowment--Income for grants to ministry programs/projects			
	Endowment--Income for retired clergy and dependents			
	Endowment--Income for scholarships to clergy children			
	Unrestricted--Loans to congregations			
	<b>Total Funds for the Benefit of Diocesan Council</b>			
<b>Funds for Benefit of Other Organizations</b>				
Church Accounts			6,410,280	7,020,162
Gertrude Butts Fund			2,433,150	2,479,475
			<u>8,843,430</u>	<u>9,499,637</u>
	Unrestricted--income and principal available at church discretion			
	Endowment--Income for scholarships to diocesan youth			
	<b>Total Funds for Benefit of Other Organizations</b>			
	<b>Total Funds Invested in Diocesan Investment Trust</b>			
			<u>\$ 49,925,604</u>	<u>\$ 52,935,286</u>

## VI. Proposed 2015 Council Budget—

### Bishop's Discretionary Funds

There are also funds that have been donated to create Bishop's Discretionary Funds (BDF). Some of the funds are restricted and may be used in certain ways (such as providing scholarships to seminary students or those in the process of becoming vocational deacons), and other funds are unrestricted and may be used at the Bishop's discretion.

Several years ago it was determined that the BDF paid some expenses that more appropriately belonged as part of the Diocesan operating budget. Beginning in 2010, those expenses were included in the Diocesan operating budget. The income from the operating budget, however, was not sufficient to pay all of those expenses. Therefore, the BDF contributed \$45,000 to the operating budget in 2010 and this practice has continued each year – the 2015 operating budget includes \$45,000 as income from the BDF.

Refer to details of the 2013 and 2014 disbursements in Exhibit 9, below.

Exhibit 9

Description	2013	2014
Theological Education and Support of Seminarians	\$ 14,950	\$ 46,305
Contribution to Diocesan Operating Budget	45,000	45,000
Donations	55,750	41,950
Clergy Continuing Education	46,052	24,849
Contribution to Alleluia Fund	15,000	5,000
Visit to Taize, France	-	11,312
Consulting	11,661	2,540
Other	35,470	54,812
Total Expenses of BDF	223,883	231,768
Bishops Against Gun Violence (a)	1,365	(10,816)
Total	\$ 225,248	\$ 220,952

(a) Bishops Against Gun Violence (BAGV) is a separate entity within the BDF. This line represents the net of income received, principally from other dioceses, less expenses paid from that income. The negative amount in 2014 indicates that more income was received than expenses paid during that period. No assets of the BDF are used to support BAGV.

## VII. Proposed 2015 Council Budget—

### Other Information

#### NEWARK ACTS

NEWARK ACTS is in the middle of its fifth program year and was created to provide young adults who are five years post-high school the opportunity to live in community and work in social justice ministries in our diocese with a concentration in the urban areas of northern NJ. NEWARK ACTS has its own board and is intended to be a self-funded program.

NEWARK ACTS received support from the New Ministries Initiatives Fund in each of its first three years. In addition, it received a five-year grant from Trinity Wall Street. The Diocese also provides office space and in-kind support for NEWARK ACTS which is a part of the Department of Youth and Young Adult Ministries. NEWARK ACTS also depends on donations from congregations and individuals who continue to support this ministry, and was an initial beneficiary of the Marge Christie Fund in 2010. Each Board member is a financial contributor to NEWARK ACTS, and the Board has hosted fundraisers to benefit this important ministry.

Exhibit 10 is a summary of the financial information regarding NEWARK ACTS.

	Exhibit 10	
	Actual August 2013 to July 2014	Projected August 2014 to July 2015
Income		
Worksite Income	\$ 168,291	\$ 111,750
Donations and Fundraising Income	12,121	16,855
Grant Income	7,000	11,000
Total Income	<u>187,412</u>	<u>139,605</u>
Expenses		
Intern Salaries and Benefits	77,305	49,244
Intern Expenses	50,468	41,450
Staff Expenses	76,187	79,000
Administrative Expenses	14,442	8,300
Total Expenses	<u>218,402</u>	<u>177,994</u>
Net (Loss)	<u>\$ (30,990)</u>	<u>\$ (38,389)</u>

\* The Newark ACTS program is self-funding and has no implications for the 2015 operating budget for the Council.

**Diocese of Newark  
Budget History**

	Actual 2009	Actual 2010	Actual 2011	Actual 2012	Actual 2013	Projected 2014	Budget 2015
<b>INCOME</b>							
Pledge Revenue	\$ 2,146,439	\$ 2,046,500	\$ 2,105,152	\$ 2,104,337	\$ 2,100,341	\$ 2,100,000	\$ 2,100,000
Alleluia Fund	-	111,000	94,325	90,000	91,024	113,000	120,000
Other Income (a)	543,468	240,323	266,788	348,837	572,655	651,512	729,892
Total Income	2,689,907	2,397,823	2,466,265	2,543,174	2,764,020	2,864,512	2,949,892
<b>EXPENSES</b>							
<i>Equipping Congregations</i>							
Staff Expense	462,529	321,412	335,106	318,138	371,393	387,075	447,649
Missional Church Initiatives	-	-	-	-	31,628	63,333	93,000
Fund Development	-	-	-	35,721	10,491	41,000	50,000
Other	24,966	19,170	17,365	17,138	17,656	23,711	23,650
Total Equipping	487,495	340,582	352,471	370,997	431,168	515,119	614,299
<i>Empowering People</i>							
Staff Expense	277,768	303,962	313,931	330,970	341,493	331,811	341,055
Other (a) (b)	151,784	56,835	32,043	54,980	37,353	38,494	34,800
Total Empowering	429,552	360,797	345,974	385,950	378,846	370,305	375,855
<i>Engaging the World</i>							
Staff Expense	252,029	310,289	305,970	322,778	335,897	354,397	309,328
Pledge to The Episcopal Church	556,000	439,530	424,367	422,000	438,000	446,500	477,200
Outreach (c)	72,081	121,000	139,038	145,321	153,875	165,093	171,050
Other	50,375	65,707	75,191	46,045	45,992	45,731	62,925
Total Engaging	930,485	936,526	944,566	936,144	973,764	1,011,721	1,020,503
<i>Mission Oversight/Administration</i>							
Staff Expense	277,805	300,378	337,451	355,562	369,831	378,234	385,064
Post-Retirement Pension & Ins.	163,494	144,482	143,200	121,689	183,520	167,000	156,700
Other	382,578	315,043	342,578	354,728	401,017	404,675	397,471
Total Oversight/Administration	823,877	759,903	823,229	831,979	954,368	949,909	939,235
Total Expense	2,671,409	2,397,808	2,466,240	2,525,070	2,738,146	2,847,054	2,949,892
<b>NET INCOME</b>	\$ 18,498	\$ 15	\$ 25	\$ 18,104	\$ 25,874	\$ 17,458	\$ -

Notes:

(a) In 2009, Diocesan Convention fees are included in *Other Income* and expenses are included in *Empowering People-Other Expense*. In subsequent years, the net of income and expenses relating to the Convention are included in *Empowering People-Other Expense*.

(b) Grants to Cross Roads Camp of \$22,500, \$20,000, \$5,000, \$2,200, \$2,683, \$2,979 and \$3,000 are included in *Empowering People-Other Expense* in 2009 through 2015, respectively.

(c) Represents total of domestic and international outreach grants.