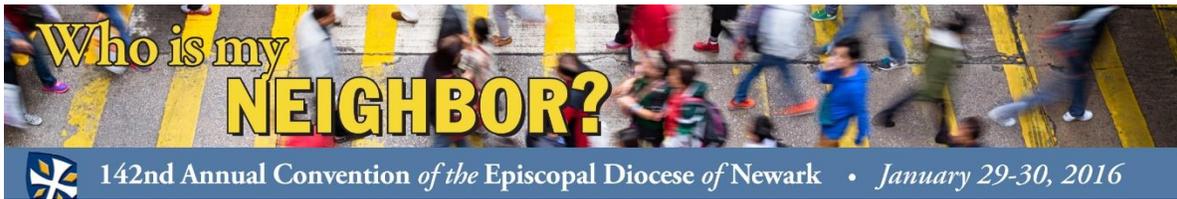


2016 Budget for the Diocese of Newark



Who is my
NEIGHBOR?





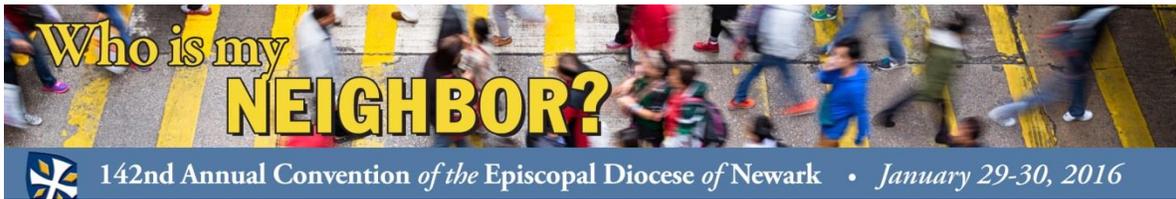
Diocese of Newark—Proposed 2016 Council Budget

The 2016 Budget for the Diocese of Newark

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I. Proposed 2016 Council Budget—Executive Summary

One of the many important actions taken at the annual Diocesan Convention is adopting the diocesan operating budget for the year. This budget represents the costs of conducting the day-to-day operations of the diocese and its programs. Diocesan Council is responsible for monitoring the budget during the year and taking actions as necessary between conventions.

It is important that we focus not just on the day-to-day activities, but also plan for the short-term realities and long-term expectations that will affect our congregations and our diocese.

For example, we will increase our funding for **Missional Church Initiatives** to \$136,000, as more congregations begin participating in *Going Local*, an innovative initiative that provides concrete tools our congregations can use to discover and practice what it means to be God's people in their neighborhoods.

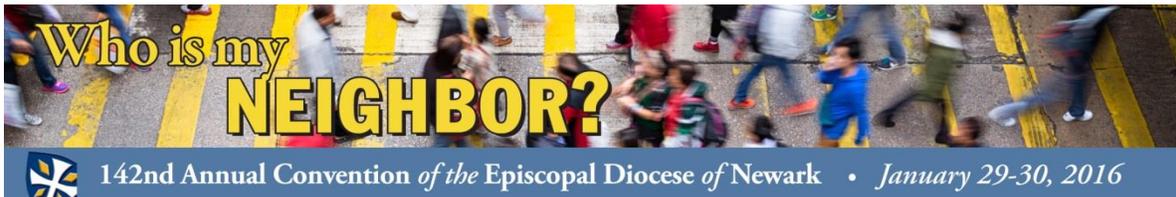
At the same time, Action Learning Teams of clergy and lay persons will wrestle with some key challenges confronting our diocese and we will conduct initial experiments to address them. diocesan staff will also continue to explore how to best resource congregations in the challenging environment in which we find ourselves. Outside consultants will continue to support and guide diocesan staff and participants along this journey.

Also critical to the ministries of our diocese is the hiring in 2016 of a part-time **Hispanic/Latino Missioner**. This will be the first time the diocese will have a person in this position, and reflects our commitment to be more of a presence in the diocese's neighborhoods and congregations.

Other significant items in the proposed 2016 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 2015 as well as 2016 pledges made to date by congregations.
- **Alleluia Fund income** approximated \$120,000 in 2015, the highest since this fund began in 2010, and the same amount is budgeted for 2016. Since the Alleluia Fund began, those donations have funded over 69% of the \$895,000 of total outreach from 2010 through 2015.
- **Domestic and international outreach** is budgeted to increase 3.5% (from \$171,050 to \$177,000). Funding for this outreach comes from Alleluia Fund donations as well as other revenues. (In addition to the outreach included in the operating budget, the diocese will make additional grants of approximately \$600,000 from investments and endowments to support churches with their missions and buildings and to provide scholarships to diocesan youth.)
- Our **2016 pledge payment to The Episcopal Church (TEC)** will again be equal to the amount assessed by TEC. Due to a change in the assessment formula of TEC, our 2016 pledge will decrease from \$467,200 to \$435,823 (14.4% of income).
- In 2010 it was discovered that the diocese had not paid its complete **2008 pledge to TEC**. After making payments toward this liability since 2011, the diocese reached an agreement with TEC to accept a one-time payment of \$100,000 in full settlement of this outstanding \$433,000 obligation.
- We will continue to make cash contributions toward future obligations: \$77,000 to the **lay pension plan** and \$29,000 to the fund created in 2013 for **the expected future costs of the search and call of the next bishop**.





I. Proposed 2016 Council Budget—Executive Summary

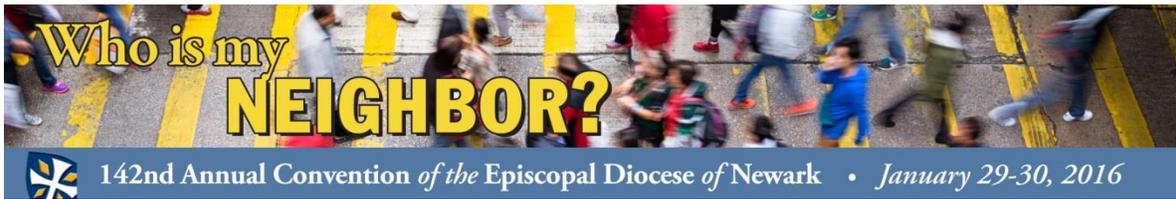
- We will continue our funding of the **Advisor to the Bishop for Development**, expanding the efforts that were begun in 2012 to increase income from grant opportunities and major gifts.

We expect to end 2015 with income slightly exceeding expenses. We enter 2016 with adequate cash, decreased liabilities due to the settlement of the 2008 TEC pledge obligation, and increased funds set aside to address the future expenses of our lay pension plan and the next bishop search.

While Convention is responsible for adopting 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, following is an overview outlining the proposed 2016 Operating Budget of the diocese with details on a line-by-line basis, plus additional information about the other financial assets of the diocese.





II. Proposed 2016 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 2016

The budget process followed this year, as in prior years, allowed members of all congregations to participate in the development of the 2016 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 all members of diocese were invited to learn more about the proposed budget. Council then adopted the proposed 2016 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 have 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 questions: What is God up to in our neighborhoods? Who is my neighbor? And how best can we – our congregations, laity, clergy, diocesan governing bodies, staff. . . *all of us* – join God in our neighborhoods? Time, talent and treasure of our diocese has been expended to address this most important matter, and we will continue to do so in 2016.

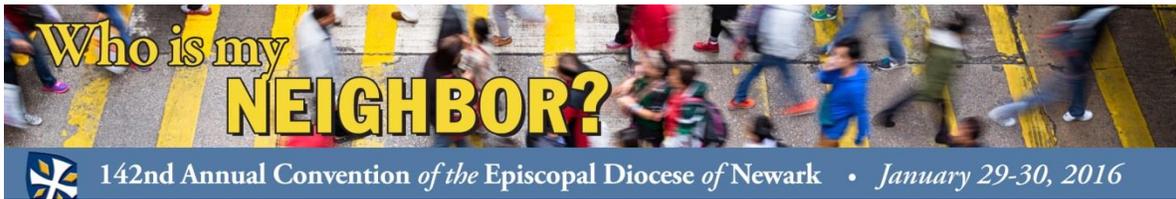
With that as part of the charge to our diocese – and following the call of Bishop Beckwith in prior years – the proposed 2016 budget includes spending to continue to more intentionally become a missional diocese, encouraging missional congregations by providing support and advice to those churches. We 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 as part of a *Going Local* process in 2014 and 2015, and more

Our Coordinator for Missional Church Strategy provides support and assistance to congregations as they seek to find ways to find God in our neighborhoods.

congregations will be added in 2016. Those involved in the *Going Local* initiative use concrete tools to discover and practice what it means to be God's people in their neighborhoods. Now, with more clarity than when these efforts began, we increased the Coordinator position to full-time beginning in 2015.

Yet with this clarity came the need to re-examine the role of our diocese and our congregations. How best do we join God in our neighborhoods? How best do we answer the question "Who is my neighbor?" The church today is very different than the church of 30, 20, even ten years ago. How we address the challenges facing the church today is a paramount issue for our congregations and our diocese.





II. Proposed 2016 Council Budget--Overview

Action Learning Teams of clergy and lay persons have been created, and they will wrestle with some key challenges confronting our diocese and we will conduct initial experiments to address them. Diocesan staff will also continue to explore how to best resource congregations in the challenging environment in which we find ourselves, and outside consultants will continue to be supporting and guiding diocesan staff and participants along this journey.

Since 2013, we have been able to address these important areas in part by using available funds from the New Ministries Initiatives Fund, the Marge Christie Congregational Growth & Vitality Fund, and grants that have been received. 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.

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 closed church properties have been used for these purposes since 2013, and the budget reflects funding from the same sources in 2016.

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 2016 operating budget is one way to achieve those goals.

A number of our congregations began participating in a "Going Local" initiative in 2014 and 2015, and more will join in 2016. 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 – working together to identify just who are neighbors are. 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 2016 and beyond.

Much of our lives is lived out in transition, and increasingly the diocese and our congregations find that they are not immune from the impact that such transitions have on the financial viability and sustainability of our churches; part-time ministry has become the "new normal" as 51% of our congregations are presently led by part-time clergy.

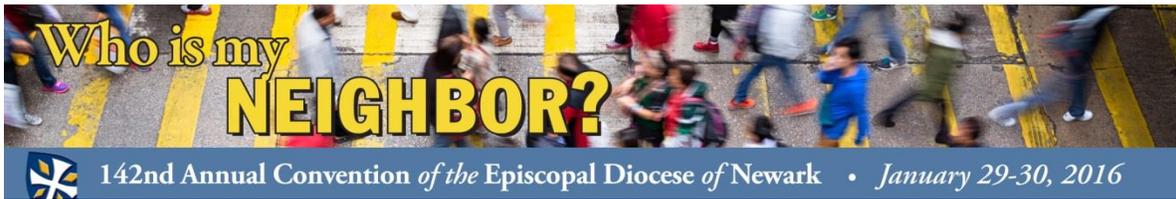
Yet we live in hope and in the knowledge that God provides great abundance – and that sustains us as we begin to do the work that is necessary to identify opportunities that will allow us to create a viable and God-inspired diocese.

OVERVIEW OF THE 2016 DIOCESAN OPERATING BUDGET

Income

Our budget is funded by our call to live into God's abundant future with about 69% of income coming from pledges from the congregations in the diocese. The 2016 budget for pledge income is based on the current estimate of the final amount of income we will receive for 2015 as well as the 2016 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 2016.





II. Proposed 2016 Council Budget--Overview

Other revenue comes from donations to the Alleluia Fund, which directly supports our outreach efforts, and we continue to promote the Alleluia Fund as an important way that the diocese expresses its need to fund outreach in our neighborhoods and internationally. Since the fund began in 2010, the diocese has made grants totaling \$895,000 to over 65 organizations. 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 closed church properties, and from the Bishop’s Discretionary Funds – provide the resources needed to cover the expenses for the year.

In the six years since the Alleluia Fund began, the diocese has made outreach grants of \$895,000.

We have also sought not only to 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.

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 also 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.

Expenses

A number of years ago Diocesan Council determined that it would be appropriate and informative to present the annual budget in a way that related the finances of the diocese to the mission of the diocese. Since that decision, the budgeted expenses of the diocese are presented 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. Among 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.

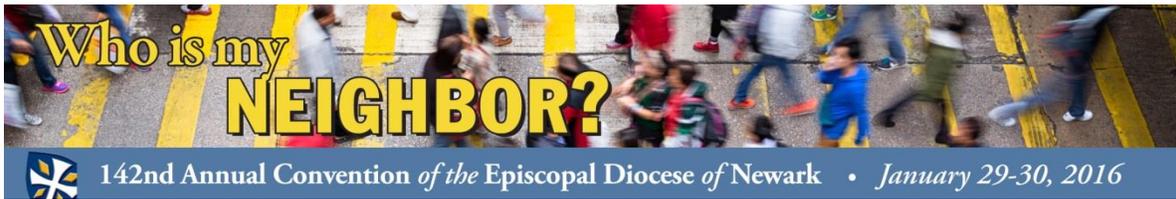
THE OPERATING BUDGET EXPENSE CATEGORIES

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 2016 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 full-time individuals on the diocesan staff is included in the Staff lines in the *Equipping Congregations, Empowering People, Engaging the World, and Mission Oversight/Administration* portions of the budget. There are no changes in the staffing of the diocese in 2016 as compared with 2015.





II. Proposed 2016 Council Budget--Overview

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.

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

Equipping Congregations... through our missional initiatives, consulting services, and by providing stewardship and other resources.

and answer questions with regards to clergy compensation, 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 discern and discover, and then create experiments to test 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 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.

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. While not used in 2015 or

The New Ministry Initiatives Fund enables us to increase our investment in our future.

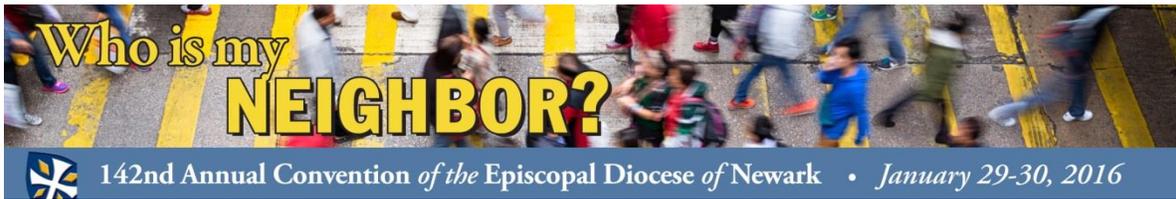
in the 2016 budget, the income from the Marge Christie Congregational Growth & Vitality Fund has in the past been available; this fund is intended to be used to enable ministry initiatives that can assist congregations in their missional efforts.

Hispanic/Latino Missioner: The budget includes funds to partially pay for a part-time Hispanic/Latino Missioner in 2016. Additional funding is available from sources outside this operating budget.

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 including grants, major donors, and planned giving opportunities.

Clergy, Congregation Transitions, and Development: 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 who work with congregations in the areas of mission, mutual ministry reviews, ministry planning, clergy searches, conflict resolution, lay and clergy leadership development, and shared ministry initiatives.





II. Proposed 2016 Council Budget--Overview

Stewardship: During 2015 there were continued efforts to provide support to congregations in their stewardship efforts. 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, one 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. The diocesan Property Manager works closely with congregations on insurance claims, building-related issues, risk/loss assessment and prevention.

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 in the diocese through their efforts to empower people in various ministries and make

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

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 confirmation retreats as well as programs such as *Christophany* for children in grades 6-8 and *Happening* for those in high school. 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

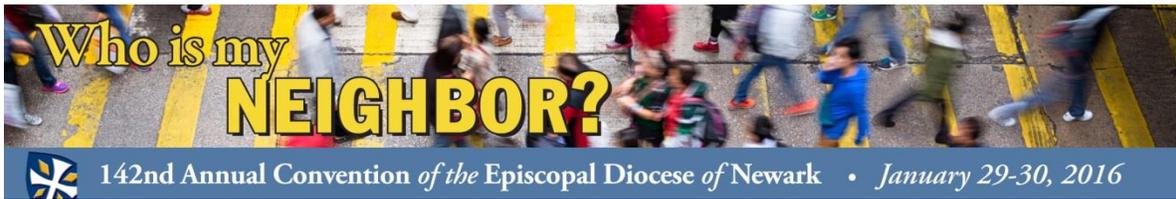
The Canon to the Ordinary, Communications & Technology Director, and the Administrative Assistant for Diocesan Services all work closely with our congregations to develop ministries that enable them to engage the world by sharing their stories and inviting others to participate.

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 100% of the amount assessed for 2016. Due to a change in the percentage used to make the assessment, the amount of our 2016 pledge is lower than the 2015 pledge. As noted elsewhere in this report, in 2015 we settled the unpaid portion of our outstanding 2008 TEC pledge of \$433,000 with a one-time payment of \$100,000.

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 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 3.5% in outreach spending as compared with 2015.

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





II. Proposed 2016 Council Budget--Overview

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 e-newsletters 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 represents 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; a Clergy Wellness Group; New Start, our program for new and transition ministry clergy; 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.

THE BOTTOM LINE

The net result 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 and providing the resources to support congregations, clergy and laity of the diocese. In addition, the budget includes increased funding to support missional initiatives, providing resources that will be used to train leaders and provide consultants and companions so that our churches can better reach into their communities. The budget also provides funds to continue reducing the underfunded lay pension plan liability and to fund the next bishop search.

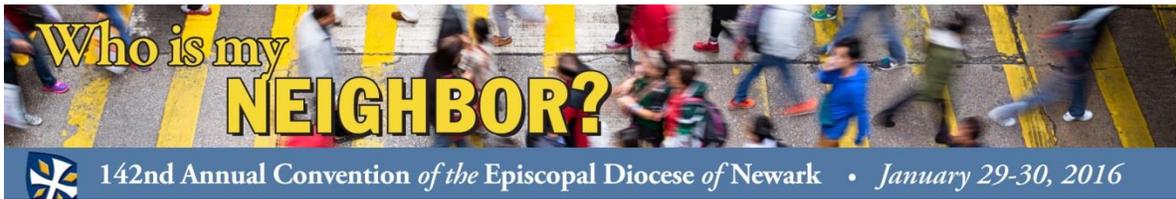
The Proposed 2016 Budget is located on the next page. That is followed by several pages that provide additional information about each of the line items included in the budget. It is hoped that this will give the reader the information needed to better understand the budget of the diocese.



DIOCESE OF NEWARK
Proposed 2016 Budget

	Description	Budget 2015	Projected 2015	Budget 2016	2016 Budget Assumptions
Income					
1	Pledge Revenue	\$2,100,000	\$2,100,000	\$2,100,000	
2	Alleluia Fund	120,000	120,000	120,000	Funds portion of lines 36 & 37
3	Investment Income	100,000	105,000	107,000	
4	Investment Administration Fee	124,500	126,000	126,000	25 basis points fee
5	Direct Administration Fees	39,700	39,700	39,700	
6	Rental Income-Episcopal House	63,000	63,000	63,000	Two tenants for full year
7	New Ministry Initiatives	161,692	162,996	259,668	Funds 15, 18 and portion of line 14
8	Missional Church Grants	90,000	90,000	40,000	Funds part of line 14
9	Proceeds from Sale of Properties	103,000	203,000	106,000	Funds line 53, 60 and portions of staff lines
10	Bishop's Discretionary Funds	45,000	45,000	45,000	
11	Bishop's Circle	0	0	25,000	Funds line 16
12	Cross Roads Scholarship Fund	3,000	3,000	3,000	Funds line 29
13	Total Income	\$2,949,892	\$3,057,696	\$3,034,368	
Expense					
Equipping Congregations					
14	Staff Comp: Finance Dept.; Missioner	\$447,649	\$447,949	\$465,885	Increase compensation 3%, health 6.02%
15	Missional Church Initiatives	92,000	93,004	136,000	Funded by line 7 and 8
16	Hispanic/Latino Missioner	0	0	25,000	Funded by line 11
17	Investing in Our Neighborhood	1,000	1,000	1,000	
18	Fund Development	50,000	50,000	50,000	Funded by line 7
19	Congregation/Clergy/Min. Development	16,150	11,594	12,050	
20	Stewardship	7,000	7,000	7,000	
21	Bishop Anand Resource Center	500	300	500	
22	Total Equipping Congregations	\$614,299	\$610,847	\$697,435	
Empowering People					
23	Staff Comp: Sec'y to Convention; Dir. Youth & Young Adult; Bishop's Exec.; portion of Admin for Ministry	\$341,055	\$341,055	\$350,081	Increase compensation 3%, health 6.02%
24	Youth & Young Adult Ministry	12,000	14,000	25,500	
25	Diocesan Convention	3,700	3,664	4,600	
26	Clergy Conference	7,500	7,500	7,500	
27	Commission on Ministry	3,000	3,000	3,500	
28	Hispanic/Latino Ministry	2,800	2,170	2,600	
29	Cross Roads Camp Ministry	3,000	3,000	3,000	Funded by income in line 12
30	Education for Ministry	2,100	1,940	1,800	
31	Namaste (Dismantling Racism)	700	1,000	1,750	
32	Total Empowering People	\$375,855	\$377,329	\$400,331	
Engaging the World					
33	Staff Comp: Canon; Dir. Communication & Tech.; Admin Asst. for Diocesan Svcs.	\$309,328	\$309,328	\$314,067	Increase compensation 3%, health 6.02%
34	The Episcopal Church (TEC)	467,200	467,200	435,823	Equals to TEC "ask" for 2016
35	TEC 2008 Pledge Arrears	10,000	107,500	0	
36	Domestic Outreach Grants	150,400	150,400	156,000	
37	International Outreach Grants	20,650	20,650	21,000	Equal 0.7% of income
38	General Convention 2018	17,000	17,000	20,000	Estimate of 2018 costs (over three years)
39	Communications	9,065	7,288	14,630	
40	Alleluia Fund Development	5,000	4,193	5,000	
41	Province II	6,360	6,360	6,500	
42	NJ Advocacy	10,000	10,000	10,000	
43	Deacons	3,000	1,000	1,500	
44	Liturgy & Music	4,000	3,410	4,200	
45	Cathedral	3,000	3,000	3,000	
46	Ecumenical & Interfaith Officer	2,500	2,500	2,550	
47	Companion Diocese	2,000	0	2,000	
48	Prison Ministry	500	500	600	
49	ERD Coordinator	500	500	500	
50	Total Engaging the World	\$1,020,503	\$1,110,829	\$997,370	
Mission Oversight/Admin					
51	Staff Comp: Bishop, Sexton, Receptionist, portion of Admin for Ministry	\$385,064	\$385,064	\$399,002	Increase compensation 3%, health 6.02%
52	Post-Retirement Insurance	87,700	97,700	80,000	
53	Lay Pension	69,000	69,000	60,000	Pension plan liability; funded by line 9
54	Administration	86,590	91,673	85,830	
55	Finance	90,158	90,128	90,750	
56	Buildings & Grounds	102,773	106,828	104,700	
57	Information Technology	28,800	27,939	27,950	
58	Bishop's Expenses	52,300	49,486	52,100	
59	Bishop's Office	9,850	9,850	9,900	
60	Search & Call of Next Bishop	27,000	27,000	29,000	Funded by line 9 (five-year plan to fund)
61	Total Mission Oversight/Admin	\$939,235	\$954,668	\$939,232	
62	Total Expense	\$2,949,892	\$3,053,673	\$3,034,368	
63	Surplus / (Deficit)	\$0	\$4,023	\$0	

Adopted by Diocesan Council
12/9/15



II. Proposed 2016 Council Budget— Line Item Details

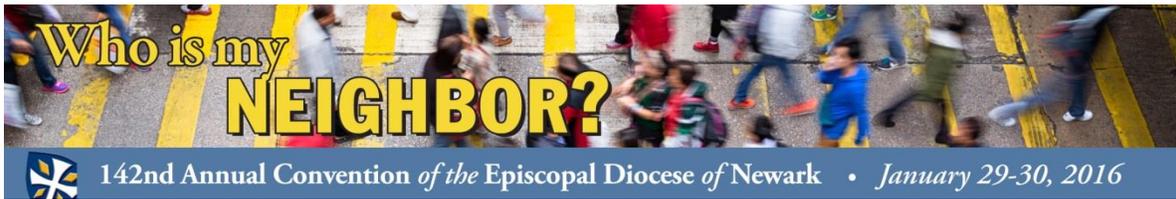
The following pages provide line-by-line detail of the proposed 2015 operating budget for the Diocese of Newark.

INCOME

1. **Pledge Revenue.** Pledges from congregations to support the Diocesan operating budget were received from approximately 85% of congregations by January 5, 2016. 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 \$895,000 to over 65 organizations. Budgeted income in 2016 of \$120,000 will provide 68% 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 \$28,000 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 is approximately 0.57% (57 basis points).
5. **Direct Administration Fees.** The Diocesan staff performs accounting and other services for a number of Diocesan entities for which there is a direct administrative charge. The charges, which are unchanged from 2015, are as follows:

<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

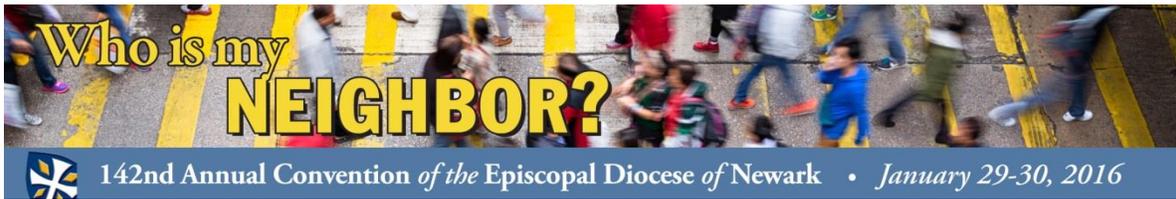




II. Proposed 2016 Council Budget— Line Item Details

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 principally 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 October 2014.
7. **New Ministry Initiatives Fund.** This fund is available to support new ministries of congregations and the diocese. As in the past three 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), 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, 2014, and 2015; an application for additional funding has been submitted, and the budget assumes that a grant will be received in 2016. In addition, a second grant was received in 2015 which is not available in 2016. 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. **Proceeds from Sale of Properties.** Closed church properties were sold in 2014 and 2015 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.
10. **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. In 2011, an analysis determined that some operating expenses of the Diocese were being paid by the BDF. Since then, these expenses have been included in the operating budget of the Diocese. The BDF makes a contribution to offset those costs.
11. **Bishop's Circle.** The Bishop has received funds that are unrestricted by donors who wish the funds to be used as the Bishop determines would be beneficial to the ministries of the diocese. In 2016, a portion of the funds in the Bishop's Circle will be used to partially fund the hiring of a part-time Hispanic Missioner (the related expense is reflected in Line 16).
12. **Cross Roads Scholarship Fund.** 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 2016 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 2016 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 2016 budget includes a 3% increase in the compensation of the staff. Medical costs are budgeted to increase by approximately 6.02% in 2016, while dental costs are budgeted not to increase; the staff contributes 10% to the cost of their medical insurance through payroll deductions.

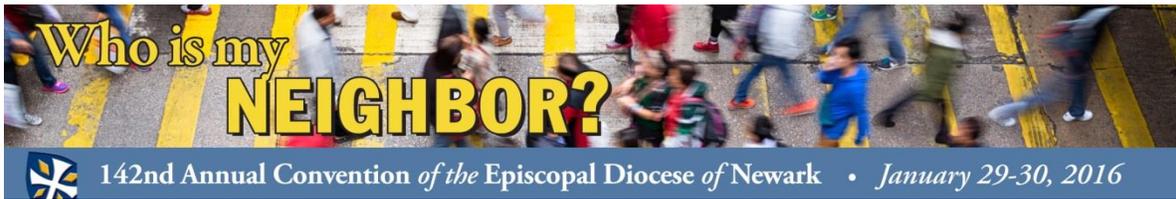
The staff employees are included in the categories as noted below. Refer to Exhibit 2 for details about the compensation and benefits for the Diocesan staff.

Equipping Congregations

In this section of the budget, we include our Diocesan Finance Office and the Coordinator for Missional Church Strategy ("Coordinator"). 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.** The staff includes three members in the Finance Department and the Coordinator. 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 four prior years. A portion of the compensation of the Coordinator is funded by the New Ministry Initiatives Fund (Line 7) and Missional Church Grants (Line 8).
15. **Missional Church Initiatives.** 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 process for congregations and working with clergy and laity with regards to necessary education and assistance. This line item includes consulting and related costs. The costs associated with this (in Lines 14 and 15) are funded by income from the New Ministry Initiatives Fund in Line 7.
16. **Hispanic/Latino Missioner.** The diocese will hire a part-time individual to work to expand awareness of and assist congregations in its Hispanic/Latino ministries, and a portion of the funds will be provided by income in Line 11. Additional funding is available from proceeds from the sale of closed church properties in prior years.
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.
18. **Fund Development.** This line includes the cost of a 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.





II. Proposed 2016 Council Budget— Line Item Details

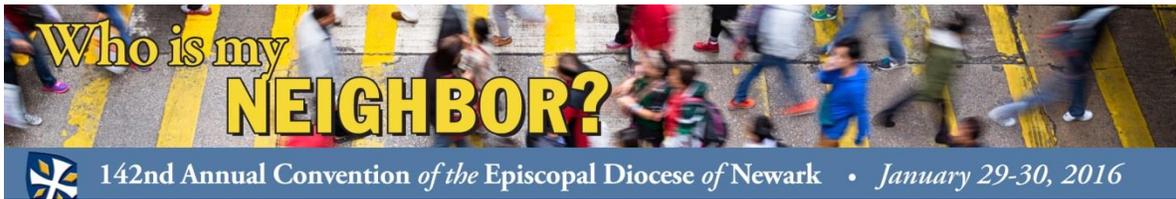
19. **Congregation/Clergy/Ministry Development.** These are expenses of the office of Canon to the Ordinary that provide consultants and training resources to congregations and clergy during periods of ministry transition. In addition, this department provides resources for congregations needing assistance with conflict resolution, congregational growth and development, lay and clergy leadership development, shared ministry initiatives, 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 also as a lending library.

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. **Youth & Young Adult Ministry.** 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 \$93,000 cost of the annual Diocesan convention is substantially offset by registration fees and fees paid by vendors. The 2016 registration fee of \$190 per deputy is the same as the fee for the past four years, resulting in a net expense of \$4,600 for the 2016 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 administrative costs of the commission and its subcommittees.
28. **Hispanic/Latino Ministry.** Provides information and resources through workshops and presentations to congregations that are actively engaged in or seeking to become engaged in Hispanic/Latino ministry.
29. **Cross Roads Camp Ministry.** The Diocese provides assistance to Cross Roads Camp in support of their scholarship assistance to campers. In 2016, as in the four prior years, all of the





II. Proposed 2016 Council Budget— Line Item Details

funding for this line item comes from the income received from funds given expressly for camp scholarships (see Line 12).

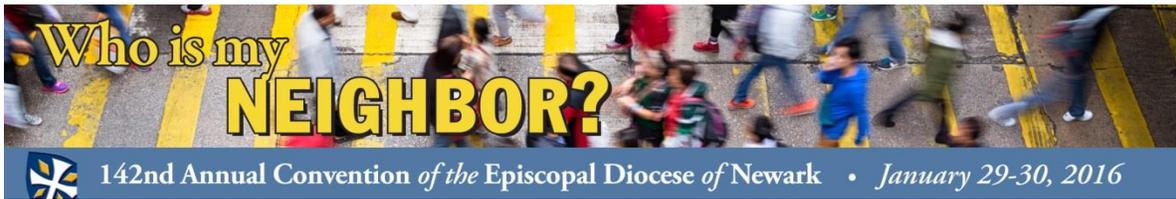
30. **Education for Ministry.** This line item subsidizes the cost to EfM participants; in 2015, there were six seminar groups with a total of 75 participants in the Diocese.
31. **Namaste (Dismantling Racism).** Provides anti-racism training and related education for clergy, postulants, and elected 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 2016 pledge to The Episcopal Church (TEC) of \$435,823 represents the amount that TEC has requested of the Diocese for this year. Due to a change in the percentage used by TEC in making its assessment, the 2016 pledge is 6.7% lower than the 2015 pledge. The 2016 pledge approximates 14.4% of total income compared with 15.3% of projected 2015 income.
35. **TEC 2008 Pledge Arrears.** Our pledge to TEC for the year 2008 was \$609,674. In 2010 it was discovered that payments of only \$129,000 had been made, leaving a balance of \$480,674. From 2011 through 2014, annual payments of \$10,000 were made, and an additional \$7,500 was paid in 2015, reducing the balance outstanding to \$433,174. Using funds from the 2014 and 2015 sales of closed church properties, the Diocese entered into an agreement with TEC which agreed it would be fair and reasonable to settle this outstanding liability for a one-time payment of \$100,000. Having made such payment in 2015, the Diocese has completely settled this 2008 liability, and no further payments need be made.
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 2016 budget for total domestic and international outreach grants (on Lines 36 and 37) reflects an increase of 3.5% over the 2015 amount, and is equal to 5.8% of total income.
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.
38. **General Convention 2018.** General Convention is held every three years, and the estimated cost is accrued over a three-year period. We have estimated that the 2018 General Convention will cost approximately \$60,000; we have included one-third of that in the 2016 budget.

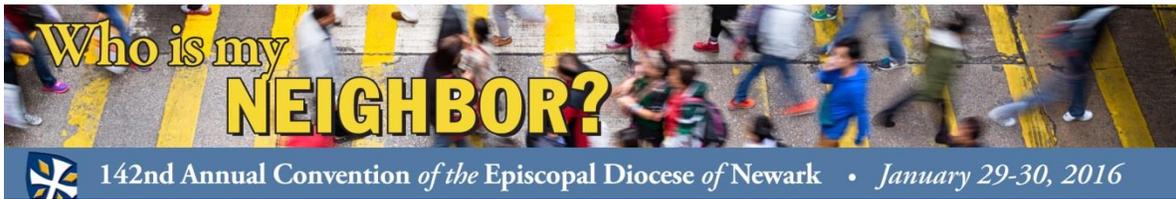




II. Proposed 2016 Council Budget— Line Item Details

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 2016 expense represents approximately 88% of the amount requested by Province II to support its work, slightly higher than the percentage paid in 2015.
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 2016.
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.
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.





II. Proposed 2016 Council Budget— Line Item Details

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, 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. We undertook a study with our actuaries in 2015 to determine the future expenses relating to this plan at a cost of \$10,000; the 2016 budget is lower since such costs will not be incurred in 2016.
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 \$532,000 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 the next 12-year period. The liability will be reviewed each year and the amount to be added to the plan assets may change for the 2017 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.
60. **Search & Call of Next Bishop.** It is estimated that the search and call of the 11th 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.



**Diocese of Newark
Expenses Funded by Outside Sources
Budget -- 2016**

**Funded by New Ministry Initiatives Fund
and by Missional Church Grants**

Category of Spending	New Ministry Initiatives Fund	Missional Church Grants	Total	Expense Lines
Missioner & Missional Church Initiatives	\$ 209,668	\$ 40,000	\$ 249,668	14 & 15
Fund Development	50,000	-	50,000	18
Total	\$ 259,668	\$ 40,000	\$ 299,668	
Income Included in Line >>>	Line 7	Line 8		

Funded by Proceeds of Sales of Properties

Category of Spending	Undesignated Proceeds of Property Sales	Expense Lines
Lay Pension	\$ 77,000	53 & Comp. Lines
Search & Call of Next Bishop	29,000	60
Total	\$ 106,000	
Income Included in Line >>>	Line 9	

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

Category	# Empl	Budget 2016					Total
		Wages	FICA	Pension	Medical & Dental	Other Benefits (a)	
<u>EQUIPPING CONGREGATIONS</u> Finance Department; Missioner (b)	4.0	\$ 339,746	\$ 19,400	\$ 43,597	\$ 51,186	\$ 11,956	\$ 465,885
<u>EMPOWERING PEOPLE</u> Secretary to Convention; Director, Youth/Young Adult Ministry; Bishop's Exec Asst; portion of Admin for Diocesan Ministries	3.5	245,734	18,799	22,116	52,553	10,879	350,081
<u>ENGAGING THE WORLD</u> Canon; Director, Communications and Tech; Administrative Asst. for Diocesan Svcs.	3.0	229,641	8,857	30,916	36,906	7,747	314,067
<u>MISSION OVERSIGHT/ADMIN</u> Bishop; Sexton; Receptionist; portion of Admin for Diocesan Ministries	3.5	246,396	8,559	56,271	79,259	8,517	399,002
Total -- 2016 Budget	14.0	\$ 1,061,517	\$ 55,615	\$ 152,900	\$ 219,904	\$ 39,099	\$ 1,529,035

Category	# Empl	Projected 2015					Total
		Wages	FICA	Pension	Medical & Dental	Other Benefits (a)	
<u>EQUIPPING CONGREGATIONS (b)</u>	4.0	\$ 330,150	\$ 18,835	\$ 38,773	\$ 48,768	\$ 11,423	\$ 447,949
<u>EMPOWERING PEOPLE</u>	3.5	238,578	18,251	21,472	51,970	10,784	341,055
<u>ENGAGING THE WORLD</u>	3.0	222,729	8,582	29,995	40,200	7,822	309,328
<u>MISSION OVERSIGHT/ADMIN</u>	3.5	239,216	8,310	52,768	76,300	8,470	385,064
Total -- 2015 Projected	14.0	\$ 1,030,673	\$ 53,978	\$ 143,008	\$ 217,238	\$ 38,499	\$ 1,483,396

(a) Includes costs for unemployment, workers' compensation, disability, and life insurance.
(b) Excludes the property manager whose compensation is paid by Trustees.

Diocese of Newark
Diocesan Convention -- 2015 and 2016 (Line 25)

Description	Budget 2015	Projected 2015	Budget 2016
Income			
Registration and Meals	\$ 88,790	\$ 82,362	\$ 84,000
Vendor Fees	5,000	4,620	4,000
Total Income	<u>93,790</u>	<u>86,982</u>	<u>88,000</u>
Expenses			
Hotel -- Rooms and Food	66,700	66,912	68,000
Audio/Visual Services	15,000	16,615	16,000
Election Services/Scantron	7,000	5,530	6,000
Miscellaneous	8,790	1,589	2,600
Total Expenses	<u>97,490</u>	<u>90,646</u>	<u>92,600</u>
Net Expense	<u>\$ 3,700</u>	<u>\$ 3,664</u>	<u>\$ 4,600</u>

Diocese of Newark
Administration (Line 54)

Description	Budget 2015	Projected 2015	Budget 2016
Copier lease and costs	\$ 15,600	\$ 18,273	\$ 20,130
Telephone lease and costs	19,800	20,323	18,200
Meals for committee and other meetings	13,500	13,705	13,000
Printing and office supplies	11,400	12,544	10,500
Postage and shipping	11,500	10,061	10,000
Temporary staff	9,740	9,264	7,500
Continuing education	3,000	3,889	3,000
Miscellaneous	2,050	3,614	3,500
Total	<u>\$ 86,590</u>	<u>\$ 91,673</u>	<u>\$ 85,830</u>

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

Description	Budget 2015	Projected 2015	Budget 2016
Property and liability insurance	\$ 49,000	\$ 47,800	\$ 48,000
Audit fees	23,000	23,600	24,000
Mortgage, Episcopal House	9,250	9,250	9,050
Bank and payroll charges	3,300	3,277	3,300
Continuing education	1,500	1,608	2,000
Postage and office supplies	1,700	2,096	1,700
Transportation	1,408	1,444	1,500
Miscellaneous	1,000	1,053	1,200
Total	<u>\$ 90,158</u>	<u>\$ 90,128</u>	<u>\$ 90,750</u>

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

Description	Budget 2015	Projected 2015	Budget 2016
Utilities	\$ 54,300	\$ 57,600	\$ 56,100
Repairs and maintenance	41,813	42,407	42,000
Security system	3,600	3,812	3,600
Materials and supplies	2,500	2,500	2,500
Miscellaneous	560	509	500
Total	<u>\$ 102,773</u>	<u>\$ 106,828</u>	<u>\$ 104,700</u>

Finance & Budget

The 2016 Budget for the Diocese of Newark

Document 142AC-R06



142nd Annual Convention of the Episcopal Diocese of Newark • January 29-30, 2016



Budget & Finance Committee

The Rt. Rev. Mark Beckwith

Mr. Tom Bisdale, Chair

Mr. Dall Forsythe

Mr. Lyle Hatch

The Rev. Chuck Hatfield

The Rev. John Mennell

Mr. Scott Sargent

Mr. Paul Shackford, CFO

Ms. Mary Sunden

Mr. Don Taylor

Italics signifies member of Diocesan Council



Agenda

- 2015 Results—Projected vs. Budget
- 2016 Diocesan Pledges
- 2016 Proposed Budget
- Diocesan Funds for Outreach, Congregational Support, and Scholarships
- Trustees of the Episcopal Fund & Investments Managed by the Diocesan Investment Trust
- Summary

3

2015 Results— Projected vs. Budget



142nd Annual Convention of the Episcopal Diocese of Newark • January 29-30, 2016



Where Were We a Year Ago?

- Final results for 2014—a positive bottom line
- Adopted a balanced budget for 2015
 - Continued funding of missional church initiatives
 - Pledge to The Episcopal Church = 100% of “Ask”
 - Increase in outreach
 - Continued to set funds aside for lay pension plan and for search for next bishop

5



Projected 2015 Results

Description	Budget 2015	Projected 2015	Better (Worse) vs. Budget
INCOME			
Pledge Revenue	\$2,100,000	\$2,100,000	\$ -
Alleluia Fund	120,000	120,000	-
Income Provided from Other Funds	399,692	500,996	101,304
Investment Income	100,000	105,000	5,000
All Other Revenue	230,200	231,700	1,500
Total Income	<u>2,949,892</u>	<u>3,057,696</u>	<u>107,804</u>
EXPENSES			
Personnel Salaries & Benefits	1,483,096	1,483,396	(300)
Pledge to The Episcopal Church	477,200	574,700	(97,500)
Outreach	171,050	171,050	-
Missional Church Initiatives	92,000	93,004	(1,004)
Post-Retirement Insurance & Pension	156,700	166,700	(10,000)
Office & Administration	397,471	402,904	(5,433)
Development Department	50,000	50,000	-
All Other Expenses	122,375	111,919	10,456
Total Expenses	<u>2,949,892</u>	<u>3,053,673</u>	<u>(103,781)</u>
Excess of Income Over Expenses	<u>\$ -</u>	<u>\$ 4,023</u>	<u>\$ 4,023</u>

6



2015 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

7

2016 Diocesan Pledges



142nd Annual Convention of the Episcopal Diocese of Newark • January 29-30, 2016



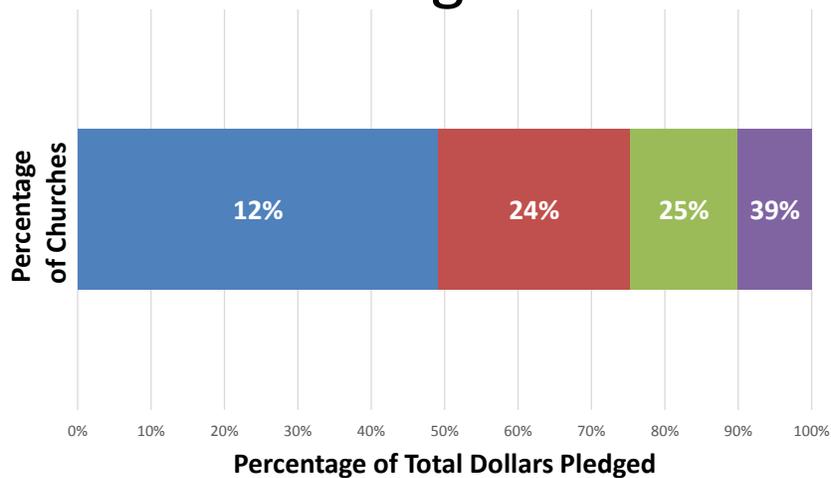
2016 Congregational Pledge Process

- Request of Congregations for 2016 Pledge
 - If 2015 pledge was at or above 10%
 - Increase 2016 pledge by 0.5%
 - If 2015 pledge was below 10%
 - Move half-way to 10% in 2016 with plan to reach 10% in 2017

9



Composition of Congregational Pledges



10



Status of 2016 Pledges

- 2016 Pledges submitted by 87 congregations
 - Pledge percentage – Change vs. 2015
 - 42 Increased their pledge percentage
 - 36 Maintained their pledge percentage
 - 9 Decreased their pledge percentage
 - Normal Operating Income – Change vs. 2015
 - 35 Estimate higher NOI
 - 17 Estimate the same NOI
 - 35 Estimate lower NOI
 - Pledge Dollars – Change vs. 2015
 - 47 Increased their dollar pledge
 - 14 Maintained the same dollar pledge
 - 26 Decreased their dollar pledge

11



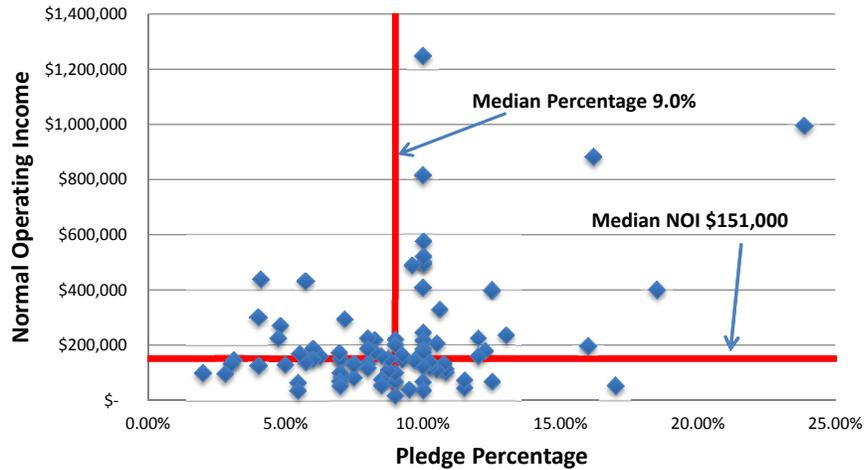
Summary of 2016 Pledges

- Of the 87 congregations that have submitted 2016 pledges:
 - Median Pledge Percentage: 9.0%
 - Median 2015 was 8.75%
 - Median NOI: \$151,000
 - Median 2015 \$160,000
 - Total Dollars Pledged for 2016
 - Slight increase over 2015 pledges for same congregations

12



Distribution of 87 Pledges Received for 2016



13



Distribution of 2016 Pledges Received (87 Pledges)

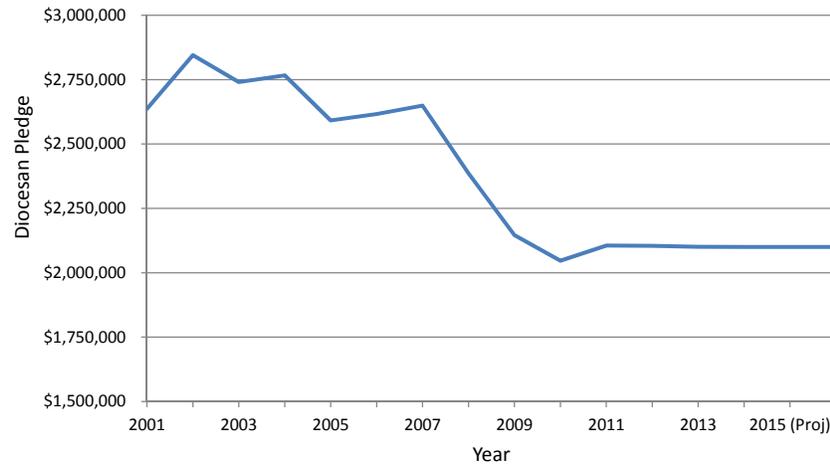
Normal Operating Income	NOI At or Above \$151,000 & Pledge Percentage Below 9.0%	NOI At or Above \$151,000 & Pledge Percentage At or Above 9.0%
	18 Congregations	26 Congregations
	NOI Below \$151,000 & Pledge Percentage Below 9.0%	NOI Below \$151,000 & Pledge Percentage At or Above 9.0%
	23 Congregations	20 Congregations

Pledge Percentage

14



Pledge History



2016 Proposed Budget



142nd Annual Convention of the Episcopal Diocese of Newark • January 29-30, 2016



Goals of the 2016 Budget

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

17



Proposed 2016 Budget

Description	Budget 2015	Projected 2015	Budget 2016
INCOME			
Pledge Revenue	\$ 2,100,000	\$ 2,100,000	\$ 2,100,000
Alleluia Fund	120,000	120,000	120,000
Income Provided from Other Funds	399,692	500,996	475,668
Investment Income	100,000	105,000	107,000
All Other Revenue	230,200	231,700	231,700
Total Income	2,949,892	3,057,696	3,034,368
EXPENSES			
Personnel Salaries & Benefits	1,483,096	1,483,396	1,529,035
Pledge to The Episcopal Church	477,200	574,700	435,823
Outreach	171,050	171,050	177,000
Missional Church Initiatives	92,000	93,004	136,000
Post-Retirement Insurance & Pension	156,700	166,700	140,000
Office & Administration	397,471	402,904	400,230
Development Department	50,000	50,000	50,000
All Other Expenses	122,375	111,919	166,280
Total Expenses	2,949,892	3,053,673	3,034,368
Excess of Income Over Expenses	\$ -	\$ 4,023	\$ -

18



Income

- Pledges
- Alleluia Fund
- Income Provided from Other Funds
- Investment Income
- All Other Revenue

19



Income

- *Pledges*
 - Budgeted amount is equal to amount received in each year 2012 – 2015

20



Income

- Pledges
- ***Alleluia Fund***
 - Equal to record amount received in 2015
 - Budgeted income will provide 68% of total domestic and international outreach
 - Balance funded by pledges and other income

21



Income

- Pledges
- Alleluia Fund
- ***Income Provided from Other Funds***
 - New Ministry Initiatives Fund
 - Missional Church Grants
 - Proceeds from Sales of Closed Church Properties

22



Income from Other Funds

*Funded by New Ministry Initiatives Fund (line 7)
and Missional Church Grants (line 8)*

<u>Category of Spending</u>	<u>New Ministries Initiatives Fund</u>	<u>Missional Church Grants</u>	<u>Total</u>
Missioner & Missional Church Initiatives	\$ 209,668	\$ 40,000	\$ 249,668
Fund Development	50,000	-	50,000
Total	<u>\$ 259,668</u>	<u>\$ 40,000</u>	<u>\$ 299,668</u>

*Funded by Proceeds of Sales of Properties
of Closed Church Properties (line 9)*

<u>Category of Spending</u>	<u>Undesignated Proceeds of Property Sales</u>
Lay Pension	\$ 77,000
Search & Call of Next Bishop	29,000
Total	<u>\$ 106,000</u>

23



Income

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

24



Income

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

25



Expenses

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

26



Expenses

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

27



Personnel Salaries & Benefits

Category	# Empl	Budget 2016						Total
		Wages	FICA	Pension	Medical & Dental	Other Benefits (a)		
Equipping Congregations (b)	4.0	\$ 339,746	\$ 19,400	\$ 43,597	\$ 51,186	\$ 11,956	\$ 465,885	
Empowering People	3.5	245,734	18,799	22,116	52,553	10,879	350,081	
Engaging the World	3.0	229,641	8,857	30,916	36,906	7,747	314,067	
Mission Oversight/Administration	3.5	246,396	8,559	56,271	79,259	8,517	399,002	
Total -- 2016 Budget	14.0	\$ 1,061,517	\$ 55,615	\$ 152,900	\$ 219,904	\$ 39,099	\$ 1,529,035	

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

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

28



Expenses

- Personnel Salaries and Benefits
- ***Pledge to The Episcopal Church***
 - Reduction in TEC assessment decreases pledge
 - Equals 100% of the “Ask” for 2016
 - As in 2013 through 2015
 - 2008 TEC Pledge arrears settled in 2015

29



Expenses

- Personnel Salaries and Benefits
- Pledge to The Episcopal Church
- ***Outreach***
 - Outreach spending in 2016 reflects increase of 3.5% over 2015
 - Outreach is 5.8% of total income in 2016

30



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

31



Expenses

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

32



Expenses

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

33



Expenses

- Missional Church Initiatives
- Post-Retirement Insurance & Pension
- Office & Administration
- ***Development Department***
 - Support of Alleluia Fund
 - Increase income from grant opportunities and major gifts

34



Expenses

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

35



Proposed 2016 Budget

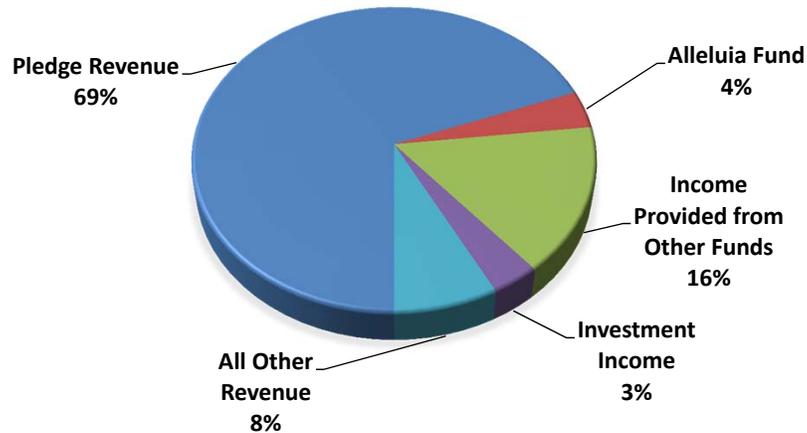
Description	Budget 2015	Projected 2015	Budget 2016
INCOME			
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Alleluia Fund	120,000	120,000	120,000
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All Other Expenses	122,375	111,919	166,280
Total Expenses	2,949,892	3,053,673	3,034,368
Excess of Income Over Expenses	\$ -	\$ 4,023	\$ -

36



2016 Budget: Income

Over 69% of all income comes from congregational pledges.



37



2016 Budget: Expenses

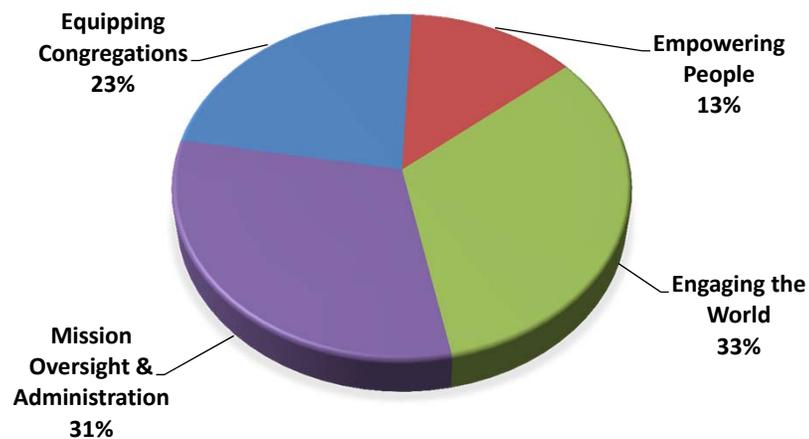
The budget reflects our Diocesan Mission Statement:

Equipping Congregations . . .

Empowering People . . .

Engaging the World . . .

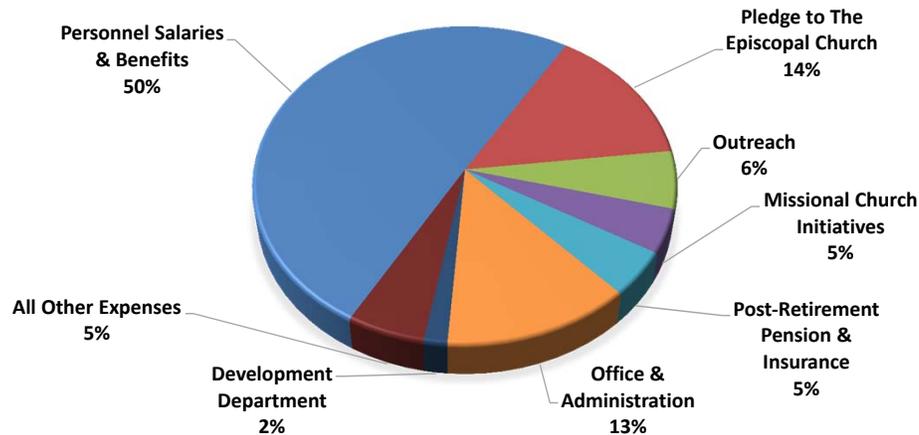
. . . with the hope and justice of Jesus.



38



2016 Budget: Expenses



*Half of budgeted expenses are for personnel salaries and benefits.
Outreach and pledge payments to The Episcopal Church
account for 20% of budgeted expenses.*

39



Summary of 2016 Proposed Budget

- Balanced Budget
- Pledges for 2016
- Funding for . . .
 - Outreach
 - Pledge to The Episcopal Church
 - Missional Church Initiatives
 - And Other Important Programs

40

Diocesan Funds for Outreach, Congregational Support, and Scholarships



Outreach, Congregational Support, & Scholarships

Description	Actual 2014	Projected 2015	Budget 2016
Outreach			
The Episcopal Church Pledge (a) (b)	\$ 446,500	\$ 574,700	\$ 435,823
Outreach (Domestic and international grants) (a)	165,093	171,050	177,000
Total Outreach	611,593	745,750	612,823
Congregational Support			
Buildings	139,500	294,374	229,500
Mission	178,000	186,000	195,000
Total Congregational Support	317,500	480,374	424,500
Scholarships			
	132,475	200,690	167,000
Total Funding	\$ 1,061,568	\$ 1,426,814	\$ 1,204,323

- (a) The Episcopal Church Pledge and Outreach are components of the 2016 operating budget. All other categories represent funds provided by investments and endowments and are *not* part of the 2016 operating budget.
- (b) Includes payment of current year pledge and 2008 pledge arrears; and, in Projected 2015, \$100,000 payment in settlement of 2008 arrears of \$433,000.

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



142nd Annual Convention of the Episcopal Diocese of Newark • January 29-30, 2016



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 2016 budget
- Role of Diocesan Investment Trust
 - Manage \$53 million of investments



Investments Managed by DIT

Name / Description of Fund	Restrictions	Balance	
		Nov. 30, 2014	Nov. 30, 2015
Funds for Benefit of the Trustees			
Trustee Restricted Funds	Distributions are restricted	\$ 12,476,846	\$ 12,718,334
Trustee Unrestricted Funds	Distributions at the discretion of Trustees	4,522,084	4,509,077
For Churches/Other Ecclesiastical Institutions	Distributions to parishes, missions and others	6,329,432	6,376,443
Jersey City Area Ministry Funds	Distribution is restricted to ministries in Jersey City	4,749,407	4,352,290
Lay Pension & Clergy Housing Equity Funds	Restricted--lay pension plan and clergy housing equity accounts	3,114,173	2,894,090
	Total Funds for the Benefit of the Trustees	31,191,942	30,850,234
Funds for Benefit of Diocesan Council			
Ward J. Herbert Fund	Endowment--Income for diocesan building renovations	5,661,238	5,454,935
ACTS/VIM Fund	Endowment--Income for grants to ministry programs/projects	4,545,970	4,376,693
Fund for Aged & Infirm Clergy	Endowment--Income for retired clergy and dependents	1,017,789	985,899
George Rath Education Fund	Endowment--Income for scholarships to clergy children	649,634	626,901
Episcopal Capital Loan Fund	Unrestricted--Loans to congregations	369,076	430,539
	Total Funds for the Benefit of Diocesan Council	12,243,707	11,874,967
Funds for Benefit of Other Organizations			
Church Accounts	Unrestricted--income and principal available at church discretion	7,020,162	8,181,700
Gertrude Butts Fund	Endowment--Income for scholarships to diocesan youth	2,479,475	2,336,265
	Total Funds for the Benefit of Other Organizations	9,499,637	10,517,965
	Total of Funds Invested in Diocesan Investment Trust	\$ 52,935,286	\$ 53,243,166

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Summary

&

Information for Convention



142nd Annual Convention of the Episcopal Diocese of Newark • January 29-30, 2016



Summary

- Goals of Presentation
 - Provide projected results for 2015
 - Present the proposed 2016 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

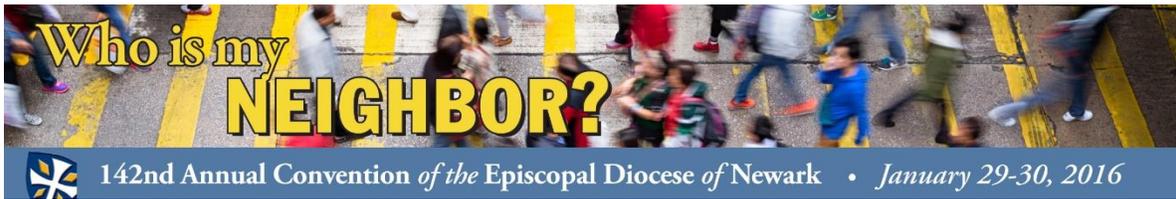
47



Information for Convention

- Online Presentation of Budget
 - Available on diocesan website by January 15th
- Convention – January 29-30, 2016
 - Friday, January 29th
 - Executive summary to Convention
 - Budget presentation workshop
 - Budget hearing to answer questions
 - Saturday, January 30th
 - Vote to adopt 2016 Budget

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IV. Proposed 2016 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 \$1.2 million will be paid in 2016.

A good portion of this is included in the 2016 Diocesan budget—our pledge to The Episcopal Church and our domestic and international outreach are budgeted to approximate \$612,823 in 2016.

Yet it is important to understand that an additional \$424,500 is expected to be distributed in 2016 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.

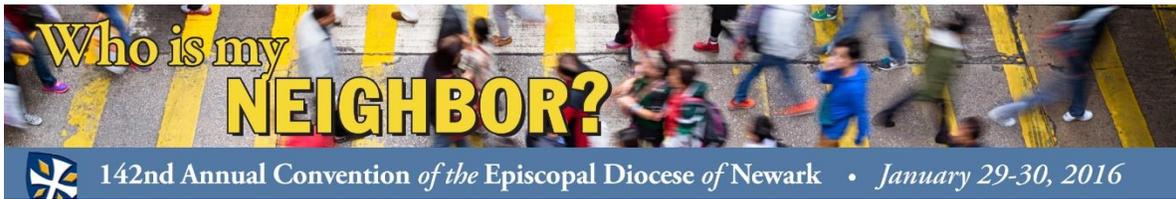
An additional \$167,000 of scholarships to diocesan youth and children of clergy will also be made in 2016.

Refer to Exhibit 7 for details.

Description	Actual 2014	Projected 2015	Budget 2016
<i>Exhibit 7</i>			
<i>Outreach</i>			
The Episcopal Church Pledge (a) (b)	\$ 446,500	\$ 574,700	\$ 435,823
Outreach (Domestic and international grants) (a)	165,093	171,050	177,000
<i>Total Outreach</i>	<i>611,593</i>	<i>745,750</i>	<i>612,823</i>
<i>Congregational Support: Buildings and Mission</i>			
Ward J. Herbert	108,095	262,874	200,000
Bishop’s Church Emergency Fund	31,405	31,500	29,500
<i>Total Support--Buildings</i>	<i>139,500</i>	<i>294,374</i>	<i>229,500</i>
ACTS/VIM	142,000	150,000	155,000
Marge Christie Congregational Growth & Vitality	36,000	36,000	40,000
<i>Total Support--Programs and mission</i>	<i>178,000</i>	<i>186,000</i>	<i>195,000</i>
<i>Total Congregational Support</i>	<i>317,500</i>	<i>480,374</i>	<i>424,500</i>
<i>Scholarships</i>			
Gertrude Butts (Diocesan youth)	112,000	179,240	145,000
George Rath (Clergy children)	20,475	21,450	22,000
<i>Total Scholarships</i>	<i>132,475</i>	<i>200,690</i>	<i>167,000</i>
<i>Total Funding</i>	<i>\$ 1,061,568</i>	<i>\$ 1,426,814</i>	<i>\$ 1,204,323</i>

- (a) The Episcopal Church Pledge and Outreach are components of the 2016 operating budget. All other categories represent funds provided by investments and endowments and are *not* part of the 2016 operating budget.
- (b) Includes payment of current year pledge and 2008 pledge arrears; and, in Projected 2015, \$100,000 payment in settlement of 2008 arrears of \$433,000.





V. Proposed 2016 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, 2015, approximated \$30.9 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 hold 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 \$28,000 of investment income to be used by the Council for the 2016 operating budget.

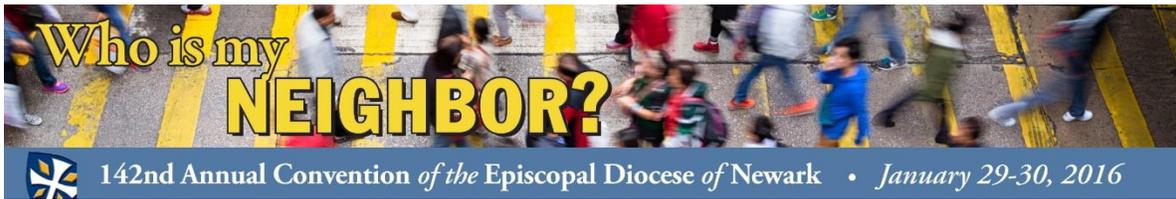
All of the funds overseen by the Trustees are invested through the Diocesan Investment Trust (DIT). In addition, there are funds totaling \$22.3 million at November 30, 2015 that are invested through the DIT; these are funds held for the benefit of Diocesan Council as well as investments by individual 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 \$53.2 million at November 30, 2015, is shown in Exhibit 8.



Diocesan Investment Trust
Funds Invested in the Diocesan Investment Trust
November 30, 2015 and 2014

Name / Description of Fund	Restrictions		Balance	
	Nov. 30, 2014	Nov. 30, 2015	Nov. 30, 2014	Nov. 30, 2015
Funds for Benefit of the Trustees				
Trustee Restricted Funds			\$ 12,476,846	\$ 12,718,334
Trustee Unrestricted Funds			4,522,084	4,509,077
For Churches/Other Ecclesiastical Institutions			6,329,432	6,376,443
Jersey City Area Ministry Funds			4,749,407	4,352,290
Lay Pension & Clergy Housing Equity Funds			3,114,173	2,894,090
			<u>31,191,942</u>	<u>30,850,234</u>
Funds for Benefit of Diocesan Council				
Ward J. Herbert Fund			5,661,238	5,454,935
ACTS/VIM Fund			4,545,970	4,376,693
Fund for Aged & Infirm Clergy			1,017,789	985,899
George Rath Education Fund			649,634	626,901
Episcopal Capital Loan Fund			369,076	430,539
			<u>12,243,707</u>	<u>11,874,967</u>
Funds for Benefit of Other Organizations				
Church Accounts			7,020,162	8,181,700
Gertrude Butts Fund			2,479,475	2,336,265
			<u>9,499,637</u>	<u>10,517,965</u>
			<u>\$ 52,935,286</u>	<u>\$ 53,243,166</u>



VI. Proposed 2016 Council Budget—

Bishop's Discretionary Funds

There are 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.

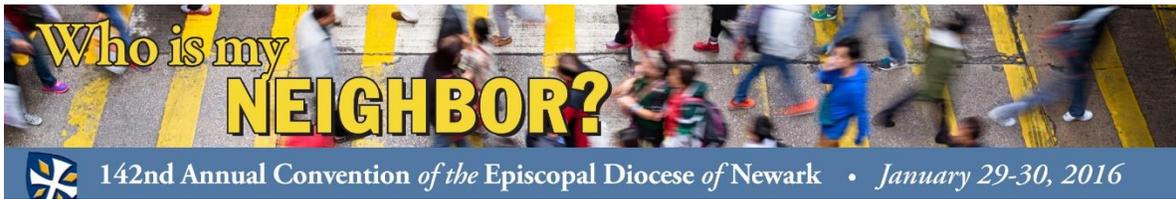
Several years ago it was determined that the BDF paid some expenses that more appropriately belonged as part of the Diocesan operating budget. Beginning in 2010, those expenses were included in the Diocesan operating budget. The income from the operating budget, however, was not sufficient to pay all of those expenses. Therefore, the BDF contributed \$45,000 to the operating budget in 2010 and this practice has continued each year – the 2016 operating budget includes \$45,000 as income from the BDF.

Refer to details of the 2014 and 2015 disbursements in Exhibit 9, below.

Description	Exhibit 9	
	2014	2015
Theological Education and Support of Seminarians	\$ 46,305	\$ 52,300
Missional Church Initiatives (a)	-	50,000
Contribution to Diocesan Operating Budget	45,000	45,000
Donations	41,950	40,961
Clergy Continuing Education	24,849	22,267
Contribution to Alleluia Fund	5,000	-
Visit to Taize, France	11,312	-
Other	54,486	30,441
Total	\$ 228,902	\$ 240,969

(a) A grant was received that was restricted to be used for Missional Church Initiatives; this amount is included in Line 8 of the Diocesan 2015 operating results.





VII. Proposed 2016 Council Budget—

Other Information

NEWARK ACTS

NEWARK ACTS is in the middle of its sixth 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 New Jersey. NEWARK ACTS has its own board and is intended to be a self-funded program.

NEWARK ACTS received support from the New Ministry 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 Congregational Growth & Vitality 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 2014 to July 2015	Budget August 2015 to July 2016
Income		
Worksite Income	\$ 104,460	\$ 188,500
Donations and Fundraising Income	4,700	16,300
Grant Income	3,000	4,000
Total Income	<u>112,160</u>	<u>208,800</u>
Expenses		
Intern Salaries and Benefits	47,398	79,551
Intern Expenses	36,477	34,900
Staff Expenses	79,836	79,000
Administrative Expenses	9,999	15,550
Total Expenses	<u>173,710</u>	<u>209,001</u>
Net (Loss)	<u>\$ (61,550)</u>	<u>\$ (201)</u>

* The Newark ACTS program is self-funding and has no implications for the 2016 operating budget for the Council.



**Diocese of Newark
Budget History**

	Actual 2010	Actual 2011	Actual 2012	Actual 2013	Actual 2014	Projected 2015	Budget 2016
INCOME							
Pledge Revenue	\$ 2,046,500	\$ 2,105,152	\$ 2,104,337	\$ 2,100,341	\$ 2,100,000	\$ 2,100,000	\$ 2,100,000
Alleluia Fund	111,000	94,325	90,000	91,024	113,000	120,000	120,000
Other Income	240,323	266,788	348,837	572,655	651,514	837,696	814,368
Total Income	2,397,823	2,466,265	2,543,174	2,764,020	2,864,514	3,057,696	3,034,368
EXPENSES							
<i>Equipping Congregations</i>							
Staff Expense	321,412	335,106	318,138	371,393	387,225	447,949	465,885
Missional Church Initiatives	-	-	-	31,628	60,328	94,004	162,000
Fund Development	-	-	35,721	10,491	42,678	50,000	50,000
Other	19,170	17,365	17,138	17,656	23,031	18,894	19,550
Total Equipping	340,582	352,471	370,997	431,168	513,262	610,847	697,435
<i>Empowering People</i>							
Staff Expense	303,962	313,931	330,970	341,493	331,378	341,055	350,081
Other	56,835	32,043	54,980	37,353	36,454	36,274	50,250
Total Empowering	360,797	345,974	385,950	378,846	367,832	377,329	400,331
<i>Engaging the World</i>							
Staff Expense	310,289	305,970	322,778	335,897	354,535	309,328	314,067
Pledge to The Episcopal Church (a)	439,530	424,367	422,000	438,000	446,500	574,700	435,823
Outreach (b)	121,000	139,038	145,321	153,875	165,093	171,050	177,000
Other	65,707	75,191	46,045	45,992	44,753	55,751	70,480
Total Engaging	936,526	944,566	936,144	973,764	1,010,881	1,110,829	997,370
<i>Mission Oversight/Administration</i>							
Staff Expense	300,378	337,451	355,562	369,831	379,564	385,064	399,002
Post-Retirement Pension & Ins.	144,482	143,200	121,689	183,520	165,813	166,700	140,000
Other	315,043	342,578	354,728	401,017	403,050	402,904	400,230
Total Oversight/Administration	759,903	823,229	831,979	954,368	948,427	954,668	939,232
Total Expense	2,397,808	2,466,240	2,525,070	2,738,146	2,840,402	3,053,673	3,034,368
NET INCOME	\$ 15	\$ 25	\$ 18,104	\$ 25,874	\$ 24,112	\$ 4,023	\$ -

Notes:

- (a) Includes: (i) annual pledge to The Episcopal Church (TEC); (ii) payments to reduce 2008 TEC Pledge Arrears of \$10,000 per year from 2011 through 2014, and \$7,500 in 2015; and (iii) payment in 2015 of \$100,000 in full and complete settlement of 2008 TEC Pledge Arrears.
- (b) Represents total of domestic and international outreach grants.