

## **Annotations on the Proposed 2016 Diocese of Georgia Budget**

### **Resources**

**Pledges** (\$1,500,000) – Total pledges budgeted for 2015 were \$1.480 million and the 2016 budget is based on the tithes requested as adjusted by Diocesan Council annually for appeals from those below the 10% standard.

**Endowment Income** (\$81,600) – Of the \$8 million in assets the Board of the Corporation manages, about \$2 million of those assets produce income for use in the annual budget. The range for income draw is in the 4 to 4.5% range to accommodate lower fixed income returns and ensure continued recovery in the value of equities.

**Interest Income** (\$14,000) – This is the expected interest on the Money Market account and the Short Term Asset account for Campaign proceeds.

**Designated Gifts** (\$10,000) – Every year we receive special gifts that are designated for the current year's mission and ministry.

**Program Registration Fees** (\$28,000) – This amount includes registrations for diocesan convention, and Diocese managed events such as clergy conference. Youth events such as Happening, and program revenue from other Diocese activities are reflected directly in the Honey Creek budget.

**Campaign Mission Allocation** (\$60,200) – This amount is the expected amount drawn from the Short Term Asset account for Campaign administration expenses.

### **Mission Outside the Diocese**

**The Episcopal Church (TEC)** (\$182,900) – This amount increases slightly from last year's budget line item and continues to redirect \$10,000 to the Episcopal Church in South Carolina directly to support their efforts to restart congregations after the Diocese of South Carolina withdrew itself from the Episcopal Church. This remains well below our asking (which at the rate of 18% will be approximately \$267,000 in 2016). We regret that our inability to fully fund The Episcopal Church's asking negatively impacts domestic and foreign mission work.

**Province IV of TEC** (\$3,000) - This goes to support provincial mission, primarily in the area of youth work, college chaplaincies, and others mission activity.

**GA Christian Council** (\$1,000) – This small amount contributes to our ecumenical work among fellow Christians in Georgia.

**Sewanee** (\$8,000) – As an “owning” diocese of the University of the South, we have an obligation to contribute to its support.

**Companion Diocese of the Dominican Republic** (\$10,000) – As noted above, the percentage of the DR’s funding from TEC continues to decline. Our diocesan support helps mitigate the decline in giving from that and others declining sources.

## **Mission Inside the Diocese**

**Congregation Mission Development:** (\$100,000) This amount is a small supplement to the mission development at new parishes and represents matching fund grants to congregations, to fund curacies in the Diocese for seminarians raised up by the Diocese.

**Campus Ministries** (\$66,000) – This represents the diocesan commitment to all of our campus ministries at Georgia Southern, Valdosta State and the colleges and universities in Savannah.

**Program Scholarships** (\$11,000) this figure is scholarship support to youth programs which as they expand participation face greater need for scholarship assistance.

**Program Costs** (\$103,750) – These line items include the costs for youth programs, clergy conferences, the Congregational Development Institute, Conflict Management Training, Wardens and Treasurers’ Workshops, and other program supplies and costs.

## **Episcopal Ministries**

**Staff Salaries** (\$520,000) – This line item includes, in addition to diocesan staff, the administrative staff of Honey Creek. The amount allows for modest staff compensation increases.

**Clergy Houses** (\$79,000) – This figure represents the portion of the clergy staff salary designated towards housing costs. This figure is adjusted annually for tax purposes.

**Staff Pensions** (\$84,505) – 18% for clergy and 10% for lay employees as required by the Church Pension Group.

**Staff Health Insurance** (\$108,360) – This an increase over last year’s cost due to an increase in health care premiums.

**Social Security** (\$45,824) – 7.65% employer’s portion for lay staff members and a 7.65% supplement for clergy so their compensation is balanced for tax purposes.

**Travel, Meals & Hospitality** (\$48,000) – While the majority of this line item is for the Bishop’s travel, it also covers travel expenses for the Canons as they exercise their

ministry in the diocese. This includes money for the Bishop and Canons to use when hosting other people. This is estimated on prior year expenses.

**Conferences** (\$5000) –Conference costs for diocesan staff as well as their participation in meetings with other Canons in Province IV and across The Episcopal Church. Continue education for staff is not being budgeted for 2016.

**Convocational Deans** (\$14,400) – Cost for reimbursement of all expenses related to the six dean's and archdeacon's ministry in their respective convocations.

## **Diocesan Administration**

**Diocesan Office Expenses** (\$72,500) – Costs for rent, building maintenance, internet and telecomm, information systems, supplies and equipment. Costs are estimated to maintain level with 2015 expenses.

**Insurance: Retiree and Group Life** (\$16,500) – This line item goes to pay for some retired clergy's and lay employee health insurance and the staff group life benefit.

**Insurance: Commercial and Auto** (\$21,500) - Includes Worker Compensation, liability, property, and auto insurance for the diocesan car. We have experienced significant increases in property and liability insurance costs and added the ECM center at GSU to the coverage.

**General Convention Travel** (\$10,000) – Costs for reimbursing travel & lodging expenses for our Bishop and our 8 deputies. This is on a three-year cycle so this amount represents one-third of the total expected costs.

**Lambeth Travel** (\$500) – Lambeth is a meeting of all the bishops in the Anglican Communion once every ten years. This line item then represents one-tenth of the expected cost for our Bishop to attend the next conference date to be announced. Accrued funds to 2014 were applied to the cost of the Bishops travel for the House of Bishops meeting in Taiwan.

**Episcopal Transition** (\$5,000) – This annual set aside is transferred into a designated fund so when we elect a new bishop we will have the funds needed for the transition.

**Clergy Candidate Testing and Screening** (\$6,000) – This line item contains elements of canonical responsibility in support of mission (\$2,500 to background checks for lay and clergy and \$3,500 to other Commission on Ministry work)

**Diocesan Convention** (\$30,000) – These expenses are mostly offset, excepting \$5,000, by income shown on the revenue side of the budget.

**Audit** (\$12,900) – The annual audit includes Honey Creek (to which \$2,000 additional cost is allocated) together with all other diocesan operations.

**Chancellor Administration & Travel** (\$1,000) – This covers the administrative and travel expenses of our chancellors.

**Chancellor Legal Contingency** (\$2,000) – While most of the work of our chancellors is pro bono, there are occasions when we need to seek some limited outside legal counsel. This line item covers that contingency.

**Campaign for Mission operating** (\$60,200) – these expenses include salary and benefits for the Campaign Coordinator, meeting, event and printing costs for the campaign.

**Bond Interest** (\$61,500) – This is the annual bond interest cost for the \$1,245,000 of Honey Creek Bonds. The initial two years of interest were budgeted to be paid from the bond proceeds but need to be fully covered by operating revenue after 2013. This amount is a portion of the total funds committed from Diocesan revenue to Honey Creek operations and is slightly reduced from last year to 3 bonds being forgiven/donated to Honey Creek.