

NARRATIVE
for the
2016 BUDGET FOR MISSION AND MINISTRY
Approved by 147th Diocesan Convention

The Budget presented to the 147th Annual Convention of The Episcopal Church in the Diocese of Central New York is structured around the Five Marks of Mission of the Anglican Communion as is the budget of The Episcopal Church. Those marks are:

1. To proclaim the Good News of the Kingdom.
2. To teach, baptize and nurture new believers.
3. To respond to human need by loving service.
4. To seek to transform unjust structures of society.
5. To strive to safeguard the integrity of creation and sustain and renew the life of the earth.

We have used this structure for Diocesan budgets since 2013.

In addition to the Marks of Mission, the Budget funds the administration and governance of the Diocese. The Budget Committee of the Diocesan Board believes that structuring the budget in this way emphasizes Diocesan programs for ministry and mission. The other two sections, administration and governance, support everything we do.

There are a number of major changes for 2016:

- The Episcopal Church Assessment has been reduced by \$21,623 (Line 60). As the note on that line indicates, the decrease is part of a multi-year plan, approved by General Convention, to reduce the Assessment to 15% by 2018.
- The Diocese of Central New York's parish assessments will remain at 10%, less a credit equal to the pro-rated savings on the Episcopal Church Assessment (Line 61).
- The Bishop Search and Transition is funded at \$178,302 (Line 76). Of that amount, \$146,064 (Line 146) has been accrued since the last Bishop transition. The difference of \$32,238 is part of the transfer from savings (Line 147) which will only be made if necessary.
- The sale of Thornfield has been completed. The Board has decided to invest the proceeds. Designation for the funds will be decided after the new Bishop is in place. Some of the income for 2016 will be used to fund the new part-time Youth Missioner position (Line 23) and to eliminate youth event registration fees (Line 24).
- The Board will be having a conversation on where to place the Thornfield Foundation funds.
- The Director of Formation position is not funded for 2016 (Line 26).
- The budget funds a half-time Communications Specialist position who will oversee a comprehensive communications plan for the Diocese of Central New York using all modern communication means as appropriate (Line 81).

Unlike 2015, we were not able to balance the Budget without taking money from savings. Almost all of that (Line 147) results from anticipated costs for the Bishop Search and Transition which will not be recurring costs. We have also continued to restrict withdrawals from endowment income to 4.0% as recommended by the Diocesan Investment Committee. This is a significant step toward the continued financial health of the Diocese.

Expenses are Program (27.1%), Governance (26.4%), Administration (39.1%) and Pass-through items (7.4%). Lay staff salaries and benefits are included under Administration. Each of the programs or canonically-required activities utilize staff time; without staff we would be unable to carry out those activities. Staff salary increases are 1.8% which matches the increase in the Consumer Price Index and keeps their salaries level with increases in costs. We are required by General Convention to continue participation in the Medical Trust Health Insurance plans. The increase in rates is 6.04% which is lower than the 6.30% increase for 2015.

The Budget is funded by Parish Assessments and Pledges (61.5%), Investment Income (23.9%), Grants and Fees (3.6%), Transfer from Reserves/Savings (10.6%), and Other (0.4%).

Column B in the Budget includes designations of:

- Co (Corporate): indicates expenses for activities necessary to run the organization effectively, such as insurance, telephones and staff.
- Ca (Canonical): indicates expenses for activities required by the Canons or Constitution, such as holding a convention.
- P (Program): indicates expenses required by the Five Marks of Mission, such as Ephphatha and Seminarian Scholarships (Proclaim Good News), Youth Ministry and Formation Program (Teach, Baptize and Nurture) or Mission of Miracles (Respond to Human Need).

The Proposed Five Marks of Mission Budget was presented to the 147th Diocesan Convention for action. The members of the Budget Committee are grateful to the Diocese for the opportunity to serve. This Budget represents our best effort in presenting you with thoughtful and prayerful priorities and compromises.

Ms. Deborah Smith, Diocesan Treasurer & Board Member

Mr. Jerome Brown, Diocesan Board Member & Chair, Budget Committee

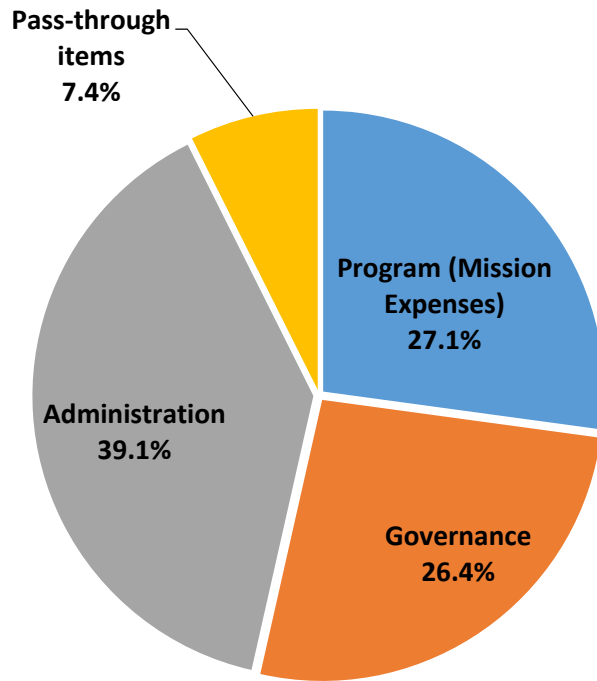
The Diocese of Central New York
2016 Budget

	A	B	C	D	E	F	G	H	I	J	K
		Co/Ca/P++			Description	2014 Actual	2015 Approved Budget	2015 Ytd actual June 2015	2016 Approved Budget	Difference between 2015 and 2016	Commentary
1		Ca			Episcopal Church Assessment	\$ 266,093	\$ 271,535	\$ 135,768	\$ 249,912	\$ (21,623)	Assessment was reduced to 18% (was 19%) of Diocesan income after an \$150,000 exemption(it was \$120,000). **Rate will be 16.5% in 2017 and 15% in 2018 (Assessment becomes mandatory starting 1/1/19.)
60					Assessment credit to Parishes	\$ -	\$ -	\$ -	\$ 21,623	\$ 21,623	Parishes will be given a credit on 2016 Assessment for decrease in Episcopal Church Assessment.
61		Co			Accrual: Lambeth	\$ -	\$ 800	\$ -	\$ 800	\$ -	Accruing for 2018
63					Total Supporting the Five Marks of Mission through.....	\$ 266,093	\$ 272,335	\$ 135,768	\$ 272,335	\$ -	
64											
65											
66					Total Mission Expenses	\$ 549,027	\$ 598,968	\$ 230,857	\$ 467,468	\$ (131,500)	
67											
68					Governance						
69		Ca			Bishop, Compensation & Benefits*	\$ 185,378	\$ 189,318	\$ 94,527	\$ 193,149	\$ 3,831	1.8% increase in 2016, 2% increase in 2015, 5% increase in 2014, 2.2% salary increase in 2013. None in 2012. Other increase from increased benefit costs.
70		Ca			Legal Professional Services	\$ 3,650	\$ 10,000	\$ 2,699	\$ 10,000	\$ -	No change anticipated.
71		Ca			Accrual: General Convention (Actual event 2015)	\$ 63	\$ 49,917	\$ 20,770	\$ 18,000	\$ (31,917)	Accruing for two years (2016 and 2017) to be expended in 2018 for 15 people to attend General Convention and Provincial Synod.
72		Ca			Diocesan Convention	\$ 44,198	\$ 43,800	\$ 547	\$ 47,800	\$ 4,000	Registration fees cover approximately half of convention
73		Ca			Accrual: Bishop Search	\$ -	\$ 3,900	\$ -	\$ -	\$ (3,900)	No accrual for 2016. Actual expense for search on line 47.
74		Co			Accrual: Sabbaticals	\$ -	\$ 3,000	\$ -	\$ -	\$ (3,000)	No accrual for 2016. Funds for next Bishop's accrual will begin in 2017.
75		Co			Transition Consultant Ministry	\$ 3,903	\$ 7,000	\$ 871	\$ 7,000	\$ -	Travel, training and support to transition ministry \$4,000 and \$3,000 parish scholarship - work with parishes between clergy.
76		Ca			Bishop Search and Transition	\$ -	\$ -	\$ 1,160	\$ 178,302	\$ 178,302	New item: Expend accrual for search and transition. Partial expense in 2015.
77											
78					Total Governance Expense	\$ 237,192	\$ 306,935	\$ 120,574	\$ 454,251	\$ 147,316	
79											
80					Administration						
81		Co			Lay Staff, Compensation & Benefits	\$ 348,293	\$ 361,772	\$ 194,002	\$ 406,914	\$ 45,142	new position Communications Specialist \$32,264 and 1.8% increase in 2016, 2% increase in 2015, 5% increase in 2014, 2.2% salary increase in 2013. None in 2012. Other increase from increased benefit costs.
82		Co			Rent	\$ 34,189	\$ 35,068	\$ 17,321	\$ 35,470	\$ 402	Rent for Diocesan office and Archives - 2 separate locations
83		Co			Business Insurance	\$ 14,778	\$ 13,325	\$ 13,662	\$ 16,927	\$ 3,602	
84		Co			Equipment Repairs & Lease	\$ 17,691	\$ 19,124	\$ 9,701	\$ 19,233	\$ 109	
85		Co			Office Supplies & Services	\$ 7,199	\$ 14,800	\$ 3,653	\$ 14,165	\$ (635)	supplies, payroll service
86		Co			Communication Services (phone, web, etc.)	\$ 8,239	\$ 8,900	\$ 3,637	\$ 9,000	\$ 100	
87		Co			Postage	\$ 2,041	\$ 3,650	\$ 1,168	\$ 2,750	\$ (900)	reduction based on prior years actual expenses
88		Ca			Audit	\$ 12,500	\$ 13,000	\$ -	\$ 13,000	\$ -	
89		Co			Retiree Actuary Report	\$ 2,300	\$ 2,300	\$ -	\$ 2,300	\$ -	
90		Co			Other Professional Services	\$ 8,378	\$ 5,450	\$ 1,180	\$ 5,825	\$ 375	Increase in FSA administration service
91		Co			Travel: Other Staff	\$ 5,697	\$ 18,376	\$ 5,721	\$ 18,000	\$ (376)	Includes cost of 2 attending Chancellor's conference

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1											
124					Parish Mission FBO Earnings- Net	\$ 94,631	\$ 95,575	\$ 47,160	\$ 101,722	\$ 6,147	Endowment income from funds held For Benefit Of (FBO) parishes. Pass-through item.
125					Other Diocesan Restricted Earnings (See item*)	\$ 264,954	\$ 245,688	\$ 114,936	\$ 179,742	\$ (65,946)	Endowment income that is limited by the Grantor match up to expenses in the budget (Board approved 4.0% for 2015). Decrease due to lower costs in Formation program and Director of Formation position vacancy.
126					Thornfield Investment Earnings	\$ -	\$ -	\$ -	\$ 47,519	\$ 47,519	Endowment income from proceeds of sale of Thornfield property.
127											
128					Fees:						
129					Retiree Health Insurance Premiums	\$ 10,260	\$ 11,282	\$ 5,472	\$ 5,673	\$ (5,609)	Retiree pays towards premiums. One individual moved to different provider in 2015.
130					Convention Fees	\$ 20,728	\$ 20,500	\$ -	\$ 20,500	\$ -	Registration and exhibitor fees cover about half the cost of Diocesan Convention
131					Thornfield Property Rental	\$ 11,700	\$ -	\$ -	\$ -	\$ -	Assume the property is sold in 2015
132					Other Property Rental	\$ 25,635	\$ 21,600	\$ 7,600	\$ 10,800	\$ (10,800)	Rental income from Sackets Harbor rectory
133					Foundation accounting fees	\$ 7,500	\$ -	\$ -	\$ 5,000	\$ 5,000	
134											
135					Grants:						
136					Thornfield Foundation	\$ 18,626	\$ 18,703	\$ 4,673	\$ -	\$ (18,703)	Thornfield Foundation account closed and moved to Diocesan investments along with proceeds from sale of the property.
137					Bishop's Discretionary Fund	\$ 8,831	\$ 6,600	\$ 2,499	\$ 8,800	\$ 2,200	Pass-through item
138					Contributor's Fund	\$ 21,908	\$ 14,000	\$ 7,374	\$ 11,605	\$ (2,395)	Pass-through item
139											
140					Miscellaneous:						
141					Risk Management Program	\$ 5,000	\$ 3,750	\$ 2,500	\$ 5,000	\$ 1,250	Provided by The Church Insurance Agency
142					Interest	\$ 2,543	\$ 1,300	\$ 1,071	\$ 2,000	\$ 700	Operating Savings Income
143					Gifts	\$ 16,911	\$ -	\$ 4,055	\$ -	\$ -	
144					Other	\$ 1,840	\$ -	\$ 300	\$ -	\$ -	
145					Accrual for General Convention	\$ -	\$ 34,000	\$ -	\$ -	\$ (34,000)	Accrued for 2 years and spent in 2015 for General Convention.
146					Accrual for Next Bishop Search	\$ -	\$ -	\$ -	\$ 146,064	\$ 146,064	Accrued since last Bishop transition - total accrued was \$159,194.
147					Transfer from Savings	\$ -	\$ -	\$ -	\$ 35,612	\$ 35,612	1-time, if needed to fund Bishop Search & Transition costs in excess of accrual for Bishop Search \$15,704; \$19,909 of previously Board designated funds for Sabbaticals
148											
149											
150					Total Income	\$ 1,665,104	\$ 1,639,966	\$ 1,418,517	\$ 1,721,777	\$ (81,811)	
151					Income - Expense	\$ 60,928	\$ 0	\$ 696,331	\$ 0	\$ 0	
152											
153											
154					* Expenses are funded partially or fully by Diocesan Restricted Investment Earnings. + Canonical COM and COM teams						
155					++ Column B --"Co" = Corporate/"Ca" = Canonical/"P" = Program						

2016 Budget Expenses



2016 Budget Income Sources

