

The Episcopal Diocese of Colorado

The Office of the Bishop Proposed Operating Budget for 2018

BUDGET SUMMARY	2016 Actual	2017 Approved Budget	2018 Proposed Budget
Revenue			
Congregational Pledges	\$ 1,820,724	\$ 1,909,645	\$ 1,941,850
Colorado Trust Distribution			585,000
Grant from Colorado Episcopal Foundation	90,000	90,000	-
Other income	53,726	24,720	38,720
Cathedral Ridge Reimbursement	163,148	177,184	24,000
Initiatives Funded by Trusts	194,264	227,830	228,425
Total Revenue	2,321,861	2,429,381	2,817,995
Expense			
Departmental Ministries			
Ministry of the Bishop	422,938	401,234	423,238
Pastoral Care of Clergy and Lay Leaders	468,164	451,489	452,604
Evangelism, Christian Formation and Leadership Training	375,933	409,960	358,555
Congregational Development and Transition Ministry	223,499	285,422	281,146
Advocacy and Social Justice	144,685	176,442	242,305
Financial Stewardship and Fundraising	-	-	283,981
Subtotal Ministry Departments	1,635,220	1,724,547	2,041,829
Support Departments			
Communications	231,536	214,788	246,703
Business Office	276,896	296,158	311,524
Subtotal Support Departments	508,432	510,946	558,227
Support of the Wider Church	193,895	203,265	206,485
Total Expense	2,337,546	2,438,759	2,806,541
Net Operating Surplus (Deficiency)	\$ (15,685)	\$ (9,378)	\$ 11,454

The purpose of the ministry of The Office of the Bishop is "to serve, support, and expand God's mission through The Episcopal Church In Colorado." That ministry is organized into five key areas: (1) Pastoral Care and Support of Clergy and Lay Leaders, (2) Evangelism, Christian Formation and Leadership Training, (3) Congregational Development and Transition Ministry, (4) Advocacy and Social Justice, and (5) Development and Financial Stewardship--all under the oversight of the Ministry of the Bishop and all supported by the Communications Department and Business Office.

The proposed 2018 operating Budget for The Office of the Bishop is aligned in such a way as to directly reflect these ministry areas and it incorporates the following major assumptions:

All staff to receive a 2% cost of living increase.

Health insurance benefits are projected to reflect a 6% increase.

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Revenue	2016 Actual	2017 Approved Budget	2018 Proposed Budget
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Congregational Pledges	<u>\$ 1,820,724</u>	<u>\$ 1,909,645</u>	<u>\$ 1,941,850</u>
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Diocesan Canons call for the mandatory financial support for the work of the wider Church by requiring each congregation to contribute 10% of its plate, pledge, and other regular giving for the year to the Annual Operating Budget for the Office of the Bishop. Diocesan Canons also invite every congregation to consider making a voluntary contribution of up to 5% of their plate and pledge to their Region.

Pledge income for 2018 is an estimate determined by an analysis of historical giving and prior pledge information for each congregation.

Other Income			
Investment Income	\$ 23,973	\$ 6,000	\$ 20,000
Personal/Prior Year Pledges	15,436	4,000	4,000
Miscellaneous Income	14,316	14,720	14,720
Other Income	<u>\$ 53,726</u>	<u>\$ 24,720</u>	<u>\$ 38,720</u>

Miscellaneous Income includes rental income and other miscellaneous revenues.

Cathedral Ridge Reimbursement:			
Business Office	18,000	18,000	24,000
Faith Formation	145,148	159,184	-
Cathedral Ridge Reimbursement	<u>\$ 163,148</u>	<u>\$ 177,184</u>	<u>\$ 24,000</u>

In 2018 Finance Department assistance is reimbursed by Cathedral Ridge

Initiatives Funded by Trusts			
Oakes Home Trust - Medical and Health Assistance	93,000	105,000	105,000
Houghton/ Douglas Trust - Latino/Hispanic Ministry	-	16,442	16,705
Shepard-Holton - Institutional Program Care	23,000	20,000	20,000
Hicks Trust - Faith Formation	59,449	59,488	59,670
Currie Trust - Faith Formation	4,000	4,000	4,000
Bonnell Trust - Anglican Studies/Clergy Education	9,815	17,800	17,800
Talbot - Holy Orders	5,000	5,100	5,250
Total Initiatives Funded by Trusts	<u>\$ 194,264</u>	<u>\$ 227,830</u>	<u>\$ 228,425</u>

In 2017 Oakes Home Trust funds were distributed to St. Francis Center, St. Benedict Health & Healing Ministries, Our Merciful Savior Jubilee Ministries, and St. Clare's Ministry.

Colorado Trust Distribution	-	-	650,000
Grant to Bishop Directionary Fund	-	-	(65,000)
Total Colorado Trust Distribution	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 585,000</u>

As a result of the sale of St. Luke's Hospital, an agreement was signed which awarded annual grants from the Colorado Trust to the Diocese of Colorado. Such grants were assigned to the Colorado Episcopal Foundation in 1986 by the Standing Committee. By action of the Foundation in 2016, such grants were reassigned to the Diocese effective January 1, 2017. The amount of the annual grant is estimated to be \$650,000 for the year 2018; however the final amount will not be known until late in 2017. Each year 10% of the grant is allocated to the Bishop's Directionary Fund. Such fund is not reflected in the Diocesan Operating Budget.

The Office of the Bishop - Proposed Operating Budget for 2018

Expense	2016 Actual	2017 Approved Budget	2018 Proposed Budget
Departmental Ministries			
Ministry of the Bishop			
Staff and Related Costs	\$ 303,398	\$ 308,034	\$ 315,888
Travel and Other Expense	37,094	31,900	32,550
Standing Committee/Other Committee Costs	20,217	20,800	23,300
Annual Convention	46,729	25,000	36,000
Accruals-General Convention, Lambeth Conference	15,500	15,500	15,500
Total Ministry of the Bishop	\$ 422,938	\$ 401,234	\$ 423,238

The Ministry of the Bishop is one of oversight (or episcopate) of all congregations in the Diocese. As Chief Pastor, the Bishop serves as the Chief Executive Officer of the Corporation, manages the business affairs of the Diocese, is responsible for upholding the Constitution and Canons of The Episcopal Church, and for empowering and supporting all aspects of the Church's ministry across the Diocese. The ministry of the Bishop is directly supported through the Counsel and Advice of the Standing Committee which serves as the Board of Directors of the Corporation along with the assistance of an Administrative Assistant.

Due to the large size of the Diocese, the Bishop's travel is extensive. In addition to presiding at ordinations, confirmations, celebrations of new ministry, other special services, and pastoral care and consultation throughout the state, the Bishop is canonically required to visit each congregation in the Diocese at least once every three years. The Bishop's travel, entertainment, and business meal expenses are a reflection of this commitment. Additionally, the Bishop represents Colorado to The Episcopal Church and Anglican Communion at large, including regular meetings of the House of Bishops.

The Annual Convention of the Diocese is the primary gathering of The Episcopal Church in Colorado, providing clergy and lay leaders an opportunity to strengthen their understanding and commitment to God's mission among us. Clergy and lay leaders pay their own travel and lodging expenses. The Diocese pays for the planning, administration, security and facilities costs.

Pastoral Care of Clergy and Lay Leaders			
Staff and Related Costs	\$ 254,414	\$ 292,789	\$ 294,654
Legal	155,994	110,000	100,000
Clergy Conference & New Clergy Orientation	24,571	26,300	30,000
Commission on Ministry	14,867	16,900	22,450
Retiree Benefits	7,227	(2,200)	(2,200)
Other Expense	11,090	7,700	7,700
Total Pastoral Care of Clergy and Lay Leaders	\$ 468,164	\$ 451,489	\$ 452,604

The Canon to the Ordinary is primarily responsible for the pastoral care and support of the clergy and lay leaders of the Diocese, including supervising and supporting the daily operation and management of the Office of the Bishop. This includes implementing the initiatives and policies of the Bishop and Standing Committee as well as providing a variety of forms of pastoral support to clergy and lay leaders across the Diocese. The Canon to the Ordinary coordinates the work of the Senior Staff, the Commission on Ministry, the Trust and Endowment Committee, and the legal work of the Chancellors.

Key to the work of the Canon to the Ordinary is supporting clergy wellness across the Diocese which specifically includes programs to develop the clergy professionally and personally, and the management of clergy compensation and benefits, including health and pension programs.

The Canon to the Ordinary is supported by the work of an Administrative Assistant and Database Manager.

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Expense	2016 Actual	2017 Approved Budget	2018 Proposed Budget
Evangelism, Christian Formation and Leadership Training			
Staff and Related Costs	\$ 264,364	\$ 323,960	\$ 266,155
Faith Formation Programs	82,298	61,000	72,000
Anglican Studies	9,065	12,000	12,000
Other Expense	<u>20,207</u>	<u>13,000</u>	<u>8,400</u>
Total Evangelism, Christian Formation and Leadership Training	<u>\$ 375,933</u>	<u>\$ 409,960</u>	<u>\$ 358,555</u>

The Missioner for Evangelism, Christian Formation and Leadership Training is responsible for developing resources and equipping leaders for the work of evangelism, basic Christian catechesis, and substantive ongoing formation and discipleship for people of all ages.

Effective evangelism, substantive Christian formation, and effective leadership training are key to the growth of God's mission through The Episcopal Church In Colorado.

Congregational Development and Transition Ministry			
Staff and Related Costs	\$ 196,776	\$ 263,522	\$ 257,346
Travel	6,279	6,000	7,500
Deployment	3,773	2,700	2,700
Church Development Institute	28,235	30,000	30,000
Church Development Institute Revenue	(28,269)	(30,000)	(30,000)
Regional Missioner Meetings	3,565	3,000	3,000
Other Expense	<u>13,105</u>	<u>10,200</u>	<u>10,600</u>
Total Congregational Development and Transition Ministry	<u>\$ 223,465</u>	<u>\$ 285,422</u>	<u>\$ 281,146</u>

The Missioner for Congregational Development and Transition Ministry is responsible for equipping clergy, wardens, vestries, bishop's committees, and other lay leaders with the skills and resources needed to lead, cultivate and develop dynamic congregations that are rooted and grounded in God's mission.

In this area of ministry, strategic models and support for the new and emerging congregations and ministries are developed along with congregational development consulting, and the support and management for all clergy deployments and congregational transition for the Diocese.

The Office of the Bishop - Proposed Operating Budget for 2018

Expense (Continued)	2016 Actual	2017 Approved Budget	2018 Proposed Budget
Advocacy and Social Justice			
Advocacy & Social Justice Missioner	5,900	10,000	35,000
Latino/Hispanic Ministry			32,600
Jubilee Ministries Support	1,066	-	5,000
Colorado Episcopal Service Corp	25,000	25,000	25,000
Promotional/Advertising Materials			3,000
Oakes Home Trust Distribution			105,000
St. Francis Center	25,000	25,000	
St. Benedict Health & Healing Ministry	35,000	35,000	
32nd Ave Jubilee Ministry	30,000	30,000	
St. Clare's Ministry	3,000	3,000	
Reserve Distributions		12,000	
Houghton/Douglas Trust Distribution			
Latino/Hispanic Ministries		16,442	16,705
Shepard-Holton Trust Distribution		20,000	20,000
Island Grove	7,000		
32nd Ave Jubilee Ministry	7,000		
Bright's Village	4,000		
St. Elizabeth's School	5,000		
Other	(3,281)	-	-
Total Advocacy and Social Justice	\$ 144,685	\$ 176,442	\$ 242,305

The Missioner for Advocacy and Social Justice is a newly established part-time position in the Office of the Bishop, and is responsible for calling The Episcopal Church in Colorado to the spiritual discipline of integrating the Christian faith and life with complex issues of justice in order to bear witness to the gospel in the world and to advocate on behalf of the poor, the marginalized, and dispossessed.

Key to this ministry is the oversight and development of Colorado Episcopal Service Corp (a separate diocesan institution) and the support of Colorado's 34 Jubilee Ministries.

This area of ministry oversees the administration of pass through grants from temporarily restricted trust and endowment accounts to various beneficiaries, and variations in those grants do not affect the bottom line of operating budget

In 2017 a full time priest was hired to oversee Latino/Hispanic Ministry for the Diocese. Funding of this position is provided by several sources-Houghton/Douglas and Bonnell Trusts, several regions, and Rocky Mountain Synod ELCA

Development and Financial Stewardship

Staff and Related Costs			241,231
Travel & Hospitality	-		20,000
Database Maintenance			6,500
Dues & Subscriptions			1,250
Miscellaneous	-	-	15,000
Total Development and Financial Stewardship	\$ -	\$ -	\$ 283,981

The addition of a development director and assistant is planned for 2018

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Expense (Continued)	2016 Actual	2017 Approved Budget	2018 Proposed Budget
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Support Departments

Communications

Staff and Related Costs	\$ 113,066	\$ 115,638	\$ 118,553
Episcopalian	25,749	26,250	26,250
Information Systems	72,673	49,100	53,100
Communication Programs	13,057	19,000	19,000
Congregational Training and Consulting			8,000
Identity and Branding			17,000
Other Expense	6,990	4,800	4,800
Total Communications	\$ 231,536	\$ 214,788	\$ 246,703

This department has a full time Director of Communications. Responsibilities include The Episcopalian, development and maintenance of a professional web site, assistance to other departments through the development and publication of newsletters and e-newsletters, professional representation of the Diocese to the media, and, in general, design and control of all communication tools and resources involving both internal and external communications to the diocesan staff, diocesan congregations and the greater community.

Business Office

Staff and Related Costs	\$ 131,606	\$ 134,358	\$ 137,824
Facilities Management	89,929	90,400	98,100
Insurance, Property Taxes, and Audit	42,965	57,500	61,000
Accounting Software	7,576	8,000	8,000
Other Expense	4,820	5,900	6,600
Total Business Office	\$ 276,896	\$ 296,158	\$ 311,524

The Finance Department is staffed by the Controller and a part time accounting assistant, who also serves as Diocesan Archivist, under the supervision of the Treasurer and working closely with the Diocesan Finance Committee. This group is responsible for stewardship of the Diocese's financial resources and the reporting of the financial condition of the Diocese and results of its operations on a regular and timely basis. It performs all accounting functions, coordinates preparation of the annual budget, the annual audit, the collection, analysis and distribution of summary, diocesan-wide information, and interpretation of financial data for the use by executive staff, Standing Committee, and other committees of the Diocese. It is responsible for property, casualty and liability insurance, coordinates real estate matters including exempt property applications and reports.

In addition to the accounting and reporting functions, the Finance Office manages the internal organizational support functions including building services and maintenance, mail, purchasing and telecommunications.

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Expense (Continued)	2016 Actual	2017 Approved Budget	2018 Proposed Budget
<u>Support of the Wider Church</u>			
The National Church Pledge	\$ 181,595	\$ 190,965	\$ 194,185
Province VI Pledge	10,800	10,800	10,800
Colorado Council of Churches	1,500	1,500	1,500
Total Support of the Wider Church	<u>\$ 193,895</u>	<u>\$ 203,265</u>	<u>\$ 206,485</u>

The pledge to the National Church is based on 10% of the estimated 2018 Diocesan pledge income.
Colorado Council of Churches represents Diocesan support of Christian initiatives through the Colorado Council of Churches.

Cathedral Ridge Capital Campaign			
Staff and Related Costs	71,563	58,560	-
Consultant Fees and Expenses	60,311	20,000	-
Office Expenses	9,566	1,000	-
Travel & Professional Expense	61	1,000	-
Cathedral Ridge Reimbursement	(141,501)	(80,560)	-
Total Cathedral Ridge Capital Campaign	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Capital Campaign expenses for Cathedral Ridge are not anticipated for 2018