



Treasurer's Narrative to Accompany the 2024 Recommended Budget

Guide us to perceive what is right, and grant us both the courage to pursue it and the grace to accomplish it: through Jesus Christ our Lord. Amen BCP p.818

The chief purpose of this document is to provide Diocesan Convention delegates and others with information to help them understand the story behind the numbers found on the proposed budget spreadsheet. The 2024 proposed budget is like a hopeful gardener planting seeds for a new and vibrant growing season for the Episcopal Church in Colorado. As we look forward to this exciting new chapter, we recognize that many aspects of our growth and community will bloom in ways different from our pre-Covid operations.

With faith and optimism, we're embracing these changes, seeing them not as challenges but as opportunities to flourish in new directions. Just as a garden thrives with care and nurturing, our collective investment in the future is set to blossom into something beautiful and life-affirming. Together, we'll grow, adapt, and cultivate a landscape rich with faith, love, and community.

First, as to process: the annual budget cycle begins with an initial proposed draft budget based on input from the leadership and staff of the Office of the Bishop, gathered in late spring and early summer. In late July, this preliminary draft budget was sent to the Finance Committee and the Standing Committee for review and comment, and further changes were made to reflect that input. In early August, the next iteration of the draft budget was presented to the Finance Committee and to your Standing Committee for their review of changes that were made. The final recommended budget comes to the Diocesan Convention with your Standing Committee's unanimous recommendation that you adopt it. The recommended budget and this narrative will be published in advance of the Diocesan Convention. There will be a Budget Hearing held via Zoom on September 30, a week before the Diocesan Convention's business session. This Budget Hearing is open to everyone, not just convention delegates.

The format of the budget this year continues with the changes that were made in the way the 2022 budget was presented. The intent behind these changes is to better describe how the budget supports the direction of our life together. Previous budget presentations were organized according to departments within the Office of the Bishop; what you will see takes more of a functional, programmatic, and missional approach.

The presentation of the budget begins with our projected income. The foundation of that is, of course, the faithful giving of the congregations that make up the Episcopal Church in Colorado, and that, in turn, is based on the generous giving of individuals and families that make up each congregation. Congregational giving was the highest it's ever been in 2022, and we have reason to

believe it will continue to be at that level or higher in 2023 and 2024. This is a great indicator of the resilience of our congregations across the state. While the thriving is not uniform, it is still to be celebrated.

The second largest component of our Diocesan income after congregational giving is our annual grant from the Colorado Trust. This was budgeted at \$915,000 for 2023 and will come in at just over \$780,000. This is a challenge every year and we get a projection from the Colorado Trust in the late summer. We are projecting this to be \$800,000 for 2024.

Estimated income from our many internal trusts is designated to be used for specified purposes and equals those estimated expenses, the net bottom line effect on the operating budget is neutral.

Turning to expenses, as was noted above, budget areas are now divided into Operational Expenses, Empowering Leaders, Equipping Congregations, and Engaging the World, encompassing not just the work of the Office of the Bishop staff, but also our collective work as the Episcopal Church in Colorado.

We are back to in-person travel, meetings, and programming. In 2020, 2021 and 2022, we were able to add to our reserves. This was not our goal and was clearly a function of people not gathering. But now that we are gathering again, we are in a better position to add programming and fully fund our existing programming.

The increase in participation and enthusiasm surrounding our Children and Youth events is bringing great joy. We have increased spending on these areas by \$20,000, from \$60,000 for 2023 to \$80,000 for 2024. Kids are excited, and Youth Leaders are excited. As the participation levels continue to increase, we anticipate being able to financially support those needs.

In the “Engaging the World” section of the budget, we are giving The Episcopal Church the 15% minimum mandated by General Convention. These funds support churchwide ministries, from evangelism and church planting to caring for creation and racial reconciliation. The amount budgeted for 2024 is derived from applying The Episcopal Church formula to our 2022 actual income.

The 2019, 2020, and 2021 audits have all been completed. The 2022 audit is in process. In May of 2024, we will begin our 2023 audit, and that puts us back on our normal audit schedule.

There are, of course, increases in budget items for things like higher insurance rates, but most of our additional spending is going straight to services offered.

As you will see, the bottom line of the proposed budget projects a deficit of around \$180,000, which your Standing Committee believes is reasonable under all the circumstances, including the healthy state of our cash reserves. It is our hope that the aspirations of this budget will inspire all to see the value of the mission and ministries of the Episcopal Church in Colorado, and to support them with your prayers and your faithful financial contributions to both the Diocese and your respective Regions.