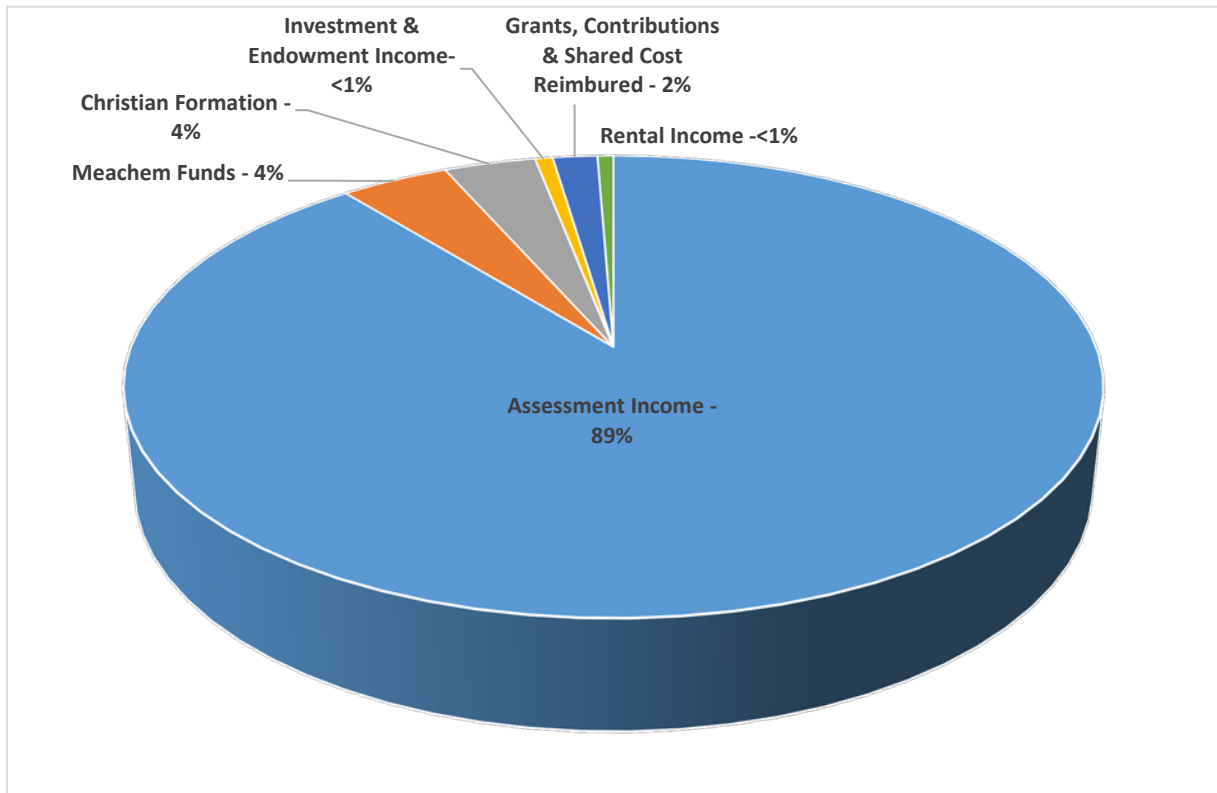


Episcopal Diocese of Milwaukee Proposed 2018 Budget

Revenue:

Proposed 2018 Revenue: \$1,541,265

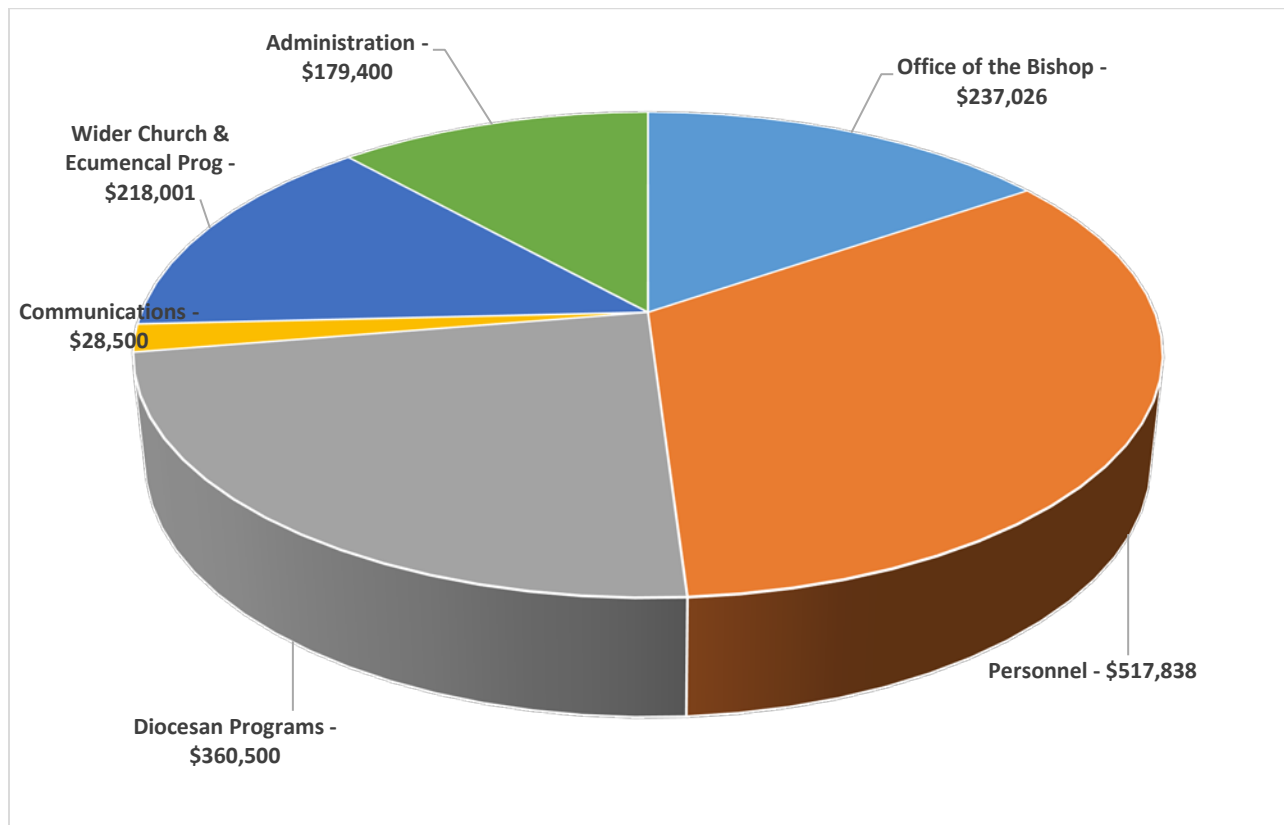


- The diocese receives 89% of its income from parish assessments. In 2016, the total normal operating income received (parochial report line A) was \$1,470,246 or \$2,878 less than the income received in 2015. The assessment calculation is based on a two year average formula using fiscal years 2015 and 2016 as its basis for the projected revenue. There is a net increase of \$5,629 in proposed assessment income for 2018 versus the 2017 current assessment income.
- The Diocese has endowment and investment funds with The Trustee of Funds and Endowments in Combined Funds. The unrestricted endowments make up less than 1% of the Diocesan revenue source.
- The Christian Formation investment income is 4% of the diocesan revenue source. It uses the estimated income earned in 2017 to fund Christian Formation programs such as Camp Webb, Adult Retreats, and Campus Ministry. The projected income for the 2018 budget is \$55,000.
- The Meachem Funds provide 4% of the Diocesan revenue source to fund the Community Engagement Ministry, and Diocesan CDI Program. This restricted income is based on 2017 funds availability. Projected funds available for use in 2018 is \$65,000.

- Annual Grants, contributions and shared cost make up 2% of the proposed budget. The Diocese receives an annual grant from the Earl T. Hoffmann Episcopal Fund through the Greater Milwaukee Foundation. Last year the diocese received \$20,387. This year, the Diocese is expected to receive \$20,608. The Diocese shares the cost of medical insurance for our new Communications Officer with a local Diocesan parish. The projected income from the shared cost is \$6,149.
- The Diocese rents office space to the Gathering and Our Next Generation located at Nicholson House. In May 2017, Our Next Generation moved. The projected rental income will decrease \$2,900 in 2018.

Expenses

Proposed 2018 Expenses: \$1,541,265



Office of the Bishop

- The Office of the Bishop includes salary, insurance and pension expenses for the Bishop as well as travel and automobile expenses. The automobile expense includes insurance, fuel and vehicle maintenance. It provides funding for Bishop's meetings with parish representatives and for pastoral care needs, as well as the Archdeacon's expenses. For 2018, there is a projected increase of \$4,710 which includes salary, pension and insurance benefits for the Office of the Bishop. Bishop's auto, travel and the Archdeacon expenses remain unchanged for 2018.

Personnel Expenses

- The Bishop's staff includes compensation and benefits for 5 full-time and 1 part-time employee. In addition, it includes compensation for the Camp Webb Director position and Missioner for Community Engagement. The total projected expenses increased \$34,806 when compared to last year's budget. This is attributed to adding a full-time person in November 2016.

- The new Communication Officer's position will share medical insurance costs with a diocesan parish in 2018.
- The Missioner for Community Engagement's compensation and benefits are fully funded by Meachem Fund Income.
- Staff salary and benefits are projected to increase 1.5% in 2018. Travel and conference expenses remained unchanged for 2018.

Program Expenses

- Mission and Development expenses account for 16% of the Diocesan budget. The department offers financial support of mission and developing congregations throughout the Diocese that offer regional, mission, and community presence. Mission and Development seeks to help communities equip leaders through teaching, networking, resourcing and building relationships. Programs include: Diocesan Church Development Institute, Leadership Days, Facilitated Mutual Ministry Reviews, Hospitality Ministry, Community Engagement Ministry, Fresh Start for new clergy, and scholarships for leadership training. There is no increase in the Mission and Development budget for 2018.
- Transition Ministry expenses include post seminary training and other expenses related to the transition. There is no increase in Transition Ministry budget for 2018
- Missioner for Community Engagement is involved in the City of Milwaukee in a variety of ways. The key area of responsibility is building relationships with city leaders such as the Mayor's Office, Milwaukee Police Departments, Milwaukee Public Schools as well as other faith based organizations. The Missioner looks to promote "unity in the community" in collaboration with others who have similar need or have been working in this area for some time. The Missioner's goal is to be present and involved in the community by working with leaders in curbing violence in the city. The Missioner's salary and benefits are paid for by Meachem Fund Grant income.
- Christian Formation program expenses account for 4% of the Diocesan budget. Ministry areas of Diocesan Christian formation include, but is not limited to Campus Ministry, Safeguarding God's Children and People, Camp Webb and Outdoor Ministries, and Youth Council. There is no change in the program budget for 2018.
- Clergy Retreat and Clergy Days - The clergy gather together for a two-day retreat once a year. The retreat focuses on different topics annually with the intention of promoting fellowship and learning among clergy. In addition, they meet several times during the year to discuss pertinent topics, share information, and build community. There is no change in the budget for 2018. The total budget is \$10,000.
- Clergy Continuing Education – The Diocese supplements clergy continuing education activities through several small grants which are available to clergy. There is no change in the \$4,000 funding for 2018.
- Standing Committee is provided \$500 each year for meeting expenses, postage, and copying.
- The Commission on Ministry budget includes discernment weekend costs, workshops, background checks and evaluations of candidates, and payment of general ordination examination fees. There is no change in the budget for 2018. Total funding is \$6,000.

The Wider Church Programs

- Companion Diocese – A small portion of the budget is allocated for programs which help to improve access to basic necessities such as potable water, health care, and transportation of goods and people. Funding for 2018 is \$3,000.
- Economic Justice – the Diocese pays an annual membership fee of \$500 to the Episcopal Network for Economic Justice. There is no change in the budget for 2018.
- The Commission on Global Reconciliation committee distributes .7% of diocesan operating income to ministries aimed at realizing the Millennium Development Goals as developed by the United Nations. The Haiti Project receives \$5,000 each year to assist with the salary expenses for the project coordinator. The committee then receives grant requests and distributes the remaining funds. The projected budget for 2018 is \$10,334.

- Through the National Church assessment, the Diocese supports the mission and administrative work of The Episcopal Church at home and abroad. The assessment formula for 2018 is 15% of total operating income from 2016 (\$1,377,444) less funds given to parishes and post seminary aid totaling \$206,606. In addition, the National Church provides a general credit of \$150,000. The projected total assessment for 2018 is \$165,165 which is \$18,308 less than 2017.
- Province V is comprised of fourteen dioceses in the upper Midwest who seek to work together on regional ministry opportunities, and share information of regional interest. The Diocese contributes the suggested assessed amount to Province V. The assessment calculation is .2% of the adjusted income after credits used to calculate the National Church Assessment. The projected assessment for 2018 is \$2,202.
- General Convention/Lambeth– each year a portion of the diocesan budget is set aside for registration fees and travel expenses for the Triennial General Convention and the Lambeth Conference that occurs every 10 years. The Bishop, 4 lay and 4 clergy deputies, 1 lay and 1 clergy alternate attend the General Convention every 3 years. The total funding for 2018 is \$20,000. There is no change in the budget for 2018.

Ecumenical Participation

- The Diocese is affiliated with the Wisconsin Conference of Churches and the Interfaith Conference of Greater Milwaukee. The total funding is \$14,500 for 2018. There is no change in the budget for 2018.
- The Diocesan Ecumenical Officer attends the National Workshop on Christian Unity. The funding of \$2,300 remains unchanged for 2018.

Communications

- The proposed budget for 2018 supports the continued development of the weekly Diocesan E-newsletter. The proposed budget of \$5,000 remains unchanged for 2018.
- The Diocese does not have an in-house IT specialist. Outside support is contracted for website maintenance issues, problem solving, and ongoing maintenance of servers which supports the work of the Diocesan staff and enables electronic and telephone communication to and from Nicholson House. The proposed budget decreased \$3,000. Total funding for network/technical support is \$23,500.

Administration

- Administrative and office expenses account for 12% of the 2018 diocesan budget.
- Professional Services for Audit and Legal fees remain unchanged for the 2018 budget. The total funding for 2018 is \$28,000.
- Insurance premiums include workers' compensation coverage, property, liability, sexual misconduct, malpractice insurance for Diocesan Officers and Directors and automobile coverage for the Bishop's automobile. Also included in the Diocesan policy is coverage of parishes owned by the Diocese, and Nicholson House. Total funding for insurance premiums is \$24,561 or an increase of \$3,161.
- Convention costs are a part of the budget to keep registration fees low and affordable. The total proposed funding of \$8,000 for 2018 remains unchanged.
- Equipment and maintenance expenses decreased \$2,000 because most system upgrades were done in 2017. Total proposed funding for 2018 is \$18,000. It includes leases on the copiers and postage machine. In addition this area of the budget covers replacement and upgrade in staff equipment and computers.
- Utilities include gas, electricity, steam heat, telephone, cable, and water. Total proposed funding of \$18,000 for 2018 remain unchanged.
- Office Repairs include the services of an outside maintenance person, annual maintenance contract on heating and cooling systems, and routine repairs needed at Nicholson House. Total funding for 2018 is \$19,500 which is a decrease of \$5,800. The proposed building maintenance budget decreased because a majority of the building projects will be completed in 2017.

2016 Financial Results

Revenue

- Total revenue was \$1,470,246 as of 12/31/2016.
- The Diocese uses the accrual basis of accounting wherein revenue and expenses are recorded when earned or incurred. Therefore, the assessment income reflects the total parish assessments not the amount actually received. As of December 31, 2015 there was a balance of \$83,298 in unpaid assessments. Of this, \$59,034 is unpaid for more than 90 days.
- Total assessments were under budget \$9,811. This was due to adjustments for lost revenue from a closed parish.
- Contributions and grants was over budget \$1,803. \$20,387 comes from a grant received through the Greater Milwaukee Foundation.
- Meachem Fund Grants offset an additional \$15,927 in expenses for the Missioner for Community Engagement Ministry and CDI expenses.

Expenses

- Total Expenses were \$1,371,699
- Office of the Bishop was under budget \$1,744
- Salaries and benefits expenses were under budget \$78,763. The areas under budget include staff compensation, clergy pension and insurance. The open position of Bishop's Assistant for Christian Formation was not filled instead the following positions were added in order to carry out some of the duties for Christian Formation. The new positions that were added in 2016 include Camp Webb Director (January 2016), Finance Accounting Assistant (June 2016), and Communications Officer (November 2016).
- Mission and Development was under budget \$9,881. \$7,570 was allocated for NCC Aid. No aid needed for the last six months of the year. The assistant at Portage was ordained and moved on to another parish in the Diocese.
- Transition Ministry was under budget \$16,448. There were less post seminary training requests in 2016.
- Christian Formation was under budget \$15,299. Campus Ministry's \$14,000 was not used in 2016.
- Clergy Retreat and Clergy days under budget \$10,459. No clergy retreat was held in 2016.
- Communications was over budget \$23,983. In 2016 there was a two day convention instead of the one day convention as anticipated.
- Administration was over budget \$5,608. Repairs and Maintenance was over \$15,580. This included repairs totaling \$9,617 for Nicholson House foundation work and an additional \$4,647 for the new air conditioning unit used by the 3rd floor tenants. Other areas of the administrative expenses were under budget.
- Professional services was over budget \$6,052. This pertains to legal services provided on the sale Diocesan property and a consultation relating to the foundation repairs at Nicholson House.

Designated Endowment & Meachem Endowments

- The Diocesan Grant Boards made grants totaling \$64,058. In addition seminarians received \$3,000 from the Buschman Seminarian Scholarship Fund.
- The Meachem Endowment Funds distributed a total of \$157,447. The Community Engagement Ministry received \$57,926, Diocesan CDI program received \$39,521, and Parish Redevelopment received \$60,000.