



# The Episcopal Diocese of Tennessee

## APPROVED Operating Budget 2012

January 21, 2012

Your duly elected Bishop and Council is pleased to present a proposed budget for the Diocese of Tennessee for 2012. You will see here a column which presents the prior year budget, the initial budget draft for 2012 as they were received, with no adjustment. In the final column, you will see the proposed adjustments which brings a balanced budget. Along with the support of the Finance Committee, your Bishop and Council is pleased to recommend this proposed operating budget to you.

We encourage you to study this proposed budget, read the notes, ask questions of the members of the B&C and Finance Committee (members listed in your Convention packet) and participate in the budget hearings.

	Operating Budget 2011	Unadjusted Operating Budget 2012	Adjusted Operating Budget 2012
<b>Revenue Estimate</b>			
Annual Fund Contributions	120,000	90,000	100,000
Fair Share Commitments	1,170,000	1,200,000	1,210,400
Investment income, General Operating	67,217	66,024	66,024
Investment income, Office, Property	11,469	11,318	11,318
Investment income, Robinson, Episcopate	97,035	95,741	95,741
Missions, Deacon's Assessment	35,172	35,408	35,408
Lease Income	-	10,500	10,500
Interest from loans outstanding	2,612	6,800	6,800
Miscellaneous Revenue	-	-	-
Total Revenue	1,503,506	1,515,791	1,536,191

The primary source of support for the diocese is the Fair Share commitment which is equal to 10% of a congregation's operating income, calculated on a three year rolling average. The Fair Share amount above is based on commitments received as of January 18, 2012. We anticipate a few congregations will still respond.

The investment income represents planned and regular distributions from funds held at the Episcopal Endowment Corporation and two other long term funds. Investment distributions are calculated at 4% of a rolling average of the asset value.

We celebrate the success of the Faithful & Focused Annual Fund which provides, support and prayers from every part of the diocese. In late 2010 and 2011, you provided over \$100,000 of financial support to the programs of the Diocese of Tennessee!

### Expenses

#### **Compensation and benefits - diocesan staff**

Stipend, Episcopate	103,654	107,178	107,178
SS Allowance, Episcopate	10,259	10,608	10,608
Housing, Episcopate	30,450	31,485	31,485
Auto, Episcopate	4,000	4,000	4,000
Pension, Episcopate	25,985	26,869	26,869
Health Benefits, Episcopate	20,376	21,429	21,429
Stipend, Canon	58,486	60,474	60,474
SS Allowance, Canon	6,241	6,453	6,453
Housing, Canon	23,100	23,885	23,885
Auto, Canon	4,000	4,000	4,000
Pension, Canon	15,809	16,346	16,346
Health Benefits, Canon	13,157	13,789	13,789
Stipend, Canon	1	1	1
Salary, general & administrative	173,776	179,424	179,424
Payroll taxes, general & administrative	13,294	13,726	13,726

	2011	Unadjusted 2012	Adjusted 2012
Pension, general & administrative	15,003	15,513	15,513
Health Benefits, general & administrative	21,699	22,721	22,721
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	539,291	557,904	557,904

These figures include compensation for the Bishop, the Canon to the Ordinary, the Canon for Administration and Finance, the Chief Financial Officer, the Bishop's Assistant, and the Director of Communications. There is an increase of 3.4% in compensation for staff for 2012, which represents the published COLA as of November, 2011. Other salaries paid by the diocese are recorded below in the appropriate programmatic area. With some exceptions, those compensation packages are also increased by 3.4%. Health insurance increases by approximately 6%.

**Outreach**

Overseas Evangelism	10,500	10,500	10,500
National Church pledge	104,000	104,000	110,096
Living in Creation Ministry	610	600	600
Episcopal Appalachian Ministries	2,500	2,500	2,500
Hispanic Lunch Program	1,000	1,000	-
Mid-Cumberland Mountain Ministry	39,270	40,702	40,702
St. Andrew's-Sewanee School	1,000	1,000	1,000
St. Luke's Community House	72,000	72,000	72,000
University of the South	1,000	1,000	1,000
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	231,880	233,302	238,398

Overseas Evangelism, Living in Creation Ministry and Mid Cumberland Mountain Ministry are diocesan outreach programs. The other line items reflect outreach done by entities related to the diocese. It is also important to recognize the Dandridge Trust as part of diocesan outreach. Historically, it has provides \$75,000 to \$100,000 of outreach support annually, but those figures are not part of the diocesan operating budget.

The National Church pledge shown above is based on the diocesan giving plan that has been in existence for some time. The Episcopal Church's actual budget request is 19% of the 2010 diocesan operating income, less an exemption of \$120,000. That figure for the Diocese of Tennessee would be \$275,281.

**Program Areas**

<b>Mission Council</b>			
Evangelism	3,000	2,000	1,000
Mission Congregations			
All Saints' Church Smyrna	101,602	104,726	102,726
Grace Chapel Rossville	-	20,000	-
Church of the Holy Cross Murfreesboro	100,922	123,362	123,362
St. Anselm's Church Nashville	30,000	40,000	30,000
St. James' Church Dickson	10,000	10,000	10,000
St. James' Church Sewanee	4,500	12,500	4,500
St. Luke's Church Springfield	12,500	12,500	12,500
STEM	89,362	92,841	92,841
Mission support, other	-	-	-
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	351,886	417,929	376,929

Redeveloping Mission Congregation is a major part of the diocesan budget. We remain committed to their growth and development. There were requests for capital improvements from some of our Mission Congregations. Those amounts were removed from the adjusted operating budget because it is our preference that capital improvements are funded from sources other than our operating budget.

	2011	Unadjusted 2012	Adjusted 2012
<b>Education Council</b>			
Christian Education	2,000	500	500
Christ Church Chorister Festival	1,000	1,100	1,100
Education for Ministry	1,500	1,500	1,500
Higher Education, St. Augustine's Chapel	63,735	63,735	63,735
Stewardship	1,000	1,000	1,000
Youth	7,400	10,600	10,600
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	76,635	78,435	78,435

Funding for 2012 includes materials for Education for Ministry, support for college campus ministries at Vanderbilt University and Belmont University, support for Camp Gailor-Maxon and for our Youth programming.

<b>Ministry Service Council</b>			
Aid to Seminarians	16,000	4,200	4,200
Chaplain, Retired Clergy/Spouse	2,520	2,520	2,520
Clergy Assistance	2,000	2,000	2,000
Clergy Colloquium	10,000	12,000	13,000
Clericus	300	300	300
Commission on Ministry	3,000	3,000	2,500
Clergy spouse and development	3,500	3,500	2,000
Congregational development	5,000	5,000	5,000
Daughters of the King	1,000	1,000	1,000
New Clergy Placement	-	73,479	-
Ecumenical Officer	1,000	1,000	1,000
Deployment expenses	3,000	3,000	1,000
Fresh Start	1,288	1,200	1,200
Episcopal Church Women	2,000	3,000	2,000
Vocational Diaconate	3,622	3,622	4,622
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	54,230	118,821	42,342

The Fresh Start program provides support and educational development, and builds collegial relationships for clergy in transition (newly ordained clergy, and clergy in new cures). The Vocational Diaconate program supplements the formation and training of vocational deacons. The first class began in January of 2011. In an effort to lessen the significant unadjusted deficit, the New Clergy Placement was reduced to zero.

<b>Church Government</b>			
Chancellor	6,000	6,000	5,000
Diocesan Convention	5,000	5,000	3,000
Episcopal Diocesan Ecumenical and Interreligious Meeting expenses	250	250	250
Deputies, General Convention	2,500	1,500	1,500
Provincial Synod (annual)	-	30,000	25,000
Lambeth Conference annual accrual	-	-	1,500
Province IV Assessment/Relief & Disaster Conference	-	-	-
Cathedral expense	9,388	9,388	4,988
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	24,138	53,138	42,238

Every three years, we expend costs incurred for General Convention. In 2012, we will send delegates to Indianapolis for the 77th General Convention.

<b>Development Efforts</b>	20,000	15,000	15,000
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We continue to raise support for the Faithful & Focused Annual Fund for existing and new initiatives. Donors all across the diocese have generated great success in 2010 and 2011, contributing over \$100,000. Into 2012, as we continue the Faithful & Focused Annual Fund, we will work and pray together to enrich our Christian life and community.

**Administrative Expenses**

Bank charges and investment fees	7,000	8,700	7,000
Dues and subscriptions, general & administrative	500	1,000	1,000
Dues and subscriptions, Episcopate	2,000	2,000	2,000
Dues and subscriptions, Canons	200	200	200
Equipment rental, repair and maintenance	20,000	20,000	16,000
Insurance, property & liability	20,000	20,000	20,000
Interest expense, operating general & administrative	1,500	-	-
Miscellaneous expenses	-	-	-
Occupancy	63,500	60,000	59,000
Postage and shipping	13,000	10,000	10,000
Printing, Communications	26,000	24,000	25,145
Professional fees, audit, etc.	15,646	12,000	11,000
Supplies	5,000	5,000	5,000
Supplies, Episcopate	1,000	1,000	1,000
Supplies, Canons	1,000	1,000	1,000
Telephone, general & administrative	7,000	6,500	5,500
Telephone, Episcopate	1,300	1,300	1,300
Training, Continuing Ed., general & administrative	3,400	2,400	2,400
Training, Continuing Ed., Episcopate	3,200	3,200	3,200
Training, Continuing Ed., Canons	2,000	2,000	2,000
Travel, mileage, general & administrative	1,200	1,200	1,200
Travel, Episcopate	8,000	8,000	8,000
Travel, Canons	3,000	3,000	3,000
	205,446	192,500	184,945

Administrative expenses include continuing education and travel for the Bishop, Canons, and staff, printing of Connections, office rent, telephone, etc. The proposed figures maintain current levels of activity.

**Total Expenses**

	1,503,506	1,667,029	1,536,191
Total Revenue over (under) expenses	0	(151,238)	0