

DFMS 2007 Budget

**Executive Council:
March 2007**

DFMS Financial Results : Preliminary 2006

<i>Description</i>	<i>Year-To-Date</i>			<i>Annual Budget/YTD Actual</i>		
	<i>Actual</i>	<i>Budget</i>	<i>Fav/(Unfav) Variance*</i>	<i>Annual Budget</i>	<i>YTD (Shortfall) / Overage</i>	<i>Actual YTD & Annual Budget</i>
REVENUE						
Diocesan Commitments	28,244,122	29,258,290	(1,014,168)	29,258,290	(1,014,168)	97%
Investment Income	10,419,557	10,105,859	313,698	10,105,859	313,698	103%
Episcopal Life	1,893,700	1,935,633	(41,933)	1,935,633	(41,933)	98%
Government Revenue	6,476,041	6,189,076	286,965	6,189,076	286,965	105%
EBaR	484,173	450,000	34,173	450,000	34,173	108%
Other	1,478,936	892,000	586,936	892,000	586,936	166%
TOTAL REVENUE	48,996,529	48,830,858	165,671	48,830,858	165,671	100%
EXPENSE						
Canonical Leadership	11,354,872	10,929,340	(425,532)	10,929,340	(425,532)	104%
Mission Program	16,394,863	16,548,365	521,386	16,548,365	521,386	99%
Mission Block Grant Partnerships	9,442,408	9,493,063	50,655	9,493,063	50,655	99%
Communication	5,395,657	4,776,933	(618,724)	4,776,933	(618,724)	113%
Mission Support	8,485,340	8,330,973	(154,367)	8,330,973	(154,367)	102%
TOTAL EXPENSE	51,073,140	50,078,674	(626,581)	50,078,674	(626,581)	102%
Net Budgetary Income / (Loss)	(2,076,611)	(1,247,816)	(460,910)	(1,247,816)	(460,910)	

Preliminary at 2/23/07

DFMS Financial Results :

2004 – 2006 Preliminary

Description	2004 - 2006 Trienium Actuals			
	2004	2005	2006 (Preliminary 2/23/07)	Total
REVENUE				
Diocesan Commitments	27,618,907	28,740,177	28,244,122	84,603,206
Investment Income	10,384,986	10,439,732	10,419,557	31,244,275
Episcopal Life	1,655,918	1,590,143	1,893,700	5,139,761
Government Revenue	5,800,285	5,604,792	6,476,041	17,881,118
EBaR	249,966	579,082	484,173	1,313,221
Other	149,282	1,453,168	1,478,936	3,081,387
TOTAL REVENUE	45,859,345	48,407,094	48,996,529	143,262,967
EXPENSE				
Canoncial Leadership	8,231,991	9,026,488	11,354,872	28,613,351
Mission Program	14,973,603	16,021,933	16,394,863	47,390,399
Mission Block Grant Partnerships	9,548,516	9,535,759	9,442,408	28,526,684
Communication	4,917,312	5,345,056	5,395,657	15,658,025
TOTAL EXPENSE	44,793,062	47,371,570	51,073,140	143,237,771
Net Budgetary Income / (Loss)	1,066,283	1,035,524	(2,076,611)	25,196

2007 Budget Assumptions: Revenues

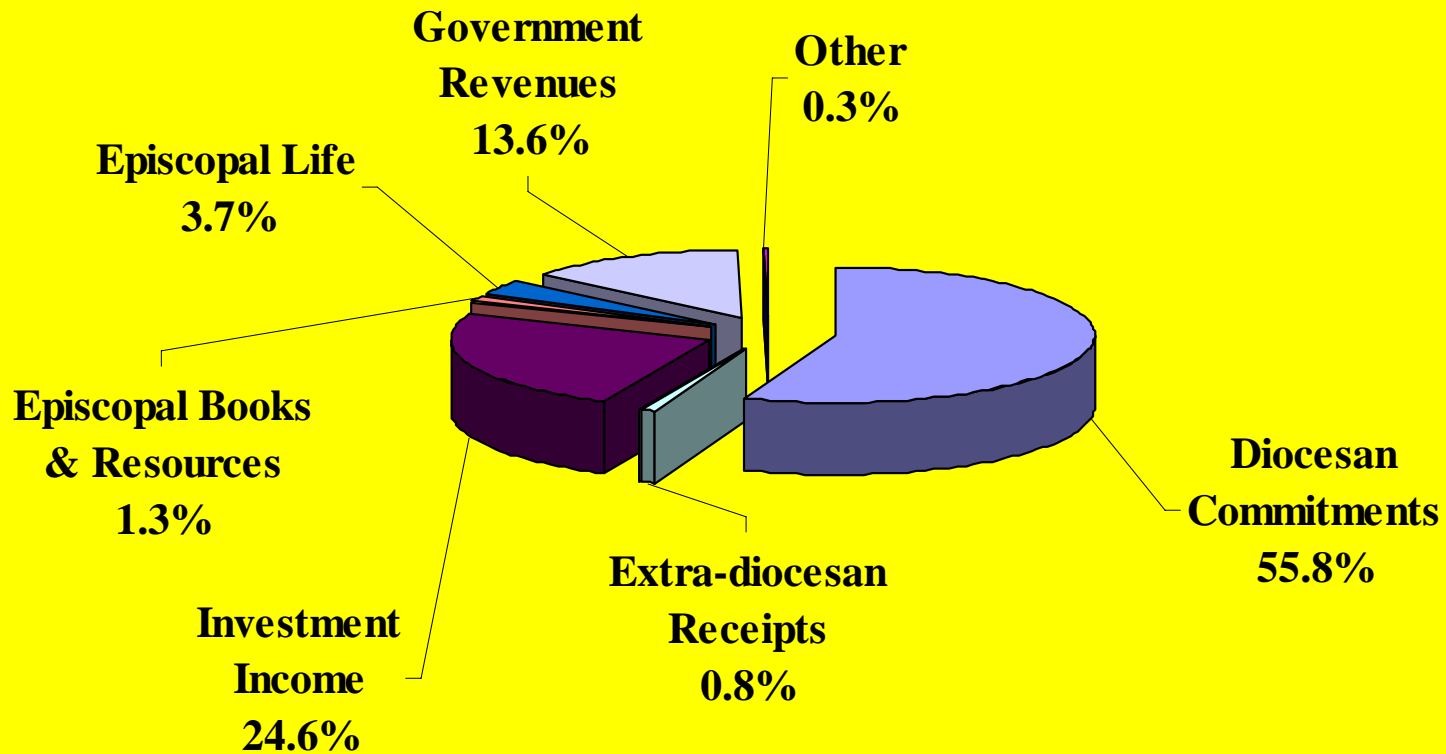
- Diocesan income up 1.1% in 2007 vs. 2006
- **Gifts from extra-diocesan channels continue**
- Increase in income from trust funds reflects good performance in recent years offsetting poor equity performance in 2002; 5.5% dividend payout
- **Government revenue higher**
- EBaR revenue higher as café/bookstore begins operating
- **Rental income will commence in January 2008**

Proposed Budget 2007: Diocesan Commitments

The 2007 Budget reflects \$28.5 million of income from diocesan commitments

- Signed or indicated pledges from all domestic dioceses
- **Indicated support reflects an increase of 1.1% compared to 2006 actual**
- Among the pledges from dioceses
 - 37 equal 21% of income
 - 26 equal from 10% to 20%
 - 13 equal from 2% to 10%
 - 20 cannot be calculated because diocesan reports have not been received

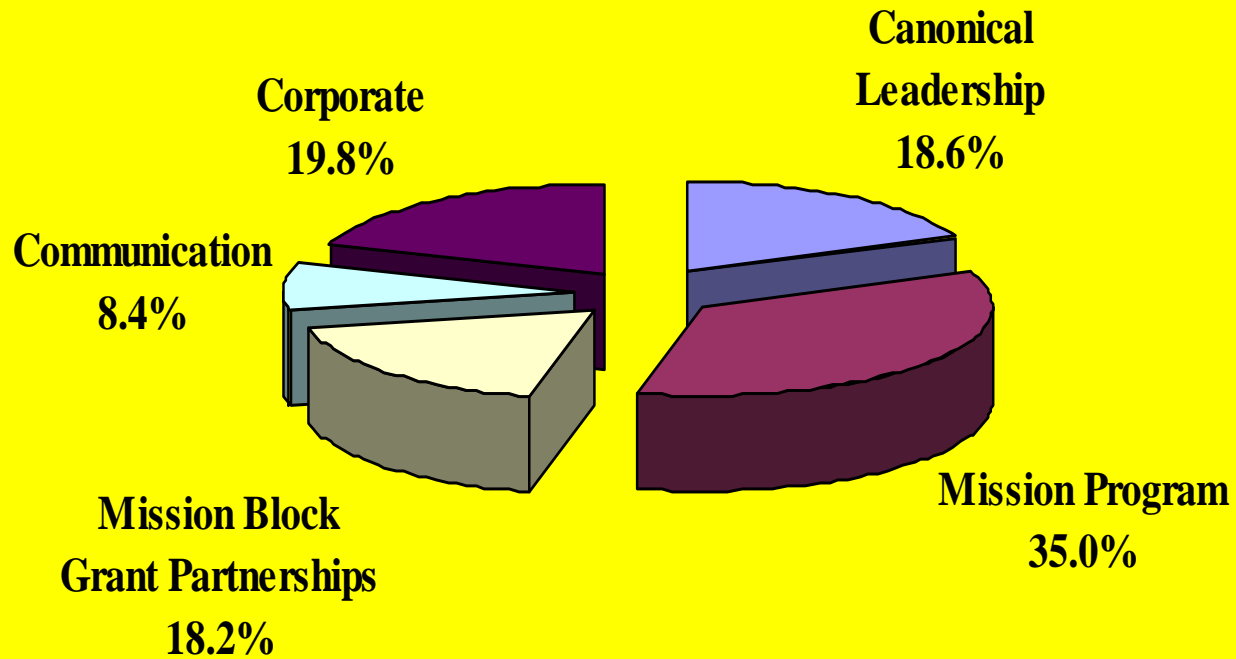
2007 Proposed Revenue



2007 Budget Assumptions: Expenses

- Canonical expenses reflects increased costs of legal assistance to dioceses and disciplinary activities
- **Mission program increases reflect focus on GC priorities**
- Corporate support costs are higher principally due to debt repayment
- **Staff costs reflect overall 2% salary and 8% medical increases**
- Costs of services contributed and rent forgone by DFMS to related Agencies will amount to approximately \$1.6 million in 2006

2007 Proposed Expenses



Budget Summary

\$ 000s

Domestic & Foreign Missionary Society Budgetary Income Statements

	2006 Preliminary	2007	
		GC Approved June 2006	2007 Proposed Revision
Total Revenues	48,996,529	48,638,295	51,136,762
Canonical Leadership Total	11,354,872	8,820,135	9,685,907
Mission Program Total	16,394,863	17,080,211	18,158,363
Mission Block Grant Partnerships Total	9,442,408	9,437,478	9,437,478
Communication Total	5,395,657	4,502,449	4,385,535
Corporate Total	8,485,340	9,893,440	10,274,914
Total Expenditures	51,073,140	49,458,714	51,942,197
Budgetary Net Income	(2,076,611)	(820,419)	(805,435)

Revenue Detail

\$ 000s

2007

	<u>2006 Preliminary</u>	<u>GC Approved June 2006</u>	<u>2007 Proposed Revision</u>	<u>Difference</u>	<u>Explanation of significant changes</u>
<u>Revenues</u>					
Diocesan Commitments	28,244,122	29,887,249	28,530,358	(1,356,890)	Due principally to local diocesan budgetary imbalances
Extra-diocesan Receipts		200,000	400,000	200,000	Reflects actual experience of 2006
Investment Income	10,419,557	9,287,003	12,573,006	3,286,003	5.5% dividend; use of accumulated surplus reserves
Episcopal Books & Resources	1,893,700	656,000	658,500	2,500	
Episcopal Life	6,476,041	2,019,242	1,897,331	(121,911)	Lower subscription revenue
Government Revenues	484,173	5,699,000	6,933,567	1,234,567	DHS Katrina grant; HHS match grants
Other	1,478,936	155,500	144,000	(11,500)	Increase in GOE fees not approved at GC
Total Revenues	48,996,529	48,638,295	51,136,762	2,498,468	

Canonical Expense Detail

\$ 000s

2007

	2006 Preliminary	GC Approved June 2006	2007 Proposed Revision	Difference	Explanation of significant changes
Canonical					
Office of the Presiding Bishop	1,808,034	1,673,114	1,636,999	(36,115)	PB Office has agreed to reduce staff costs by \$50,000
Title IV Investigation, Trial and Legal	430,648	100,000	300,000	200,000	Reflects recent reality
Legal Assistance to Dioceses	443,519	-	500,000	500,000	Reflects reality of 2006
House of Bishops	232,970	213,000	213,000	-	
House of Deputies	112,321	114,634	156,184	41,550	
Office of the General Convention	1,124,447	1,135,063	1,185,044	49,981	Health insurance; staff reconfiguration and replacement
Gen. Convention - Site, Facilities & Secre	2,033,630	474,000	394,000	(80,000)	Budgeted too high in 2006
GC - CCABs	627,037	733,200	783,200	50,000	GBEC meetings omitted at GC; EC liaisons to CCABs mandated by Canons; PHOD appointments
GC - Presiding Bishop Installation Expens	434,311	17,500	17,500	-	
Office of the Suffragan Bishop for Chapla	861,365	902,429	863,585	(38,844)	Staff reconfiguration in place to achieve \$40K reduction
Office of Pastoral Development	341,948	380,769	388,056	7,287	
Office for Ministry Development	534,178	571,165	571,165	0	
Church Deployment Office	588,541	686,753	681,737	(5,016)	
General Board of Examining Chaplains	261,162	183,903	186,958	3,055	
Liturgy & Music	182,866	185,995	184,873	(1,122)	
Archives	674,809	827,786	992,128	164,342	Allowance for relocation feasibility study
Ecumenical & Interfaith Relations	663,085	620,824	631,476	10,652	Health insurance
Canonical Total	11,354,872	8,820,135	9,685,907	865,772	

Program Expense Detail

\$ 000s

2007

	2006 Preliminary	GC Approved June 2006	2007 Proposed Revision	Difference	Explanation of significant changes
<u>Mission Program</u>					
Program Ministries Support	428,869	440,908	440,254	(654)	
Major Gifts Development	-	300,000	300,000	-	
MDG Partnership	-	308,000	308,000	-	
Anglican & Global Relations	3,001,077	3,205,909	3,206,504	595	
Ethnic Congregational Development	1,476,392	1,437,265	1,392,912	(44,353)	Staff retirement
Women's Ministries	952,814	366,945	366,396	(549)	
Congregational Development	1,873,259	1,322,975	1,313,490	(9,485)	
Peace & Justice Ministries	364,398	2,002,019	1,910,063	(91,956)	Staff reconfiguration
Ministries with Young People	1,770,764	1,763,137	1,763,124	(13)	
Refugees/Episcopal Migration Ministries	6,527,290	5,933,053	7,157,620	1,224,567	DHS Katrina grant; HHS match grants
Mission Program Total	16,394,863	17,080,211	18,158,363	1,078,152	
<u>Mission Block Grant Partnerships</u>					
Overseas Partnerships & Covenants	4,805,716	4,635,835	4,635,835	-	
Domestic Appropriations	3,096,347	3,399,577	3,399,577	-	
Ecumenical Appropriations (WCC & NCC)	450,345	542,000	542,000	-	
Episcopal Relief & Development (ERD)	940,000	785,066	785,066	-	
Planned Giving	150,000	75,000	75,000	-	
Mission Block Grant Partnerships Total	9,442,408	9,437,478	9,437,478	-	
<u>Communication</u>					
Communication Services	2,513,512	1,807,290	1,666,582	(140,708)	
Episcopal Life / News Service	2,308,356	2,065,314	2,155,910	90,596	Staffing and spending adjusted to respond to reduced income
Episcopal Books & Resources	573,789	629,845	563,043	(66,802)	
Communication Total	5,395,657	4,502,449	4,385,535	(116,914)	

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Corporate Support Expense Detail

\$ 000s

	2007				
	2006 Preliminary	GC Approved June 2006	2007 Proposed Revision	Difference	Explanation of significant changes
<u>Corporate</u>					
Chief Operating Officer	432,441	456,547	456,851	304	
Legal	216,518	170,452	362,611	192,159	Reflects 2006 experience
Human Resources	935,655	785,632	746,953	(38,679)	Staff reconfiguration
Retirees and Workers Compensation	916,945	709,597	712,997	3,400	
Management Information Systems	616,051	933,527	923,162	(10,365)	Health cost correction
Controller's Office	1,312,840	1,251,735	1,255,431	3,696	
Treasurer's Office	1,368,913	1,440,418	1,441,505	1,087	
Purchasing	272,202	245,000	245,000	-	
Mail Center	827,366	713,514	712,916	(598)	
Telecommunications	306,325	374,069	362,522	(11,547)	Reduced consultant fees
					Reflects 2006 experience; higher utility costs; maintenance contracts
Building Services	2,020,085	1,709,467	1,951,484	242,017	for back-up generator, HVAC and automated building management
Debt Financing and Repayment	-	1,888,548	1,888,548	-	
Allocation of Services Contributed to ERD	(740,000)	(785,066)	(785,066)	-	
Corporate Total	<u>8,485,340</u>	<u>9,893,440</u>	<u>10,274,914</u>	<u>381,474</u>	
<i>Reduced total staff costs</i>		<i>(275,000)</i>		<i>275,000</i>	<i>Departments have specified their agreed staff cost reductions</i>
Total Expenditures	<u>51,073,140</u>	<u>49,458,714</u>	<u>51,942,197</u>	<u>2,483,484</u>	
Budgetary Net Income	<u>(2,076,611)</u>	<u>(820,419)</u>	<u>(805,435)</u>	<u>14,984</u>	

DFMS 2007 Budget

**Resolved, that the Executive Council
approve the 2007 Revised Budget for
the Episcopal Church**

DFMS 2007 Budget

**Executive Council:
March 2007**