

To: Members of the Diocesan Household

From: The Budget Formation Committee:
Steve Fales+, Tom Wood (Diocesan Treasurer), Sally Pedersen, Max Nottingham, C. Davies Reed+ (Budget Formation Chair), Laurel Cornell, Susan Steigerwald, Allen Rutherford+, Evelyn Wheeler+, Suzanne Willie+, ex officio: Marsha Gebuhr, Debra Kissinger+, Bruce Gray+

Date: September 19, 2016

In re: The 2017 Diocesan Budget

It is a pleasure to present to the household a balanced budget for 2017, which was approved by Executive Council at their September 17 meeting. It results from discernment, hard work, good management, and sacrifice.

There are several factors at work which significantly influence this document. First, during the transition from our current bishop to our new bishop there will be a period of overlap, probably about three months, during which we will need to pay both bishops. This was not accounted for in the Search and Transition Budget and will cost approximately \$57,012. In addition, we estimated the health insurance premium to increase by 10% for 2017. It turns out that the increase will be \$35,500 less than was anticipated. While many line items remain at 2016 levels, individuals paid through the diocese will receive a pay increase.

As we proceed through 2016 and 2017, our hope is that with prudent financial management the Search and Transition Teams will come in under budget and be able to return some funds to the endowment for future years.

This spring, the Executive Council authorized \$50,000 as a partial match and lead gift for the Ministerial Excellence Fund which is part of the major Pathways to Vitality grant our Diocese received from the Lilly Endowment. Although it is not formally part of the operating budget of the Diocese, in order to be transparent you will see it accounted for in the budget document along with the third of three installments of \$85,000 in support of the Bishop XI Search and Transition Committees.

Please review the budget and supporting documents which also reside on the Diocesan Website. Thanks to the members of the Budget Formation Committee for their diligence, and thanks especially to Marsha Gebuhr for all the attention to the details.

Yours in Christ,
The Rev. C. Davies Reed
Chair, Budget Formation Committee