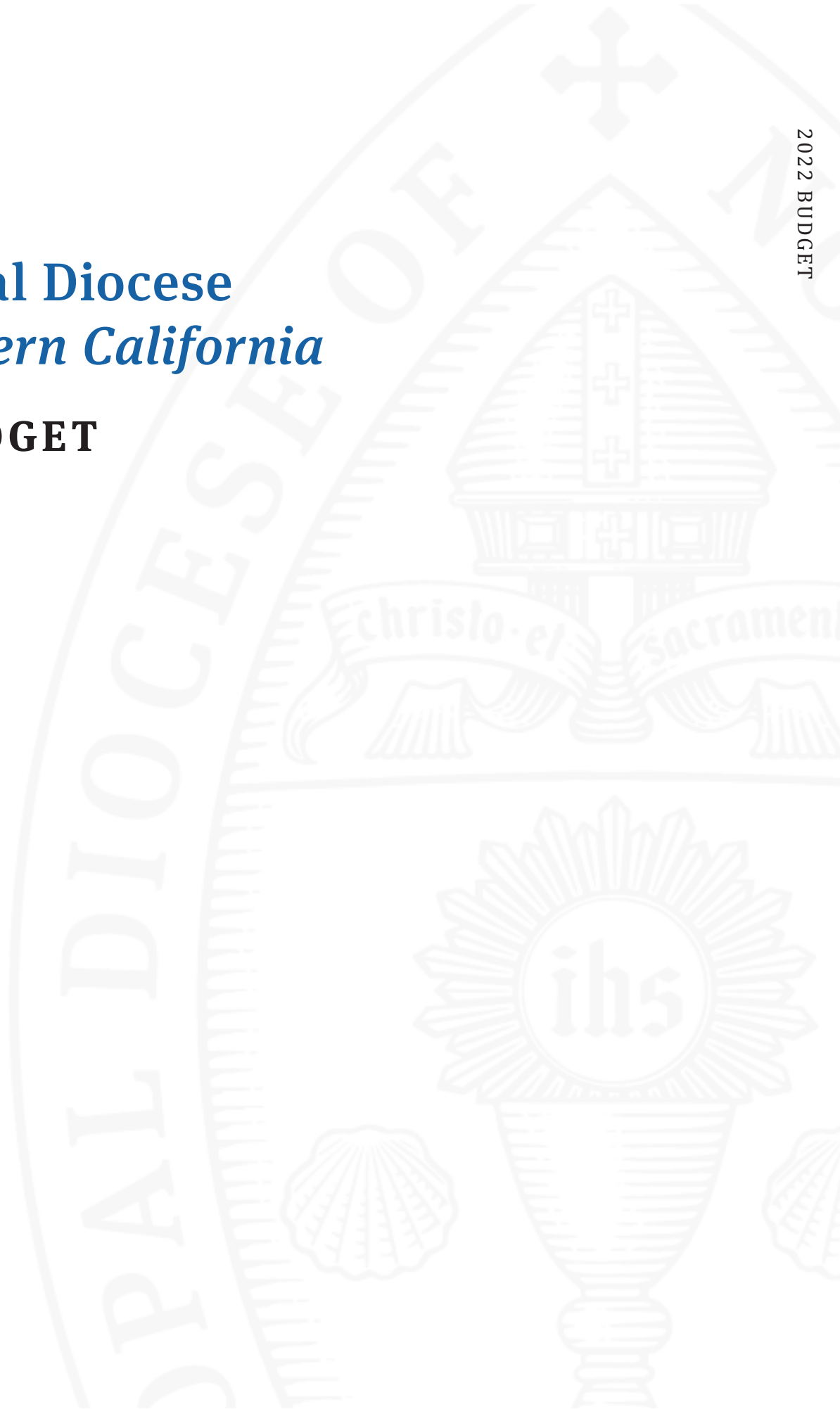


Episcopal Diocese *of Northern California*

2022 BUDGET



2022 BUDGET SUMMARY	5.1
2022 OPERATING BUDGET	5.2
2022 PROGRAM SUMMARY SCHEDULE	5.4

MISSION PRIORITIES

Bishop Megan's priorities as articulated in her 2019 Diocesan Convention Address as well as in various communications are:

- Increasing capacity for our leaders to strengthen mission and ministry in their local context.
- Evangelism: Rooted in strong faith development for all ages, discipline of prayer using the Book of Common Prayer and Scripture.
- Practical tools for ministry and mission available to clergy and lay leaders.

Priorities in developing the 2022 budget included:

- Continuing support for diocesan programs.
- Increased support for The Belfry ministry at UC Davis.
- Support Pathways Youth Pilgrimage.
- Give opportunities for connection and relationship building.
- Support of small and large churches through Best Skills non profit management training.
- Support to develop new training for Deacon postulants, in partnership with the Episcopal Diocese of El Camino Real, using the Iona Collaborative.
- Commit to increasing comprehension by board members regarding finance/budget, and clarifying budget reports for easier reading.
- Budget within the diocesan investment spending policy.

The 2022 budget was developed using the above priorities and taking into account changes to several programs due to the COVID-19 pandemic. Diocesan commissions were asked to submit their proposed budgets and these proposals were used to develop the budget in order to meet as many of these goals as possible.

This budget was created with some attention to the realities of social distancing. However, while programs such as Best Skills, Best Churches will continue to be online, the budget does anticipate that programs and events, including Pathways, Camp Living Waters, Diocesan Convention, board retreats, etc. will be held in-person.

The 2022 Operating Budget was approved by the Board of Trustees at its September 29, 2021 meeting.

Investment Spending Policy

In 2021, the Board of Trustees adopted an investing spending policy that calculates an annual revenue from investments that can be used for operating expenses. This calculation uses a 12 quarter historical average of the unrestricted reserves and a 12 quarter historical average rate of return adjusted for inflation to determine the funds available for each year's operating budget. You will see this reflected on line 6 of 2022 Operating Budget.

COMMENTS ON THE 2022 BUDGET

Income

- The 2022 budget for apportionment income is projected to decrease by 4% from 2021.
- Missioner for Disaster Resilience includes grant income from Episcopal Relief and Development and funds from Diocesan Disaster Relief Funds.

DIOCESAN OPERATING COSTS

Personnel:

- Personnel expenses include a 2.7% COLA adjustment and an approximately 4% increase to insurance benefits.
- For 2022, Canon to the Ordinary position is budgeted as a 1/2-time interim Canon to the Ordinary and a 1/3-time Transition Ministry Officer.
- The new Missioner for Disaster Resilience position is fully funded by a grant from Episcopal Relief and Development and funds from diocesan disaster relief funds.

Office Expenses:

- The Office of the Bishop is under a five-year lease expiring in 2023.
- Contracts and vendors are reviewed by staff continually to verify high quality/prudent cost.

Governance:

- Diocesan convention is based on the projected cost for an in-person convention. While the cost has increased, the projected revenue from event fees has also increased and the net convention cost is unchanged from the 2021 budget.
- General Convention and Lambeth costs are partially funded by monies reserved in previous years.
- Strategic Planning continues to be a board goal, however we have already reserved funds for the beginning of the planning process and have not projected any additional reserves in 2022.

PROGRAM EXPENSES

Youth and Young Adults:

- Increased support for the Belfry campus ministry program at UC Davis to bring our commitment to the program in parity with our Lutheran partner.
- Projected budget for an in-person Pathways program.

Outreach:

- St. Matthew's Center expenses are fully funded by donations, grants, and facilities usage income from the St. Matthew's facilities.

Congregational Development & Support:

- Best Skills, Best Churches program continues to be presented online and subsidized by the Diocese to encourage more people to attend.
- Deacon Formation budget increased to develop new training for Deacon postulants. This cost is partially funded by reserves previously designated by the Board of Trustees.
- Missioner for Disaster Resilience program expenses fully funded by grants.

RESERVES

The Board includes annual reserves in the operating budget to set aside funds for future or recurring projects. In the year an expense is paid, the board releases funds from the reserves to offset the cost of the expense. This helps avoid spikes in the annual budget for events or costs that do not occur every year.

Negative items on the Reserve Allocation section of the budget (Lines 29-37) represent a release of previously reserved funds offsetting expenses that are shown in the operating expense section of the budget.

THE EPISCOPAL DIOCESE OF NORTHERN CALIFORNIA
Budget Summary
2022

	2022 BUDGET	2021 BUDGET	CHANGE IN BUDGET	2020 ACTUAL	Line #
UNRESTRICTED NET ASSETS:					
REVENUES:					
Mission Apportionment, net	1,646,687	1,680,293	(33,606)	1,599,289	1
Contributions	-	-	-	6,469	2
St. Matthews	148,490	133,500	14,990	102,040	3
Missioner for Disaster Resilience	130,719	-	130,719	-	4
Other revenues	176,704	182,839	(6,135)	67,009	5
Revenue from Investments	558,945	508,165	50,780	-	6
Total revenues	2,661,545	2,504,797	156,748	1,774,807	7
EXPENSES:					
Diocesan Operating:					
Personnel	1,051,929	923,509	(128,420)	864,748	8
Operating Costs	477,433	485,828	8,395	457,880	9
Governance	144,500	115,500	(29,000)	48,058	10
Total diocesan operating expenses	1,673,862	1,524,837	(149,025)	1,370,686	11
Program expenses:					
Youth and Young Adults	99,620	85,620	(14,000)	35,221	12
Outreach	181,404	168,665	(12,739)	156,338	13
Congregational Development and Support	367,975	302,500	(65,475)	171,455	14
Total program expenses	648,999	556,785	(92,214)	363,014	15
TEC Assessment (The Episcopal Church)	312,033	345,340	33,307	380,282	16
PROVINCE 8 Assessment	4,500	4,500	-	4,500	17
Total Expenses	2,639,394	2,431,462	(207,932)	2,118,482	18
NET OPERATING INCOME (LOSS)	22,151	73,335	(51,184)	(343,675)	19
Cash items:					
Bishop Noel Porter Fund Net of Expenses - Excludes Investment Earnings	-	-	-	(979)	20
Forgiveness of PPP Loan	-	-	-	145,453	21
Investment Interest/dividends, net of fees	-	-	-	207,813	22
Realized gains/(losses)	-	-	-	78,489	23
Unclassified Credit Card Expenses	-	-	-	(6,220)	24
Total cash items	-	-	-	424,556	25
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS BEFORE NON-CASH ITEMS	22,151	73,335	(51,184)	80,881	26
PERMANENTLY RESTRICTED NET ASSETS:					
Change in value of charitable remainder trust assets	-	-	-	-	27
INCREASE (DECREASE) IN NET ASSETS	22,151	73,335	(51,184)	80,881	28
Reserves Allocations					
Bishop/CTO Autos	10,000	25,000	(15,000)	25,000	29
Bishop Search	20,000	-	20,000	-	30
Church Planting	5,000	10,000	(5,000)	-	31
Communication Hubs	5,000	10,000	(5,000)	10,000	32
Deacon Formation	(5,500)	-	-	-	33
General Convention	(32,500)	(25,000)	(7,500)	25,000	34
Lambeth	(20,000)	5,000	(25,000)	5,000	35
Pilgrimage Fund	5,000	5,000	-	5,000	36
Sabbaticals	5,000	10,000	(5,000)	-	37
Total Reserve Allocations	(8,000)	40,000	(48,000)	70,000	38
INCREASE (DECREASE) IN NET ASSETS AFTER RESERVE ALLOCATIONS	30,151	33,335	(3,184)	10,881	39

2022 BUDGET | OPERATING BUDGET

THE EPISCOPAL DIOCESE OF NORTHERN CALIFORNIA Operating Budget 2022

	2022 Budget	2021 Budget	CHANGE IN BUDGET	2020 Actual	Comments	Line #
REVENUES						
OPERATING REVENUE						
Mission Apportionment, net	1,646,687	1,680,293	(33,606)	1,599,289		1
Contributions, Bequests, etc.	-	-	-	6,469		2
St. Matthew's Center						
Contributions	65,090	66,500	(1,410)	19,657		3
Rental Income	83,400	67,000	16,400	61,600		4
Other Income	-	-	-	20,783		5
Total St. Matthews Center	148,490	133,500	14,990	102,040	*See Program Summary for Schedule Net Cost	6
Missioner for Disaster Resilience						
Payroll & Benefits	67,594	-	67,594	-		7
Program Costs	63,125	-	63,125	-		8
Total Missioner for Disaster Resilience	130,719	-	130,719	-	*See Program Summary for Schedule Net Cost	9
Other Revenue						
Event Revenue	109,500	97,000	12,500	16,240	*See Program Summary for Schedule Net Cost	10
Interest Revenue (Non Investment Funds)	32,617	35,623	(3,006)	14,009		11
Other Revenue	34,587	50,216	(15,629)	36,760	*Rental reimbursement by Foundation eliminated	12
Total Other Revenue	176,704	182,839	(6,135)	67,009		13
Revenue from Investments	558,945	508,165	50,780	-		14
TOTAL OPERATING REVENUE	2,661,545	2,504,797	156,748	1,774,807		15
OPERATING EXPENSES						
DIOCESAN OPERATING EXPENSES						
PERSONNEL					*Includes 2.7% COLA passed by BOT	
Bishop	159,488	155,295	(4,193)	153,000		16
Director of Operations	92,227	89,802	(2,425)	79,117		17
Executive Assistant to the Bishop	73,423	71,493	(1,930)	48,793		18
Executive Staff Support	56,608	55,120	(1,488)	47,963		19
Executive Staff Support II	54,205	52,780	(1,425)	52,209		20
Interim Canon to the Ordinary	48,783	108,113	59,331	111,516	*This is a half-time position	21
Missioner for Communications	56,485	52,780	(3,705)	-	*This is a three-quarter time position	22
Missioner for Disaster Resilience	40,625	-	(40,625)	-	*See Program Summary for Schedule Net Cost	23
Missioner for Evangelism and Discipleship	65,000	65,975	975	-		24
Receptionist and Administrative Assistant	41,937	40,834	(1,103)	40,537		25
Transitions Ministry Officer	17,801	-	(17,801)	-	*This is a one-third time position	26
Benefits	335,348	221,317	(114,031)	284,993	*Includes Missioner for Disaster Resilience	27
Merit Increase	10,000	10,000	-	-		28
Vacation Buyouts and Termination Pay-Outs	-	-	-	7,389		29
*Communications Director	-	-	-	39,231	*Realigned	30
Total Personnel	1,051,929	923,509	(128,420)	864,748		31
OPERATING COSTS						
Accounting/Auditing Fees	114,000	123,000	9,000	108,322		32
Autos - Bishop & Canon	15,000	7,500	(7,500)	5,791		33
Communications	18,000	18,000	-	46,654		34
Continuing Education	10,000	10,000	-	3,190		35
Equipment, Furniture, Software	57,500	60,600	3,100	54,910		36
Hospitality & Travel	30,000	30,000	-	8,773		37
Insurance	15,000	13,000	(2,000)	14,363		38
Legal Fees	3,000	3,000	-	-		39
Miscellaneous Office	46,100	46,100	-	44,104	Bank Fees, Church Audits, Membership/Dues, Office Supplies, Payroll Processing, Postage, Printing, etc.	40
Office Rent & Storage	168,833	164,628	(4,205)	166,095		41
Sabbaticals	-	10,000	10,000	5,678		42
Total Operating Costs	477,433	485,828	8,395	457,880		43
GOVERNANCE						
Board of Trustees	20,000	12,000	(8,000)	16,430		44
Standing Committee	1,000	1,000	-	157		45
Diocesan Convention	51,000	40,000	(11,000)	25,635	*See Program Summary for Schedule Net Cost	46
General Convention	50,000	50,000	-	-		47
Lambeth	20,000	-	(20,000)	5,000		48
Other Committees	500	500	-	486		49
Strategic Planning	-	10,000	10,000	-		50
Ecclesiastical Support	2,000	2,000	-	350		51
Total Governance	144,500	115,500	(29,000)	48,058		52
TOTAL DIOCESAN OPERATING EXPENSES	1,673,862	1,524,837	(149,025)	1,370,686		53

2022 BUDGET | OPERATING BUDGET

THE EPISCOPAL DIOCESE OF NORTHERN CALIFORNIA Operating Budget 2022

	2022 Budget	2021 Budget	CHANGE IN BUDGET	2020 Actual	Comments	Line #
PROGRAM EXPENSES						
YOUTH AND YOUNG ADULTS						
Campus Ministries & Chaplains	40,000	25,000	(15,000)	25,315	*Belfry	54
Grant to Camp Living Waters	2,500	3,500	1,000	-		55
Pathways	51,120	51,120	-	9,906	*See Program Summary for Schedule Net Cost	56
Youth Discipleship & Camperships	6,000	6,000	-	-		57
Total Youth & Young Adults	99,620	85,620	(14,000)	35,221		58
OUTREACH						
Companion Diocese	4,000	4,500	500	-		59
Episcopal Community Services	7,750	6,000	(1,750)	6,000		60
Disaster Preparedness	3,500	3,500	-	-		61
Sustainable Development Goals (.007 of total revenue)	11,664	13,165	1,501	-		62
St. Matthew's Center	148,490	133,500	(14,990)	148,788	*See Program Summary for Schedule Net Cost	63
Outreach - Other	6,000	8,000	2,000	1,550		64
Total Outreach	181,404	168,665	(12,739)	156,338		65
CONGREGATIONAL DEVELOPMENT AND SUPPORT						
Archdeacon	9,100	8,000	(1,100)	2,994		66
Best Skills	40,000	40,000	-	32,393		67
College for Congregational Development	2,000	5,000	3,000	8,025		68
Deacon Formation	10,500	2,000	(8,500)	800		69
Deaneries	16,500	16,500	-	5,162		70
Fresh Start	10,000	10,000	-	-		71
Conferences						
Clergy Conference	25,000	25,000	-	5,600	*See Program Summary for Schedule Net Cost	72
Congregational Leadership Conferences	5,000	5,000	-	-	*See Program Summary for Schedule Net Cost	73
Total Conferences	30,000	30,000	-	5,600		74
Congregation and Clergy Support						
Clergy Support and Development	35,000	35,000	-	23,161		75
Congregational Assistance	60,000	70,000	10,000	63,896		76
Congregational Development Group	14,000	13,000	(1,000)	-		77
Missioner for Disaster Resilience	63,125	-	(63,125)	-	*See Program Summary for Schedule Net Cost	78
Racial Reconciliation	10,850	5,000	(5,850)	-		79
Safe Church Training	3,400	500	(2,900)	-		80
Transition Ministry/Deployment	10,000	10,000	-	8,042		81
Theological Education	8,000	10,000	2,000	1,000		82
Total Congregation and Clergy Support	204,375	143,500	(60,875)	96,099		83
Ministries and Commissions						
Baptismal Ministry	2,500	-	(2,500)	1,209		84
Christian Formation	6,000	11,000	5,000	133		85
Commission for Intercultural Ministries	6,900	7,000	100	2,992		86
Commission on Ministry	12,000	12,000	-	13,054		87
Creation Care	1,000	1,000	-	-		88
Ecumenical Ministries	1,000	500	(500)	1,228		89
Foundation	-	-	-	-	*Eliminated office rent 7,910 see Other Income	90
Health Ministries	5,000	5,000	-	184		91
Indigenous (Native American) Ministries	5,100	5,000	(100)	332		92
Liturgy & Music	1,000	1,000	-	-		93
Stewardship Commission	5,000	5,000	-	1,250		94
Total Ministries and Commissions	45,500	47,500	2,000	20,382		95
Total Congregational Development and Support	367,975	302,500	(65,475)	171,455		96
TOTAL PROGRAM EXPENSES	648,999	556,785	(92,214)	363,014		97
TEC Assessment	312,033	345,340	33,307	380,282		98
PROVINCE 8 Assessment	4,500	4,500	-	4,500		99
TOTAL OPERATING EXPENSES	2,639,394	2,431,462	(207,932)	2,118,482		100
NET OPERATING INCOME/ (LOSS)	22,151	73,335	(51,184)	(343,675)		101

2022 BUDGET | PROGRAM SUMMARY SCHEDULE

THE EPISCOPAL DIOCESE OF NORTHERN CALIFORNIA

Program Summary Schedule

2022

Program/Event	2022 Revenue Budget	2021 Revenue Budget	Change in Budget	2022 Expense Budget	2021 Expense Budget	2022 Budget NET COST to Diocese	2021 Budget NET COST to Diocese	2020 ACTUAL NET COST to Diocese	Line #
Best Skills	21,000	19,500	1,500	40,000	40,000	19,000	20,500	26,293	1
Clergy Conference	20,000	20,000	-	25,000	25,000	5,000	5,000	5,600	2
Congregational Leadership Conferences	500	500	-	5,000	5,000	4,500	4,500	-	3
Diocesan Convention	38,000	27,000	11,000	51,000	40,000	13,000	13,000	8,992	4
Pathways	30,000	30,000	-	51,120	51,120	21,120	21,120	9,906	5
TOTAL PROGRAM / EVENT SUMMARY	109,500	97,000	12,500	172,120	161,120	62,620	64,120	50,791	6

Center at St. Matthew's	2022 Revenue Budget	2021 Revenue Budget	Change in Budget	2022 Expense Budget	2021 Expense Budget	2022 Budget NET COST to Diocese	2021 Budget NET COST to Diocese	2020 ACTUAL NET COST to Diocese	Line #
St. Matthew's Center	148,490	133,500	14,990	148,490	133,500	-	-	46,748	7
TOTAL ST. MATTHEW'S SUMMARY	148,490	133,500	14,990	148,490	133,500	-	-	46,748	8

Missioner for Disaster Resilience	2022 Revenue Budget	2021 Revenue Budget	Change in Budget	2022 Expense Budget	2021 Expense Budget	2022 Budget NET COST to Diocese	2021 Budget NET COST to Diocese	2020 ACTUAL NET COST to Diocese	Line #
Missioner for Disaster Resilience	130,719	-	130,719	130,719	-	-	-	-	9
TOTAL DISASTER SUMMARY	130,719	-	130,719	130,719	-	-	-	-	10