

The Adopted Budget 2011

**Executive Council
October 2010**

Proposed Budget for 2011

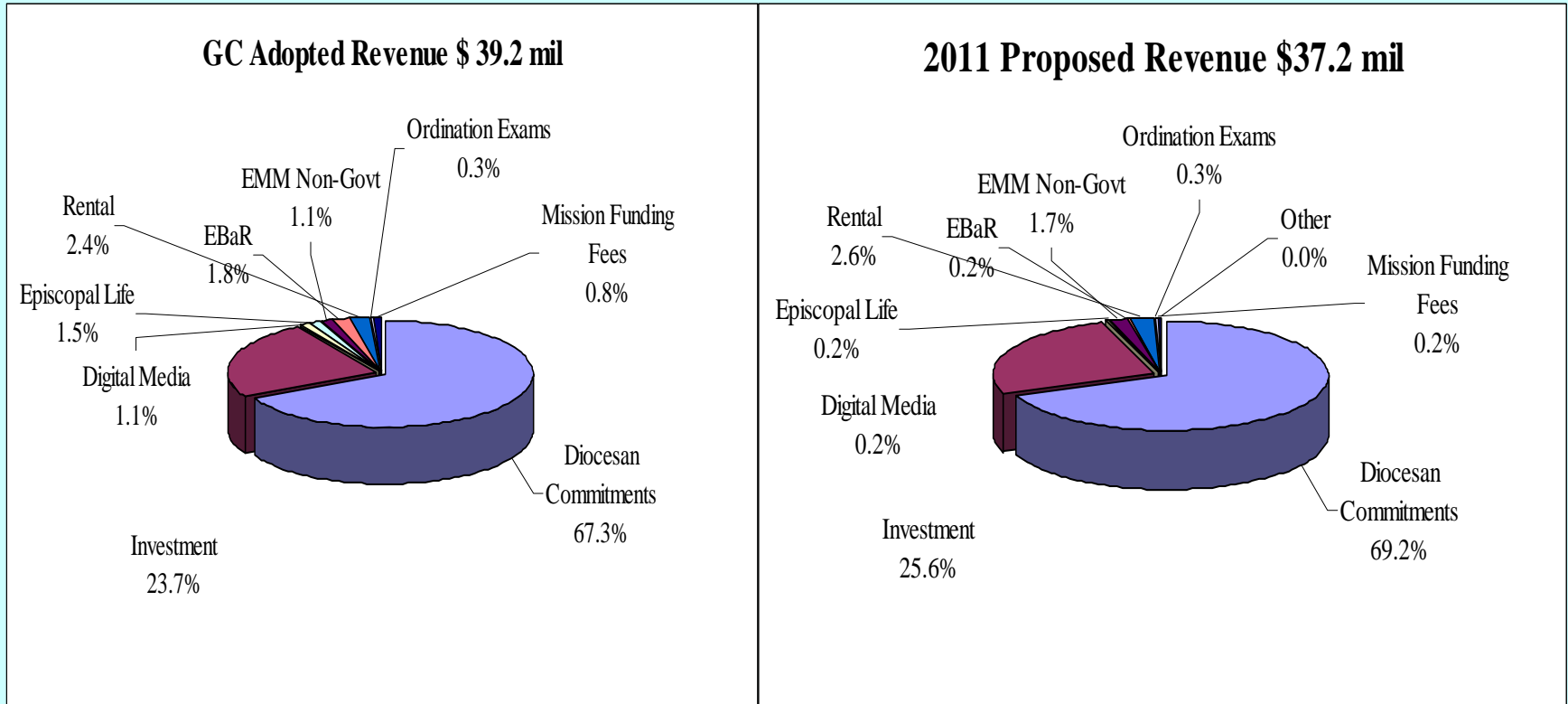
- **Honors the intentions of GC2009, making no radical changes to program**
- **Recognizes the realities of changes in available revenue**
- **Ensures that spending is designed to accomplish canonical requirements and strategic mission**
- **Enables the Society to stay on track to achieve a balanced budget for the 2010-2012 triennium**

Proposed Budget 2011: Principal Revenue Changes

Income is reduced by \$2.1 million (or 5.3% of non Government revenue) due to

- An unpredictable delayed payment by one diocese**
- Transition from print to digital news**
- The closing of the bookstore and fulfillment business**
- A reduction of income from digital media activities in early stages of development**

Proposed Budget 2011: Comparison



Proposed Budget 2011: Principal Expense Changes

Presiding Bishop's Office

- Funding for Haiti coordinators**
- Expected lower expenses for legal assistance to dioceses and Title IV activity**

Mission Program

- Assumes \$790K of cost reductions while retaining the most strategic activities of mission (e.g., Hispanic evangelization; Native Americans; young adults)**
- Maintains virtually all funds to covenant and block grant partners**

Proposed Budget 2011: Principal Expense Changes

Cease publication of *Episcopal News Monthly* and *Episcopal News Quarterly*

- Completes the transition from print to digital envisioned in the budget adopted by General Convention 2009**
- The print newspaper and magazine are essentially diocesan publications. Current subscription base represents fewer than 5% of Episcopalians**
- The DFMS will continue to provide content at no charge**
- News team can focus on improving and expanding online news coverage, including more multimedia coverage -- 21st Century evangelism**

Proposed Budget 2011: Principal Expense Changes

Cease operations of Episcopal Books and Resources

- EBaR was the result of a merger in 2005 of the Episcopal Church Center bookstore and Episcopal Parish Services**
- Managing a retail bookstore in Manhattan in the current climate is extremely difficult**
- EBaR currently provides distribution/fulfillment service for three church agencies. Customers will be migrated to one or more other vendors**

Develop the Digital Media Business

- Webcasts for dioceses. Did four in 2010; expect to do at least 8 in 2011. Staffing is primarily freelance/non-staff ; costs are flexible**
- Revenue for *Episcopal News* includes website online classified and banner advertisements. More focused approach to attracting new advertisers**

Proposed Budget 2011: Principal Expense Changes

Debt Financing and Repayment

- Finance Office has negotiated replacement credit facilities**
- Budget reflects payments of approximately \$1.1 million of interest and \$1.2 million of principal for the \$37 million outstanding related to the Episcopal Church Center renovation**
- Revenue from operating a parking lot provides interest payments and modest principal repayments for the \$10.0 million property acquired for the future potential relocation of the Archives. These revenues and charges are separate from the operating budget.**

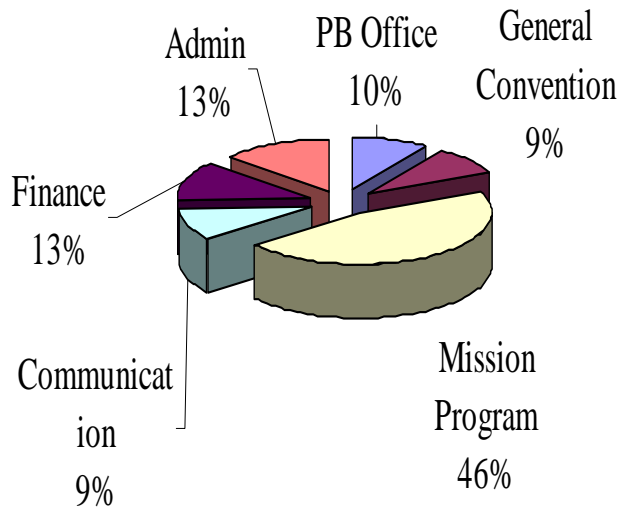
Proposed Budget 2011: Principal Expense Changes

Migration Ministries

- Due to EMM performance in resettling refugees, Government now asks EMM to resettle close to 5,000 refugees annually vs. less than 3,000 a few years ago**
- Government awards for each refugee have doubled**
- EMM activities are breakeven – increased costs equal increased revenues**

Proposed Budget 2011: Principal Expense Changes

GC Adopted Expenses \$38.7 mil



2011 Proposed Expenses \$37.0 mil

