

Treasurer's Note to Delegates:

The following contains a new Narrative Budget style, giving you an improved context for all the information you need to consider the 2011 budget developed for your approval by your Diocesan Council. Please look over this material, and bring your comments and questions to one of the pre-convention Ministry Fairs. Time and again, the most valuable discussions about the budget happen at these fairs, which are your opportunity for direct input, especially if you believe your input has not been represented.

Bishop Ely has led Council a step further in the development process for the 2011 Diocesan budget; the present economic climate gave us the energy, urgency and opportunity to follow his lead. Thus, he started the 2011 budget year process with a challenging question:

What is the reason for this Diocese; what is it's mission?

The Executive Committee of Council and the whole Diocesan Council has given this deep consideration.

In brief, Council's assessment of the anticipated revenue forecast and the further challenges expected in the 2012 budget cycle requires that budgeting now entail a multi-year framework, not just limited to the next fiscal year. Please consider the following three basic questions, casting assumptions aside:

1. *What is the mission and purpose expressed in our Diocesan budget?*
2. *What are the values we want integrated into our Diocesan budget?*
3. *How are the important things [priorities] we want to fund managed in our Diocesan budget?*

Council's consensus response, in consultation with interested Diocesan leadership, established the priorities for 2011 and beyond. This evolving process involves more discussion among more people than ever before, despite the logistical problems surrounding the summer vacation timing for this whole activity – in order to present this to all Convention delegates two weeks prior to the first pre-convention ministry fair. Therefore, the 2011 Diocesan budget is built on our mission from a foundation defined by our priorities and projected revenues. Perhaps one might describe it as thanking God for what we have and visioning how we can *all* participate in Diocesan ministry together. You will notice we maintained the new budget categories established last year [with a few additions], being more coordinated with our Diocesan strategic plan.

Here are some things that strike me as most noteworthy about the budget for 2011.

- ◆ The process. Bishop Ely has led us through an ambitious journey and understanding of Diocesan financial stewardship. He promises to make this technique available to your individual parishes, for use in your annual budget development.
- ◆ It's NOT balanced without a new revenue source, *there would be about a \$100,000 deficit*. This challenge demonstrates that business as usual will not succeed for our mission in the 21st century. Therefore, by broad consensus by all Diocesan leadership, the first Annual Appeal is inaugurated.
- ◆ Parish assessments are 4% less than those of 2010. The new formula, as intended, continues to level or produce lower increases in parish assessments than previously encountered. It also creates the anticipated shortfall in Diocesan revenue we are addressing above.
- ◆ Our march toward full participation in The Episcopal Church covenant is within reach by 2013.
- ◆ The priorities discerned by Diocesan Council that guided the 2011 budget process are:
 1. Our support of congregations through the work of a re-visioned diocesan Ministry Support Team, expansion of the Companions; and progressive use of tele/electronic communications.
 2. Our commitment to the wider Episcopal Church.
 3. Global Outreach in support of the Millennium Development Goals at 0.7% of all Diocesan revenues; equal funding of domestic [within Vermont] outreach.
 4. Holding each of you in our prayers and consciousness, as we *all* adapt to our new economy.

Thanks to everyone who participated throughout the summer in this year's budget process; the Narrative Budget development team; and for allowing me to fulfill this ministry with you.

Faithfully,

Wallace H Good, Jr, Diocesan Treasurer

September 27, 2010