

Treasurer's Note to Delegates:

The following attempts to give you all the information you need to consider the initial 2011 budget being developed for your approval by 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.

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 its mission?*

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

A brief assessment of the anticipated revenue forecast and the further challenges we expect in the 2012 budget cycle demonstrates that budgeting now entails a multi-year framework, not just limited to the next fiscal year. Next we responded to 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?*

From the consensus of our responses, we established our priorities for 2011 and beyond. This evolving process involves more discussion among more people than ever before. 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. I enclose this note with the First Draft budget; it briefly explains the status of this process. 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 draft 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, *there is about a \$95,000 deficit*. This is our challenge and opportunity; business as usual will not succeed for our mission in the 21<sup>st</sup> century.
- ◆ Parish assessments are 4% less than those of 2010. The new formula, as intended, continues to produce lower increases in parish assessments than previously encountered. Alternative revenue options are being aggressively evaluated. One important concept is a request to the Trustees for a short [3-year] 1% increase in the unit fund distribution formula. This would benefit all parish and diocesan investors during our transition to the new world economy.
- ◆ Our march toward full participation in The Episcopal Church covenant is now at risk. The 2011 Diocesan budget may not increase our support of The Episcopal Church.
- ◆ The priorities discerned by Diocesan Council that guided the 2011 budget process to date are:
  1. Our commitment to the larger Episcopal Church.
  2. Our support of congregations through the work of the Committee on Christian Formation, a re-visioned diocesan Ministry Support Team, progressive use of telecommunications technology.
  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 participates in this year's budget process; for allowing me to fulfill this ministry with you.

Faithfully,

Wallace H Good, Jr, Diocesan Treasurer