

PROPOSED 2016 DIOCESAN BUDGET

DIOCESAN CONVENTION 2015

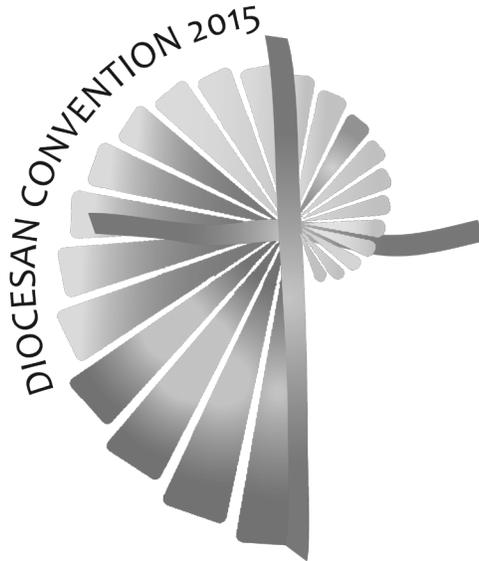
APPROVED

November 14, 2015
Cathedral Church
of St. Paul, Boston

Episcopal Diocese
of Massachusetts

Proposed 2016 Diocesan Budget

230th Annual Convention of the Episcopal Diocese of Massachusetts
Cathedral Church of St. Paul, Boston



Statement of Mission

As members of the Episcopal Diocese of Massachusetts we believe God in Christ is working everywhere in the world to heal, to reconcile, to love every person and all of creation into wholeness. Through the life, cross and resurrection of our Lord Jesus Christ, the power of sin and death has been broken; life and hope is the new reality.

It is our mission to join in God's transforming mission. We will form our children, our young people and our adult members, through prayer, worship and Scripture, to become followers of Christ, that we might discern where God is carrying out this mission in our world. And we will send our people to serve with Christ, inviting everyone and all of creation to share in the just reign of God.

Prayer for Mission

O gracious and loving God, you work everywhere reconciling, loving and healing your people and creation. In your Son and through the power of your Holy Spirit, you invite each of us to join you in your work. We, young and old, lay and ordained, ask you to form us more and more in your image and likeness, through our prayer and worship of you and through the study of your Scripture, that our eyes will be fully opened to your mission in the world. Then, God, into our communities, our nation and the world, send us to serve with Christ, taking risks to give life and hope to all people and all of your creation. We ask this in Jesus' name. Amen.

Budget Committee

(Term ends in November of the year listed)

Jim Gammill (2015), Treasurer

Virginia Rogers (2015)

Ted Ts'o (2015)

Jane Bearden (2016)

Stephen Voysey (2016), Chair

Matthew Cadwell (2017)

Ellen Sheehy (2017)

Barbara Williamson (2017)

Mally Lloyd, Canon to the Ordinary

Cathy Menard, Controller

Sam Rodman, Acting Chief of Staff

Laura Simons, Assistant Secretary

Gerry Sullivan, Chief Business Officer and Assistant Treasurer

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Episcopal Diocese of Massachusetts

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Dear Friends in Christ,

This is the eighth year that the three of us have been involved one way or the other with the diocesan budget.

The 2009 budget introduced the reorganization of diocesan operations into five functional areas, as well as the notion of a core budget and a supplemental budget. Both of these organizational concepts have served us well since then. Using them, we have created more clarity and transparency around the financial operations of the diocese. As regular readers of these annual budget books will note, they have gotten more detailed over time, providing listings of the recipients of grants and commentary about each cost center. And by keeping the organizational structure stable, year-to-year comparisons are easier to make.

This year's book provides new detail about the various endowment funds that support the core and supplemental budgets. Many of these funds were established decades ago, and understanding their nuances and restrictions is not always easy. We would like to offer special thanks to Lynn Smith, the volunteer registrar-historiographer, and Richard Blakney, the investment coordinator for the Trustees of Donations, for many hours of guidance they have offered us over the years in this area.

The year 2016 will continue an important transition in the life of the diocese, and the budget presented here reflects this. Most notably, there is explicit funding for the canonically required mission strategy discernment process (see page 36). The budget offers a balance between maintaining support for ongoing programs and initiatives while providing flexibility to Bishop Gates, diocesan leadership and the full diocese itself as we embrace the challenges and the opportunities ahead.

It has been a true blessing and privilege to serve you in the special and distinctive ministry of mixing money and mission. As we have said in past years, a budget reflects the perceived priorities which we believe God is calling us to establish in the coming year, bearing in mind that it is God's abundance over which we have been given stewardship. A budget is also inevitably imperfect and incomplete due to human limitations. Putting a budget together is both a rewarding and a humbling experience, which we highly commend to a new generation of diocesan leaders!

The work of budget making relies on many, and we would like to thank them here, including chief business officer Gerry Sullivan and controller Cathy Menard, the Budget Committee, participants in all the budget hearings, ministry area leaders, diocesan staff and members of the Diocesan Council for their work and guidance once again this year. We are also grateful to Bishop Gates and Bishop Harris for their clear priorities and support.

In closing, we encourage each of you to pay particular attention to next year's mission strategy discernment process and the development of the 2017 budget. Let this year's and the recent years' budgets be a useful resource to the work ahead, but we hope you will be ready to let go of the past and charge ahead in new directions as called by the Holy Spirit, working through all the people of this blessed diocese.

James F. Gammill
Treasurer

The Rev. Margaret E. Lloyd
Canon to the Ordinary

The Rev. Stephen O. Voysey
Chair, Budget Committee

Budget Overview

Process

The Budget Committee, established by Diocesan Council to help prepare the annual budget, met monthly and held four open hearings in the spring—one meeting on income, including assessments, one about expenses and two to hear from representatives of strategic ministries. Attendance was up slightly at the income and expense hearings this year. The bishops' funding priorities and input from staff and ministry area leaders also informed the preparation of this budget, as did the participation of Diocesan Council and the Financial Advisory Committee in discussions about budget issues and/or specific drafts.

Core and Supplemental Budgets

The distinction between the core and supplemental budgets was introduced with the 2009 budget and was presented both in terms of funding sources and of the nature of the programs funded. Here is the excerpt from the 2009 budget book (page 8):

This year's presentation...separates the overall consolidated budget into several distinct pieces: a core operating budget, funded through assessments and investment income, and several supplements funded through alternative sources, including gifts, grants, reserves and contributions from the Bishop's discretionary funds.

By separating the overall diocesan budget into core and supplemental pieces, we can identify those programs and activities that are either temporary, experimental or otherwise dependent on funding sources other than assessments and investment income.

The basic definition of the core budget as limited to revenue from assessments, congregational contributions in lieu of assessment, regular spending policy draws from endowments and trusts and other predictable investment income continues to serve us well. These are truly the revenue streams enabled in a broader sense by the congregations of the diocese, and the spending side of the core budget forces us to identify the programs and activities that should be supported by these funds. The supplemental budget should capture all other spending that the diocese should claim as its own. Income and expenses from the Together Now campaign are reported on page 46.

The primary distinction between core and supplemental is driven by the source of revenue, not the programs or cost centers involved. In practice, most cost centers will be entirely funded either through the core budget or through the supplemental budget; however, some cost centers will be supported through both budgets. Some turnover should be expected in the composition of programs funded through core revenue.

MOVED, that the 230th Annual Convention of the Episcopal Diocese of Massachusetts approve the schedule of 2016 Diocesan Revenues, Core and Supplemental, described in the Proposed 2016 Diocesan Budget and summarized on pages 8 and 9, including the schedule of individual parish and mission assessments for 2016 listed on pages 11 through 16, with the adjustments approved by the Assessment Coordinating Committee and the Diocesan Council on page 17.

MOVED, that the 230th Annual Convention of the Episcopal Diocese of Massachusetts approve the Schedule of 2016 Diocesan Expenses, Core and Supplemental, described in the Proposed 2016 Diocesan Budget and summarized on pages 8 and 9.

Episcopal Diocese of Massachusetts				
Summary of Core Operations				
2016 Budget, 2015 Budget and 2014 Actual				
	CORE			
	2016	2015	Budget	2014
	Budget	Budget	Variance	Actual
<u>Revenue</u>				
Assessments before adjustments	5,083,633	4,939,756	143,877	4,915,837
Less adjustments	(81,830)	(52,762)	(29,068)	(21,690)
Assessments after adjustments	5,001,803	4,886,994	114,809	4,894,147
Less reserve for Uncollected Assessments	(35,805)	(60,000)	24,195	-
Agency Fund draws	1,003,818	891,387	112,431	876,717
Trust Fund draws	818,465	756,627	61,838	715,673
Congregational contributions	58,000	50,000	8,000	61,000
Interest income	15,000	21,510	(6,510)	59,102
Dividend income	78,000	62,075	15,925	80,489
Total Revenue	6,939,281	6,608,593	330,688	6,687,128
<u>Expense</u>				
Deaneries, Congregations and Clergy	996,206	802,103	194,103	774,157
Congregational Resources and Training	1,210,089	1,065,580	144,509	1,064,353
Strategic Ministries	1,248,108	1,197,410	50,698	1,243,817
Episcopal and Diocesan Support	2,125,010	2,183,716	(58,706)	2,249,629
Administrative Services	1,359,868	1,359,784	84	1,201,692
	6,939,281	6,608,593	330,688	6,533,648
Net surplus (deficit) - Core	(0)	-	(0)	153,480

Episcopal Diocese of Massachusetts											
Supplemental Budget by Funding Source											
2016 Budget, 2015 Budget and 2014 Actual											
2016 Budget											
											2015
											Budget
											TOTAL
2016 and 2015 Budget	BDF Grants	Fund Grants	Contributions	Grants	Parishes	In Kind	Transfers	Fee Revenue	TOTAL	TOTAL	
1101	Making Excellent Disciples	15,000			5,000				20,000	25,000	
1211	Sabbaticals	17,500					8,821		26,321	25,703	
1212	Continuing Education	10,000							10,000	10,000	
1221	Clergy Dependent Scholarships	33,337							33,337	31,228	
1223	Dill Scholarship	3,264							3,264	3,016	
1231	Support for Retired Clergy	5,500					(5,500)		-	5,300	
1312	Seminarians	662					(662)		-	7,612	
1321	Fresh Start/New Call				8,333			(8,333)	-	-	
1341	Clergy Family Network	1,000					(1,000)		-	1,000	
2014	Congregational Program Grants	25,000	10,000						35,000	53,077	
2222	Family Camp								-	17,031	
3056	Life Together	30,938	102,062	165,000	95,000	70,000	75,000	243,000	781,000	680,000	
3111	MIT Chaplaincy	3,363					(3,363)		-	3,108	
3221	Brockton, Grace Chapel					111,771			111,771	93,086	
3311	Boston, Chinese Ministries			47,000	3,000				50,000	50,000	
3321	Quincy, Chinese Ministries							10,000	10,000	-	
3331	Dorchester, St. Mary's	50,000							50,000	50,000	
3361	Watertown, Good Shepherd	45,000							45,000	60,000	
3371	S. Dartmouth, St. Peter's The Bridge	65,000							65,000		
3411	Urban Resident		11,719						11,719	18,750	
3511	Jubilee Global Mission			30,784			45,000		75,784	-	
3541	B-SAFE	100,000	125,000						225,000	225,000	
3545	B-PEACE		50,000						50,000	50,000	
3911	Cathedral Church of St. Paul	71,000							71,000	65,000	
4311	Development	174,978					57,366		232,344	161,839	
4312	Annual Fund		30,000						30,000	26,000	
4343	Mission Hubs						200,000		200,000	-	
		651,542	328,781	242,784	111,333	111,771	70,000	367,329	253,000	2,136,540	
										1,661,750	
2014 Actual											
											2014
											Actual
2014 Actual	Restricted BDF Grants	Annual Fund Grants	Contributions	Grants	Parishes	In Kind	Transfers	Fee Revenue	TOTAL	TOTAL	
1101	Making Excellent Disciples			17,740					17,740		
1211	Sabbaticals	17,500							17,500		
1212	Continuing Education	7,125							7,125		
1221	Clergy Dependent Scholarships	44,100							44,100		
2014	Congregational Program Grants		10,000						53,077		
2215	Congregational Research Studies						24,150		24,150		
2222	Family Camp							11,325	11,325		
3056	Life Together	35,771	125,000	85,700		70,000	75,000	284,934	676,405		
3221	Brockton, Grace Chapel					105,450			105,450		
3231	Chelsea, St. Luke's/San Lucas					1,081,553			1,081,553		
3311	Boston, Chinese Congregation			39,905	6,000				45,905		
3321	Quincy, Chinese Congregation			21,000					21,000		
3331	Dorchester, St. Mary's	20,000							20,000		
3361	Watertown, Good Shepherd					30,000			30,000		
3411	Urban Resident	39,063							39,063		
3511	Jubilee Global Mission			21,203			45,000		66,203		
3541	B-SAFE	100,000	125,000						225,000		
3545	B-PEACE		22,647	42,622					65,269		
3911	Cathedral Church of St. Paul	65,000							65,000		
3921	Barbara C. Harris Center			74,889					74,889		
4012	Suffragan Bishop							48,962	48,962		
4023	Bishop Shaw Retirement Celebration			32,568					32,568		
4311	Development	142,941	59,189				60,000		262,130		
4312	Annual Fund		34,645						34,645		
		471,500	376,481	232,187	109,440	1,260,080	70,000	204,150	345,221	3,069,059	

Summary of Functional Expenses by Type									
		2016 Budget		2015 Budget		2014 Actual			
		Budget	% of total	Budget	% of total	Actual	% of total		
CORE BUDGET									
Program expenses		2,368,330	34%	2,257,604	34%	2,190,872	34%		
Compensation and benefits		3,394,224	49%	3,148,481	48%	2,997,887	46%		
Operational and support services		1,316,316	19%	1,295,525	20%	1,263,001	19%		
Management and professional services		253,200	4%	242,300	4%	324,281	5%		
Total expenses		7,332,070	106%	6,943,910	105%	6,776,041	104%		
Less fees and other transfers		(392,789)	-6%	(335,317)	-5%	(242,393)	-4%		
Net functional expenses		6,939,281	100%	6,608,593	100%	6,533,648	100%		
SUPPLEMENTAL BUDGET									
Program expenses		1,021,541	48%	671,174	40%	1,845,094	60%		
Compensation and benefits		784,912	37%	703,836	42%	775,125	25%		
Operational and support services		318,087	15%	273,540	16%	423,413	14%		
Management and professional services		12,000	1%	13,200	1%	25,427	1%		
Total expenses		2,136,540	100%	1,661,750	100%	3,069,059	100%		

2016 ASSESSMENTS BY DEANERY

CODE M? CHURCH
 diocesan church code
 "M" if a mission
 line 14 less line 7 from the 2013 Parochial Report
 15.5% * BASE, LESS \$6,000
 initially 0; determined by committee and council
 formula less adjustment -- THIS IS WHAT CONVENTION VOTES
 the proposed assessment divided by the BASE, expressed as a percent
 2015 assessment, after any adjustment
 between 2016 proposed and 2015 prior year assessments
 amount of any adjustment received prior year

ALEWIFE

CODE	M?	CHURCH	BASE	FORMULA ASSESSMENT	ADJUSTMENT	2016 ASSESSMENT (for VOTE)	EFFECTIVE RATE	PRIOR YEAR ASSESSMENT	DIFFERENCE	PRIOR YEAR ADJUSTMENT
2010		Arlington, Church of Our Saviour	139,103	15,561	0	15,561	11.2	9,737	5,824	0
2015		Arlington, St. John's Church	182,263	22,251	2,782	19,469	10.7	20,522	-1,053	0
2025		Bedford, St. Paul's Church	183,112	22,382	0	22,382	12.2	21,019	1,363	0
2030		Belmont, All Saints' Church	220,349	28,154	0	28,154	12.8	25,170	2,984	0
2045		Burlington, St. Mark's Church	104,575	10,209	0	10,209	9.8	7,607	2,602	0
2050		Cambridge, Christ Church	649,182	94,623	0	94,623	14.6	97,287	-2,664	0
2055		Cambridge, St. Bartholomew's Church	171,501	20,583	0	20,583	12.0	19,377	1,206	0
2060		Cambridge, St. James's Church	333,068	45,626	0	45,626	13.7	41,683	3,943	0
2065		Cambridge, St. Peter's Church	251,017	32,908	0	32,908	13.1	25,633	7,275	0
2085		Lexington, Church of Our Redeemer	373,632	51,913	3,095	48,818	13.1	46,622	2,196	0
2135		Somerville, St. James's Church	79,855	6,378	0	6,378	8.0	6,593	-215	0
2145		Waltham, Christ Church	176,658	21,382	0	21,382	12.1	22,032	-650	0
2150		Watertown, Church of the Good Shepherd	89,251	7,834	0	7,834	8.8	8,551	-717	0
TOTALS:			2,953,566	379,803	5,877	373,926	12.7	351,833	22,093	0

BOSTON HARBOR

CODE	M?	CHURCH	BASE	FORMULA ASSESSMENT	ADJUSTMENT	2016 ASSESSMENT (for VOTE)	EFFECTIVE RATE	PRIOR YEAR ASSESSMENT	DIFFERENCE	PRIOR YEAR ADJUSTMENT
4035		Boston, Church of St. Augustine & St. Martin	124,726	13,333	0	13,333	10.7	12,515	818	0
4010		Boston, Church of the Advent	1,008,583	150,330	0	150,330	14.9	149,429	901	0
4025		Boston, Emmanuel Church	201,295	25,201	0	25,201	12.5	36,221	-11,020	0
4070	M	Boston, St. Stephen's Church	41,605	299	-1,301	1,600	3.8	1,658	-58	0
4075		Boston, Trinity Church	2,658,399	406,052	0	406,052	15.3	381,656	24,396	0
1030		Charlestown, St. John's Church	179,692	21,852	0	21,852	12.2	18,300	3,552	0
4055		Dorchester, St. Mark's Church	130,317	14,199	0	14,199	10.9	11,221	2,978	0
4060		Dorchester, St. Mary's Church	98,067	9,200	0	9,200	9.4	3,148	6,052	0
3020		Jamaica Plain, St. John's Church	166,705	19,839	0	19,839	11.9	20,209	-370	0
4040		Roxbury, St. Cyprian's Church	211,353	26,760	0	26,760	12.7	16,080	10,680	0
4050		Roxbury, St. John St. James Church	122,711	13,020	0	13,020	10.6	7,235	5,785	0
TOTALS:			4,943,453	700,086	-1,301	701,387	14.2	657,672	43,715	0

CAPE AND ISLANDS

M? CHURCH	BASE	FORMULA ASSESSMENT	ADJUSTMENT	2016 ASSESSMENT (for VOTE)	EFFECTIVE RATE	PRIOR YEAR ASSESSMENT	DIFFERENCE	PRIOR YEAR ADJUSTMENT
6005	484,140	69,042	0	69,042	14.3	61,111	7,931	0
6010	128,793	13,963	0	13,963	10.8	10,666	3,297	0
6015	509,594	72,987	0	72,987	14.3	69,651	3,336	0
6020	278,314	37,139	0	37,139	13.3	37,954	-815	0
6030	502,996	71,964	0	71,964	14.3	65,499	6,465	0
6040	281,330	37,606	5,000	32,606	11.6	35,416	-2,810	0
6045	430,376	60,708	0	60,708	14.1	58,260	2,448	0
6050	18,013	0	0	0	0.0	0	0	0
6055	521,283	74,799	0	74,799	14.3	72,226	2,573	0
6060	388,793	54,263	0	54,263	14.0	52,220	2,043	0
6065	319,145	43,467	5,000	38,467	12.1	50,908	-12,441	0
6070	179,282	21,789	0	21,789	12.2	19,893	1,896	0
6075	241,321	31,405	5,857	25,548	10.6	25,548	0	0
6095	249,712	32,705	0	32,705	13.1	23,450	9,255	0
6080	275,420	36,690	0	36,690	13.3	35,263	1,427	0
6085	207,294	26,131	8,000	18,131	8.7	26,419	-8,288	0
6090	23,055	0	0	0	0.0	0	0	0
6025	241,651	31,456	0	31,456	13.0	28,890	2,566	0
TOTALS:	5,280,512	716,114	23,857	692,257	13.1	673,374	18,883	0

CHARLES RIVER

M? CHURCH	BASE	FORMULA ASSESSMENT	ADJUSTMENT	2016 ASSESSMENT (for VOTE)	EFFECTIVE RATE	PRIOR YEAR ASSESSMENT	DIFFERENCE	PRIOR YEAR ADJUSTMENT
3120	144,937	16,465	0	16,465	11.4	9,008	7,457	0
3030	342,975	47,161	0	47,161	13.8	54,224	-7,063	0
3035	298,436	40,258	0	40,258	13.5	45,765	-5,507	0
3045	337,526	46,317	0	46,317	13.7	40,005	6,312	0
3125	871,529	129,087	0	129,087	14.8	120,612	8,475	0
3060	277,408	36,998	0	36,998	13.3	34,820	2,178	0
3105	479,661	68,347	0	68,347	14.2	68,726	-379	0
3145	270,601	35,943	0	35,943	13.3	36,862	-919	0
3135	182,234	22,246	0	22,246	12.2	22,311	-65	0
3140	375,978	52,277	0	52,277	13.9	49,733	2,544	0
3110	302,891	40,948	0	40,948	13.5	40,094	854	0
3130	154,892	18,008	0	18,008	11.6	12,921	5,087	0
3115	359,032	49,650	0	49,650	13.8	50,147	-497	0
3165	965,782	143,696	0	143,696	14.9	137,382	6,314	0
TOTALS:	5,363,882	747,402	0	747,402	13.9	722,610	24,792	0

CONCORD RIVER

M? CHURCH	BASE	FORMULA ASSESSMENT	ADJUSTMENT	2016 ASSESSMENT (for VOTE)	EFFECTIVE RATE	PRIOR YEAR ASSESSMENT	DIFFERENCE	PRIOR YEAR ADJUSTMENT
2005	275,913	36,767	0	36,767	13.3	34,395	2,372	0
2020	138,075	15,402	0	15,402	11.2	14,628	774	0
2075	630,764	91,768	0	91,768	14.5	88,632	3,136	0
3065	263,609	34,859	0	34,859	13.2	34,040	819	0
3075	153,795	17,838	0	17,838	11.6	18,631	-793	0
3080	116,656	12,082	6,000	6,082	5.2	11,687	-5,605	6,000
2080	65,374	4,133	0	4,133	6.3	3,691	442	0
2090	575,171	83,152	0	83,152	14.5	74,395	8,757	0
3100	422,755	59,527	0	59,527	14.1	59,814	-287	0
2125	0	0	0	0	0.0	2,939	-2,939	0
3155	261,054	34,463	0	34,463	13.2	34,399	64	0
2140	372,068	51,670	0	51,670	13.9	42,569	9,101	0
2165	474,461	67,541	3,000	64,541	13.6	56,402	8,139	0
TOTALS:	3,749,695	509,202	9,000	500,202	13.3	476,222	23,980	6,000

MERRIMACK VALLEY

M? CHURCH	BASE	FORMULA ASSESSMENT	ADJUSTMENT	2016 ASSESSMENT (for VOTE)	EFFECTIVE RATE	PRIOR YEAR ASSESSMENT	DIFFERENCE	PRIOR YEAR ADJUSTMENT
1005	102,187	9,839	0	9,839	9.6	11,560	-1,721	0
1010	560,998	80,955	0	80,955	14.4	76,964	3,991	0
2070	283,543	37,949	0	37,949	13.4	34,325	3,624	0
1055	133,923	14,758	0	14,758	11.0	15,630	-872	0
1065	159,188	18,674	0	18,674	11.7	19,530	-856	0
1075	128,109	13,857	0	13,857	10.8	13,458	399	0
2095	201,335	25,207	5,000	20,207	10.0	28,712	-8,505	5,000
2100	50,282	1,794	0	1,794	3.6	2,883	-1,089	0
1125	67,223	4,420	0	4,420	6.6	2,823	1,597	0
1130	284,302	38,066	0	38,066	13.4	41,453	-3,387	0
1135	190,581	23,540	0	23,540	12.4	24,519	-979	0
2040	187,512	23,064	0	23,064	12.3	24,067	-1,003	0
1195 M	91,510	5,456	0	5,456	6.0	4,958	498	0
2160	109,933	11,040	0	11,040	10.0	10,007	1,033	0
TOTALS:	2,550,626	308,618	5,000	303,618	11.9	310,889	-7,271	5,000

MT HOPE BUZZARDS BAY

M? CHURCH	BASE	FORMULA ASSESSMENT	ADJUSTMENT	2016 ASSESSMENT (for VOTE)	EFFECTIVE RATE	PRIOR YEAR ASSESSMENT	DIFFERENCE	PRIOR YEAR ADJUSTMENT
5030 Fairhaven, Church of the Good Shepherd	33,649	0	0	0	0.0	0	0	0
5035 Fall River, Church of the Holy Spirit	221,780	28,376	0	28,376	12.8	32,434	-4,058	0
5045 Fall River, St. Luke's Church	21,670	0	0	0	0.0	0	0	0
5070 Marion, St. Gabriel's Church	375,753	52,242	0	52,242	13.9	48,723	3,519	0
5080 New Bedford, Grace Church	509,102	72,911	0	72,911	14.3	58,378	14,533	0
5085 New Bedford, St. Andrew's Church	74,662	5,573	0	5,573	7.5	4,922	651	0
5090 New Bedford, St. Martin's Church	71,569	5,093	0	5,093	7.1	4,856	237	0
5110 Somerset, Church of Our Saviour	130,839	14,280	4,000	10,280	7.9	13,215	-2,935	0
5020 South Dartmouth, St. Peter's Church	49,850	1,727	0	1,727	3.5	1,746	-19	0
5115 Swansea, Christ Church	146,782	16,751	0	16,751	11.4	19,809	-3,058	0
TOTALS:	1,635,656	196,952	4,000	192,952	11.8	184,083	8,869	0

MYSTIC VALLEY

M? CHURCH	BASE	FORMULA ASSESSMENT	ADJUSTMENT	2016 ASSESSMENT (for VOTE)	EFFECTIVE RATE	PRIOR YEAR ASSESSMENT	DIFFERENCE	PRIOR YEAR ADJUSTMENT
1035 M Chelsea, St. Luke's/San Lucas Church	76,414	3,896	0	3,896	5.1	5,310	-1,414	0
1025 M East Boston, Grace Church Federated	0	0	0	0	0.0	0	0	0
1045 Everett, Grace Church	25,480	0	0	0	0.0	3,035	-3,035	0
1095 Lynnfield, St. Paul's Church	163,472	19,338	0	19,338	11.8	17,074	2,264	0
1105 Malden, St. Paul's Church	117,009	12,136	4,000	8,136	7.0	12,029	-3,893	5,000
2115 Medford, Grace Church	300,217	40,534	0	40,534	13.5	37,734	2,800	0
1120 Melrose, Trinity Parish	207,603	26,178	0	26,178	12.6	25,122	1,056	0
1145 Reading, Church of the Good Shepherd	162,207	19,142	0	19,142	11.8	17,330	1,812	0
1170 Saugus, St. John's Church	97,798	9,159	0	9,159	9.4	9,796	-637	0
1175 Stoneham, All Saints' Church	71,533	5,088	0	5,088	7.1	4,341	747	0
1190 Wakefield, Emmanuel Church	152,716	17,671	0	17,671	11.6	17,797	-126	0
2170 Wilmington, St. Elizabeth's Church	45,081	988	0	988	2.2	2,903	-1,915	0
2175 Winchester, Parish of the Epiphany	670,238	97,887	0	97,887	14.6	89,911	7,976	0
1200 Winthrop, St. John's Church	121,834	12,884	0	12,884	10.6	11,320	1,564	0
2180 Woburn, Trinity Church	86,486	7,405	0	7,405	8.6	7,017	388	0
TOTALS:	2,298,088	272,306	4,000	268,306	11.7	260,719	7,587	5,000

NEPONSET RIVER

M? CHURCH	BASE	FORMULA ASSESSMENT	ADJUSTMENT	2016 ASSESSMENT (for VOTE)	EFFECTIVE RATE	PRIOR YEAR ASSESSMENT	DIFFERENCE	PRIOR YEAR ADJUSTMENT
4085	152,501	17,638	0	17,638	11.6	15,936	1,702	0
3050	97,171	9,062	0	9,062	9.3	9,017	45	0
3055	343,790	47,287	0	47,287	13.8	44,379	2,908	0
4015	381,286	53,099	0	53,099	13.9	50,590	2,509	0
3005	10,762	0	0	0	0.0	3,700	-3,700	0
3015 M	0	0	0	0	0.0	0	0	0
4030	245,904	32,115	0	32,115	13.1	20,824	11,291	0
3085	194,466	24,142	0	24,142	12.4	27,480	-3,338	0
3090	71,724	5,117	0	5,117	7.1	5,400	-283	0
4130	474,018	67,473	0	67,473	14.2	63,533	3,940	0
3150	119,302	12,492	0	12,492	10.5	11,242	1,250	0
5105	48,342	1,493	0	1,493	3.1	2,210	-717	0
4160	76,056	5,789	0	5,789	7.6	6,009	-220	0
3160	199,548	24,930	7,000	17,930	9.0	24,207	-6,277	0
3010	60,894	3,439	0	3,439	5.6	4,168	-729	0
3170	112,230	11,396	0	11,396	10.2	13,548	-2,152	0
TOTALS:	2,587,994	315,471	7,000	308,471	11.9	302,243	6,228	0

NORTH SHORE

M? CHURCH	BASE	FORMULA ASSESSMENT	ADJUSTMENT	2016 ASSESSMENT (for VOTE)	EFFECTIVE RATE	PRIOR YEAR ASSESSMENT	DIFFERENCE	PRIOR YEAR ADJUSTMENT
1015	487,360	69,541	0	69,541	14.3	74,616	-5,075	0
1021	235,906	30,565	0	30,565	13.0	28,783	1,782	0
1143	107,386	10,644	0	10,644	9.9	18,025	-7,381	0
1050	219,439	28,013	0	28,013	12.8	25,185	2,828	0
1070	228,145	29,362	0	29,362	12.9	29,125	237	0
1090	290,939	39,096	0	39,096	13.4	38,822	274	0
1116	275,212	36,658	0	36,658	13.3	37,753	-1,095	0
1110	272,370	36,217	0	36,217	13.3	33,808	2,409	0
1155	160,185	18,829	0	18,829	11.8	18,822	7	0
1160	142,000	16,010	0	16,010	11.3	22,698	-6,688	6,700
1165	118,884	12,427	0	12,427	10.5	11,460	967	0
1060	363,309	50,313	0	50,313	13.8	45,779	4,534	0
1180	140,322	15,750	0	15,750	11.2	14,453	1,297	0
1185	264,669	35,024	0	35,024	13.2	28,566	6,458	0
TOTALS:	3,306,126	428,449	0	428,449	13.0	427,895	554	6,700

SOUTH SHORE

M? CHURCH	BASE	FORMULA ASSESSMENT	ADJUSTMENT	2016 ASSESSMENT (for VOTE)	EFFECTIVE RATE	PRIOR YEAR ASSESSMENT	DIFFERENCE	PRIOR YEAR ADJUSTMENT
4080 Braintree, Emmanuel Church	121,626	12,852	0	12,852	10.6	11,899	953	0
4090 Cohasset, St. Stephen's Church	367,879	51,021	0	51,021	13.9	48,081	2,940	0
4095 Duxbury, Church of St. John the Evangelist	311,509	42,284	0	42,284	13.6	45,269	-2,985	0
4100 Hanover, St. Andrew's Church	166,639	19,829	5,000	14,829	8.9	22,382	-7,553	0
4105 Hingham, Parish of St. John the Evangelist	511,756	73,322	0	73,322	14.3	71,742	1,580	0
4110 Holbrook, St. John's Church	82,017	6,713	0	6,713	8.2	5,147	1,566	0
4120 Marshfield, Trinity Church	176,859	21,413	0	21,413	12.1	16,492	4,921	0
4125 Milton, Church of Our Saviour	114,863	11,804	0	11,804	10.3	14,343	-2,539	0
4135 Quincy, Christ Church	153,408	17,778	0	17,778	11.6	16,838	940	0
4140 Quincy, Parish of St. Chrysostom	166,566	19,818	0	19,818	11.9	18,871	947	0
4145 Randolph, Trinity Church	96,805	9,005	1,653	7,352	7.6	7,352	0	0
4150 Rockland, Trinity Church	71,277	5,048	0	5,048	7.1	5,773	-725	0
4155 Scituate, St. Luke's Church	245,176	32,002	0	32,002	13.1	41,261	-9,259	0
4165 South Weymouth, Church of the Holy Nativity	137,940	15,381	0	15,381	11.2	14,055	1,326	0
5130 Whitman, All Saints' Church	87,280	7,528	0	7,528	8.6	7,309	219	0
TOTALS:	2,811,600	345,798	6,653	339,145	12.1	346,814	-7,669	0

TAUNTON RIVER

M? CHURCH	BASE	FORMULA ASSESSMENT	ADJUSTMENT	2016 ASSESSMENT (for VOTE)	EFFECTIVE RATE	PRIOR YEAR ASSESSMENT	DIFFERENCE	PRIOR YEAR ADJUSTMENT
5005 Attleborough, All Saints' Church	74,571	5,559	1,278	4,281	5.7	5,544	-1,263	1,275
5135 Bristol, Trinity Church	162,427	19,176	10,466	8,710	5.4	14,170	-5,460	12,000
5010 Bridgewater, Trinity Church	94,458	8,641	0	8,641	9.1	9,760	-1,119	0
5060 Foxborough, St. Mark's Church	172,923	20,803	6,000	14,803	8.6	21,684	-6,881	8,000
3070 Franklin, St. John's Church	117,913	12,277	0	12,277	10.4	10,597	1,680	0
5075 Middleborough, Church of Our Saviour	177,728	21,548	0	21,548	12.1	15,814	5,734	0
5095 North Attleborough, Grace Church	196,442	24,449	0	24,449	12.4	23,253	1,196	0
5125 Taunton, St. Thomas's Church	237,165	30,761	0	30,761	13.0	28,802	1,959	0
3175 Wrentham, Trinity Church	169,165	20,221	0	20,221	12.0	20,181	40	0
TOTALS:	1,402,792	163,433	17,744	145,689	10.4	149,805	-4,116	21,275
DIOCESAN TOTALS:	38,883,990	5,083,633	81,830	5,001,803	12.9	4,864,159	137,644	43,975

Projected Revenue for 2016

Assessments and Adjustments and Reserves

The 2016 assessment formula, approved by Diocesan Council, remains unchanged from 2010:

$$\text{assessment due} = 15.5\% * \text{BASE} - \$6,000 \text{ (subject to a floor of 0)}$$

where the BASE for 2016 is equal to line 14 (“all other operating expenses”) from the 2013 parochial report, less line 7 (“assistance from diocese”).

For a mission, the 2016 assessment is two-thirds the amount that would be assessed if the congregation were a parish.

This assessment formula together with the parochial report data for 2013 generates a gross assessment for 2016 of \$5,083,633. Again this year Diocesan Council created an Assessment Coordinating Committee, whose adjustments to the assessments of 15 congregations totaled \$66,808, as follows:

- St. John’s Church, Arlington: \$2,782
- All Saints’ Church, Attleboro: \$1,278*
- St. Mark’s Church, Foxborough: \$6,000*
- St. Andrew’s Church, Hanover: \$5,000
- Christ Church, Harwich Port: \$5,000
- St. Paul’s Church, Hopkinton: \$6,000*
- Church of Our Redeemer, Lexington: \$3,095
- St. Anne’s Church, Lowell: \$5,000*
- St. Paul’s Church, Malden: \$4,000*
- Christ Church, Plymouth: \$5,000
- Trinity Church, Randolph: \$1,653
- Church of Our Saviour, Somerset: \$4,000
- Epiphany Church, Walpole: \$7,000
- Church of the Good Shepherd, Wareham: \$8,000
- St. Peter’s Church, Weston: \$3,000

* *indicates second year*

In addition to the \$66,808 in adjustments above, Bristol Trinity Episcopal Church, newly merged, and St. John’s Church, Sandwich were granted multiyear adjustments through the congregational development staff team, \$10,466 and \$5,857, respectively, for 2016. St. Stephen’s Church, Boston is volunteering to pay \$1,301 in addition to its assessed amount. The total value of assessments to be billed in 2016 is \$5,001,803, and we will increase our reserve for uncollected assessments by \$35,805. In addition to the assessments, revenue also reflects \$50,000 in projected voluntary contributions from two congregations not subject to the assessment and an estimated \$8,000 in collections at the bishops’ visitations.

Net Revenue from Investments

Approximately 26% of core budget revenue comes in the form of spending policy draws from investments, either owned directly by the diocese (including our endowment funds), or owned by others (usually the Trustees of Donations) in trust for the benefit of the diocese. Some funds, whether owned by the diocese or by a trust, place no restriction on the diocese regarding the use of the income provided through the spending policy draws. The unrestricted funds represent about 24% of the available spending policy income. The remaining funds have some restriction on the use of the spending policy income, but in most cases the restriction is consistent with the regularly anticipated expenses of the diocese. There are a few funds, however, where the restrictions call for close monitoring and measurement.

Spending Policy – Trusts

The appendix table on page 58 lists the trusts owned and managed by the Trustees of Donations (TOD) for the benefit of the diocese. In 2016 the TOD will distribute 4% of a base amount defined as the average of the market value of each fund measured at the end of each calendar quarter from September 2012 through June 2015.

There are a few funds with restrictions that require the TOD to deviate from the general spending policy formula. In some cases, the distribution is limited to actual income produced by the fund, and in other cases, all income must be reinvested for the time being. The table of projected trust income for these funds is an estimate of the income that will be available in 2016.

The total spending policy income available in 2016 (\$818,466) is an increase from 2015 (\$756,627), due to market appreciation.

Spending Policy – Endowments (Agency Funds)

The appendix table on page 57 lists the endowments owned by the diocese and managed primarily by the TOD. These include some funds that are unrestricted and others that have a restriction on their use as stipulated by a third party donor at the time the fund was created or stipulated by Diocesan Council. Pages 52-56 offer more historical detail about these funds.

The proposed spending policy for 2016 is similar to that used by the TOD: to draw 4% of a base that reflects the average of the market value over the past three years, adjusted for withdrawals from and additions to principal.

The total spending policy income available to the 2016 core budget is \$1,003,818, which is \$112,431 more than in 2015. The increase reflects net additions to the endowment during 2015 as well as market appreciation.

Spending Policy and Core Revenue

Over the summer, the Financial Advisory Committee affirmed the following, with the caveat that it would not support a budgeted draw that exceeds 4%:

The Financial Advisory Committee reaffirms its support of a 4% spending policy draw from diocesan endowment funds to support the 2016 core budget. (The value of each fund for the purpose of calculating the draw is based on a 12-quarter average, from July 2012 to June 2015, of end-of-month market value, adjusted for additions and withdrawals.)

At the same time, Diocesan Council has unrestricted access to several funds in the endowment; both principal and income can be spent as long as Council approves. Such draws above and beyond the normal 4% draw are treated as supplemental, not core, revenue, thus flagging them as special actions in response to special circumstances. A notable supplemental draw was approved by Council in 2014 to cover the expenses of the election of and transition to a new diocesan bishop.

There were several notable approvals for supplemental draws in 2015. In May, Council voted to pledge \$600,000 from the General Endowment Fund over three years to support funding for the mission hubs. And in June of 2015, with authorization from the Standing Committee and Diocesan Council, and with funds drawn from the unrestricted endowments, the diocese pur-

chased for \$1,425,016 a condominium to house the diocesan bishop. While this new investment in housing reduces the endowment fund and thus the available spending policy draw, it also reduces the cash portion of the bishop's compensation by \$40,761, as shown in the credit to cost center 5122.

It is possible that some future supplemental draw on the endowment could be needed if actual diocesan operations run at a significant deficit. Ideally, setting sufficient levels of reserves for adverse outcomes and maintaining strong financial controls throughout the year will prevent this type of supplemental draw. To that end, Council formally established and seeded three reserves (see page 53), one for future episcopal elections (cost center 4023), one for major purchases (cost center 5142) and one for capital improvements (cost center 5141). These are in addition to the longtime reserve for General Convention expenses (cost center 4411). The 2016 core budget provides continued funding for each of these four reserves.

Dividend and Interest Income

The estimate for 2016 dividend income is \$78,000. Of this, \$42,400 is from a gift of stock received more than 40 years ago, with the request that it not be sold. The other sources of income recorded here are three trusts not held by the Trustees of Donations, an illiquid investment from a closed parish and dividend income on diocesan cash and bond mutual funds. The interest income, estimated at \$15,000, is primarily from two clergy loans.

The diocesan portfolio also includes loans to congregations (separate from those made through the Stokes Fund loan program). The current status of the parish loans discussed in last year's budget book is:

- St. David's Church, Pepperell (outstanding amount: \$0): The loan of \$38,925 was recovered through the sale of the church.
- St. Elizabeth's Church, Wilmington (outstanding amount: \$4,803): The congregation is behind several years in payments and is working with the congregational development team.
- Grace Church, North Attleborough (outstanding amount: \$61,501): The congregation entered into an agreement with Diocesan Council in 2012 which involves certain financial and operational incentives in order for the parish to achieve certain milestones. In 2014 the longtime rector retired, and the parish requested a reduction in its payment plan during the interim. Council agreed to do so for 2014 and 2015. Under the revised plan, Grace Church made payments of \$115,861 and earned debt forgiveness of \$43,138 in 2014.

Supplemental Budget Revenue

The table on page 9 has been reformatted from prior years to better show both the revenue and the specific expenses for the supplemental budget. The supplemental budget table shows eight sources of revenue:

1. Grants from Bishop's Discretionary Funds (BDF's), restricted and unrestricted: These are trust funds held by the Trustees of Donations where the bishop and the diocese are named as income beneficiaries; some are restricted in use and some are not. Of the many funds owned by the Trustees of Donations, 34 funds (listed on page 58) with a market value of about \$19.4 million are for the benefit of the diocesan bishop, and the Trustees of Donations provide him with an annual spending policy from these trusts. The generosity of past donors and the diocesan bishop makes it possible to fund new ventures in mission and strategic ministries through the supplemental budget.

In 2016, Bishop Gates will continue the practice of using the bulk of the BDF income to support pilot programs and new initiatives, to fund the Office of Development and to supplement strategic ministries. The 2016 draw is set at \$651,542. If the Annual Fund comes in above \$300,000, then the grants from the BDF's will be reduced.

BDF grants (which comprise about 32% of the overall supplemental budget) are an important source of funding for the supplemental budget. While planned expenditures over the past few years have brought prior years' surplus levels down, Diocesan Council's January 2015 vote to add 10% of any unrestricted bequests to the BDF's added \$240,000 to BDF reserves.

2. The Annual Fund: The 2016 Annual Fund goal is set at \$328,781 to cover various strategic ministries. With \$30,000 needed to cover the direct costs of the Annual Fund, \$298,781 is likely to be available for Annual Fund grants in 2016.

3. Contributions: Fundraising by the Chinese ministry, Life Together and Jubilee Global Ministries. In 2016 the budget amounts to \$242,784.

4. Grants: These total \$111,333. The largest grant recorded here is the continuation of the \$70,000 grant from Episcopal City Mission to the Life Together program. Projected grants from external foundations total \$41,333.

5. Proceeds from closed parishes: The Closed Parish Net Proceeds Fund was virtually fully expended in 2015. An amount of \$111,771 is allocated to Grace Chapel in Brockton outside of this process. See pages 43-45 for more information.

6. In-kind: This line reflects Life Together's use of the diocesan property at 40 Prescott Street, Brookline for offices and fellow housing, valued at \$70,000 (see page 30).

7. Transfers: Funds transferred between core and supplemental budgets and other sources. The largest transfer is the \$200,000 internal grant from the General Endowment Fund to the Together Now campaign.

8. Fee Revenue: Received for Life Together site placements, consulting and rental fees, and for Chinese Ministry programs.

The Structure of Diocesan Operations

The structure for diocesan operations is designed to encourage accountability, clarity and collaboration with five functional areas and diocesan leadership. The canon to the ordinary has been responsible for the management of diocesan operations and the controls on the operations that are implemented through the five functional areas. She has worked with the treasurer to ensure that financial records are reflective of the full resources applied to each individual component of mission strategy implementation.

The **Deaneries, Congregations and Clergy** area houses the congregational development team working, along with others from around the diocese, the province and the wider church, across areas to promote clergy wellness and congregational vitality and viability.

The **Congregational Resources and Training** area includes grant programs, events, training and communications.

The **Strategic Ministries** area funds staffing for mission congregations and also for ministries which take place outside of parish settings.

The **Episcopal and Diocesan Support** area contains the governance, canonical, ecumenical and development functions. The Office of Development helped to raise \$20 million for the Together Now campaign. (See page 46 for more campaign information.) The two bishops assisted by the canon to the ordinary have oversight responsibilities for all diocesan operations, in conjunction with staff who have specific functional responsibilities.

In the **Administrative Services** area, a new chief business officer joined the staff in 2015. The Treasurer's Office oversees financial services, human resources and information technology.

Projected Expenses for 2016 by Areas of Operation

Guide to Area Expense Tables

The proposed expense budgets for each of the five areas of diocesan operations are described in this section. For each area, there are two pages, one for the core budget and one for the supplemental budget. Each page has two tables: 2016 proposed budget with the 2015 budget (top) and the 2014 actuals (bottom) for comparison. Each row represents a specific cost center code and description within the area. The first row in each area is staff compensation. There are five columns of figures that include a variety of budgeted and actual expenses and revenue offsets:

Program Expenses: Main program activities for the cost center, including grants

Compensation and Benefits: All compensation and benefit-related expenses, including 1099 payments to independent contractors. Salary and benefits for diocesan staff reflect a 2% increase and an estimated 8% increase in the cost of health care coverage for 2016.

Operational and Support: Travel, hospitality, office costs and other types of supporting expenses

Management and Professional Services: Payments to external service providers for accounting, legal, consulting and other similar services

Revenue Offset: Revenue collected by the cost center's programs explicitly to offset its costs

Deaneries, Congregations and Clergy (see tables on pages 24 and 25)

The total 2016 budget for this area is \$1,089,128, with \$996,206 in the core budget and \$92,922 in the supplemental budget. The 2015 core and supplemental budget total was \$902,759. Specific amounts in this area have been reallocated at the request of staff who oversee the budget.

- Deaneries, Congregations and Clergy: 1000 - Core

This line contains the total compensation costs for eight of nine staff members listed on page 64. Two are part time. The mission hubs program director is paid from Together Now campaign funds.

- Deaneries: 1001; Deans: 1002; Deanery Confirmations: 1003 - Core

\$400 per deanery to support deanery assembly activities; \$4,000 per deanery to offset deans' time and expense; and \$12,000, a decrease of \$3,000 from 2015, to provide hospitality for Confirmations with the hope that many of these will return to the newly renovated Cathedral Church of St. Paul in 2016.

- Congregations: 1101 - Core & Supplemental

The \$12,000 in the core budget, up from \$3,300 in 2015, funds the priests-in-charge consultants program. In the supplemental budget \$5,000 is a grant from the Lilly Foundation and \$15,000 from the Bishop's Discretionary Funds, a total of \$20,000 for mentoring of newly ordained clergy.

- Transition Ministries: 1111 - Core

\$10,000, level funding, for supporting expenses for the Office of Transition Ministries.

- Clergy: 1201 - Core

\$2,000 to cover the cost of Oxford Document background checks, offset by fees.

- Sabbaticals: 1211 - Core & Supplemental

The funds totaling \$26,321 for clergy sabbaticals come from two sources: an agency endowment fund in honor of Bishop Norman Nash (\$8,821) and a Bishop's Discretionary Funds grant (\$17,500).

- Continuing Education: 1212 - Supplemental

\$10,000 from the Bishop's Discretionary Funds.

- MSASA EDS: 1213 - Core

\$11,121 is the spending policy income available for a scholarship program for students from Africa attending Episcopal Divinity School.

- Clergy Dependent Scholarships: 1221 - Supplemental

\$33,337 from the Bishop's Discretionary Funds.

- Dill Campership: 1223 - Supplemental

\$3,264 representing the spending policy income from a restricted bishop's discretionary fund to support a scholarship to Camp O-At-Ka in Maine.

- Support for Retired Clergy: 1231 - Core & Supplemental

The Society for the Relief of Aged or Disabled Episcopal Clergy and the Society for the Relief of Widows, Widowers and Orphans of Clergy of the Episcopal Church both receive distributions from agency funds as well as from trust funds where the organizations are named as income beneficiaries. These distributions help retired clergy and widows, widowers and orphans of clergy. The books and records of these two organizations, because they are separate 501(c)(3) organizations, are not part of the diocesan budget. Because retired clergy and their families are living longer, the funds from the agency and trust funds need to increase. The 2016 budget allocates \$37,000, \$5,300 for program and support expenses, including gatherings, and \$31,700 for additional grants.

- Commission on Ministry: 1311 - Core

The net cost for this program is budgeted at \$68,012, including \$10,000 for the Commission on Ministry's priority to fund seminarians whose first language is not English. The credit of \$7,000 is for fees paid by those in the ordination process, such as those for the Oxford Document background checks.

- Seminarians: 1312 - Core & Supplemental

Scholarships for seminarians in the ordination process. The amount of \$53,983 is the spending policy income from an agency endowment fund for this purpose, supplemented by \$662 from a small fund in the supplemental budget.

- Fresh Start/New Call: 1321 - Core

An increase from \$3,500 in 2015 to \$8,333 to be matched by a grant from the Lilly Endowments Pastoral Excellence Network, a total of \$16,666, for curriculum revision and leader training. This is the first year of a three-year matching grant.

- Diaconate Program: 1331 - Core

Increased funding to a net, after fees, of \$20,000, based on the projected participation, and includes the expenses of two archdeacons.

- Clergy Family Network: 1341 - Core

\$1,000, based on 2014 actuals.

- Pre-Lenten Retreat: 1411 - Core

Net costs to the core budget, after fees are budgeted at \$3,000, based on 2015 actuals.

- Clergy Conference: 1421 - Core

This three-day event is budgeted at \$105,000, of which \$60,000 is covered by attendee fees. The balance, \$45,000, is covered by the core budget.

- Clergy Day: 1431 - Core

Clergy Day is budgeted at \$3,000, of which \$2,000 is covered by fees, leaving a core budget balance of \$1,000.

Deaneries, Congregations & Clergy Core							
2016 Budget 2015 Budget and 2014 Actual							
	2016 Budget						
2016 and 2015 Budget	Program Expenses	Compensation & Benefits	Operational & Support Svcs	Mgt and Prof Svcs	Revenue Offset	Transfers	
						Total	
						2015 Budget	
CC1000 DC & C	-	650,639	-	-	-	650,639	516,467
CC1001 Deaneries	-	-	4,800	-	-	4,800	6,000
CC1002 Deans	48,000	-	-	-	-	48,000	48,000
CC1003 Deanery Confirmations	12,000	-	-	-	-	12,000	15,000
CC1101 Congregations	4,000	8,000	-	-	-	12,000	3,300
CC1111 Transition Ministries	-	-	10,000	-	-	10,000	10,000
CC1201 Clergy	-	-	-	2,000	(2,000)	-	1,500
CC1211 Sabbaticals	-	-	-	-	-	8,821	8,203
CC1213 MSASA EDS	11,118	-	-	-	-	11,118	10,341
CC1231 Support for Retired Clergy	37,000	-	-	-	-	37,000	-
CC1311 Commission on Ministry	36,000	21,012	18,000	-	(7,000)	68,012	67,000
CC1312 Seminars	62,645	-	-	-	-	62,645	50,292
CC1321 Fresh Start / New Call	-	-	16,666	-	-	(662)	61,983
CC1331 Diaconate Program	-	9,000	10,000	3,000	(2,000)	8,333	8,333
CC1341 Clergy Family Network	1,000	-	-	-	-	(1,000)	20,000
CC1411 Pre Lenten Retreat	-	-	4,600	1,800	(3,400)	3,000	-
CC1421 Clergy Conference	-	2,000	103,000	-	(60,000)	45,000	3,000
CC1431 Clergy Day	3,000	-	-	-	(2,000)	1,000	42,000
Totals	214,763	690,651	167,066	6,800	(76,400)	996,206	802,103
	2014 Actual						
2014 Actual	Program Expenses	Compensation & Benefits	Operational & Support Svcs	Mgt and Prof Svcs	Revenue Offset	Transfers	
						Total	
CC1000 DC & C	-	517,750	-	-	-	517,750	
CC1001 Deaneries	50	-	3,564	-	-	3,614	
CC1002 Deans	48,000	-	163	-	-	48,163	
CC1003 Deanery Confirmations	-	800	13,080	-	-	13,880	
CC1101 Congregations	-	550	631	-	(832)	349	
CC1111 Transition Ministries	15,000	500	9,004	-	(2,045)	22,459	
CC1201 Clergy	-	-	875	2,195	-	3,070	
CC1211 Sabbaticals	6,500	-	-	-	-	6,500	
CC1213 MSASA EDS	5,500	-	-	-	-	5,500	
CC1231 Support for Retired Clergy	-	-	11,536	2,593	-	14,129	
CC1311 Commission on Ministry	36,309	20,255	26,056	1,162	(7,375)	76,407	
CC1312 Seminars	49,200	-	-	-	(48,245)	955	
CC1321 Fresh Start Program	-	150	1,549	-	-	1,699	
CC1331 Diaconate Program	275	9,159	21,631	400	(16,620)	14,845	
CC1341 Clergy Family Network	312	-	-	-	-	312	
CC1411 Pre Lenten Retreat	-	2,000	5,208	40	(4,435)	2,813	
CC1421 Clergy Conference	5,350	5,000	95,134	690	(64,837)	41,337	
CC1431 Clergy Day	-	-	2,325	60	(2,010)	375	
Totals	166,496	556,164	190,756	7,140	(146,399)	774,157	

Deaneries, Congregations & Clergy - Supplemental 2016 Budget, 2015 Budget and 2014 Actual									
2016 Budget									
2016 and 2015 Budget	Program Expenses	Revenue Offset	Transfers	Grant	BDF Grants	Net Cost	2015 Budget		
CC1101 Congregations - Making Excellent Disciples	20,000	-		(5,000)	(15,000)	-			25,000
CC1211 Sabbaticals	26,321	-	(8,821)	-	(17,500)	-			17,500
CC1212 Continuing Education	10,000	-		-	(10,000)	-			10,000
CC1221 Clergy Dependent Scholarships	33,337	-		-	(33,337)	-			31,228
CC1223 Dill Campership	3,264	-		-	(3,264)	-			3,016
CC1231 Support for Retired Clergy	-	-	5,500	-	(5,500)	-			5,300
CC1312 Seminararians	-	-	662	-	(662)	-			7,612
CC1321 Fresh Start/New Call	-	-	(8,333)	8,333	-	-			-
CC1341 Clergy Family Network	-	-	1,000	-	(1,000)	-			1,000
Totals	92,922	-	(9,992)	3,333	(86,263)	-			100,656
2014 Actual									
2014 Actual	Program Expenses	Revenue Offset	Transfers	Lilly Grant	BDF Grants	Net Cost			
CC1101 Congregations - Making Excellent Disciples	17,740	-	-	(17,740)	-	-			
CC1211 Sabbaticals	17,500	-	-	-	(17,500)	-			
CC1212 Continuing Education	7,125	-	-	-	(7,125)	-			
CC1221 Clergy Dependent Scholarships	44,100	-	-	-	(44,100)	-			
CC1223 Dill Campership	-	(2,844)	-	-	-	(2,844)			
CC1231 Support for Retired Clergy	-	-	-	-	-	-			
CC1311 Commission on Ministry	-	-	-	-	-	-			
CC1312 Seminararians	-	-	-	-	-	-			
CC1341 Clergy Family Network	-	-	-	-	-	-			
CC1421 Clergy Conference	-	-	-	-	-	-			
Totals	86,465	(2,844)	-	(17,740)	(68,725)	(2,844)			(2,844)

Congregational Resources and Training (see tables on pages 28 and 29)

The total 2016 budget for this area is \$1,245,089, with \$1,210,089 in the core budget and \$35,000 in the supplemental budget. The 2015 core and supplemental budget total was \$1,154,132.

• Congregational Resources and Training: 2000 - Core

The total compensation and benefits costs for six of the seven staff members in this area are \$553,325 (see roster on page 64). This year Diocesan Council voted to keep in the core budget all of the compensation costs for the staff member who works closely with congregations during the closing or merger process, as opposed to seeking partial reimbursement from proceeds of related sales.

Between the Together Now campaign and the Congregational Resources and Training core budget, approximately \$880,000 per year is granted to congregations and clergy. (See page 60.)

• Congregational Development Grants: 2011, 2012 - Core

The two congregational development grant programs have been level funded: \$60,000 for the targeted grants and \$150,000 for the open grants.

• Bristol County Case Grants: 2013 - Core

The draw for this grant program is \$131,957. The intended uses of the fund's income when it was established as part of the diocesan endowment include service to Bristol County residents in need, as well as the general and religious purposes of the diocese.

• Congregational Program Grants: 2014 - Core & Supplemental

This cost center contains specific grants to congregations funded by agency or trust endowments or supplemental sources. In the core budget, agency endowments support grants to St. John's, Sharon (\$21,073), Christ Church, Plymouth (\$3,140) and Emmanuel Church, West Roxbury (\$3,911). A trust fund provides a grant to Emmanuel Church, Boston (\$7,429). In the supplemental budget, \$10,000 is allotted to St. Stephen's Church, Lynn for its KIDS in Community summer program and \$25,000 to Grace Church, Everett.

• Deaf Ministry Grants: 2015 - Core

This cost center represents a continuation, for the time being, of the deaf ministry grants program begun in 2011. The amount budgeted is a draw from the remainder of the diocesan agency fund (7004H) that in previous years supported the St. Andrew's of the Deaf congregation in Natick, which closed in 2011. It is level funded at \$8,000. A committee is preparing a proposal for expanded use of these funds. The use of the proceeds from this closed congregation will be determined by Council.

• Sending Serving and House of Mercy Grants: 2021, 2022 - Core

Each of the 12 deaneries is charged with running a grants program to support outreach activities. Deanery assemblies set the criteria and determine awards. The amounts available to each deanery, funded by two specific diocesan funds, are \$4,000 for Sending Serving grants, which require a match from grant recipients and are open to any outreach activity, and \$2,733 for House of Mercy grants, which require a focus on women and children in need (no match necessary). The funding sources for the House of Mercy grants are agency endowment 7002W and trust endowment 7001W.

• Hispanic Ministries: 2031 - Core

The 2016 budget for this grant program to support Hispanic ministries in congregations is \$25,000. An additional \$16,980 pays for the Hispanic missionary.

- Green Grants and Loans: 2052 – Together Now Campaign

The 2016 green grants and loan programs will be funded through the Together Now campaign (see page 46). The year 2016 is the final year of grant funding provided by the campaign. The Green Loan fund, along with the Stokes Fund loans, are available for environmentally responsible improvements to church buildings.

- Spring Learning Event: 2112 - Core

The core budget for 2016 is \$5,000, with \$1,500 in participant fees, for a net expense of \$3,500.

- Resource Day: 2113 - Core

The total cost of Resource Day is \$11,500, \$4,000 of which is offset by fees collected, for a total allocation of \$7,500. This reflects the cost of returning to the Bentley University site.

- CRT Workshops: 2131 - Core

The total cost of \$9,000 for the various workshops offered throughout the diocese, \$2,000 of which is offset by fees collected.

- Antiracism: 2132 - Core

\$3,000 in this cost center reflects a new focus on antiracism activities; \$700 is offset by fees.

- Safe Church: 2133 - Core

A net of \$4,000 for trainings, online and in person—\$7,000 in total cost, \$3,000 is offset by fees.

- Resource Center: 2151 - Core

\$500 to stock and renew the materials in the Resource Center staffed by the missionary for Christian education, formation and discipleship.

- Consultants and Coaches: 2161 - Core

\$18,000 for congregational consultants and coaches and their compensation (\$8,000) and expenses (\$10,000). Congregational Consultants help with best practices in many areas, including finances, buildings, leadership and stewardship.

- Congregational Resources and Training Support: 2200 - Core

Program support in this line has been allocated to other cost centers.

- Congregational Support: 2211 - Core

Much of this total of \$9,000 is legal fees on various parish-related issues throughout the year.

- Program Support: 2221 - Core

\$36,300 covers various workshop and training programs as well as a grant of \$25,000 to the Leadership Development Initiative. \$2,000 is collected in fees.

- Family Camp: 2222 - Core

Family Camp is essentially a break-even operation.

- Committee Support: 2231 - Core

\$10,000 to provide hospitality and support for diocesan committees and continuing education for departmental staff.

- Communications: 2311, 2312 - Core

The total budget is level funded at \$52,000. The cost of printing and mailing the FYI bulletin to those without e-mail is \$2,000.

Strategic Ministries (see tables on pages 34 and 35)

The total 2016 budget for this area is \$2,794,382, with \$1,248,108 in the core budget and \$1,546,274 in the supplemental budget. The 2015 core and supplemental budget total was \$2,432,505.

• Strategic Ministries: 3000

Compensation in this area is allocated to the specific cost centers. The half-time project director of global mission is funded from the Together Now campaign mission tithe (two-thirds) and Jubilee Ministry (one-third), cost center 3511.

• Youth Ministry: 3011, 3012 - Core

The core budget for the diocesan youth ministry includes the compensation and benefits for the director of youth ministry and a part-time administrator along with \$80,000 for program and operational services. Fees collected are \$35,000. The Youth Leadership Academy is budgeted at \$53,000; \$40,000 is collected in fees.

• Life Together: 3056 - Core & Supplemental

Life Together is a year-long residential Christian formation program for young adults between the ages of 21 and 32. During their fellowship year, all Life Together fellows:

- Work for social justice in schools, nonprofit organizations and Episcopal churches across the diocese
- Pursue their own formation through a rigorous Christian formation curriculum centered around prayer, spiritual practice, skill-based leadership training and community building
- Live in intentional community with one another.

Eighty percent of alumni currently serve in some capacity in their churches and communities. Thirty percent have been ordained in the Episcopal Church and other Christian denominations.

In the 2015-2016 program year, Life Together will host 25 young adults in five intentional communities across eastern Massachusetts:

- Micah Fellows are first-year fellows based in the greater-Boston area.
- Emmaus Fellows, second-year fellows based in the greater-Boston area, focus on deepening the capacity of site partners and the individual formation of the fellows.
- Esperanza Academy Teaching Fellows—This is a partnership between Life Together and Esperanza Academy, located in Lawrence, focused on training teachers and leaders who want to work for change through the education system. The Esperanza Academy Teaching Fellows teach classes, work and coach in the extended-day program of the school as well as joining the Boston fellows for monthly leadership trainings, and they live together in intentional community.
- South Coast Mission Hub Fellows—Funded by the Together Now campaign, this is an affiliate program partner with Life Together. The fellows live in Fall River and work at nonprofit organizations and churches in the greater Fall River and New Bedford communities.
- North Shore Mission Hub Fellows—This is an emerging affiliate program partner with Life Together, currently planning to welcome its first class of fellows in 2016-2017. Supported by the North Shore Mission Hub, fellows will live in Lynn or Salem and work at nonprofit organizations and churches throughout the North Shore.

Funding: Originally, the diocesan young adult intern program was fully funded by the diocese—including \$75,000 from the core budget. Supplemental resources, including external grants and contributions, and internal grants from Annual Fund proceeds and from the Bishop's Discretionary Funds provided the bulk of additional funding.

Over the past five years, Life Together has built strong partnerships to secure substantial outside funding, resulting in a diverse and balanced funding structure. The total budget for the coming year is \$781,000. The plan for securing the needed revenue is:

- Site fees of \$233,000 (an average of \$10,500 per intern) and consulting fees and rental income totaling \$10,000
- External grants totaling \$95,000
- Annual fundraising campaign and event led by staff and fellows to net \$165,000
- Core budget contribution of \$75,000
- Supplemental budget contribution of \$133,000
- In-kind housing worth \$70,000 for office space and intentional community housing.

Some of these revenue sources are more secure at this point than others, and this is noted by posting some of the Life Together revenue as base supplemental revenue.

Housing:

Five deaneries across the diocese host intentional communities of Life Together fellows. In the 2015-2016 program year, two intentional communities will continue to be housed in diocesan properties (40 Prescott Street in Brookline and 7 St. Luke's Road in Allston). Since this is a year-to-year arrangement and since the total number of interns can change, for the purpose of understanding the cost model of the program, this budget includes the in-kind value of housing provided this year by diocesan property.

Life Together is continuing a partnership with the Episcopal Chaplaincy at Harvard University where the other seven first-year Micah Fellows will live this fall. Additionally, Life Together is a partner of the redevelopment project at the former St. Luke's and St. Margaret's Church in Allston—alongside the Boston University Chaplaincy, the Leadership Development Initiative and Still Harbor. As a part of this project, the Life Together Emmaus Fellows live in the former rectory of St. Luke's and St. Margaret's.

The Esperanza Teaching Fellows live in a house owned by Esperanza Academy, and the South Coast Mission Hub Fellows live in the rectory of the Church of the Holy Spirit in Fall River.

• MIT Campus Ministry: 3111 - Core & Supplemental

The MIT campus ministry cost center budget provides for salary, expenses and benefits for a full-time chaplain (\$122,342) plus program expenses of \$7,000. The ministry may raise additional funds through the MIT development office. In addition to two agency endowment funds that support campus ministry in general, an additional agency fund and a bishop's discretionary fund provide support for the MIT ministry.

• Boston University Campus Ministry: 3121 - Core

The Boston University campus ministry cost center budget provides for salary, expenses and benefits for a half-time chaplain (\$57,138) plus program expenses of \$7,000.

• Boston College-Northeastern University Campus Ministries: 3131, 3136, 3141 - Core

One chaplain splits her time between the Boston College and Northeastern campuses, and the shared cost center 3136 provides for the salary, expenses and benefits (\$113,157). Each of these campus ministry programs is allotted \$7,000 for program support.

• Tufts University Ministry: 3171 - Core

\$14,000 supplements the compensation for the Protestant chaplain, an Episcopalian, at Tufts.

- Grace Chapel, Brockton: 3221 – Supplemental

A congregation, Grace Chapel, worships and has office space in the First Lutheran Church in Brockton. Proceeds from the sale of the former St. Paul's Church and condo in Brockton are used, by vote of Diocesan Council, to pay the full-time compensation for Grace Chapel's priest and two part-time lay employee salaries (\$111,771). Bishop Gates, staff and Diocesan Council continue to discern what shape the ministry in Brockton is taking.

- Continuing Grants for Congregations: 3231, 3241, 3251 - Core

Level funding is provided in the 2016 budget for grants directly to congregations to help pay their clergy, as follows: St. Luke's-San Lucas, Chelsea, \$66,000; and Christ Church/Iglesia de San Juan, Hyde Park, \$44,000; and for the compensation and benefits paid directly to the vicar at St. Stephen's Church, Boston (\$136,707).

- Cantonese Congregations: 3311, 3321 - Core & Supplemental

The core budget provides the full compensation and benefits for the canon for Asiamerican ministries in cost center 3311 (\$91,695). The two Cantonese congregations raise additional funds for their ministries through contributions and grants (projected at \$60,000). These revenues and the activities funded through them are reflected in the supplemental budget lines for these two cost centers.

- St. Mary's, Dorchester: 3331 - Supplemental

\$50,000 to support part of a full-time clergy salary from the Bishop's Discretionary Funds.

- San Pedro/St. Peter's, Salem: 3341 - Core

The \$65,000 grant in the 2016 core budget (a \$5,000 decrease from 2015) will help the San Pedro/St. Peter's congregation, both Hispanic and Anglo, to follow its strategic plan that would have it increasingly viable over the next five years.

- Grace Church, Lawrence: 3351 - Core

The \$60,000 grant in the 2016 core budget (a \$5,000 decrease from 2015) supports part of the salary of a Hispanic priest who ministers to all members of the congregation. Grace has been asked to develop a strategic plan.

- Church of the Good Shepherd, Watertown: 3361 - Supplemental

With funds from proceeds from the sale of closed churches, the Church of the Good Shepherd has developed a long-range plan and a model for church restarts. Funding from closed church proceeds is no longer available, so as a one-time step-down, a grant of \$45,000 to support part of a clergy salary is funded in the supplemental budget by the Bishop's Discretionary Funds.

- Dartmouth, St. Peter's—The Bridge: 3371 - Supplemental

Support for a new initiative of St. Peter's Church in Dartmouth to provide mental health outpatient support services to the greater New Bedford area. The Bridge would be housed at St. Peter's, staffed by professionals, serving a vital need in the community, and funded through diocesan support and independent fundraising. The \$65,000 here is for start-up costs to be repaid over time to the Bishop's Discretionary Funds. In addition, the Bishop's Discretionary Funds will lend St. Peter's up to \$20,000 from a fund dedicated to making loans to parishes. The business plan indicates self-sufficiency, with the ability to make payments on the loan by year three.

- Urban Residents: 3411 - Core & Supplemental

The Urban Residents program places newly ordained clergy in urban parishes for three-year

terms, with experienced mentors who help to train the next generation of skilled urban clergy. In 2016 the core budget will fund one full-time resident. A quarter-time resident will be funded through mid-August through the supplemental budget from Annual Fund contributions.

- African Ministries: 3431 - Core

The budget for grants to African congregations is level funded at \$25,000 in 2016.

- Jubilee Ministry: 3511 - Core & Supplemental

The core budget shows a renewed commitment of 0.7% to the Jubilee Ministry, set at \$45,000. In addition, there is approximately \$32,000 available from prior years' fundraising, of which \$30,784 is budgeted for 2016. Jubilee now oversees global mission partnerships.

- Middle East Network Committee: 3531 - Core

Trips led by Bishop Gayle Harris to Palestine and Israel break even (\$40,000). An additional \$1,000 funds the expenses of the committee.

- B-SAFE: 3541 - Supplemental

The B-SAFE program is an important outreach and partnership opportunity for more than 50 participating congregations, including five host churches and the Epiphany School. As a separate 501(c)(3), B-SAFE has its own set of financial controls and development efforts. For 2016 the program is budgeted a diocesan contribution of \$225,000 from the supplemental budget, of which \$125,000 will be funded through the Annual Fund and \$100,000 funded through grants from the Bishop's Discretionary Funds.

- B-PEACE for Jorge: 3545 – Supplemental

Established by Diocesan Convention in 2012 in response to the murder of Jorge Fuentes and other acts of violence across the nation, the Jorge Fuentes Antiviolence Task Force and its B-PEACE for Jorge campaign is funded at \$50,000 from the Annual Fund and other contributions. The campaign has narrowed its focus to youth jobs and gun law reform. Volunteers from across the diocese, as well as interfaith and civic partners, are committed to the campaign's projects to help end violence.

- Mission Through Partnerships: 3551 – Core

\$6,000 to support the travel costs of the deacon for mission.

- The Cathedral: The Crossing; and Cathedral Ministry with the Homeless: 3911 - Supplemental

A \$71,000 grant is budgeted from the supplemental budget to support the work of The Crossing, the emergent church congregation at the Cathedral Church of St. Paul, and to support work with MANNA and the homeless by the cathedral's associate minister. It is the responsibility of the Cathedral Chapter to decide how the grant is distributed.

- Barbara C. Harris Center: 3921 – Core

A \$1,909 grant will be given out of an agency endowment fund.

- Episcopal City Mission: 3931 - Core

The budget continues the longstanding commitment to Episcopal City Mission's Burgess Urban Fund with a level-funded \$30,000 grant.

- United Thank Offering: 3952 - Core

This \$1,703 supports the Native American Lillian Vallely School in Idaho.

**Strategic Ministries - Supplemental
2016 Budget, 2015 Budget and 2014 Actual**

	2016 Budget										2015 Budget													
	Program Expenses	Compensation & Benefits	Operational & Support Svcs	Mgt and Prof Svcs	Total Cost	Transfers	Revenue Offset	Annual Fund	Use of Proceeds	BDF Grants	Net Cost	Program Expenses	Compensation & Benefits	Operational & Support Svcs	Mgt and Prof Svcs	Total Cost	Transfers	Revenue Offset	Annual Fund	Use of Proceeds	BDF Grants	Net Cost		
CC3056 Life Together	50,900	435,013	283,087	12,000	781,000	(75,000)	(573,000)	(102,062)	-	(30,938)	-	50,900	435,013	283,087	12,000	781,000	(75,000)	(573,000)	(102,062)	-	(30,938)	-	620,151	
CC3111 MIT	-	-	-	-	-	3,363	-	-	-	(3,363)	-	-	-	-	-	-	-	-	-	-	-	(3,363)	-	3,108
CC3221 Brockton, Grace Chapel	-	111,771	-	-	111,771	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CC3311 Boston Chinese Congregation	25,000	25,000	-	-	50,000	-	(50,000)	-	-	-	-	25,000	25,000	-	-	50,000	-	(50,000)	-	-	-	-	-	93,086
CC3321 Quincy Chinese Congregation	10,000	-	-	-	10,000	-	(10,000)	-	-	-	-	10,000	10,000	-	-	10,000	-	(10,000)	-	-	-	-	-	50,000
CC3331 Dorchester, St. Mary's	50,000	-	-	-	50,000	-	-	-	-	-	-	50,000	50,000	-	-	50,000	-	-	-	-	(50,000)	-	-	-
CC3361 Watertown, Good Shepherd	45,000	-	-	-	45,000	-	-	-	-	-	-	45,000	45,000	-	-	45,000	-	-	-	-	(45,000)	-	-	60,000
CC3371 So. Dartmouth, St. Peter's The Bridge	65,000	-	-	-	65,000	-	-	-	-	-	-	65,000	65,000	-	-	65,000	-	-	-	-	(65,000)	-	-	-
CC3411 Urban Residents	11,719	-	-	-	11,719	-	-	(11,719)	-	-	-	11,719	11,719	-	-	11,719	-	-	(11,719)	-	-	-	(0)	18,750
CC3511 Jubilee Global Mission	55,000	15,784	5,000	-	75,784	(45,000)	(30,784)	-	-	-	-	55,000	70,784	-	-	75,784	(45,000)	(30,784)	-	-	-	-	-	-
CC3541 B-SAFE	225,000	-	-	-	225,000	-	-	(125,000)	-	-	-	225,000	225,000	-	-	225,000	-	-	(125,000)	-	(100,000)	-	-	225,000
CC3545 B-PEACE	50,000	-	-	-	50,000	-	-	(50,000)	-	-	-	50,000	50,000	-	-	50,000	-	-	(50,000)	-	-	-	-	50,000
CC3911 Cathedral Church of St Paul	71,000	-	-	-	71,000	-	-	-	-	-	-	71,000	71,000	-	-	71,000	-	-	-	-	(71,000)	-	-	65,000
Totals	658,619	587,568	288,087	12,000	1,546,274	(116,637)	(663,784)	(288,781)	(111,771)	(365,301)	(0)	658,619	1,235,095	(0)	1,235,095	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	1,235,095
2014 Actual																								
CC3056 Life Together	3,720	405,945	256,476	10,264	676,405	(75,000)	(440,634)	(125,000)	-	(35,771)	-	3,720	405,945	256,476	10,264	676,405	(75,000)	(440,634)	(125,000)	-	(35,771)	-	-	-
CC3111 MIT	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CC3221 Brockton, Grace Chapel	1,352	103,169	900	29	105,450	-	(11,900)	-	-	-	-	1,352	103,169	900	29	105,450	-	(11,900)	-	-	-	-	-	-
CC3231 Chelsea, St. Luke's/San Lucas	1,081,552	-	-	-	1,081,552	-	-	-	(93,550)	-	-	1,081,552	1,081,552	-	-	1,081,552	-	-	-	(93,550)	-	-	-	-
CC3311 Boston Chinese Congregation	22,153	23,480	272	-	45,905	-	(45,905)	-	-	-	-	22,153	23,480	272	-	45,905	-	(45,905)	-	-	-	-	-	-
CC3321 Quincy Chinese Congregation	21,000	-	-	-	21,000	-	(21,000)	-	-	-	-	21,000	21,000	-	-	21,000	-	(21,000)	-	-	-	-	-	-
CC3331 Dorchester, St. Mary's	20,000	-	-	-	20,000	-	-	-	-	-	-	20,000	20,000	-	-	20,000	-	-	-	-	(20,000)	-	-	-
CC3361 Watertown, Good Shepherd	30,000	-	-	-	30,000	-	-	-	(30,000)	-	-	30,000	30,000	-	-	30,000	-	-	-	(30,000)	-	-	-	-
CC3411 Urban Residents	39,063	-	-	-	39,063	-	-	-	-	-	-	39,063	39,063	-	-	39,063	-	-	-	-	(39,063)	-	-	-
CC3511 Jubilee Global Mission	46,192	14,136	5,845	31	66,204	(45,000)	(21,204)	-	-	-	-	46,192	61,340	-	-	66,204	(45,000)	(21,204)	-	-	-	-	-	-
CC3541 B-SAFE	225,000	-	-	-	225,000	-	-	(125,000)	-	-	-	225,000	225,000	-	-	225,000	-	-	(125,000)	-	(100,000)	-	-	-
CC3545 B-PEACE	65,000	-	-	-	65,000	-	-	(22,647)	-	-	-	65,000	65,000	-	-	65,000	-	(22,647)	-	-	-	-	-	-
CC3911 Cathedral Church of St Paul	65,000	-	-	-	65,000	-	-	-	-	-	-	65,000	65,000	-	-	65,000	-	-	-	-	(65,000)	-	-	-
CC3921 Barbara C. Harris Center	74,889	-	-	-	74,889	-	(74,889)	-	-	-	-	74,889	74,889	-	-	74,889	-	(74,889)	-	-	-	-	-	-
Totals	1,694,921	546,730	263,762	10,324	2,515,737	(120,000)	(658,154)	(272,647)	(1,205,102)	(259,834)	(0)	1,694,921	1,235,095	(0)	1,235,095	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	1,235,095

Episcopal and Diocesan Support (see tables on pages 38 and 39)

The total 2016 budget for this area is \$2,587,354, with \$2,125,010 in the core budget and \$462,344 in the supplemental budget. The 2015 core and supplemental budget total was \$2,371,555.

- Area Staff and Expenses: 4000 - Core

This line includes compensation for two positions; others are included in individual cost centers. Development staff compensation is in the supplemental budget. (See roster on page 64.)

- Diocesan Leadership: 4011, 4012, 4014 - Core

These three cost center codes carry the compensation for the diocesan bishop, the bishop suffragan and the canon to the ordinary, and their expense budgets. The diocesan bishop's compensation includes Total Clergy Compensation (TCC), including the value of living in diocesan-owned housing. Also see cost center 5125.

- Assisting Bishops: 4021 - Core

Stipends and costs for assisting bishops, as needed (\$25,000).

- New Bishop Transition Reserve: 4023 - Core

In January 2015, Diocesan Council established a long-term fund and seeded it with \$250,000 to pay for the costs associated with the discernment, election and transition. Council's goal is to contribute \$50,000 per year out of the core budget. This year's contribution is set at \$20,000, which will be added to the \$250,000 extraordinary allocation that Council voted in January 2015, bringing the total balance in the reserve to \$330,000 pending final reconciliation.

- Chancellor: 4031 - Core

\$1,500 budgeted, with every effort made to assign legal costs to the specific cost center(s).

- Title IV: 4061 - Core

Canonical clergy disciplinary process, budgeted at \$15,000 for 2016. This includes \$2,000 stipends for two non-staff intake officers.

- Diocesan Leadership Budgeted Reserve: 4099 - Core

The entire budgeted amount of \$160,000 for 2016 represents funding for contingencies, staff sabbatical coverage and potential staff compensation increases.

- Diocesan Council: 4111; Standing Committee: 4121; Diocesan Youth Council: 4131 - Core

The 2016 amounts budgeted are \$10,000 for Diocesan Council; \$3,000 for Standing Committee; and \$6,000 for the Diocesan Youth Council. Changes reflect 2014 actuals.

- Mission Strategy: 4112 - Core

A new line in 2016, \$40,000 to fund the process of developing a new mission strategy for Diocesan Convention 2016 as required by diocesan canon.

- Diocesan Convention: 4141 - Core

The \$45,000 net costs budgeted for 2016 assume a two-day convention.

- Journals and Diocesan Directory: 4151 - Core. This line is funded at \$12,000.

- Archives: 4211 - Core

\$25,000, an increase to provide for some off-site storage. By 2016, it will be necessary to fund an archivist. Potential compensation is in cost center 4000.

- Massachusetts Council of Churches: 4251 - Core

The diocesan contribution to the Massachusetts Council of Churches is level funded at \$50,000.

- Development Office: 4311- Supplemental

Since 2009, the staff of the Office of Development has been, for the most part, funded in the supplemental budget, through a grant from the Bishop's Discretionary Funds. A portion of the cost of the development staff's compensation and benefits (\$57,366) is allocated to the Together Now campaign. The balance totals \$139,978. An additional \$35,000 is budgeted for events and other expenses.

- Annual Fund: 4312 - Supplemental

Projected expenses for 2016 are \$30,000 based on actuals.

- Mission Hubs: 4343 - Supplemental

In May of 2015, Diocesan Council voted to pledge \$600,000 (\$200,000 per year for three years) from the General Endowment Fund to support funding for the mission hubs. Also see page 49.

- General Convention: 4411 - Core

To prepare for the expenses of sending a delegation to the Episcopal Church's triennial General Convention in 2018, \$18,000 will be accrued each year.

- Province I Assessment: 4421 - Core

The diocese's contribution is level funded at \$16,179.

- Episcopal Church Asking: 4431 - Core

At the 2015 General Convention, the Episcopal Church set a sliding schedule of diocesan ask rates for the next three years as follows: 18% in 2016, 16.5% in 2017 and 15% in 2018.

To calculate the dollar amount of the ask, the first step is to calculate the base to which the ask rate applies. For the ask due in 2016, the base is \$5,212,734—equal to the 2014 support from congregations of \$4,956,147 (from 2014 audit) plus the \$406,587 (from budget book) of the 2014 spending policy draws from the General Endowment Fund (7002X) plus the four unrestricted trust funds (7000A, 7000B, 7003X, 9000Z), and less the formulaic \$150,000 exclusion from the base. Thus, the 2016 projected cash payment for the work of the wider church is \$938,292, calculated using the 18% rate for 2016.

For this year's budget, however, we also show an offset of \$78,191, which is equal to 1.5% times the base. We are taking advantage of the scheduled reduction rates to essentially borrow in advance from the 3% reduction from 2016 ask rates scheduled for 2018. This reduces the net budget impact for 2016 to \$861,101 while still paying the full asking.

This practical step essentially applies the three-year average of 16.5% for budget purposes, which commits the 2018 budget to using the same 16.5% in its preparation if there are no other actions to reserve for or to fund the offset.

Administrative Services (see table on page 42)

The total 2016 budget for this area is \$1,359,868, all from the core budget. The 2015 core budget total was \$1,331,784.

- Administrative Services: 5000 - Core

This line contains compensation for six staff positions (see roster on page 64).

- Treasurer's Office: 5011 - Core

This cost center includes support expenses of \$40,600 (office supplies, licenses, dues) along with outside service fees, including payroll and audit, totaling \$83,500. The cost center overall shows a net inflow, as the Treasurer's Office receives \$122,000 in fee income for financial and administrative services provided. The largest sources of fee income are the Cathedral Church of St. Paul (\$63,000) and the Trustees of Donations (\$34,000). In addition, the administrative services area receives \$25,000 per year from the Stokes Fund program to cover administrative costs associated with the loan program (see cost center 5511).

- Human Resources: 5021 - Core

A new director of human resources started in 2015. Consultants supplement this vital function as needed (\$10,500). The HR director compensation is included in cost center 5000.

- Information Technology: 5031 - Core

The costs in this area cover important aspects of our operations including networking, software and hardware, Internet, telephone and conferencing, and office equipment. These costs are partially offset by fees received from the Cathedral Church of St. Paul (\$40,200).

- Risk Management: 5041 - Core

This amount is raised to \$78,400, based on projections related to the cost of insurance. A Church Insurance reimbursement of \$12,000 is for safety audits.

- Investments: 5051 - Core

State Street receives a quarterly fee for the administration of a pooled income fund (estimated market value under \$150,000) for making the required distributions to the beneficiaries and tax reporting. The projected annual cost for 2016 is \$6,000.

- Boston, 138 Tremont Street: 5111 - Core

Included in this budget cost center is \$441,600 for payment in lieu of rent to the Cathedral Church of St. Paul and approximately \$54,550 for office equipment and postage.

- Brookline, 40 Prescott Street: 5121 - Core

Cost of maintaining this property is budgeted at \$20,000.

- Boston, Commercial Wharf, Unit 6: 5122 - Core

In June of 2015, with authorization from Standing Committee and Diocesan Council, and with funds from the unrestricted endowments, the diocese purchased, for \$1,425,016, a condominium at the address above to be used as the diocesan bishop's residence. This cost center reflects \$15,000 in condominium fees offset by a credit of \$40,761 which reflects the reduction in the bishop's cash salary in exchange for diocesan-provided housing. The size of the credit was set using the Church Pension Fund's "30 % rule."

- Allston property: 5125 - Core

The property reverted back to the diocese in 2009 after the Church of St. Luke and St. Margaret closed. The diocese has been paying for its upkeep ever since from the core budget. Bishop Gates, staff and Diocesan Council continue to discern the feasibility and formulation of a strategic plan for an alternative use for this property. The core budget allocation for this property is \$34,000 in 2016.

- Diocesan Properties: 5141 - Core

This cost center includes \$18,000 for a consultant on the status and sales of diocesan properties and \$30,000 to be added to the reserve for property maintenance established formally by Diocesan Council in January 2015 and seeded with \$650,000, bringing the total in the reserve, before expenses, to \$690,000.

- Diocesan Equipment: 5142 - Core

\$12,500 to be added to a reserve fund to replace or purchase new capital equipment (computers, servers, copiers, etc.) formally established by Diocesan Council in 2015 and seeded with \$150,000, bringing the total in the reserve, before expenses, to \$172,500.

- Services to Stokes Loan: 5511 - Core

This amount, which covers the cost to administer the diocese's revolving loan fund, is now found in cost center 5011.

Proceeds from Closed Congregations: Additional Information

The proceeds of sales from these churches, closed before 2006, were added to the Fund for Congregational Vitality by vote of Diocesan Council: St. John's, East Boston; the Church of Our Saviour, Roslindale; and the Church of the Holy Nativity, Seekonk.

The following congregations have closed in recent years:

- St. George's Church, Maynard - 2006
- Church of the Holy Trinity, Marlborough - 2008
- St. Luke's Church, Malden - 2008
- St. Andrew's Church, Belmont - 2008
- Church of St. Matthew and The Redeemer, South Boston - 2008
- St. Alban's Church, Lynn - 2009
- St. Augustine's Church, Lawrence - 2009
- St. David's Church, Halifax - 2009
- St. Paul's Church, Brockton - 2010
- St. Luke's and St. Margaret's Church, Allston - 2010
- St. Paul's Church, Millis - 2010
- St. Andrew's Church of the Deaf, Natick - 2011
- Trinity Church, Weymouth - 2013
- Christ Church, Somerville - 2013
- St. David's Church, Pepperell - 2013
- Church of the Holy Spirit, Wayland - 2015

In the transition surrounding a church closing, diocesan staff provide support and services of all kinds. At the end of the closing process, the remaining assets are transferred to the diocese, for Diocesan Council to allocate. In February 2011, Council created a new Fund for Congregational Vitality from 50% of the net proceeds for the above congregations (except Brockton). The balance of the fund as of June 30, 2015, was \$4,148,496. It produces \$157,228 for the core budget to support congregational development around the diocese.

The remaining 50% has been available for distribution by Council. In early 2013, Council approved the appropriation of up to \$1.2 million from the remaining 50% of the uncommitted net proceeds to go toward a renovation project at St. Luke's-San Lucas in Chelsea for its food and clothing programs. As of Aug. 31, 2015, \$1,182,170 has been disbursed. The newly renovated space was dedicated by Bishop Gates on Feb. 21, 2015.

In 2014, Diocesan Council implemented a streamlined application process to discern how best to distribute proceeds for the ministry of our diocese. As of Aug. 31, 2015, virtually all proceeds from the sales to date had been expended.

Diocesan Council has yet to decide as to the disposition of the property of the former Church of St. Luke and St. Margaret, Allston and the Church of the Holy Spirit, Wayland.

The total proceeds (after expenses) from the former St. Paul's Church and condo in Brockton are currently being used, by vote of Diocesan Council, to fund Grace Chapel, a worshipping community in Brockton.

The table on page 45 shows status of the proceeds for 13 of the closed congregations:

Proceeds—Gross revenue from sales and transfers of endowments

Direct Costs—Brokerage fees, if any; legal and zoning; preparing the property for market; past-due assessments and loans; staff and archive costs

Net Proceeds—Direct costs subtracted from proceeds

Net Margin on Proceeds—The percentage or the proceeds available after costs

50% of Net Proceeds—50% of the net proceeds is invested in the Fund for Congregational Vitality; the other 50% is available for the stewardship process

Designated or expended to date—In advance of the stewardship process, Diocesan Council allocated some of the proceeds as follows:

- Malden: \$261,154 to help fund a clergy salary at St. John's Church, Saugus, where a majority of the Malden congregation now worships
- Belmont: \$289,894 to help fund a clergy salary, interns and program at the Church of the Good Shepherd, Watertown, an experiment in building family ministry, and to fund half an Urban Resident grant at St. James's Church, Cambridge. In addition, as part of its closing process, St. Andrew's Church, Belmont provided \$60,000 for the Ndumberi, Kenya, Mothers' Union, \$5,000 for expenses related to the Ndumberi grant and a \$10,000 grant to Jubilee Ministries to help administer the Ndumberi grant.
- South Boston: \$527,832 to St. Mary's Church, Dorchester, at the request of the closing church and the deanery, for building repair, and to pay for half of the cost of an Urban Resident

Available—As of Aug. 31, 2015, the balance is \$8,154.

Episcopal Diocese of Massachusetts
Use of Proceeds from Closed Parishes Summary
As of August 31, 2015

Parish	Gross Proceeds	Less Direct costs	Net Proceeds	50% of Net Proceeds	Expended thru 2013	Designated or expended to date		Available
						Committed as part of 2014 Budget	Committed as part of 2015 Budget	
Maynard	392,507	(156,858)	235,649	117,825				117,825
Marlborough	317,427	(56,205)	261,222	130,611				130,611
Malden	611,007	(88,698)	522,309	261,154	(175,000)	(43,077)	(43,077)	0
Belmont	1,106,318	(39,797)	1,066,521	533,261	(219,894)	(70,000)	(60,000)	183,367
South Boston	1,106,939	(51,276)	1,055,664	527,832	(527,832)	-	-	(0)
Lynn	619,978	(153,451)	466,527	233,263				233,263
Lawrence	202,609	(73,837)	128,772	64,386				64,386
Halifax	249,880	(81,169)	168,711	84,356				84,356
Millis	448,030	(89,640)	358,390	179,195				179,195
Natick	255,287	(12,063)	243,224	121,612				121,612
Weymouth	667,724	(175,760)	491,964	245,982				245,982
Somerville	746,280	(84,411)	661,869	330,935				330,935
Pepperell	160,388	(119,742)	40,646	20,323				20,323
	6,884,374	(1,182,906)	5,701,468	2,850,734	(922,726)	(113,077)	(103,077)	1,711,854
Additional commitments & Date of Council vote:								
02/28/13	Committed to Chelsea renovation project (1,200,000)							
09/14/13	Committed to Allston property renovation project (50,000)							
09/06/14	Committed to Lynn, St. Stephen's for restoration of church and parish house (100,000)							
09/06/14	Committed to Weymouth, Holy Nativity for support of members from Trinity (50,000)							
01/23/15	Committed to All Saints, Whitman to support Clergy salary (Years 1-3) (30,000)							
02/26/15	Committed to Grace, New Bedford as matching grant for capital improvements (150,000)							
02/26/15	Committed to St. Andrew's, New Bedford for capital improvements (50,000)							
05/21/15	Committed to Christ Church, Medway for the parish's kitchen improvement project (35,000)							
	Less amount budgeted in 2014 and 2015 to be reimbursed from closed churches (77,625)							
	May 2015 Diocesan Council allocation of Pepperell loan proceeds 38,925							
	Available Funds as of 08/31/15 8,154							

Together Now Campaign: Additional Information

Together Now, a \$20-million diocesanwide fundraising campaign, officially began with approval of the 2011 Diocesan Convention, offering a vital and living expression of the mission strategy of the diocese. Its array of initiatives intend to build up congregational life and mission through collaboration and by expanding the reach of already successful diocesan programs in five broad areas: \$2 million as a tithe for global mission work; \$2 million for environmental stewardship through green grants and loans; \$4.5 million to create regional mission hubs and a Mission Institute (the latter a collaboration with Episcopal City Mission and Episcopal Divinity School); \$7.5 million for ongoing and expanded ministry programs with children, youth and young adults, including the Barbara C. Harris Camp and Conference Center; and \$4 million for renovations to the Cathedral Church of St. Paul to make it more accessible, more energy efficient and better configured to both host and model innovative worship, ministry and public witness.

In addition, congregations were invited to partner with the diocesan effort by participating in collaborative campaigns. These joint campaigns enabled congregations to grow their already successful ministries or invest in infrastructure or endowment. Participating congregations received professional counsel and returned 30% of the funds raised to the diocesan effort, while keeping 70% for their local priorities.

Formal fundraising concluded in 2013, and by all accounts the endeavor was a rousing success—a testament to the generosity of Episcopalians offering witness to God’s bounty in their lives.

Campaign highlights:

- 100% of the congregations of the diocese elected to participate.
- Nearly 4,000 individual gifts and pledges have been offered.
- Just more than \$20 million was raised for diocesan campaign initiatives.
- An additional \$11.8 million has been raised by 39 local collaborative campaigns, bringing the total raised across the diocese to just under \$32 million.

**Final Report of Fundraising
Highlights as of Sept. 9, 2013**

	<u># of Pledges</u>	<u>Pledge Totals</u>
Leadership giving	259	\$ 11,664,816
Collaborative Campaigns		
39 parish collaborative campaigns	1,984	\$ 16,604,879
Less: parishes share of pledge (70%)		\$ (11,623,415)
Less: parish adjustments		<u>\$ (248,302)</u>
Diocesan share of collaborative campaign		4,733,162
48 campaigns through in-pew collections	1,613	1,759,430
Tithes and other gifts offered from parish-run campaigns	13	1,055,400
Other parish pledges	<u>67</u>	<u>837,018</u>
 Total Diocesan share of pledges		 20,049,826
 Plus: parish share of collaborative campaign		 <u>11,871,717</u>
 Total pledges - Diocesan and parish share	 3,936	 <u><u>\$ 31,921,543</u></u>

The Dec. 31, 2014, cash flow chart on page 48 reflects the collections of pledges and contributions from individuals and congregations, designated gifts as well as unrestricted gifts. An amount of \$5,895,774 has been returned to collaborative campaign parishes. Expenses fall into two categories: "Direct Campaign Expenses" which reflect money spent on the implementation of the campaign initiatives and "Other Expenses" which are costs associated with fundraising: consultations, fees and expenses. Under "Direct Campaign Expenses," the funds designated to the Barbara C. Harris Camp and Conference Center are included in the Youth and Young Adult column. Likewise, the Cederholm Cottage falls under the Camp and Conference Center column. Now that construction is complete, the Cathedral Church of St. Paul has received its campaign payments in full. Under "Other Expenses," the total amount spent on direct fundraising costs is slightly above 10% of the total raised for the diocesan portion, but when compared to the total raised across the diocese (approximately \$32 million), the percentage is a very favorable 7.3%.

Since the fundraising portion of the campaign began nearly four years ago, \$19,114,827, or 60%, of the total amount pledged has been received, thanks to the generosity and faithfulness of our donors. We hope that donors will continue to fulfill pledges in full so that all of the funds committed to the campaign initiatives can continue to be expended for God's mission across the diocese and beyond.

In May, Diocesan Council voted to pledge \$600,000 from the General Endowment Fund over three years to support funding for the mission hubs. This money is to offset two large gifts that were made at the time of the campaign but did not realize any actual cash flow into the campaign budget. One was a matching gift to the Bishop Masereka Christian Foundation in the amount of \$250,000, and the other was a gift for Life Together, in the amount of \$350,000, which was not intended for the expansion of Life Together but for its existing budget.

**Together Now Campaign
Cash Basis Revenues and Expenses
From Inception to December 31, 2014**

	General Restriction	Mission Tithe	Environmental Initiatives	Mission Hubs	Mission Institute	Y&Y Adults	Cathedral Renovations	Total
Revenues								
Leadership Gifts	7,550,629	-	-	445,468	241,000	444,228	821,333	9,502,658
Collaborative Gifts from parishes (100% gross)	8,629,260	-	-	(50)	-	17,500	-	8,646,710
In pew collections	963,775	-	-	-	-	-	-	963,775
Interest Income	1,684	-	-	-	-	-	-	1,684
Gross Revenue	17,145,348	-	-	445,418	241,000	461,728	821,333	19,114,827
Less payments to collaborating parishes to date (70%)	(5,895,774)	-	-	-	-	-	-	(5,895,774)
Net Revenues	11,249,574	-	-	445,418	241,000	461,728	821,333	13,219,053
Direct Expenses								
Compensation and benefits	802,894	61,771	1,000	618,263	258	-	44	1,484,230
Direct Campaign Expenses, non compensation	200	566,725	587,108	269,500	367,268	1,090,000	3,850,000	6,730,801
Direct Program Expenses	1,304	321	1,389	8,838	-	-	-	11,852
Total Direct Expenses	804,398	628,817	589,497	896,601	367,526	1,090,000	3,850,044	8,226,883
Other Expenses								
Operating and staff support	349,724	10,725	3,502	84,052	151	36	-	448,190
Technology costs	3,479	-	-	5,058	-	-	-	8,537
Facilities and other services	25,520	-	-	32,928	-	-	-	58,448
Management and professional services	1,814,508	30	538	52,734	-	-	-	1,867,810
Total Other Expenses	2,193,231	10,755	4,040	174,772	151	36	-	2,382,985
Total Expense	2,997,629	639,572	593,537	1,071,373	367,677	1,090,036	3,850,044	10,609,868
Net Cash Inflow from inception	8,251,945	(639,572)	(593,537)	(625,955)	(126,677)	(628,308)	(3,028,711)	2,609,185

CAMPAIGN BUDGET		MISSION HUBS	ST STEPHENS SOUTH END and LIFE TOGETHER	GREEN GRANTS AND LOANS	CATHEDRAL	CAMP	MISSION INSTITUTE	MISSION TITHE	NET CAMPAIGN EXPENSES	RESERVES	TOTAL
INITIAL ALLOCATION		6,500,000	0	2,000,000	4,000,000	2,000,000	1,000,000	2,000,000	2,500,000	0	20,000,000
previously presented reallocation (1)		250,000		(100,000)	(150,000)						0
separate St Stephens SE (2)		(500,000)	500,000						800,000		0
additional admin/consultants		(800,000)									0
RUNNING TOTAL A		5,450,000	500,000	1,900,000	3,850,000	2,000,000	1,000,000	2,000,000	3,300,000	0	20,000,000
ECM pledge for Life Together (3)			(350,000)					(250,000)			(350,000)
pledge for Bp Masereka Fdn (US) (4)			350,000					250,000			(250,000)
Diocesan matching grant (5)		240,000									600,000
transfer (6)							(240,000)				0
RUNNING TOTAL B		5,690,000	500,000	1,900,000	3,850,000	2,000,000	760,000	2,000,000	3,300,000	0	20,000,000
primary adjustment for reserves (7)		(290,000)	0	(140,000)	0	0	(60,000)	(145,000)	0	635,000	0
secondary adjustment for reserves (7)		0	0	0	(170,000)	(145,000)	0	0	0	315,000	0
CURRENT ALLOCATION		5,400,000	500,000	1,760,000	3,680,000	1,855,000	700,000	1,855,000	3,300,000	950,000	20,000,000

HUB ALLOCATION WITHIN \$20 MILLION CAMPAIGN BUDGET	
South Coast	1,200,000
Cape and Islands	500,000
Merrimack Valley	1,000,000
Metrowest	1,000,000
North Shore	1,000,000
South Shore	400,000
Roxbury/Dorchester	150,000
Boston/Cambridge	150,000
Total Mission Hubs funded by the first \$20 million	5,400,000

NOTES, ASSUMPTIONS, AND ACTIONS

- Earlier re-allocation decision
- Grant directed to programs at St Stephen's South End is separated from Mission Hubs budget
- The ECM pledge for Life Together supports activities budgeted through the supplemental budget
- The campaign accepted an anonymous pledge to support the Bishop Masereka Foundation (US) directly
- The Diocesan Council approved a new unrestricted \$600,000 grant to match the ECM/Life-Together and Bp Masereka Foundation (US) pledges
- Transfers \$240,000 from the Mission Institute target funding to the Mission Hubs
- Establishes a reserve of \$950,000 against delinquent and incomplete pledges. The Cathedral and Camp will not be charged unless more than \$635,000 is needed.
- The target funding levels for the first five mission hubs approved is not cut within the first \$20 million
- Potential priorities for the "cautious faith budget", requiring an additional \$1.89 million

Full South Shore funding	350,000
Full Roxbury/Dorchester funding	850,000
Boston/Cambridge Hub	450,000
Restore Mission Institute full funding	240,000
TOTAL OPPORTUNITIES FUNDED FROM RE-OPENED CAMPAIGN	1,890,000

Episcopal Election and Transition (see table on page 51)

All the expenses for the episcopal discernment, search, election and transition were included in the Episcopal and Diocesan Support area, but not reported in the supplemental or core budgets.

The Discernment Committee spent \$88,470, which was \$15,030 below budget. The Transition Committee spent \$286,530, which was \$99,530 above its budget, all of which is explained by the fact that the full cost of the Boston University consecration venue was not anticipated during the budget process. In addition, the Bishop Shaw celebration committee spent \$36,515, coming in under its budget of \$40,000.

In December 2013 the Diocesan Council authorized an extraordinary draw from the General Endowment Fund of no more than \$375,000 to pay for these expenses, all of which was spent.

**Episcopal Election and Transition
FINAL as of August 31, 2015**

<u>Cost Center Description</u>	<u>Compensation & Benefits</u>	<u>Operational & Support Svcs</u>	<u>Mgt and Prof Svcs</u>	<u>Actual Total</u>	<u>Budget</u>	<u>Variance</u>
CC4701 Administrative Assistant; Web Consultant	660	744	8,248	9,652	20,000	10,348
CC4702 Election Consultant	2,575	12,382	14,757	29,714	25,000	(4,714)
CC4703 Meeting Expense - Food	-	3,488	-	3,488	5,000	1,512
CC4704 Meeting expense - Travel Reimb	-	7,475	-	7,475	5,000	(2,475)
CC4705 Meeting Expense - Room Rental	-	-	350	350	1,500	1,150
CC4706 Interview Expense - Web Conferencing	-	320	-	320	5,000	4,680
CC4707 Chaplains	-	-	725	725	-	(725)
CC4721 Expense for Retreat (SC, DC, TC)	-	6,328	-	6,328	2,000	(4,328)
CC4731 Retreat Facility (Wylie Inn)	-	20,718	-	20,718	21,300	582
CC4732 Candidate Travel	-	6,100	-	6,100	4,000	(2,100)
CC4741 Transportation, Lodging & Meals	-	-	-	-	13,500	13,500
CC4751 Documentary Checks	-	-	3,600	3,600	1,200	(2,400)
Subtotal Discernment Committee	3,235	57,555	27,680	88,470	103,500	15,030
CC4801 Administrative Assistant; Web Consultant	-	216	1,635	1,851	20,000	18,149
CC4802 Printing, Copying, Mailings, Postage	-	6,207	-	6,207	7,500	1,293
CC4803 Chaplains	-	-	460	460	3,000	2,540
CC4821 Media - Web Broadcast Communications	-	889	1,325	2,214	9,000	6,786
CC4822 Website Maintenance & Support	-	-	-	-	3,500	3,500
CC4831 Walk-About	-	25,787	-	25,787	15,000	(10,787)
CC4841 Support for Staff	3,675	867	3,106	7,648	15,500	7,852
CC4851 Election Committee	-	14,399	-	14,399	13,500	(899)
CC4861 Housing Assistance/ Moving Expense	-	9,922	-	9,922	17,500	7,578
CC4862 Bishop-Elect Travel & Lodging	-	1,345	-	1,345	3,500	2,155
CC4863 Spouse and Children Needs	-	-	-	-	2,500	2,500
CC4871 Consecration Invitations & Special Bulletin	-	7,283	-	7,283	5,500	(1,783)
CC4872 Consecration Hospitality Reception	-	14,065	-	14,065	27,500	13,435
CC4873 Consecration Lease	-	164,193	13,275	177,468	25,000	(152,468)
CC4874 Travel & Lodging for Visiting Dignitaries	-	12,881	-	12,881	8,500	(4,381)
CC4875 Episcopal Gift	-	5,000	-	5,000	5,000	0
CC4890 Contingency	-	-	-	-	5,000	5,000
Subtotal Transition Committee	3,675	263,054	19,801	286,530	187,000	(99,530)
Total Discernment & Transition	6,910	320,609	47,481	375,000	290,500	(84,500)
CC4023 Celebration of Bishop Shaw	3,900	15,467	1,774	36,515	40,000	3,485

Endowment Funds

The financial operations of the diocese are supported by various endowment funds.

Agency Funds are funds owned outright by the diocese. The treasurer and Diocesan Council are ultimately responsible for the investment and use of these funds. Diocesan Council relies on its Financial Advisory Committee to monitor these funds, and the Council has in place a written Investment Policy Statement (see www.diomass.org/inside/docs/investment-policy-statement). In the audited financial statements of the diocese, the Agency Funds are included as “Investments” within the listing of Assets of the Diocese. As of Dec. 31, 2014, the reported value of Investments was \$35,956,037.

Trust Funds are funds owned by trusts that are legal entities distinct from the diocese. The Trustees of Donations (TOD) manages the trusts according to conditions in the legal documents that created the trusts and identify the beneficiaries. The various legal trustees of these trusts control the investment of these funds.

Those trusts for which the diocese’s claim as a beneficiary is absolute and not subject to the discretion of the trustees appear in the financial statements as “Beneficial interest in perpetual trusts” within the listing of Assets of the Diocese. As of Dec. 31, 2014, the reported value of Beneficial interest in perpetual trusts was \$33,135,087.

Almost all of the trust funds for which the diocese is a beneficiary are owned and managed by the TOD. There are three other trust funds with different trustees, and the projected income from these trusts is included as dividend income.

The TOD is the legal owner of most of the relevant trust funds and is also the investment manager for most of the agency funds directly controlled by the diocese. The TOD’s investment vehicles—the Diocesan Investment Trust (DIT) Stock Fund and the DIT Bond Fund— are also available to individual parishes and other Episcopal organizations for their own agency funds. There are more than 165 DIT participants.

Twenty-eight trustees serve on the TOD. Three are diocesan officers, five are elected by Diocesan Convention, five are appointed by the bishop, and the remaining 15 are elected by the trustees themselves. Additional information about the TOD is found at www.trusteesofdonations.org.

Diocesan Endowment Funds and Bishop Discretionary Funds – See tables on pages 57-59.

All Agency Funds are owned by the diocese and thus controlled directly by Diocesan Council. The spending policy draws from these funds are voted by either Diocesan Convention as part of the annual budget consideration or by Diocesan Council as needed during the year.

Within the business affairs of the diocese, as organized by its constitution and canons and legal incorporation within Massachusetts, the diocesan bishop is an officer of the diocese. There is no legally distinct entity distinguishing the office of the bishop from the diocese itself. However, there is a historical precedent and tradition within the TOD to identify “the diocese” as the beneficiary of some trust funds and “the bishop” as the beneficiary of other trust funds; the latter group is known as the BDF’s, the Bishop’s Discretionary Funds.

One of the goals of the 2008 reorganization of diocesan operations (see page 20) was increased clarity and transparency around the BDF’s. A key organizational tool was the identification of two separate budgets, the “core” budget and the “supplemental” budget. The supplemental budget provided a place to budget and reveal spending supported by the BDF’s and other revenue streams over which the bishop has greater influence. Over time, this process has become more regular and formalized around the notion of “BDF grants.” In the 2016 budget, the supplemental budget includes more than \$650,000 of BDF grants and associated expenditures.

At the same time, the BDF's are also there to support true discretionary spending by the bishop, some of which is appropriately not run through the supplemental budget. This is a judgment call appropriately left to the diocesan bishop, and is a small part of the total BDF spending. For 2016, the BDF grants in the supplemental budget represent almost 90% of the available BDF income for the year.

Fund Restrictions

Each fund has a history. Some are created by a gift or bequest, at times accompanied with a firm restriction or gentle guidance about the intended use of the gift. Some funds are created by Diocesan Council; in these instances, future Council actions can revise or reverse the initial conditions applied. There are a variety of legal considerations, including what happens when the original intentions for a gift cannot be fulfilled. The Trustees of Donations and the chancellor of the diocese can provide guidance when questions arise.

From a budget preparation perspective, our current approach is to draft a budget that addresses the current needs of the diocese and see whether the preferred budget is consistent with fund restrictions. Note that most of the diocesan core revenue is from congregation assessments and unrestricted endowment income, so the issue of fund restrictions arises for just a small part of the budget. Furthermore, many restrictions are consistent with current needs. Only in a few cases are there specific cost centers or programs designed to fulfill specific fund restrictions.

Description of Agency Funds

In this year's budget book we provide some additional information about the history and use of the agency funds (i.e., those legally owned by the diocese) that support the budget. We expect that this description will serve as a resource for future years' budget preparations as well. The information presented here is based on primary and secondary sources. It should be viewed as our best information at this point, but not necessarily the final word or authority.

Unrestricted

- The General Endowment Fund (DIT 7002X, proposed draw \$90,509)

This fund is special since it serves as the "cushion" and first source of funds when extraordinary circumstances arise. In recent years, Diocesan Council has voted to withdraw funds to help pay for the recent and future episcopal elections and transitions, to establish reserves for property and equipment maintenance, to acquire a residence and fund mortgages for the bishops, and to help pay for HVAC renovations to the 138 Tremont buildings maintained by the Cathedral Church of St. Paul. This fund is also currently designated as the primary investment account for unrestricted bequests and gifts.

Council Designation for Reserves

- The Reserve Endowment Fund (Fidelity Short Term Bond, draw as needed)

In January 2015, Diocesan Council established three new reserve accounts for property maintenance, episcopal elections and capital equipment, and it transferred \$1,050,000 from the General Endowment Fund to a Fidelity short term bond fund to support these reserves. The creation of these accounts reduces the need to draw upon the General Endowment Fund for capital needs. The Executive Committee of Diocesan Council responds to requests for funding from these accounts. Note, this fund is not listed on p. 57 since it does not contribute to the core budget revenue from agency endowments.

Council Designation of Closed Parish Proceeds

- The Fund for Congregational Vitality (DIT 7004I, proposed draw \$157,228)

This fund was initially established in 2011 with half of the net proceeds from nine closed congregations. Since then, Council has followed the same policy of putting a portion of proceeds from

other closed congregations into this endowment fund. In addition, Council has consolidated existing endowment funds that were also created through the proceeds of closed congregations going back to the mid-1980's. A full list of all the congregations that have contributed to the Fund for Congregational Vitality is on page 43. The spending draw from this fund helps pay for the congregational grant programs, cost centers 2011 and 2012.

- Deaf Ministry Endowment (DIT 7004H, proposed draw \$8,000)

The annual draw supports congregational grants. This fund stems from one-half of the resources of the closed congregation, St. Andrew's of the Deaf, and Diocesan Council has kept these proceeds separate from its "use of closed parish proceeds" grant process. Instead, the fund is currently used to support the grants supplied through cost center 2015.

- Endowment Fund - Roslindale (DIT 7002Z, proposed draw \$3,911)

The fund was established from the endowment fund from Our Saviour, Roslindale, which closed in 1987. When Council initially received these funds in 1992, it set a policy, continued since then, to provide half of the annual draw to Emmanuel, West Roxbury and the other half for diocesan programs. In 2011, half of the fund proceeds were transferred to the Fund for Congregational Vitality, and subsequent budgets have granted the full draw from this fund to Emmanuel through cost center 2014.

Council Designation of Proceeds from the 1964 Diocesan Advance Fund (DAF) Campaign

In 1964 the people of the diocese led a \$5-million campaign, called the Diocesan Advance Fund, and Council subsequently created several endowment accounts from part of the proceeds.

- DAF Bishop Nash Fund (DIT 7002M, proposed draw \$8,821)

The Rt. Rev. Norman Nash was the 10th bishop, serving from 1947 to 1956. This fund in his honor supports the clergy sabbatical program, cost center 1211.

- Clergy Salary Fund (DIT 7002N, proposed draw \$32,392)

This fund was established to provide support for parish-based clergy, and the Strategic Ministries area of the budget is the current implementation of this policy (e.g., cost centers 3231, 3241, 3251, 3341, 3351).

- Campus Ministries Fund (DIT 7002U, proposed draw \$10,190)

Supporting campus ministry was a goal of the DAF, and this work continues in the Strategic Ministries area, cost centers 3111 through 3171.

- Stokes Loan Program (Fidelity Short Term Bond Fund, ongoing loan program)

More than half of the DAF proceeds went to support parish buildings, through grants for new construction and to seed an ongoing loan program. The loan program continues to this day, and is named in honor of the Rt. Rev. Anson P. Stokes III, who served as the 11th bishop from 1956 to 1970 (and during the Diocesan Advance Fund campaign).

Council Designation of Proceeds from the 1983 Adventure In Mission (AIM) Campaign

In 1983 the people of the diocese led another campaign, called Adventure In Mission. Again, Council created several endowment funds from a portion of the proceeds.

- AIM Christian Witness in Education (DIT 7003C, proposed draw \$ 40,596)

This continues the effort to support campus ministries in cost centers 3111 through 3171.

- Youth on Mission (DIT 7003E, proposed draw \$7,694)

This fund supports the diocesan youth program, in cost center 3011.

- AIM William Coolidge Endowment Fund (DIT 7003F, proposed draw \$160,180)
This fund provides broad support for programs offered in the Congregational Resources and Training and Strategic Ministries areas of the budget.

- AIM Hospital Ministry (DIT 7002J, proposed draw \$24,425)
Hospital ministry was a part of both the DAF and the AIM campaigns, and archival evidence suggests that this fund has its roots in the 1960s DAF drive. In recent years, hospital ministry has not had a high profile in the annual budget. The clergy supported through various cost centers do provide hospital ministry as a regular part of their service.

Other Various Council Designations

- John B. Coburn Endowment Fund (DIT 7002C, proposed draw \$53,457)
The Rt. Rev. John B. Coburn, the 13th bishop, served from 1976 to 1986. Upon his retirement Council established this fund in his honor to support “a Chair of Theology for the Mission of the Church.” In developing recent budgets this draw has been associated with salary support for senior diocesan staff members working with congregations.

- Frederick C. Lawrence/Rhineland Fund (DIT 7002P, proposed draw \$10,811)
The Rt. Rev. Frederick C. Lawrence was bishop suffragan from 1956 to 1968. He also served as the chairman of the Bishop Rhineland Foundation, which provided support for Harvard-Radcliffe chaplaincy. Council established a fund in his honor upon his retirement, and for the next 12 years the draw supported the Foundation. More recently, the draw has supported college ministry work in Cambridge through the Life Together program and the MIT chaplaincy.

- African Scholarship Fund (DIT 7002E, proposed draw \$11,121)
Council created this fund in 1988 for a scholarship program for African students, currently supported through the MSASA Episcopal Divinity School program, cost center 1213.

- Endowment for Maintenance (DIT 7002G, proposed draw \$8,593)
Council in 1990 created this fund with the proceeds of a bequest. The written record from that time recommended that future Councils direct one-third of future bequests to this fund account, at least until it reached a balance of \$500,000. In January 2015 Council voted to establish the Reserve Endowment Fund (described above) and to formally replace the 1990 policy. The motivation to do so was to separate the ministry of maintenance from the random arrival of bequests. The spending draw from this existing endowment account will continue to support regular maintenance needs through cost centers 5111 through 5125.

- Seminarian Education Endowment Fund (DIT 7004E, proposed draw \$53,983)
Created to support seminarian education through the scholarship program in cost center 1312.

Council Designation of Proceeds from Other Properties

- Eliza Gray Case TRS P E C (DIT 7002T, proposed draw \$131,957)
Council received these funds when the Eliza Gray Case home was sold. The legal review of the sale determined that the funds can be used for the Sherrill House in Boston, for general purposes of the diocese or for purposes in southeast Massachusetts. The current application is to support the Bristol County Case Grants program, cost center 2013.

- House of Mercy Fund (DIT 7002Y, proposed draw \$30,882)
Council received these funds when the Works of Mercy was dissolved in 1975. The current application is to support grants through the 12 deanery assemblies for community outreach programs, cost center 2022.

Designation of Gifts and Bequests for Diocesan Operations

These funds provide general support for diocesan operations through the core budget:

- Adelaide R. Harris Fund (DIT 7002S, proposed draw \$216)
- R. W. Chisolm Fund (DIT 7003R, proposed draw \$3,976)

Designation of Gifts and Bequests for Diocesan Programs

• Thomas M. Coffin Fund (DIT 8000V, proposed draw \$5,580)
Established in 1939 “for needy churches in the diocese,” currently applied to the Strategic Ministries area.

• A. E. Emery Camp Dennen Fund (DIT 7002O, proposed draw \$1,909)
Established by a bequest in 1976, currently used to provide a grant to the Barbara C. Harris Camp and Conference Center, cost center 3921.

• Harriet G. Averill Fund (DIT 7002L, proposed draw \$1,703)
Established by a bequest in 1976, for equal sized grants to American Indian Missions and to the United Thank Offering. The current application supports a grant to the Native American Lillian Vallely School in Idaho, cost center 3952.

• Caroline C. Haskett Fund (draw 7002R, proposed draw \$86)
A small fund established in 1978, identified for support of Church Home Society and orphan children. Given the size of the draw, it is implicitly used for basic infrastructure support for the Church Home Society operations.

• Jessie B. Cox Fund (DIT 7003A, proposed draw \$33,568)
Established in 1980, this draw supports recently ordained clergy in training under the supervision of an experienced clergy person. The current application supports the Urban Resident program in cost center 3411.

• William V. Tripp Jr. Memorial Fund (DIT 7003B, proposed draw \$42,994)
Established in 1987 to support the position of diocesan youth minister, cost center 3011.

• C.L.T. Lee / B. Wong Fund (DIT 7002D, proposed draw \$4,919)
Established in 1988 to support ministry among Asian Americans, cost center 3311.

Designation of Gifts and Bequests for Parishes

• Abby Jackson Fund (DIT 8000W, proposed draw \$3,140)
Established in 1939 to support grants to Christ Church, Plymouth, included in cost center 2014.

• Amelia Grant Schwarz Fund (DIT 7002W, proposed draw \$21,073)
Established in 1947 to provide an annual grant for the housing costs of the rector of St. John’s, Sharon, included in cost center 2014.

Designation of Gifts and Bequests for the Bishop

• Maurine C. Coburn Trust (DIT 7003D, proposed draw \$7,258)
Established in 1987 for assistance of clergy at the discretion of the bishop, included in cost center 4011.

• Bishop’s Entertainment Fund (DIT 8000X, proposed draw \$6,724, plus 16,000 shares Proctor & Gamble, projected \$42,400 in dividend income)
Both the DIT fund and the share holdings are related to a single gift in 1969 for the bishop to provide hospitality for clergy and visitors. In recent years this income has subsidized the annual clergy conference.

• Frederick A. Reeve Fund (DIT 8000T, proposed draw \$9,389)
Established in 1991 for use by the bishop, included in cost center 4011.

AGENCY ENDOWMENT FUNDS

		Market Value of Fund - 6/30/2015	2016 Draw Amount
7002C	JOHN B COBURN ENDOWMENT FUND	1,409,506	53,467
7002D	C.L.T. LEE / B. WONG FUND	128,956	4,919
7002E	AFRICAN SCHOLARSHIP FUND	293,208	11,121
7002G	ENDOWMENT FOR MAINTENANCE	226,591	8,593
7002J	AIM / HOSPITAL MINISTRY	643,847	24,425
7002L	HARRIET G AVERILL FUND	44,883	1,703
7002M	D A F BISHOP NASH FUND	232,534	8,821
7002N	CLERGY SALARY FUND	853,931	32,392
7002O	A E EMERY CAMP DENNEN FUND	50,227	1,909
7002P	FREDRICK C LAWRENCE/RHINELANDER FUND	284,989	10,811
7002R	CAROLINE C HASKETT FUND	2,270	86
7002S	ADELAIDE R HARRIS FUND	5,693	216
7002T	THE ELIZA GRAY CASE TRS P E C	3,470,511	131,957
7002U	CAMPUS MINISTRIES FUND	268,636	10,190
7002W	AMELIA GRANT SCHWARZ FUND	561,976	21,073
7002X	GENERAL ENDOWMENT FUND	2,388,100	90,509
7002Y	HOUSE OF MERCY FUND	814,110	30,882
7002Z	ENDOWMENT FUND - ROSLINDALE	101,518	3,911
7003A	THE JESSIE B COX FUND	884,913	33,568
7003B	WILLIAM V. TRIPP JR. MEMORIAL FUND	1,133,408	42,994
7003C	AIM CHRISTIAN WITNESS IN EDUC	1,070,211	40,596
7003D	MAURINE C COBURN TRUST	191,329	7,258
7003E	YOUTH ON MISSION	202,837	7,694
7003F	AIM WILLIAM COOLIDGE ENDOWMENT FD	4,222,692	160,180
7003R	W. CHISOLM FUND	104,832	3,976
7004E	SEMINARIAN EDUCATIONAL ENDOWMENT	1,421,612	53,983
7004H	DEAF MINISTRY ENDOWMENT	668,767	24,523
7004I	FUND FOR CONGREGATIONAL VITALITY	4,148,496	157,228
8000T	FREDERICK A REEVE FUND	247,075	9,389
8000V	THOMAS M COFFIN FUND	146,487	5,580
8000W	A. JACKSON FUND	82,468	3,140
8000X	BISHOPS ENTERTAINMENT	176,937	6,724
		<hr/>	
	TOTAL	26,483,551	1,003,818

TOD TRUST ENDOWMENT FUNDS, for the benefit of the Diocese

		Market Value of Fund - 6/30/2015	2016 Draw Amount
2110B	G & S TURNER MEMORIAL FUND	15,837	596
4065A	ST MATTHEWS ENDOWMENT FD	173,238	6,523
4065B	SAMUEL & EMMA DOWNING FD	9,130	344
4065C	JOSEPH C STOREY FUND	100,535	3,785
4065D	MARY A WILSON FUND	52,944	1,994
4065E	A SMITH FUND FOR RECTORY MAINTENANCE	76,685	2,887
7000A	DIOCESAN ENDOWMENT FUND	5,300,507	199,713
7000B	VOTE OF CORP DIOCESAN FUND - VOC	2,106,063	79,332
7000D	FAY DONATION I	274,997	10,359
7000G	BENJAMIN LEEDS FUND - VOC	5,699,976	189,170
7000I	CHURCHES AND CHAPELS FUND - VOC	101,959	3,841
7001E	APPLETON FUND	57,071	2,150
7001F	BISHOP'S FUND	1,338,989	50,439
7001G	BISHOP OF MA SALARY FUND	168,592	6,351
7001H	BISHOPS HOUSE FUND	276,742	10,425
7001I	SUFFRAGAN BISHOPS FUND	1,083,635	40,820
7001J	CAMILLA DAVENPORT FUND	42,445	1,599
7001K	CORNELIA A FRENCH FUND	948,886	35,744
7001L	KATHERINE FRENCH FUND	197,217	7,429
7001O	ETHEL A CLARK FUND	1,299,807	48,963
7001Q	MARY K D BABCOCK FD I	301,939	11,374
7001R	MARY K D BABCOCK FD II	37,684	1,420
7001S	JULIA K DAVEY FUND	93,837	3,535
7001T	WILLIAM C WINSLOW FUND - VOC	13,749	518
7001W	WK OF MERCY HARVISON FUND	50,775	1,913
7001X	AMY YEAMES FUND	60,920	2,295
7001Y	EDITH MUNRO FUND	26,606	1,002
7002Q	AC BULLARD FD STUDENTS	256,024	9,644
7003X	PATTON MEMORIAL FUND	1,384,270	52,097
7004B	PATTON FUND FOR MAINTENANCE	114,164	4,296
7004C	KATHERINE M. FOSTER TRUST	240,933	9,067
7004D	FRANK H. BURNETT FUND	49,877	1,877
9000Z	ABBY BROWN TRUST - VOC	199,921	7,531
9001B	EDMUND F SLAFTER FUND II	250,384	9,432
	TOTAL	<hr/> 22,406,336	818,465

TOD TRUST ENDOWMENT FUNDS, for the benefit of the Bishop

		Market Value of Fund - 6/30/2015	2016 Draw Amount
8000B	BISHOPS UNREST. DISCRETIONARY FUND	3,859,319	145,378
8000D	MARIA A APPLETON DODGE FUND	1,698,240	63,972
8000G	MARGARET KIMBALL FUND	67,930	2,559
8000J	THOMAS NELSON MEMORIAL FUND	23,557	887
8000K	S & F ROWE FUND	23,660	891
8000L	VALENTINE SLATERY FUND	21,224	800
8000P	AMELIA WORTHINGTON FUND II	646,928	24,369
8000U	H.S. HOWE FUND	1,433,788	54,010
9000M	SARAH H A BURNHAM FUND	1,782,096	67,130
9000N	THERESA COOLIDGE FUND	120,396	4,535
9000Q	ELIZA S HATFIELD FUND - VOC	1,319,991	49,723
9000S	FRANCIS S PARKER FUND	724,958	27,309
9000U	AGNES WINSLOW RILEY FUND	367,212	13,833
9000V	SARAH L SLATTERY FUND	129,500	4,878
9000X	FRANCES L WHITTEMORE FUND	152,368	5,740
9000Y	ROBERT E TOWNSEND TRUST - VOC	89,660	3,377
	SUBTOTAL, unrestricted BDFs	<u>12,460,826</u>	<u>469,391</u>
8000A	MONKS/STEVENS/PITTMAN	738,976	27,837
8000R	THE DILL FUND	86,639	3,264
8000I	EDWARD F MCINTIRE FUND	17,567	662
8000O	AMELIA WORTHINGTON FUND I	447,937	16,874
9000L	EAST CAMBRIDGE FUND - ASCENSION	89,265	3,363
9000O	FAY DONATION II	274,997	10,359
9000W	C HARRISON SOWDON FUND - VOC	100,128	3,772
8000F	HILL FUND	309,337	11,653
9000P	WILLIAM A GATCHELL FUND	872,943	32,883
8000C	ANNIE O BALDWIN FUND II	16,170	609
7001C	PERCIVAL L & JULIA A POWELL	352,541	13,280
8000E	PAULINE CONY DROWN FUND	59,519	2,242
8000H	LAURA R LITTLE MEMORIAL FUND	58,832	2,216
8000M	PATIENCE H SLOANE FUND	233,567	8,798
8000N	GEORGE AUGUSTUS STRONG MEM FUND	37,574	1,415
8000Q	SHERBONDY FUND	4,508	170
8000S	ANNA MUIRSON JOHNSON BELLAMY FD	25,738	0
9000T	SWANSEA RESTHOUSE FUND	2,938,014	110,673
	SUBTOTAL, restricted BDFs	<u>6,664,253</u>	<u>250,070</u>
	TOTAL	<u>19,125,079</u>	<u>719,461</u>

Grants to Congregations in 2014

Congregational Development Open Grants

\$180,000

Congregation	City	Program	Grant Amount
All Saints' Church	Attleboro	Raising Our Youth	3,400
Common Cathedral	Boston	Common Art	5,000
Episcopal Boston Chinese Ministry	Boston	Youth Zone	4,000
St. Stephen's Church	Boston	Building Leadership; Organizing Communities and Schools Project	10,000
Trinity	Bridgewater	Building and Expanding Sunday School Programs	4,000
Grace Chapel	Brockton	The Boys' and Girls' Brigade	6,900
Cape & Islands Deanery	Cape & Islands	Hands Across The Water Expansion	4,740
St. Christopher's Church	Chatham	Stephen Ministry Pastoral Care Program	10,000
St. Peter's	Dartmouth	The Bridge: A Hope and Healing Center	6,000
St. Mary's	Dorchester	Missio Engage Program & Parish Outreach	3,500
Grace Church	Everett	Center for Memory and Healing Pt 2	8,000
Grace Church	Everett	Sunday School for South Sudanese and Haitian Congregations	10,000
St. Luke's Church	Fall River	St. Luke's Visibility Upgrade	2,000
St. Andrew's Church	Hanover	The Sound of Music - The Sound of Life	6,500
Trinity Church	Haverhill	Sing A New Church	10,000
Grace Church	Lawrence	Expanding Our Music Program at Grace Episcopal Church	8,700
St. Stephen's Church	Lynn	Strengthening Family Ministry and Church School Revitalization	10,000
St. Stephen's/Kiswahili Congregation	Lynn	Sunday Evening Worship Service	7,140
Tufts Chaplaincy	Medford	Tufts Protestant Chaplaincy	500
St. Paul's Church	Newburyport	Lower Merrimack Valley Collaborative - Development	10,000
St. Andrew's Church	New Bedford	Bridge the Gap II	4,000
Grace Church	North Attleboro	Growing Grace	10,000
Christ Church	Plymouth	Youth Ministry Program	1,400
Christ Church	Quincy	Presidents' Day Family Entertainment	1,000
Trinity Church	Rockland	Outreach and Ministry to Local Youth	1,000
Church of Our Saviour	Somerset	Our Gifts/The World's Needs	1,000
All Saints' Church	Stoneham	Children's Christian Education Formation	4,000
St. Elizabeth's Church	Sudbury	Stephen Ministry Program Expansion	5,250
St. Thomas' Church	Taunton	Pilot Program for Spiritual Formation	4,000
Epiphany Church	Walpole	Growing in Christ	7,500
			169,530

Congregational Development Targeted Grants

\$70,000

Congregation	City	Program	Grant Amount
All Saints Church	Attleboro	Stewardship Pledging Development	3,000
Trinity Church	Bridgewater	Matching Stewardship Program; ESC	15,150
St. Peter's Church	Dartmouth	Website Development, Congregational Promotion & Youth Formation	14,000
St. Stephen's Church	Lynn	Urban Resident Program Continuation	2,500
St. Paul's Church	Newburyport	Lower Merrimack Valley Collaborative	3,000
Church of the Good Shepherd	Reading	Therapist/Consultant on Medical Leave	2,000
St. Augustine & St. Martin	Boston	ESL/Immigration Program	3,650
St. James' Church	Somerville	Church Development and Community Relations	5,000
Grace Church	Vineyard Haven	Forensic Audit	2,500
All Saints Church	Whitman	Memorial Garden	5,000
St. Elizabeth's	Wilmington	Community Visibility	8,500
			64,300

House of Mercy Deanery Grants

\$28,884

Congregation	City	Program	Grant Amount
Alewife Deanery			
St. Paul's Church	Bedford	Pay It Forward Meal Packaging Event	600
St. James' Church	Cambridge	Women's Meals	600
St. Peter's Church	Cambridge	Afterworks	600
Christ Church	Waltham	Diaper Depot	600
Boston Harbor Deanery			
St. Stephen's Church	Boston	The S2POT Program	2,400
Cape & Islands Deanery			
St. Mary's Church	Barnstable	Amazing Grace	2,400
Charles River Deanery			
All Saints' Church	Brookline	Crossroads Family Shelter	800
Christ Church	Needham	Circle of Hope	800
Parish of St. Paul	Newton Highlands	The Naomi Project	800

Concord River Deanery			
Church of the Good Shepherd	Acton	Prison Ministry; Acton Community Supper and Food Pantry	400
St. Michael's Church	Holliston	Le Chef	1,000
Merrimack Valley Deanery			
Christ Church	Andover	Esperanza Academy	800
Trinity Church	Haverhill	ACAT	800
St. Paul's Church	Newburyport	Food Assistance	800
Mt. Hope/Buzzards Bay Deanery			
Church of the Holy Spirit	Fall River	Family Fun Carnival	300
Church of Our Saviour	Somerset	Motel Family Transportation	2,100
Mystic Valley Deanery			
St. Paul's Church	Lynnfield	Mission Trip	2,400
Neponset River Deanery			
St. Michael's Church	Milton	Masakane Trust	300
Emmanuel Church	West Roxbury	Backpack Project	2,100
North Shore Deanery			
St. Stephen's Church	Lynn	Community Family Outreach	1,700
Christ Church	South Hamilton	Refugee Immigration Ministry	700
South Shore Deanery			
Emmanuel Church	Braintree	KidzCloset	800
St. Andrew's Church	Hanover	Rehobeth Shelter	800
Trinity Church	Marshfield	Carolina Hill	800
Taunton River Deanery			
All Saints' Church	Attleboro	One Family, A Mission of Unity	2,400
			<u>27,800</u>

Sending Serving Deanery Grants **\$48,000**

Congregation	City	Program	Grant Amount
Alewife Deanery			
St. Paul's	Bedford	Community Table	200
St. Mark's	Burlington	Pumpkin Patch	500
Christ Church	Cambridge	Harvard Square Homeless Ministry/MBTA and Grocery Cards	750
St. James'	Cambridge	Helping Hand Food Pantry	1,250
St. Peter's	Cambridge	CommonCare Community Meals Program	900
Christ Church	Waltham	Diaper Depot	1,250
Good Shepherd	Watertown	Vacation Garden School	200
Boston Harbor Deanery			
Episcopal Boston Chinese Ministry	Boston	Xaris Zone Youth Program	2,000
Cathedral Church of St. Paul	Boston	Eat and Share & The Pilgrim Newsletter	2,000
Charles River Deanery			
All Saints' Parish	Brookline	Misufini Leprosy Care Center in Tanga, Tanzania	1,194
Church of Our Saviour	Brookline	TV program for shut-ins	1,000
St. Paul's Church	Brookline	Mil Milagros	1,700
Christ Church	Needham	Youth Group Scholarship Fund	525
St. Andrew's Church	Wellesley	Youth/Adult Mission Trip Scholarship	525
Concord River Deanery			
St. Elizabeth's Church	Sudbury	Appalachian Service Project Mission Trip	4,000
Merrimack Valley Deanery			
St. Anne's Church	Lowell	Computer Literacy Training	1,300
St. John's Church	Lowell	Youth Outreach	2,300
St. Mark's Church	Westford	Spiritual Companionship Workshop	400
Mt. Hope/Buzzards Bay Deanery			
Grace Church	New Bedford	Youth Mission Trip to Rosebud Reservation	5,050
Mystic Valley Deanery			
St. John's Church	Winthrop	Winthrop Community Food Pantry Revitalization	3,800
Neponset River Deanery			
St. Michael's Church	Milton	Safe Passage, Guatemala City	400
Epiphany Church	Walpole	Mil Milagros	4,650

North Shore Deanery			
St. Peter's Church	Beverly	St. Peter's Outreach Meals	1,025
St. Stephen's Church	Lynn	Kids in Community	3,525
Trinity Church	Topsfield	Senior Fellowship: A Meal and More	500
South Shore Deanery			
St. Andrew's Church	Hanover	Local Shelters	2,000
Taunton River Deanery			
All Saints' Church	Attleboro	One Family, A Mission of Unity	2,525
Grace Church	North Attleboro	Mission Trip to Tanzania	2,525
			47,994

Case Trust and Bristol County Fund \$117,064

Congregation	City	Program	Grant Amount
All Saints' Church	Attleboro	Making a Joyful Sound; One Family, A Mission of Unity	8,000
St. Peter's Church	Dartmouth	Community Outreach; Homeless Holiday Outreach	4,700
Church of the Good Shepherd	Fairhaven	Oxford Book Haven Café and Community Center; Spirit of Grace	8,000
Church of the Holy Spirit	Fall River	Homeless Ministry; Church Growth	16,200
St. Luke's Church	Fall River	Urban Youth Education and Empowerment	10,000
Grace Church	New Bedford	Grace Community Breakfast; New Bedford Food Pantry; Mission Trip to Rosebud Reservation	11,000
St. Andrew's Church	New Bedford	Outreach to Children & Families in the North End of New Bedford	16,580
St. Martin's Church	New Bedford	LGBTQ Outreach Ministry; Breakfast with Santa for Inner-City Youth	9,000
Grace Church	North Attleboro	E-Cubed Academy; Church Beyond The Walls	10,700
St. Mark's Church	North Easton	Backpack Outreach Program; A Little Help From Friends	1,250
Church of Our Saviour	Somerset	African Mission Trip; Annual Parish Retreat	8,300
St. Thomas' Church	Taunton	Senior Ministry; Interfaith Pilgrimage	11,500
			115,230

Creation Care Initiative: Simple Acts of Stewardship Grants

Congregation	City	Program	Grant Amount
Grace Church	Vineyard Haven	Inter-Generational Garden/Farming project	1,000
			1,000

Creation Care Initiative: Green Improvement Grants

Congregation	City	Program	Grant Amount
Church of the Good Shepherd	Acton	rectory oil to propane conversion	2,500
All Saints'	Attleboro	interior storm windows and window replacement	6,200
St. Paul's	Bedford	energy-saving windows	8,000
Trinity	Bridgewater	energy-saving windows	6,200
St. Peter's-on-the-Canal	Buzzards Bay	"Green Door"	1,650
St. Peter's	Cambridge	oil to natural gas boiler conversion	10,000
St. John's	Charlestown	oil to natural gas conversion	10,000
St. John the Evangelist	Duxbury	energy-saving windows	10,000
Grace Church	Everett	thermostat control repair and Danfoss valves	6,000
St. John's	Gloucester	oil to natural gas and steam to hot water heating system conversion	10,000
St. James	Groveland	oil to gas furnace conversion and energy efficient lighting	10,000
Ascension Memorial	Ipswich	energy-saving windows	5,000
Church of Our Redeemer	Lexington	lighting conversion and heating improvements	3,250
St. Michael's	Marblehead	water-saving and energy-efficient lighting and insulation	8,000
Christ Church	Plymouth	parish house steam to gas conversion	10,000
St. Mary's of the Harbor	Provincetown	insulation; interior storms; dual-flush; LEDs; aerators	10,000
St. John's	Saugus	energy-saving windows	5,000
Church of Our Saviour	Somerset	window replacement and glazing	5,000
Grace Church	Vineyard Haven	oil to propane gas conversion	7,500
Emmanuel	West Roxbury	interior storm windows and window replacement	7,100
Trinity Church	Wrentham	Replace old oil-fired burner with gas	10,000
			151,400

Mission Tithe Council Grant \$25,000

Partnering Congregations	City	Program Location	Grant Amount
Parish of the Epiphany	Winchester	El Hogar provides a safe home, education and vocational skills to orphans in Tegucigalpa, Honduras	25,000

Mission Tithe Matching Grants

Congregation	City	Program Location	Grant Amount
Christ Church	Andover	CFFL, Haiti	10,000

Trinity Church	Boston	Nairobi, Kenya	6,500
All Saints' Church	Belmont	Thozin, Grand-Goave, Haiti	7,500
All Saints Parish	Brookline	Tanga, Tanzania	10,000
St. Christopher's Church	Chatham	Goli Farm, Liberia	7,500
Trinity Church	Concord	Nyamata, Rwanda	5,750
St. Dunstan's Church	Dover	La Begue, Hinche, Haiti	10,000
St. John's Church	Duxbury	Tegucigalpa, Honduras	6,000
St. Andrew's Church	Edgartown	El Maisal, El Salvador	10,000
St. Michael's Church	Milton	New Orleans, Louisiana	4,000
Christ Church	Needham	Lazile, Haiti	10,000
Christ Church	Plymouth	Standerton, S. Africa	10,000
St. Luke's Church	Scituate	San Miguel del Valle, Oaxaca, Mexico	10,000
Church of Our Saviour	Somerset	Amagoro, Kenya	10,000
Christ Church	South Hamilton	World Relief, S. Sudan	5,000
St. Thomas' Church	Taunton	San Mateo, Belize	10,000
Parish of the Epiphany	Winchester	Leogane, Haiti	10,000
			142,250

Continuing Education Grants

Congregation	City	Program	Grant Amount
St. Mary's Church	Barnstable	Holy Land pilgrimage	500
The Cathedral Church of St. Paul	Boston	Spiritual Direction Training at Bethany House of Prayer	1,000
Emmanuel Church	Boston	N.E. Deacons Network Convention	500
St. Stephen's Church	Boston	JCRC Clergy Study Tour of Holy Land	500
Grace Chapel	Brockton	D. Min degree program	500
St. Paul's Church	Brookline	Association of Professional Chaplains	500
St. Paul's Church	Dedham	Celtic pilgrimage to Ireland	500
St. Andrew's Church	Framingham	Portuguese language program	500
Christ Church	Hyde Park	Research project on democracy in Africa	500
Ascension Memorial Church	Ipswich	CREDO expenses	500
All Saints' Church	Stoneham	Festival of Homiletics course	500
Church of the Good Shepherd	Watertown	Art of Hosting and Harvesting training	125
Church of the Good Shepherd	Watertown	Transitional Ministry program	500
Church of the Holy Spirit	Wayland	Peace Island Institute study tour	500
Parish of the Epiphany	Winchester	Study of Celtic Christianity	500
			7,625

Sabbatical Funds

Congregation	City	Grant Amount
The Cathedral Church of St. Paul	Boston	4,800
St. Peter's Church	Beverly	4,800
Church of Our Redeemer	Lexington	4,800
Trinity Church	Melrose	4,800
Church of Our Saviour	Middleboro	4,800
		24,000

Bishops' Funds

Aid to Clergy	16 grants	29,200
Aid to Congregations	2 grants	4,000
Children's Program not including B-SAFE	3 grants	15,100
Mission and Outreach	5 grants	11,600
		59,900

Clergy Children College Scholarships 21 students **44,100**

Society for the Relief of Aged or Disabled Clergy Served 48 clergy **127,634**

Society for the Relief of Widows, Widowers and Orphans of Clergy Served 41 widows **80,124**

Stokes Fund Loans **2,537,086**

89 Loans		
	3 Loans	2-8 months in arrears
	5 Loans	9+ months in arrears
	81 Loans	Current

2015 DIOCESAN STAFF POSITIONS BY AREA

Position	Incumbent
DEANERIES, CONGREGATIONS & CLERGY	
Canon for Congregations	The Rev. Canon Elizabeth Berman
Canon for Ordained Vocations	The Rev. Canon Edie Dolnikowski
Program Director for Mission Hubs	Ms. Jin Min Lee
Director of Transition Ministries	The Rev. Jean Baptiste Ntagengwa
Administrative assistance	Ms. Suzette Phillips
Executive Assistant to Bishop Gates	Ms. Diane Pound
Administrative Assistant to Bishop Harris	Ms. Marsha Searle
Administrative assistance (Commission on Ministry)	The Ven. Patricia Zifcak
Senior Consultant and Grants Administrator	Vacancy
CONGREGATIONAL RESOURCES & TRAINING	
Administrative Assistant	Vacancy
Missioner for Christian Education, Formation and Discipleship	Ms. Amy Cook
Communications Assistant	Ms. Ellen Stuart Kittle
Director of Congregational Resources and Training	The Rev. Karen Montagno
Coordinator for Congregational Support	Mr. Stephen Pierce
Hispanic Missioner	The Rev. Ema Rosero-Nordalm
Director of Communications	Ms. Tracy Sukraw
STRATEGIC MINISTRIES	
Managing Director, Life Together	Ms. Kelsey Rice Bogdan
Director, Life Together	The Rev. Arrington Chambliss
Vicar, St. Stephen's Church, Boston	The Rev. Timothy Crellin
Chaplain, MIT	The Rev. Thea Keith-Lucas
Canon for Asiamerican Ministries	The Rev. Canon Connie Ng Lam
Youth Ministry Administrator	Mr. Sam Lovett
Chaplain, Boston University	The Rev. Cameron Partridge
Director, Youth Ministry	The Rev. H. Mark Smith
Chaplain, Boston College and Northeastern University	The Rev. Judith Stuart
Project Director for Global Mission	Ms. Laura Walta
EPISCOPAL AND DIOCESAN SUPPORT	
Bishop	The Rt. Rev. Alan M. Gates
Bishop Suffragan	The Rt. Rev. Gayle E. Harris
Director of Development	Mr. Lynd Matt
Acting Chief of Staff	The Rev. Samuel Rodman
Administrator of Convention and Council	Ms. Laura Simons
Development Assistant	Ms. Casey Zierler
Canon to the Ordinary	Vacancy
Archivist	Vacancy
ADMINISTRATIVE SERVICES	
Senior Accountant	Ms. Dana Courtney
Manager, Human Resources	Ms. Cindy Cushman
Controller	Ms. Cathy Menard
Manager, Information Technology	Mr. Jamie Reamer
Chief Business Officer and Assistant Treasurer	Mr. Gerry Sullivan
Accountant	Ms. Patricia Superville



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