

September 25, 2014



**A Report to All Synod Delegates Presenting
the Proposed FY '15 and FY '16 ECC National Budgets**

The ECC Finance Committee is pleased to provide this Report highlighting key items in the proposed FY '15 and FY '16 ECC national budgets which are to be discussed and approved by the HOL (and then ratified by the HOP) at the upcoming Synod.

Background

The ECC annual national budget has hovered at approximately \$40K (income side) for several years. As with most budgets, the largest expense is for personnel; and in our case that consists of expenses for the Presiding Bishop and two part-time staff. Income has consisted almost exclusively of tithing from ECC communities, along with a few donations. We have not had to depend on fundraising to balance our budgets. For the first time last year (2013), we experienced a modest end-of-year deficit of **\$2,199**.

Summary

The budgets for the next two years are again approximately \$40K annually (income side). What's new, however, is that we are facing another modest deficit for this year (2014), but an enormous deficit for 2015, and again a substantial deficit for 2016. The numbers are as follows:

2014 Projected Deficit: **\$3,713***
2015 Projected Deficit: **\$21,498**
2016 Project Deficit: **\$12,563**

* Note: This amount was **\$6,713**, but \$3K in recent donations, as a result of the new fundraising campaign, has been applied reducing the 2014 deficit to the amount shown above.

Cause of the Deficits

In large measure, the Finance Committee believes that we are facing major shortfalls because of minimal community growth, the recent loss of several communities, normal cost-of-living increases,

2014 Community tithing remaining the same as in 2013, and the need to fund both the Presiding Bishop and Presiding Bishop Elect.

Note: No increase in tithing for 2014 was recommended at the last Synod nor were Communities asked to increase their tithing for 2014.

The Daunting Deficit Challenge for the FY '15 and '16 Budgets

Even a modest increase in tithing going forward does not eliminate the projected deficits. Solving the deficit by tithing alone would virtually mean almost doubling the tithing commitment from each Community; and this is something the Finance Committee does not recommend.

These deficits present a daunting challenge for the ECC. The Finance Committee believes that the only alternative at this point is to vigorously pursue a major fundraising campaign. The ECC Leadership Council's recent September 14th correspondence appealing for \$50K is an excellent start. It has already borne fruit (\$3K in donations has been received and applied to the 2014 deficit), but significantly more donations need to be raised. To be perfectly honest, failure to raise the needed funds will mean that the Communion will exhaust all its reserves and not be able to pay its on-going commitments commencing at the end of 2015 and continuing into 2016.

Please also note that regular monthly tithing (instead of quarterly or semi-annually) will greatly improve our cash-flow situation. Those Communities which can tithe on a monthly basis are strongly encouraged to do so.

Further, there are other important financial needs too, but there are simply no funds available at this time to address them. These include:

- ✓ A national Public Relations Campaign
- ✓ Clergy health insurance
- ✓ Travel budget increases for expanded evangelization efforts
- ✓ Increase in reserves to equal a years' worth of budgetary needs

Highlights of the New Budgets Over Previous Budgets

- ✓ Staff salaries and the PB stipend have been increased by 5%. The PB Elect's stipend is the same as for the PB. Each Bishop has its own travel budget with the Bishop Elect being half of the Presiding Bishop's travel expense.
- ✓ There is a modest 5% increase in Community tithing for 2015 and again a 5% increase for 2016.
- ✓ A new item has been added – the National Council of Churches annual membership fee of \$1K.
- ✓ Another new item provides for legal document review and updating (core legal incorporation filings) the amount of \$2k for FY '15 only.

Finance Committee Recommendations

The Finance Committee recommends that the proposed 2015/16 Budgets, which accompany this Report, be approved and ratified at the upcoming Synod. This recommendation is coupled with the Committee's sincere request that the ECC vigorously pursue its new fundraising campaign, as recently initiated by the ECC Leadership Council, in order to meet the Communion's serious budgetary needs.

The Finance Committee is prepared to address all questions and to provide further details and recommendations at the upcoming Synod. Thank you.

Respectfully submitted,

Jack Coyne

Jack Coyne, Chair
ECC Finance Committee