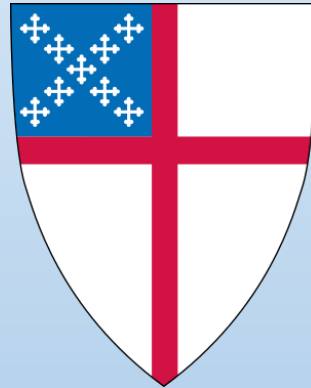


# 2023 Budget

## Open Forum

November 10, 2022



**Episcopal Diocese of Maryland**

**Jason Kamrath, Canon for Finance / Chief Financial Officer**

Gracious and generous God, Creator and Giver of all that is good, we thank you for our many blessings. We acknowledge that all that we have is from you. We offer you thanks and praise for the beauty of the earth, our work, our family, our loved ones, and all the gifts we have been given.

You are with us always. In each dark hour, you are here. In each bright hour, you are here. Blessed by your grace, may we show gratitude by sharing what we have been given. By serving our brothers and sisters, we serve you.

We remain ever grateful for your constant love, the gift of your Son Jesus, and the presence of your Holy Spirit with us. Protect and guide us on our journey, and guide those who are involved in Diocesan, and parish stewardship leadership.

We seek to be your faithful stewards.

*Amen.*



**Episcopal Diocese of Maryland  
2023 Budget Forum**



# Budget Process

The Diocese of Maryland canons delegate the budget process to the program and budget committee with visioning and input generated through regional councils. Historically, at least one person from each region along with Diocesan staff would make up this committee.

The regional representative would obtain input from the churches in each region by way of the regional councils. In recent years, participation in both the regional councils and program and budget process has dwindled leaving a much smaller group to present a balanced budget to Diocesan Council for their approval in December.

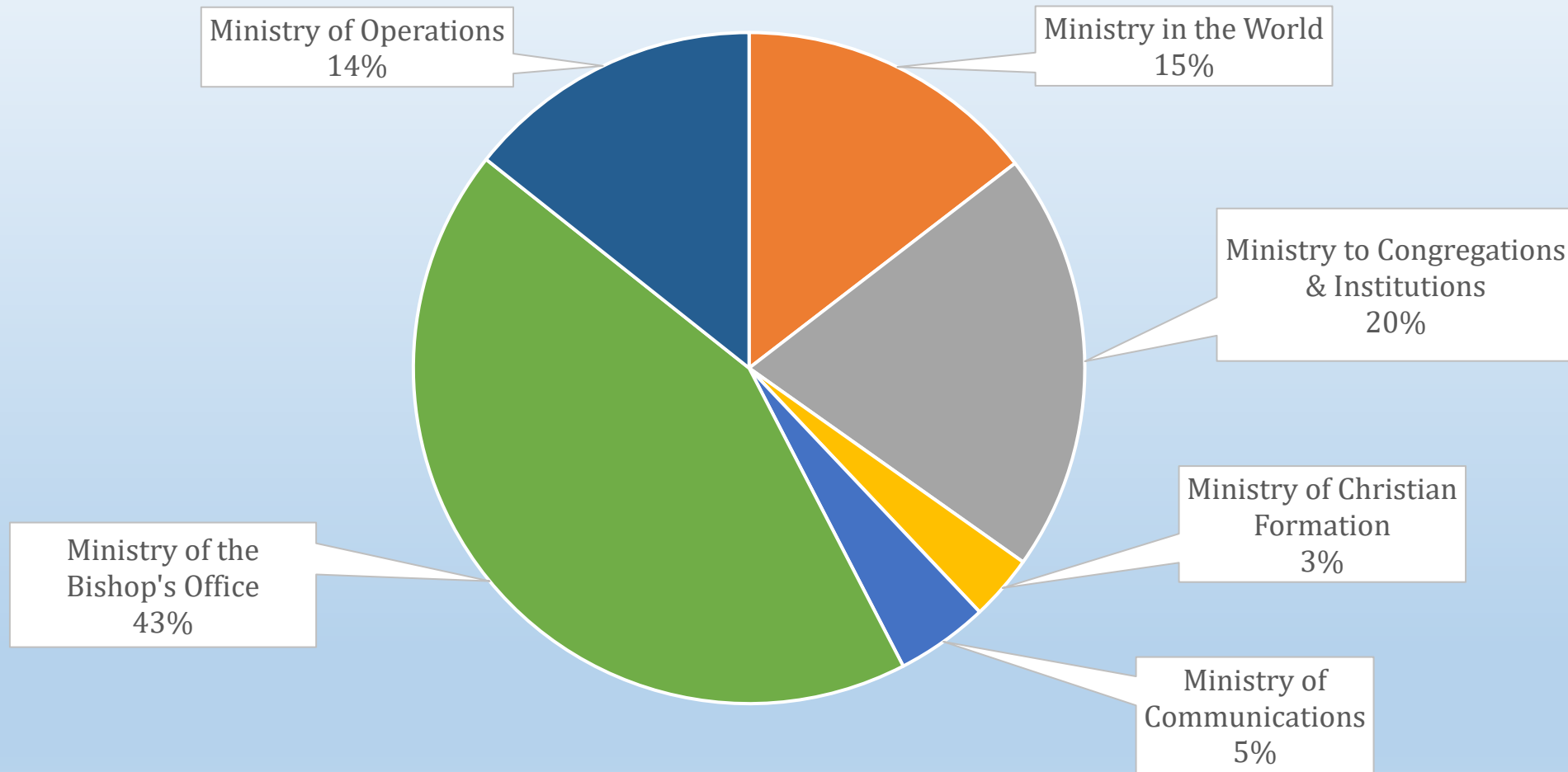
At its September meeting (minutes not yet approved/published), the Council expressed a desire to maintain current programming until the new Bishop Coadjutor is available to participate in budget visioning for the future. This process would include discussing the regional council structure and its relationship to the program and budget committee. Council also approved exceeding the expense budget by 5% due to increased property care expenses.

The Claggett Center and Sutton Scholars boards prepare separate budgets that are also reviewed and approved by Diocesan Council.

**Episcopal Diocese of Maryland**  
**2023 Budget Forum**



# 2023 Diocesan of Maryland Operating Budget - \$5,566,200



**Episcopal Diocese of Maryland  
2023 Budget Forum**



## 2023 Diocese of Maryland Operating Budget

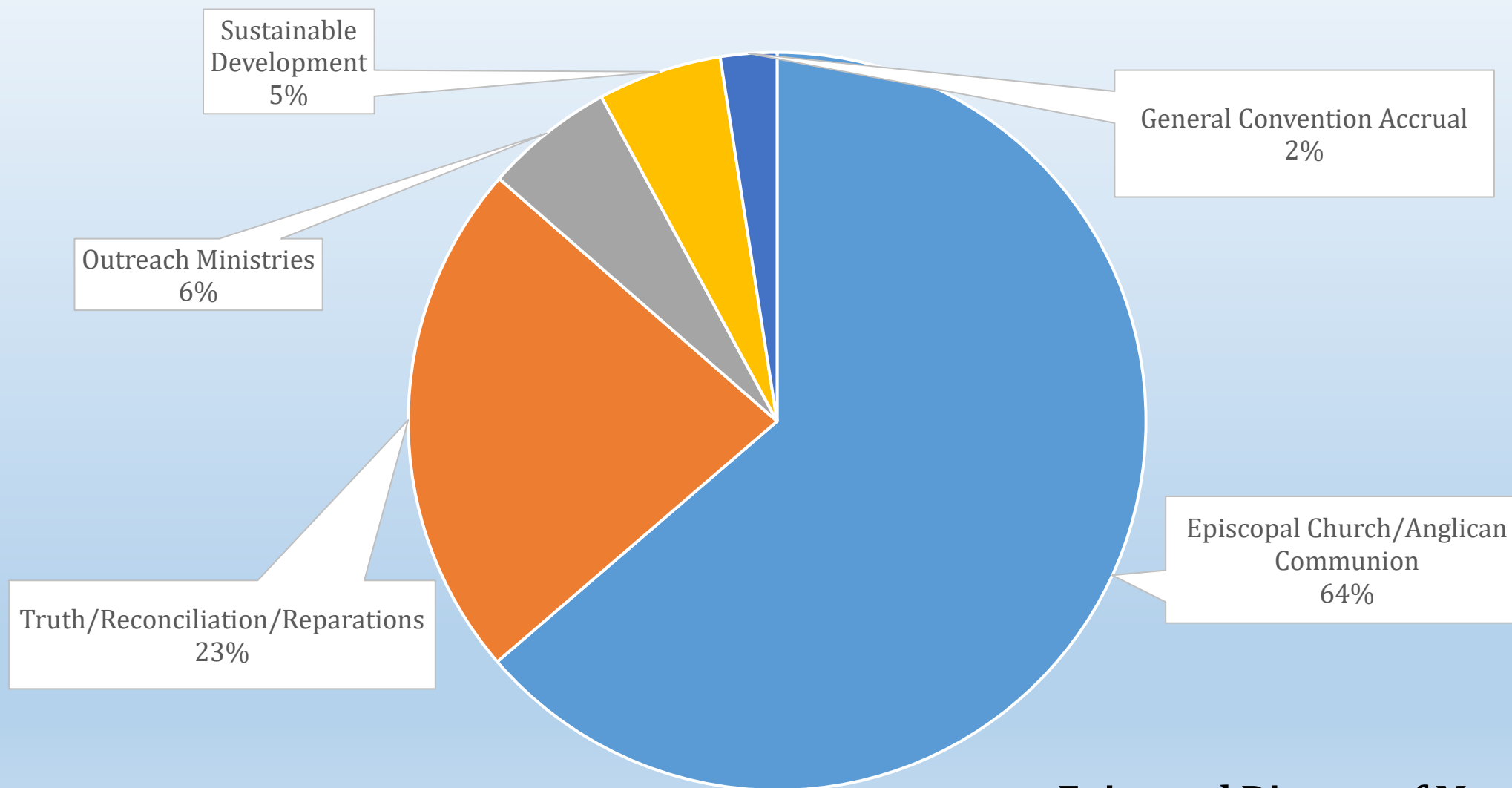
The Diocese of Maryland operating budget is divided into six categories. We will review each category in detail, and then review the revenue sources that fund this budget. There are three other Diocesan Funds with separate budgeting processes that we will review briefly at the end of this presentation – The Claggett Center, Sutton Scholars, and The Middendorf Fund.

<b>Diocese of Maryland Expense Budget</b>		
Ministry in the World	14.55%	\$ (810,000.00)
Ministry to Congregations & Institutions	20.26%	\$ (1,127,500.00)
Ministry of Christian Formation	3.14%	\$ (175,000.00)
Ministry of Communications	4.46%	\$ (248,000.00)
Ministry of the Bishop's Office	43.27%	\$ (2,408,700.00)
Ministry of Operations	14.32%	\$ (797,000.00)
		<b>\$ (5,566,200.00)</b>

**Episcopal Diocese of Maryland  
2023 Budget Forum**



## Ministry in the World - \$810,000 – 14.55%



**Episcopal Diocese of Maryland  
2023 Budget Forum**



## Ministry in the World Line-Item Budget – 15% of the Budget

<u>Description</u>	<u>2022 Projected</u>	<u>2022 Budget</u>	<u>Difference</u>	<u>% Over/ Under Budget</u>	<u>2023 Draft Budget</u>	<u>% Incr/Decr From 2022</u>
Ministry in the World						
Bragg Scholarship	(\$13,500.00)	(\$13,500.00)	\$0.00	0.00%	(\$14,500.00)	7.41%
Reading Camps	(\$3,001.96)	(\$3,000.00)	(\$1.96)	0.07%	(\$5,000.00)	66.67%
Green Grace Maryland	\$0.00	(\$500.00)	\$500.00	-100.00%	(\$500.00)	0.00%
Episcopal Service Corps	(\$9,358.66)	(\$15,000.00)	\$5,641.34	-37.61%	\$0.00	-100.00%
Safe Church Training	\$0.00	(\$500.00)	\$500.00	-100.00%	\$0.00	-100.00%
Baltimore Seafarer's Center	(\$18,499.92)	(\$18,500.00)	\$0.08	0.00%	(\$18,500.00)	0.00%
Truth & Reconciliation Commission	(\$2,613.29)	(\$7,500.00)	\$4,886.71	-65.16%	(\$7,500.00)	0.00%
Public Policy Office	(\$960.40)	(\$4,000.00)	\$3,039.60	-75.99%	(\$2,500.00)	-37.50%
Homework Club - Guardian Angel	(\$2,000.04)	(\$2,000.00)	(\$0.04)	0.00%	\$0.00	-100.00%
Episcopal Refuge & Immigration Center	(\$5,000.04)	(\$5,000.00)	(\$0.04)	0.00%	(\$5,000.00)	0.00%
Episcopal Churchwide Allocation	(\$486,381.48)	(\$486,381.00)	(\$0.48)	0.00%	(\$502,000.00)	3.21%
General Convention & Lambeth	(\$28,226.25)	(\$30,000.00)	\$1,773.75	-5.91%	(\$20,000.00)	-33.33%
Province Three Allocation	(\$13,539.53)	(\$12,000.00)	(\$1,539.53)	12.83%	(\$14,000.00)	16.67%
Global Mission Links	(\$5,000.00)	(\$5,000.00)	\$0.00	0.00%	(\$5,000.00)	0.00%
Reparations Taskforce	(\$176,281.14)	(\$40,000.00)	(\$136,281.14)	340.70%	(\$176,500.00)	341.25%
Sustainable Development Grants	(\$35,940.00)	(\$35,940.00)	\$0.00	0.00%	(\$39,000.00)	8.51%
<b>Total Ministry in the World</b>	<b>(\$800,302.71)</b>	<b>(\$678,821.00)</b>	<b>(\$121,481.71)</b>	<b>17.90%</b>	<b>(\$810,000.00)</b>	<b>19.32%</b>

**Episcopal Diocese of Maryland  
2023 Budget Forum**



## **2023 Ministry to the World Highlights – 15% of the Budget**

### **Outreach Ministries**

- Bragg Scholarship – endowment funded scholarships for disadvantaged youth
- Reading Camps – largely on hiatus due to COVID, new focus in 2023
- Green Grace – environmental ministry, program in transition
- Seafarer's – hospitality, advocacy, and outreach to seafarers at the port of Baltimore
- Episcopal Refugee & Immigrant Center Alliance – Cathedral ministry
- Global Mission – Dioceses of Puerto Rico & Nakuru (Kenya)
- Global Sustainable Development Goals – universal call to action – 0.7% of budget
- Wider ministries of the Episcopal Church – 9.3% of operating budget supports mission and ministry across Province 3, Episcopal Church and Anglican Communion





## **2023 Ministry to the World Highlights – 15% of the Budget**

### **Truth & Reconciliation Commission and Reparations Taskforce**

The work of reconciliation is a fundamental calling for the Diocese of Maryland. The Truth and Reconciliation Commission is an ongoing commission focused on enhancing existing efforts to eradicate racism, researching the history of slavery in our diocese and its residual impact, as well as reparations. The reparations taskforce instituted a grantmaking process during 2022 and distributed \$175,000 to organizations committed to reparations. Read more here: <https://religionnews.com/2022/05/27/175000-in-reparations-grants-given-by-episcopal-diocese-of-maryland/>

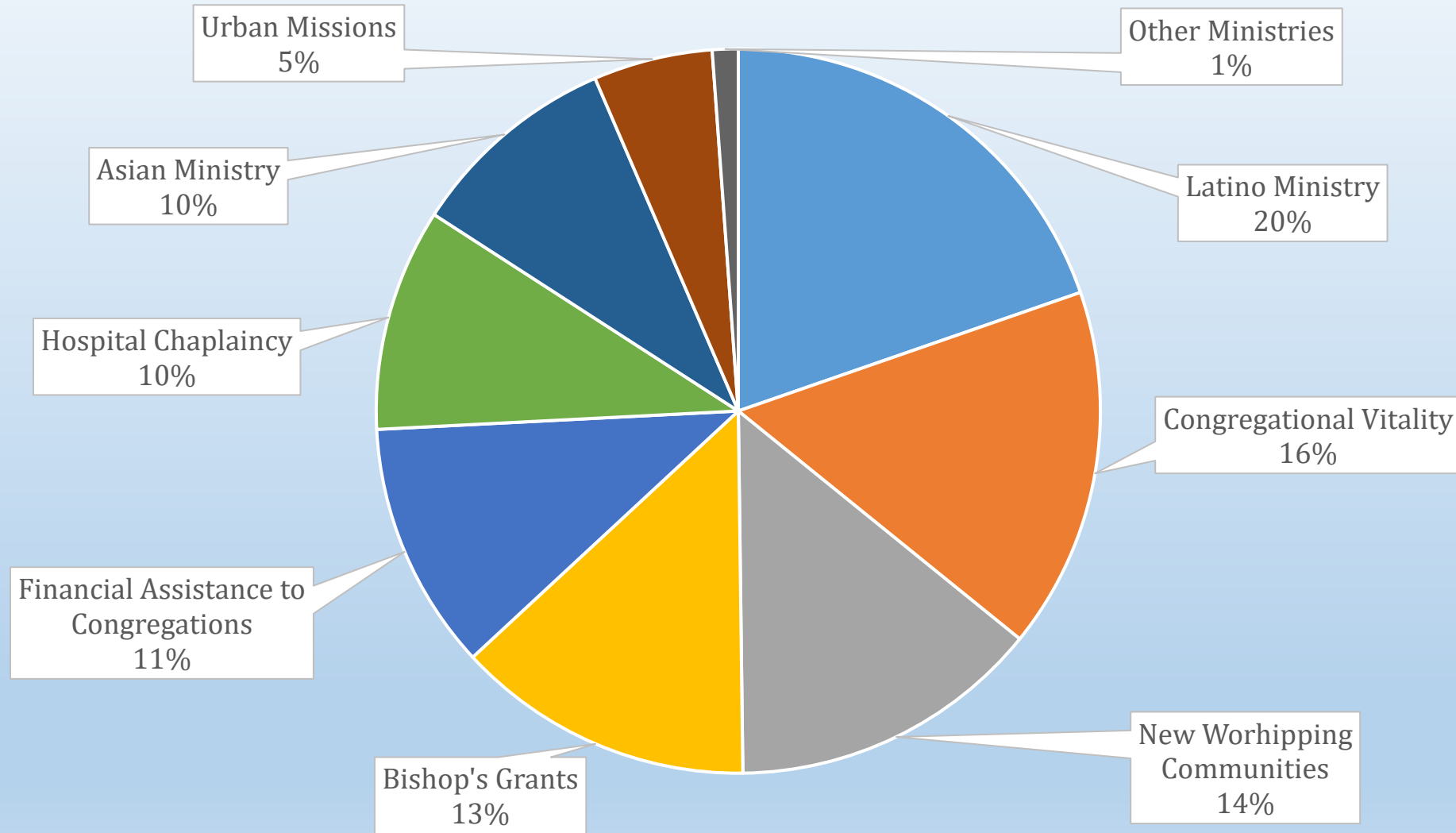
### **Other Items**

- Public Policy – Advocacy day at the Maryland legislature
- General Convention & Lambeth – Funds accrued annually – larger this year due to the next General Convention occurring in 2024
- Safe Church Online Training
- Sutton Scholars – separate budget

**Episcopal Diocese of Maryland  
2023 Budget Forum**



## Ministry to Congregations/Inst. - \$1,127,500 – 20.26%



**Episcopal Diocese of Maryland  
2023 Budget Forum**



# Ministry to Congregations & Institutions Line-Item Budget – 20% of the Budget

<u>Description</u>	<u>2022 Projected</u>	<u>2022 Budget</u>	<u>Difference</u>	<u>% Over/ Under Budget</u>	<u>2023 Draft Budget</u>	<u>% Incr/Decr From 2022</u>
<b>Ministry to Congregations &amp; Institutions</b>						
Diocesan Archives	(\$1,231.60)	(\$3,000.00)	\$1,768.40	-58.95%	(\$3,000.00)	0.00%
Bishop's Grants	(\$122,081.48)	(\$150,000.00)	\$27,918.52	-18.61%	(\$150,000.00)	0.00%
Asian Ministry	(\$100,795.80)	(\$98,880.00)	(\$1,915.80)	1.94%	(\$106,000.00)	7.20%
Latino Ministry	(\$222,458.91)	(\$190,000.00)	(\$32,458.91)	17.08%	(\$222,000.00)	16.84%
Slate Project	(\$30,900.00)	(\$30,900.00)	\$0.00	0.00%	(\$32,500.00)	5.18%
Church on the Square, Canton	(\$80,407.92)	(\$50,000.00)	(\$30,407.92)	60.82%	(\$75,000.00)	50.00%
Urbana New Ministry	(\$30,094.00)	(\$30,000.00)	(\$94.00)	0.31%	(\$50,000.00)	66.67%
Ihloff Fund Grants/Congregational Vitality	(\$73,830.67)	(\$50,000.00)	(\$23,830.67)	47.66%	(\$72,000.00)	44.00%
College for Congregational Development	(\$46,740.28)	(\$50,000.00)	\$3,259.72	-6.52%	(\$50,000.00)	0.00%
Endowment Ministry Grants	(\$60,055.00)	(\$60,000.00)	(\$55.00)	0.09%	(\$60,000.00)	0.00%
Financial Assistance to Congregations	(\$122,000.00)	(\$125,000.00)	\$3,000.00	-2.40%	(\$125,000.00)	0.00%
Hospital Chaplaincies	(\$94,881.56)	(\$94,420.00)	(\$461.56)	0.49%	(\$112,000.00)	18.62%
Sabbatical Assistance	(\$2,000.00)	(\$3,000.00)	\$1,000.00	-33.33%	(\$5,000.00)	66.67%
Liturgy & Worship Committee	(\$3,350.00)	(\$7,000.00)	\$3,650.00	-52.14%	(\$5,000.00)	-28.57%
Stewardship & Planned Giving	(\$621.47)	\$0.00	(\$621.47)	0.00%	\$0.00	0.00%
Urban Missions	(\$55,456.89)	(\$47,250.00)	(\$8,206.89)	17.37%	(\$60,000.00)	26.98%
<b>Total Ministry to Congregations &amp; Institutions</b>	<b>(\$1,046,905.58)</b>	<b>(\$989,450.00)</b>	<b>(\$57,455.58)</b>	<b>5.81%</b>	<b>(\$1,127,500.00)</b>	<b>13.95%</b>

**Episcopal Diocese of Maryland  
2023 Budget Forum**



## **2023 Ministry to Congregations & Institutions Highlights – 20% of the Budget**

The Diocese of Maryland is committed to supporting our congregations and their vital ministries and offers many grant programs to churches in the diocese. The Congregational Vitality Team also offers consulting support at little to no cost to the church as well as training of leaders through the College of Congregational Development. Approximately 14% of the total budget is concentrated on these efforts.

### **Grant Programs**

- Bishop's discretionary grants for clergy needs, funded by an endowment
- Ihloff grants for congregational development, funded by an endowment
- Ministry grants, funded by an endowment
- Sabbatical assistance grants
- Financial assistance for congregations facing temporary challenges

**Episcopal Diocese of Maryland  
2023 Budget Forum**



# 2023 Ministry to Congregations & Institutions Highlights – 20% of the Budget

## Ministry Supported by the Diocesan Budget

- Korean Ministry – St John's Ellicott City
- Latino Ministry – Iglesia Episcopal de la Resurreccion, Baltimore & New Sites
- The Slate Project – Church without walls <https://slateproject.org/>
- Church on the Square – partnership with the ELCA
- Urbana, MD new ministry – partnership with the ELCA
- Urban Missions – Church of the Guardian Angel & Holy Nativity Pimlico
- Johns Hopkins Chaplaincy

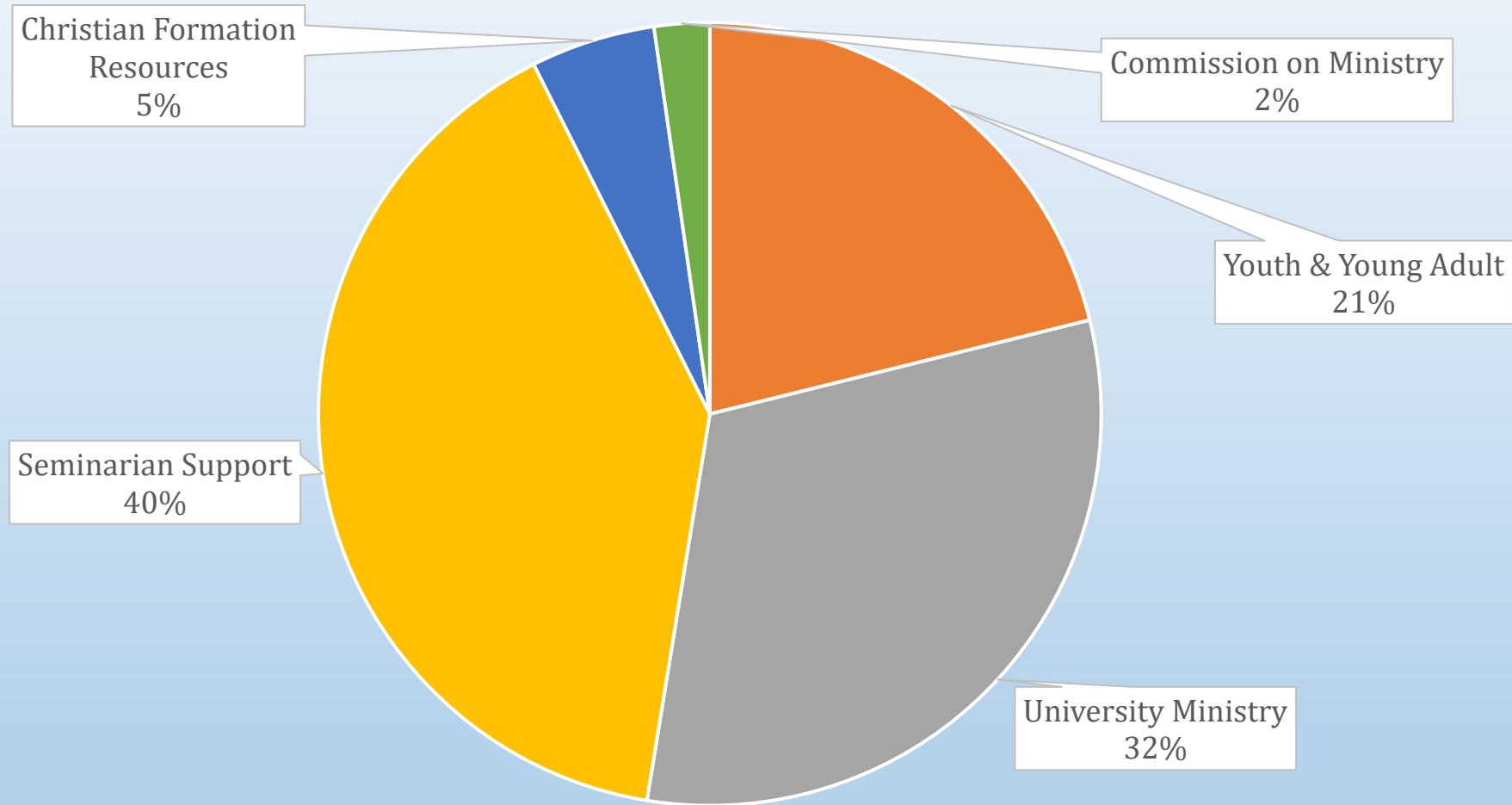
## Other Items

- Congregational Vitality & College for Congregational Development
- Stewardship & Planned Giving – provided for free by the Development Office
- Diocesan Archives – research assistance
- Music Ministry retreat

**Episcopal Diocese of Maryland**  
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## Ministry of Christian Formation - \$175,000 – 3.14%



**Episcopal Diocese of Maryland  
2023 Budget Forum**



# Ministry of Christian Formation Line-Item Budget – 3% of the Budget

<u>Description</u>	<u>2022 Projected</u>	<u>2022 Budget</u>	<u>Difference</u>	<u>% Over/ Under Budget</u>	<u>2023 Draft Budget</u>	<u>% Incr/Decr From 2022</u>
<b>Ministry of Christian Formation</b>						
Christian Formation Resources	(\$1,500.00)	(\$5,000.00)	\$3,500.00	-70.00%	(\$2,000.00)	-60.00%
College Ministry	(\$39,599.88)	(\$55,000.00)	\$15,400.12	-28.00%	(\$55,000.00)	0.00%
Continuing Education Grants	(\$1,517.50)	(\$3,000.00)	\$1,482.50	-49.42%	(\$2,000.00)	-33.33%
Discerning Ordained Vocation	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	0.00%
Education for Ministry	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	0.00%
Exploring Baptismal Ministry	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	0.00%
New Clergy Training	(\$2,400.00)	(\$5,000.00)	\$2,600.00	-52.00%	(\$5,000.00)	0.00%
Commission on Ministry	(\$4,323.46)	(\$4,000.00)	(\$323.46)	8.09%	(\$4,000.00)	0.00%
Seminarians	(\$70,000.00)	(\$70,000.00)	\$0.00	0.00%	(\$70,000.00)	0.00%
Claggett Center Youth Camp Grant	(\$6,000.00)	(\$6,000.00)	\$0.00	0.00%	(\$7,000.00)	16.67%
Youth & Young Adult Ministry	(\$20,474.81)	(\$30,000.00)	\$9,525.19	-31.75%	(\$30,000.00)	0.00%
<b>Total Ministry of Christian Formation</b>	<b>(\$145,815.65)</b>	<b>(\$178,000.00)</b>	<b>\$32,184.35</b>	<b>-18.08%</b>	<b>(\$175,000.00)</b>	<b>-1.69%</b>

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## **2023 Ministry of Christian Formation Highlights – 3% of the Budget**

- Christian Formation Resources / Continuing Education Grants
- University Ministry – program in transition / collaboration with ELCA
- Youth Ministry – Happening, New Beginnings, Pilgrimages for Youth
- Claggett Camp Scholarships – funded by an endowment
- Grants to Seminarians
- Commission on Ministry
- Fresh Start Training for New Clergy

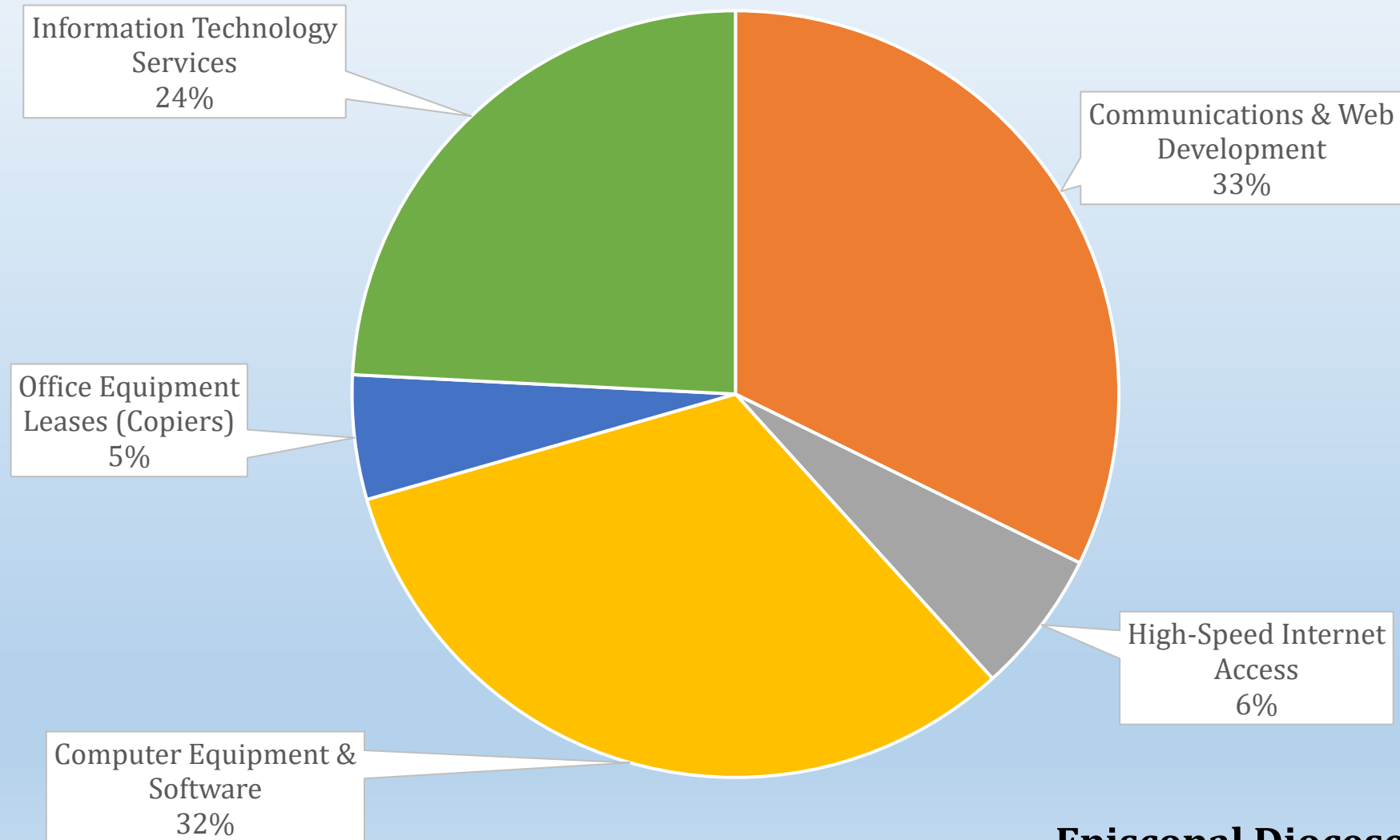
### **Funded by Participation Fees**

- Education for Ministry – Exploring Baptismal Ministry / Discerning Ordained Vocation
- Diaconate – Training and Deployment of Deacons





## Ministry of Communications - \$248,000 – 4.46%



**Episcopal Diocese of Maryland  
2023 Budget Forum**



# Ministry of Communications Line-Item Budget – 4% of the Budget

<u>Description</u>	<u>2022 Projected</u>	<u>2022 Budget</u>	<u>Difference</u>	<u>% Over/ Under Budget</u>	<u>2023 Draft Budget</u>	<u>% Incr/Decr From 2022</u>
Ministry of Communications						
Communications	(\$70,990.14)	(\$90,000.00)	\$19,009.86	-21.12%	(\$80,000.00)	-11.11%
Electronic Communications	(\$14,340.00)	(\$20,000.00)	\$5,660.00	-28.30%	(\$15,000.00)	-25.00%
Computer Equipment & Software	(\$78,439.47)	(\$60,000.00)	(\$18,439.47)	30.73%	(\$80,000.00)	33.33%
Office Equipment Leases	(\$12,964.80)	(\$13,000.00)	\$35.20	-0.27%	(\$13,000.00)	0.00%
Information Technology Services	(\$55,610.45)	(\$65,000.00)	\$9,389.55	-14.45%	(\$60,000.00)	-7.69%
Total Ministry of Communications	(\$232,344.86)	(\$248,000.00)	\$15,655.14	-6.31%	(\$248,000.00)	0.00%

Episcopal Diocese of Maryland  
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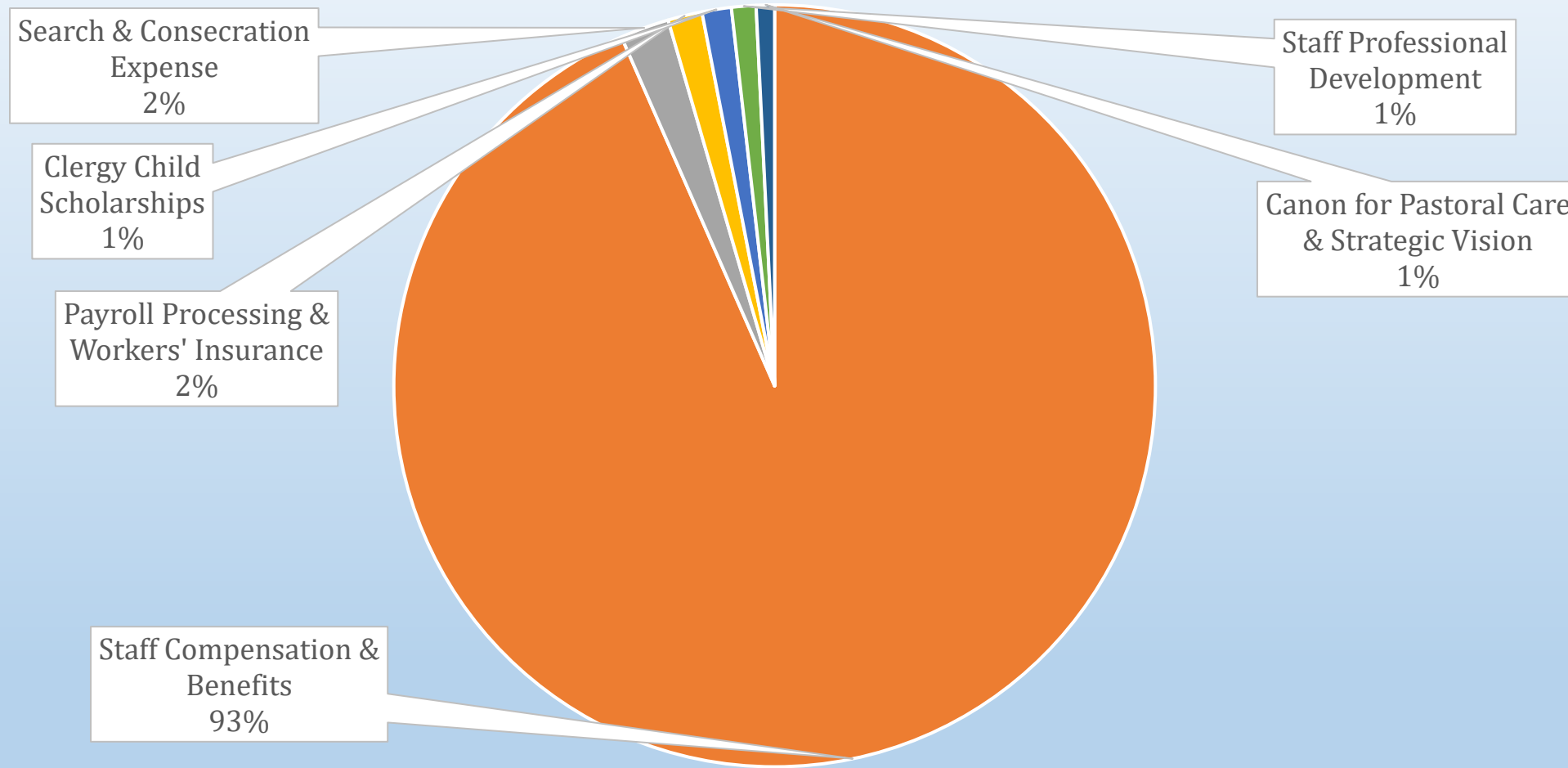
## **2023 Ministry of Communications Highlights – 4% of the Budget**

The communications budget funds programmatic costs such as the Diocesan website, biweekly eNews distribution, Maryland Episcopalian online magazine, public relations, and live-streaming support for online worship at The Cathedral of the Incarnation. The communications department also offers web development services to our churches for a negotiable fee based on need.

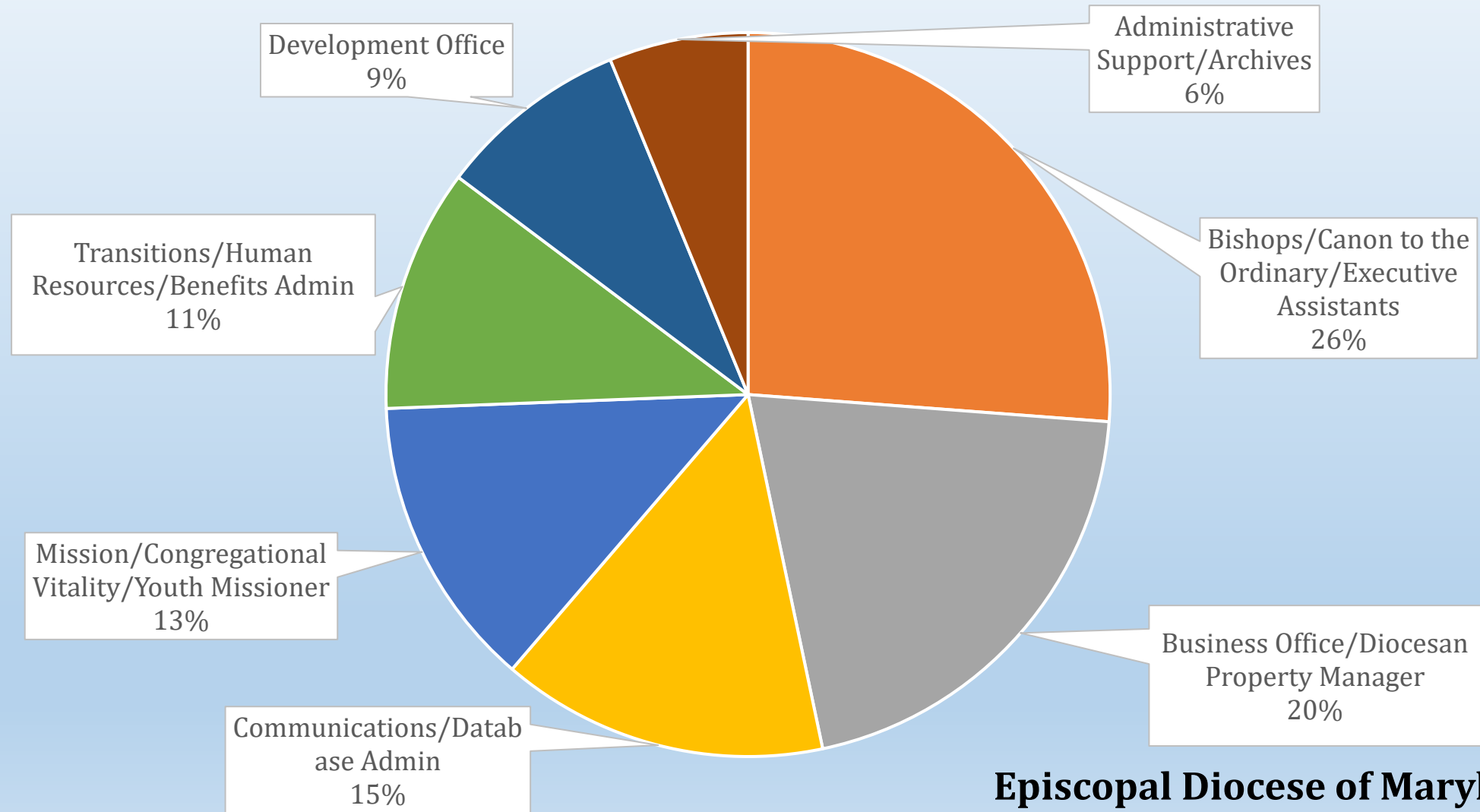
The budget also allows for high-speed Internet access, leasing of printers and copiers at the Diocesan Center, and computer equipment/software used by Diocesan Staff. Finally, the technical information technology services required to operate the equipment are outsourced to a contractor.



## Ministry of the Bishop's Office - \$2,408,700 – 43.27%



## Staff Compensation and Benefits - \$2,250,000 – 40.42%



**Episcopal Diocese of Maryland  
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# Ministry of The Bishop's Office Line-Item Budget – 43% of the Budget

<u>Description</u>	<u>2022 Projected</u>	<u>2022 Budget</u>	<u>Difference</u>	<u>% Over/ Under Budget</u>	<u>2023 Draft Budget</u>	<u>% Incr/Decr From 2022</u>
<b>Ministry of the Bishop's Office</b>						
Canon for Pastoral Services	(\$15,834.00)	(\$15,834.00)	\$0.00	0.00%	(\$16,700.00)	5.47%
Strategic Vision / Office of the Bishop	\$0.00	(\$2,000.00)	\$2,000.00	-100.00%	(\$2,000.00)	0.00%
Clergy Child Scholarships	(\$30,000.00)	(\$25,000.00)	(\$5,000.00)	20.00%	(\$30,000.00)	20.00%
Search & Consecration	(\$49,735.43)	(\$69,500.00)	\$19,764.57	-28.44%	(\$50,000.00)	-28.06%
Staff Compensation & Benefits	(\$2,134,997.36)	(\$2,140,000.00)	\$5,002.64	-0.23%	(\$2,250,000.00)	5.14%
Staff Professional Development	(\$34,068.29)	(\$20,000.00)	(\$14,068.29)	70.34%	(\$25,000.00)	25.00%
Payroll Processing Services	(\$19,254.11)	(\$20,000.00)	\$745.89	-3.73%	(\$25,000.00)	25.00%
Worker's Insurance	(\$9,361.68)	(\$9,000.00)	(\$361.68)	4.02%	(\$10,000.00)	11.11%
<b>Total Ministry of the Bishop's Office</b>	<b>(\$2,293,250.87)</b>	<b>(\$2,301,334.00)</b>	<b>\$8,083.13</b>	<b>-0.35%</b>	<b>(\$2,408,700.00)</b>	<b>4.67%</b>

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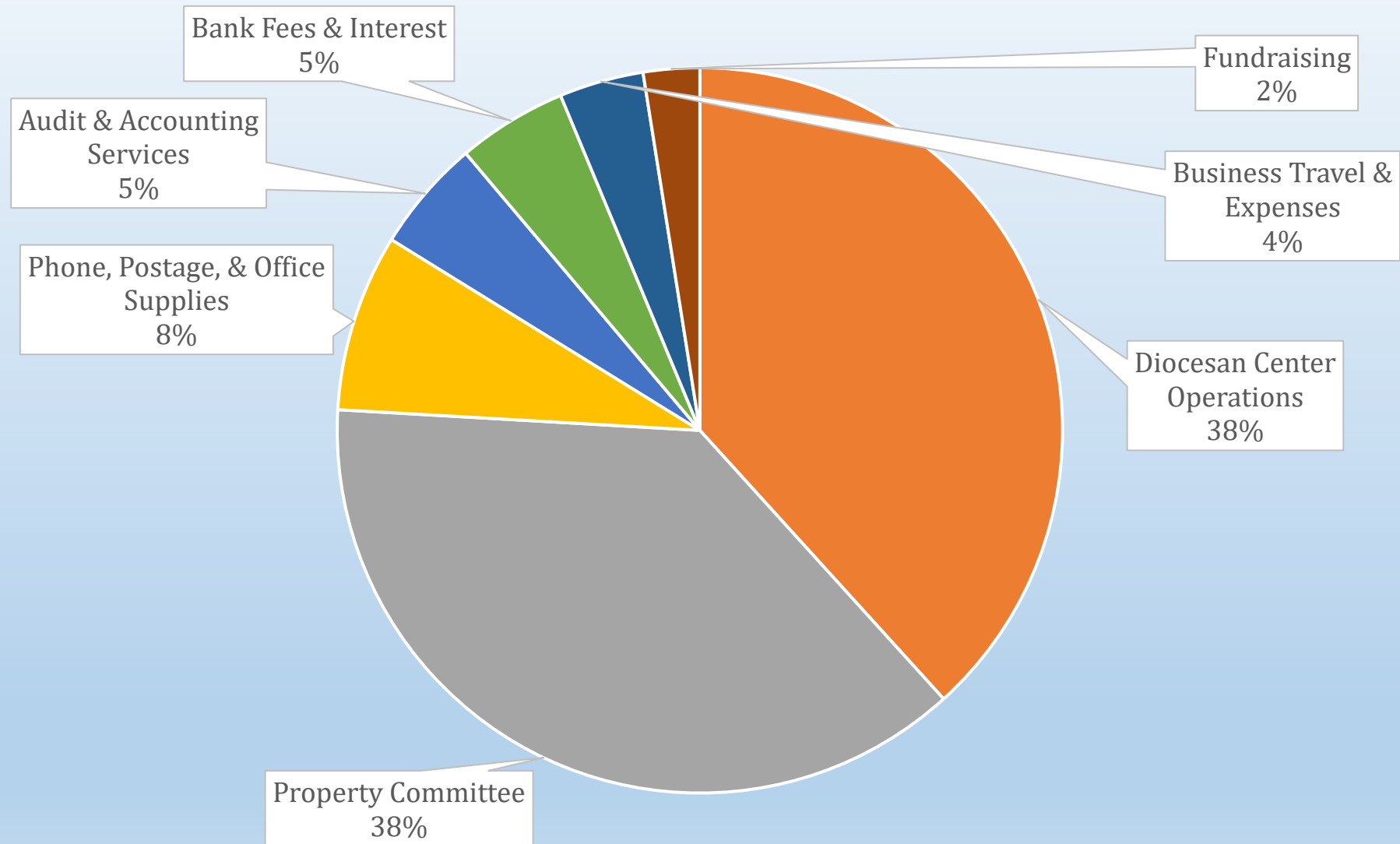


## **2023 Ministry of The Bishop's Office Highlights – 43% of the Budget**

- **Diocesan Staff Compensation & Benefits – 40% of the Operating Budget**  
Projecting a 5% cost of living increase and 5% increase in insurance costs  
Total salary budget still well below 50% of the total budget
- **Canon for Pastoral Services – Chaplain funded by an endowment**
- **Professional Development for Staff**
- **Scholarships for Children of Clergy – funded by an endowment**
- **Payroll Processing – Outsourced to a contractor**
- **Workers' Compensation Insurance / Self-Funded Unemployment Insurance**



## Ministry of Operations - \$797,000 - 14.32%





# Ministry of Operations Line-Item Budget – 14% of the Budget

<u>Description</u>	<u>2022 Projected</u>	<u>2022 Budget</u>	<u>Difference</u>	<u>% Over/ Under Budget</u>	<u>2023 Draft Budget</u>	<u>% Incr/Decr From 2022</u>
Ministry of Operations						
Audit & Accounting Services	(\$40,000.00)	(\$40,000.00)	\$0.00	0.00%	(\$40,000.00)	0.00%
Bank Fees & Interest	(\$42,011.38)	(\$32,000.00)	(\$10,011.38)	31.29%	(\$39,000.00)	21.88%
Business Travel & Meals	(\$31,156.08)	(\$20,000.00)	(\$11,156.08)	55.78%	(\$30,000.00)	50.00%
Diocesan Center Operations & Utilities	(\$315,606.34)	(\$250,000.00)	(\$65,606.34)	26.24%	(\$300,000.00)	20.00%
Diocesan Center Furnishings	(\$1,036.37)	(\$5,000.00)	\$3,963.63	-79.27%	(\$5,000.00)	0.00%
Telephones	(\$43,025.21)	(\$40,000.00)	(\$3,025.21)	7.56%	(\$45,000.00)	12.50%
Postage	(\$4,927.52)	(\$5,000.00)	\$72.48	-1.45%	(\$5,000.00)	0.00%
Office Supplies	(\$6,837.10)	(\$7,000.00)	\$162.90	-2.33%	(\$7,000.00)	0.00%
Legal Services	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	0.00%
Diocesan Convention	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	0.00%
Diocesan Council / Standing Committee	(\$168.20)	(\$1,000.00)	\$831.80	-83.18%	(\$1,000.00)	0.00%
Subscriptions & Membership	\$0.00	(\$500.00)	\$500.00	-100.00%	\$0.00	-100.00%
Director's & Officer's Insurance	(\$5,000.00)	(\$5,000.00)	\$0.00	0.00%	(\$5,000.00)	0.00%
Diocesan Property Care	(\$488,291.95)	(\$300,000.00)	(\$188,291.95)	62.76%	(\$300,000.00)	0.00%
Fundraising	(\$32,649.57)	(\$35,000.00)	\$2,350.43	-6.72%	(\$20,000.00)	-42.86%
<b>Total Ministry of Operations</b>	<b>(\$1,010,709.72)</b>	<b>(\$740,500.00)</b>	<b>(\$270,209.72)</b>	<b>36.49%</b>	<b>(\$797,000.00)</b>	<b>7.63%</b>

**Episcopal Diocese of Maryland  
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## **2023 Ministry of Operations Highlights – 14% of the Budget**

### **Business Operations**

Costs for telephones, business travel, bank fees, interest, postage, and office supplies represent 24% of the operations budget.

### **Diocesan Center Operations**

This category consists of all expenses relating to operating the Diocesan Center facility and The Cathedral of the Incarnation including supplies, repairs, utilities, lawncare, building manager, and custodial staff. The Cathedral congregation reimburses a portion of the cost and has been asked to increase their contribution as the costs to operate the center have increased. Total cost to operate the building represent 38% of the operations budget. Larger capital improvements are typically shared between the Cathedral congregation and the Property Care budget.



## **2023 Ministry of Operations Highlights – 14% of the Budget**

### **Diocesan Property Care**

In addition to the Diocesan Center and Cathedral Property, the Diocese is responsible for the following additional properties:

- Clover Hill House – historic former Bishop's residence now rented to clergy
- 4 closed churches being prepared for sale
- 4 closed churches used by other organizations
- 11 mission churches
- 5 cemetery properties

As churches close, the Diocese becomes responsible for maintenance and disposition or reuse of the property, typically with costly deferred maintenance.



## **2023 Ministry of Operations Highlights – 14% of the Budget**

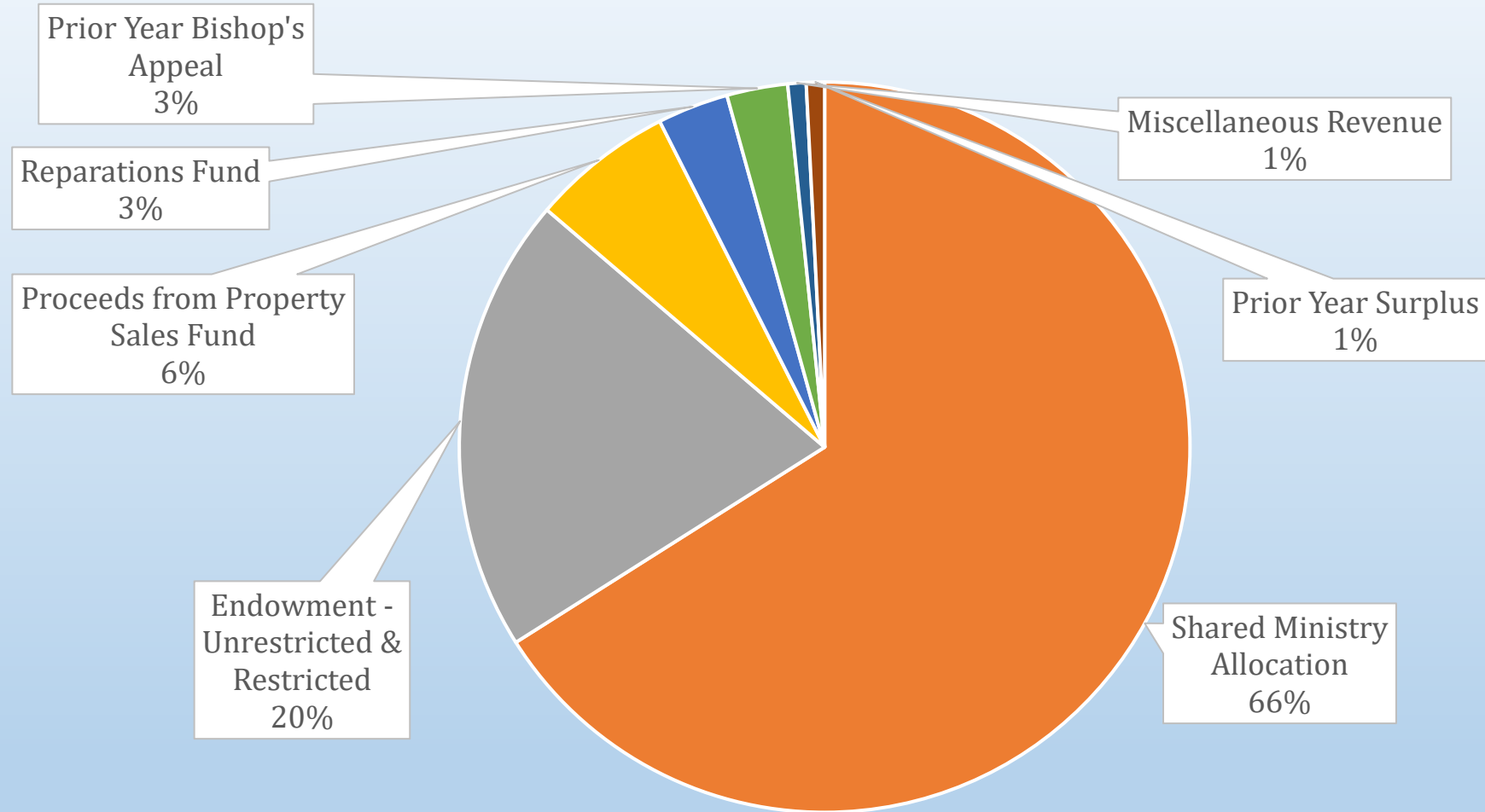
### **Diocesan Property Care**

The costs of maintaining these properties has been significantly over budget in both 2021 and 2022. In 2021, \$140,000 in one-time significant repairs were made while in 2022, large repairs of \$175,000 were made to replace boilers, repair roofs, repaint, upgrade lighting, etc. Each year the Diocesan Council has approved additional funds over the \$300,000 budget as projects were completed.

When properties are sold, the funds are typically designated to the proceeds from property sales endowment fund. These funds have been spent by Diocesan Council on new ministry starts, capital improvements, costs to prepare properties for sale, and debt reduction.



# Diocese of Maryland 2023 Revenue Budget



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# Diocese of Maryland 2023 Operating Revenue Line-Item Budget

<u>Description</u>	<u>2022 Projected</u>	<u>2022 Budget</u>	<u>Difference</u>	<u>% Over/ Under Budget</u>	<u>2023 Draft Budget</u>	<u>% Incr/Decr From 2022</u>
<b>Revenues</b>						
Shared Ministry Allocation	\$3,555,155.00	\$3,550,000.00	\$5,155.00	0.15%	\$3,675,019.00	3.52%
Unrestricted Endowment Draw	\$525,000.00	\$525,000.00	\$0.00	0.00%	\$525,000.00	0.00%
Prior Year Bishop's Appeal	\$150,000.00	\$150,000.00	\$0.00	0.00%	\$150,000.00	0.00%
Proceeds from Property Sales (Restricted)	\$200,000.00	\$200,000.00	\$0.00	0.00%	\$350,000.00	75.00%
Reparations Endowment Draw (Restricted)	\$175,000.00	\$40,000.00	\$135,000.00	337.50%	\$175,000.00	337.50%
Restricted Endowment Draw	\$491,684.11	\$590,875.00	(\$99,190.89)	-16.79%	\$601,338.00	1.77%
Miscellaneous	\$467,809.10	\$20,000.00	\$447,809.10	2239.05%	\$45,000.00	125.00%
<b>Total Revenues</b>	<b>\$5,564,648.21</b>	<b>\$5,075,875.00</b>	<b>\$488,773.21</b>	<b>9.63%</b>	<b>\$5,521,357.00</b>	<b>8.78%</b>

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# 2023 Diocese of Maryland Operating Revenue Highlights

## Shared Ministry Allocation

The Diocese of Maryland has two calculations for the shared allocation each church contributes to the Diocesan budget.

**FORMULA -- *The lesser of:***

A) 18% (.18) of the average of the 2019, 2020 and 2021 normal operating income  
less: 4% (.04) of the 2021 normal operating expense  
less: \$2,860

**OR**

B) 18% (.18) of the 2021 normal operating income  
less: 4% (.04) of the 2021 normal operating expense  
less: \$2,860

Effectively, this formula ensures that congregations of lesser financial means contributed 10% of average normal operating income or less while congregations of greater financial means contribute 12-14% of average normal operating income. No church contributes more than 14% for 2023.

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# **2023 Diocese of Maryland Operating Revenue Highlights**

## **Endowment Income**

The Diocesan Investment Fund contains over 350 sub-funds and totals approximately \$35,000,000. Per church canons, the Diocese may draw up to 5% for restricted and unrestricted spending each year but has averaged spending of approximately 4.5%. The proceeds from property sales fund and the Reparations fund are both also included in the Diocesan Investment Fund.

## **Bishop's Annual Appeal**

The annual fundraising effort generates approximately \$150,000 for the next year's operating budget. Most contributions are designated to the greatest need, but some donors support specific ministries

## **Miscellaneous Revenue**

Rental revenue and facilities usage fees. The 2022 projection is higher than budget due to the Employee Retention Tax Credit.

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# 2023 Diocese of Maryland Operating Revenue Highlights

## Prior Year Change in Operating Net Assets

The budget is balanced by spending a portion of the prior year change in net assets.

2022 Projected Increase in Operating Net Assets	\$35,329
2021 Decrease in Operating Net Assets	(\$51,617)
2020 Increase in Operating Net Assets	\$159,474
2019 Increase in Operating Net Assets	\$1,657
Projected Operating Net Assets Carryforward to 2023	\$144,843



## Claggett Camp and Conference Center

The Diocese of Maryland owns the Claggett Camp and Conference Center near Frederick, Maryland. Prior to COVID-19, the center generated sufficient net assets to operate and maintain its physical plant. While the operations were impacted by the pandemic, the hope is to return to profitability in 2024. Bequests and donations received prior to the pandemic generated sufficient cash flow to operate through the first quarter of 2022, though borrowing is now being utilized to maintain cash flow.

Claggett Camp and Conference Center				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Guest Revenue	\$ 849,878	\$ 394,363	\$ 2,003,653	\$ 1,746,176
Other Revenue	\$ 220,380	\$ 429,516	\$ 225,923	\$ 943,731
	<b>\$ 1,070,258</b>	<b>\$ 823,879</b>	<b>\$ 2,229,576</b>	<b>\$ 2,689,907</b>
Operating Expenses	\$ (1,585,040)	\$ (1,508,632)	\$ (1,914,480)	\$ (1,731,702)
Operating Gain/Loss	<b>\$ (514,782)</b>	<b>\$ (684,753)</b>	<b>\$ 315,096</b>	<b>\$ 958,205</b>
Capital Campaign Pledges	\$ 1,841,548	\$ -	\$ -	
Major Gift Pledges	\$ 2,945,267	\$ -	\$ -	
Financing Activities	\$ (730,634)	\$ 182,494	\$ (357,160)	\$ (350,620)
Change in Net Assets	<b>\$ 3,541,399</b>	<b>\$ (502,259)</b>	<b>\$ (42,064)</b>	<b>\$ 607,585</b>

The Claggett budget is prepared by the co-directors and approved by both the Claggett board and the Diocesan Council. A large capital campaign has generated nearly \$3 million dollars to renovate the historic barn into meeting space crucial for continued growth.

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## Sutton Scholars High School Enrichment Program

The Sutton Scholars® High School Enrichment Program helps high school students in Baltimore become confident, competent individuals by teaching essential soft and other life skills necessary to develop socially and emotionally, and to achieve academic, workplace, and personal success. To meet these needs in the community, Sutton Scholars provides five weeks of curriculum on the campus of Mercy High School, teaching time management skills; workplace etiquette; healthy interpersonal communications and conflict

resolution strategies; relational, emotional, nutritional and physical health; financial skills; and other selected life skills to the students. Over \$1.8 million in grants and contributions have funded this program since its inception in 2015.

The Episcopal Diocese of Maryland Sutton Scholars - Chris McCloud Program Inception to Current				
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>Total</u>
Total Donations, Grants & Pledges	\$ 203,541.45	\$ 398,114.27	\$ 235,081.15	\$ 1,823,243.27
Program Expenses	\$(125,640.20)	\$(246,288.38)	\$(262,237.32)	\$(1,268,098.63)
General & Administrative Expenses	\$ (72,260.89)	\$ (55,880.00)	\$ (57,446.21)	\$ (296,893.28)
Total Expenses	\$(197,901.09)	\$(302,168.38)	\$(319,683.53)	\$(1,564,991.91)
Total Increase / (Decrease) in Net Assets	\$ 5,640.36	\$ 95,945.89	\$ (84,602.38)	\$ 258,251.36

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## **The Middendorf Fund**

The Middendorf Fund is an endowment that was established to fund low interest loans to congregations and missions of the Diocese to assist in the construction, renovation and improvement of church property. As of September 30, 2022, the endowment balance was \$3,668,421 with an additional \$372,713 in cash and outstanding loans to 15 congregations totaling \$2,209,032 and a total fund value of \$6,250,166.

At the beginning of 2022, the trustees voted to reduce all interest rates to zero percent both to assist churches with debt reduction and encourage churches to complete necessary repairs or replace aging building systems. The trustees plan to review this provision on an annual basis.



# Questions??

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