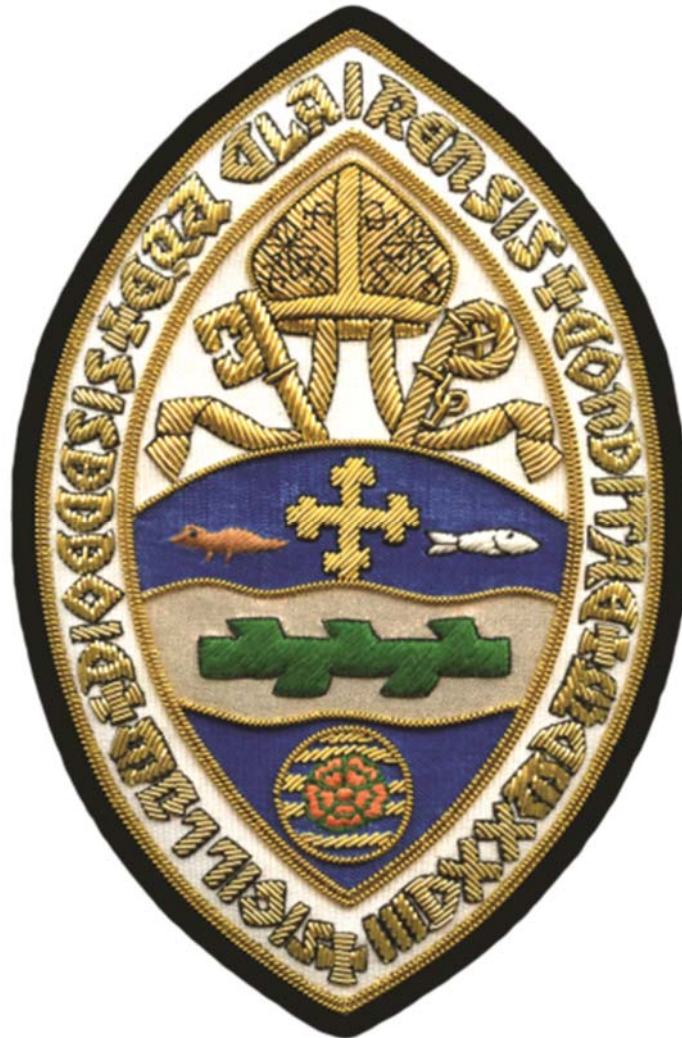


Diocese of Eau Claire 2021 Budget



HERALDRY OF THE SEAL OF THE DIOCESE OF EAU CLAIRE

Eau Claire (1928) Northwestern Wisconsin, shield on a wavy fess, a design like a tree trunk with limbs trimmed close, in chief a muskrat, cross and fish, in base a design incorporating a rose. Key and crozier in saltire, mitre above shield.

LATIN INSCRIPTION AROUND THE PERIMETER

SIGILLIUM † DIOCESIS † EAU CLAIRENSIS † CONDITAE † MCMXXVIII

The Seal of The Diocese of Eau Claire, Founded 1928

Diocese of Eau Claire Inc

2021 Draft Budget

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Diocese of Eau Claire Inc

2021 Draft Budget Executive Summary

2021 INCOME (\$256,800 for 2021 vs. \$262,800 for 2020)

Apportionment (\$135,600). A \$6,000 decrease from 2020. Apportionment is unchanged at 10% of a congregation's operating income. Because of the way Apportionment is calculated, the \$90,000 decrease in Plate & Pledge (from \$1.17 million in 2018 to \$1.08 million in 2019) translated to a \$6,000 decrease in Apportionment Income.

Endowment Income (\$121,200). Unchanged from 2020. Total Return management strategy continues. Not more than 5% of the diocese's \$2.99 million Endowment is taken as income. Provision for an 18% market correction is included.

Apportionment Arrearages and All Other Income. Both budgeted at \$0, unchanged from 2020.

2021 EXPENSES (\$267,000 for 2021 vs. \$262,800 for 2020)

Episcopate (\$96,000). A \$1,000 increase from 2020. This budget assumes Eau Claire will contract with Fond du Lac for 1/3 release time so Bsp Matt Gunter can serve Eau Claire as its Provisional Bishop.

Half-Time Diocesan Administrator (\$34,800). A \$2,200 increase (6.7%) from 2020.

Help Diocesan Clergy (\$50,700). A \$2,700 increase from 2020. Diocesan policy is to escrow \$200 annually for each active priest in the diocese to help them with unreimbursed car expenses. Beginning in 2021, this policy will be expanded to include active deacons and the budget increase is needed to fund that expansion.

Help Other Ministries (\$19,800). A \$2,200 increase from 2020. This increase is due to an increase in the amount Eau Claire is being asked to donate to the national church to support its budget.

Help Diocesan Ministries (\$27,200). A \$5,700 decrease from 2020. This year, COVID caused some expenses to decrease significantly or be reduced to zero. Some of those savings were escrowed in segregated accounts for these ministries so less would have to be budgeted for them in 2021, a transition year. All of these ministries (Camp Horstick, General Convention, Diocesan Convention, Family Retreat, and Episcopal Youth Event) remain fully funded just as in years past.

Office Expenses (\$25,300). An \$1,800 increase from 2020. While no single expense was responsible for this increase, it's fair to attribute it to a heightened focus on technology and social media.

Trust Point Inc Management Fee (\$13,200). Unchanged from 2020 (0.5% of Endowment MV).

2021 DEFICIT: \$10,200 (\$256,800 Income - \$267,000 Expenses)

Should a deficit materialize in 2021, the diocese will have \$50,000 in Unrestricted Carryover Surpluses from earlier years that can be used to fund it.

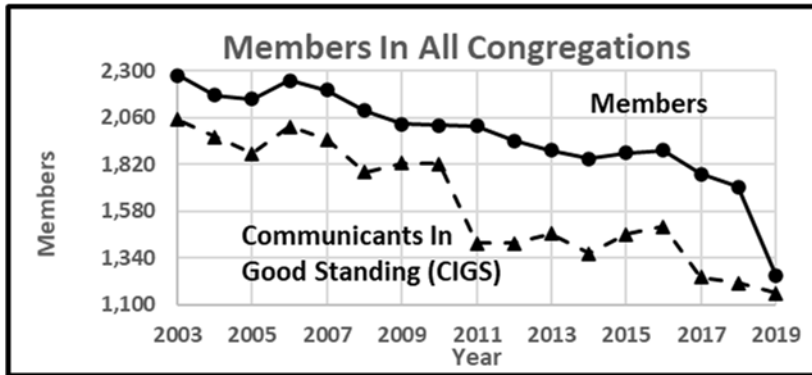


Bob Weathers, Treasurer
Diocese of Eau Claire, Inc.
For the Executive Council

Diocese of Eau Claire Inc

2019 Parochial Report Summary

(Membership, P&P, Diocesan Expenses, ASA)



Membership decreased from 1,704 in 2018 to 1,246 in 2019 (458 or 26.9%) while **CIGS** decreased from 1,211 to 1,158 (53 or 4.4%). As reported last year, the Cathedral was in the midst of a detailed name-by-name review of their Membership and CIGS data. It was also reported that their review was expected to result in a significant decrease in 2019 Membership and CIGS numbers and that proved to be the case. Christ Church La Crosse did similar reviews in 2011 and again in 2017 with similar results. La Crosse's reviews are responsible for the declines in 2010-11 and again in 2016-17 while the Cathedral's review is responsible for the 2018-19 drop.

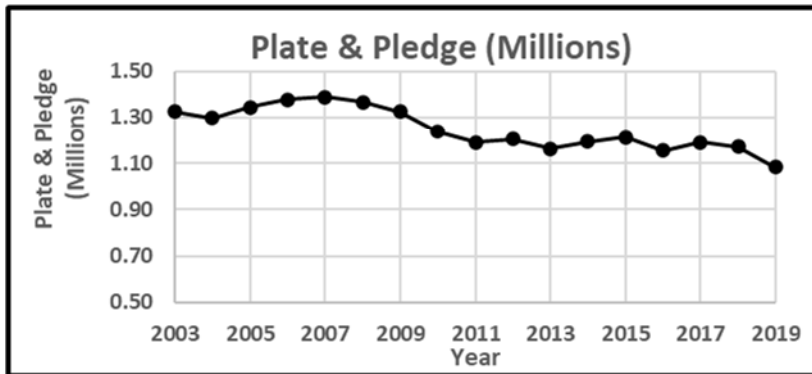
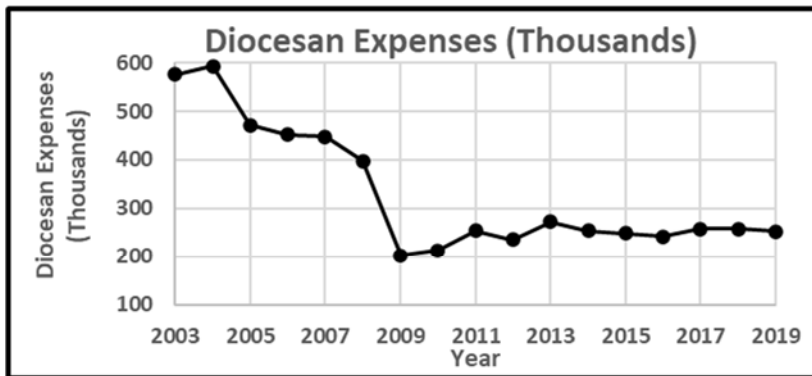
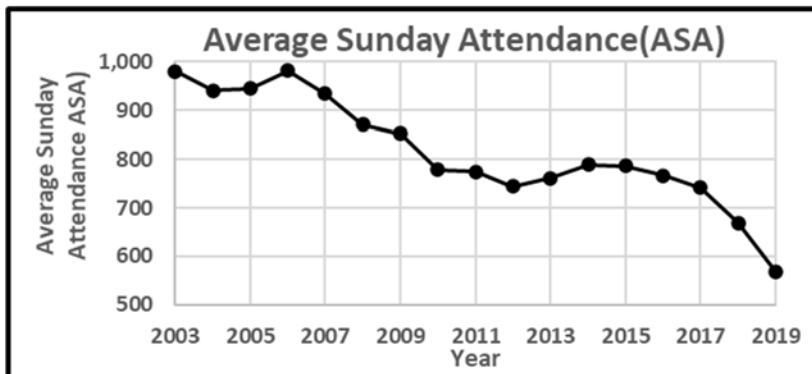


Plate & Pledge decreased from \$1.17 million in 2018 to \$1.08 million in 2019 (\$90,000 or 7.7%). Given our 10% Apportionment, Diocesan Income for 2021 will also decrease due to the drop in P&P.



Diocesan Leadership continues proactively managing **Diocesan Expenses**. The accompanying chart shows Diocesan Expenses have held steady at about \$260,000 for the last 6 years.



Average Sunday Attendance decreased from 669 to 568 (101 or 15.1%).

Diocese of Eau Claire Inc

2021 Draft Budget Narrative

Comments On Diocesan Finances 2008 To 2020. In the few years immediately after Bishop Whitmore's 2008 resignation, the Diocesan Budget was very volatile, fluctuating between large surpluses and large deficits. This volatility resulted as the diocese transitioned from a full-time bishop to being without to an Interim and finally to a Permanent Part-Time Bishop. At the same time, the diocese changed from 22% Apportionment to 15% and finally to the current 10%. Since arriving at this "new normal" of 10% Apportionment with a Part-Time Bishop, the volatility in the Diocesan Budget has disappeared. Although diocesan finances remain fragile, leadership of the Bishop, Trustees, Executive Council, and Standing Committee combined with their joint commitment to live within what the diocese can afford has been instrumental in stabilizing diocesan finances. Going forward, I expect the diocesan budget to balance over a normal business cycle of 7 to 10 years. Specifically, I expect modest deficits in one year to be offset by modest surpluses in others.

2021 Draft Budget Income. Apportionment is kept at 10% for 2021. As compared to 15% Apportionment, this represents \$70,000 being invested directly in the mission and ministry of congregations in the diocese. As compared to 22% Apportionment, it's a \$170,000 investment. This approach (e.g. a 10% rather than 15% or 22% Apportionment) implements the strategy that the priest-in-charge and lay leadership of a congregation are best able to decide how to use this money to positively impact their local ministry and grow the diocese. Although 10% Apportionment limits the diocese, it nonetheless provides enough money so the diocese can provide essential services. Congregations are free to use Apportionment Reduction Dollars to relieve pressure on their own budget, expand their congregation's ministry, and/or fund Outreach in their local community and beyond.

In 2018 and 2019, the Cathedral struggled to pay full Apportionment due to an unusually high number of deaths and people moving away from Eau Claire. They fell behind by \$15,000 in 2018 and a similar amount in 2019. The people of the Cathedral committed themselves to paying off this arrearage and I am pleased to report they have achieved that goal. Past arrearages have been paid in full and the Cathedral is current for 2020.

The 2021 Budget assumes there will be no Apportionment Arrearages at 2020 year-end and that all congregations will pay their full apportionment in 2021.

While Endowment Income has benefited recently from a strong Bull Market, it appears this phenomenon may have run its course and a return to more modest stock market growth is likely.

A realistic projection for 2021 is income of \$256,800 (\$135,600 Apportionment, \$121,200 Endowment Income). The Endowment Income budget includes a provision for a 2021 market correction of 18%. Shrinkage of Plate & Pledge (causing congregations to underpay Apportionment) combined with a downturn in the stock market could easily lead to a decline in receipts of \$10 to \$15 thousand or even more. Nonetheless, recent fiscal management strategies of diocesan leadership have positioned the diocese so all ministries can continue uninterrupted for 12 to 18 months even if such an unfortunate set of circumstances develops.

Diocese of Eau Claire Inc 2021 Draft Budget Narrative

Diocese Of Eau Claire Trust Point Total Return	
Diocese	To 09/30/2020
7.3%	10 Yrs 9 Mos
6.7%	9 Yrs 9 Mos
7.5%	8 Yrs 9 Mos
6.8%	7 Yrs 9 Mos
5.6%	6 Yrs 9 Mos

The Diocesan Endowment Fund portfolio is invested at Trust Point Inc and has a Market Value of \$2.99 million. It's managed on a **Total Return** basis. Target Total Return over a 7 to 10-year business cycle is 7 percent annually, a target being met by Trust Point. Of this, not more than 5 percent is taken as income in any year; the remainder is reinvested as a hedge against inflation. The 5 percent distribution is at the very high end of what professional not-for-profit portfolio managers suggest (3 to 5 percent). To succeed, this approach requires the fiscal discipline to not withdraw more than 5% annually (and preferably an amount a bit smaller than that). The temptation

to withdraw excessive amounts is greatest during Bull Runs such as the one just experienced. But the gains during a Bull Market are needed to offset the inevitable Bear Market that always follows.

2021 Draft Budget Expenses. By far the biggest change in the 2021 Budget are those needed to accommodate the expected decision by Convention to replace our current Episcopate model (Eau Claire elects its own bishop) to one where we pay a fee to Fond du Lac for one-third release time for their bishop so he can serve as our Provisional Bishop. Fond du Lac will use Eau Claire's payments for one-third of Bsp Gunter's salary, housing, pension, medical insurance, vacation, continuing education, sabbatical, attendance at extra-diocesan meetings (House of Bishops, General Convention, Lambeth, Province V, WI Council of Churches, etc.), and other expenses. Eau Claire will be responsible for all of Bsp Gunter's expenses from the time he leaves his home for Eau Claire until he returns (lodging, mileage, pastoral care, and per diem meals & incidental expense). These expenses will be paid under an IRS approved Accountable Plan. Fond du Lac will administer and manage Bsp Gunter's pay package while Eau Claire will administer his Accountable Plan while he is serving Eau Claire. Payment to Fond du Lac is budgeted at \$57,000 and Eau Claire's Accountable Plan is budgeted at \$39,000.

Pages 5 through 12 discuss the 2021 Budget by major functional classification. Headings are arranged as "**Parent Account (2021 Budget vs. 2020 Budget)**". Page 12 is a summary of the 2021 Budget compared to actual performance over the last 5 years as well as the change In Fund Balances from year-end 2019 to September 30, 2020. Pages 13 to 15 show a line-by-line listing of the 2021 Budget compared to actual performance since 2015.

Diocese of Eau Claire Inc 2021 Draft Budget Narrative

Episcopate (\$96,000 vs. \$95,000)

Expenses associated with a one-third time Provisional Bishop are expected to be about the same as a part-time bishop under our current model.

	For the Year Ended December 31 st					
	2021 Budget	2020 Budget	2019 Actual	2018 Actual	2017 Actual	2016 Actual
600000 · Episcopate						
601000 · Provisional Bishop Fee to FdL	57,000	-	-	-	-	-
602000 · Accountable Plan						
602100 · Lodging & Housing	16,200	16,800	16,800	16,800	16,800	16,425
602200 · Mileage	9,600	7,500	7,141	5,820	7,072	6,882
602300 · Pastoral Care	6,600	6,000	7,697	5,179	5,435	4,637
602400 · Per Diem Meals & IE	6,600	-	-	-	-	-
Total 602000 · Accountable Plan	39,000	30,300	31,638	27,799	29,307	27,944
603000 · Salary	-	39,000	38,250	37,700	37,200	36,150
604000 · Dental Insurance	-	1,260	1,236	1,236	1,214	1,289
605000 · Cell Phone Allowance	-	900	900	900	-	-
606000 · Reserves for Future Expenses						
606010 · Lambeth Travel	-	1,200	1,200	2,065	100	1,100
606020 · Election Of Next Bishop of EC	-	12,000	12,000	12,000	11,100	10,400
Total 606000 · Reserves for Future Expenses	-	13,200	13,200	14,065	11,200	11,500
607000 · Extra-Diocesan Meetings						
607010 · HOB Spring Meeting	-	3,000	1,147	1,863	2,124	2,301
607020 · HOB Fall Meeting	-	3,000	3,035	-	2,358	2,690
607030 · Province V Meeting	-	1,500	130	1,434	583	383
607040 · WI Council of Churches Meeting	-	500	273	-	480	-
607050 · Extra-Diocesan Travel TBD	-	2,340	2,992	-	5,249	6,565
Total 607000 · Extra-Diocesan Meetings	-	10,340	7,577	3,297	10,794	11,939
Total 600000 · Episcopate	96,000	95,000	92,801	84,997	89,715	88,822

1. **Provisional Bishop Fee to FdL.** \$57,000 annually (\$4,750 per month) will be paid to Fond du Lac for one-third release time so that Bishop Gunter can serve as Eau Claire's Provisional Bishop. Fond du Lac will use these payments for one-third of Bishop Gunter's salary, housing, pension, medical insurance, vacation, continuing education, sabbatical, attendance at extra-diocesan meetings (House of Bishops, General Convention, Lambeth, Province V, WI Council of Churches, etc.), and other expenses. Fond du Lac will manage and administer Bsp Gunter's pay package.
2. **Accountable Plan.** Eau Claire will establish an IRS approved Accountable Plan to pay Bsp Gunter's expenses while he is serving as our Provisional Bishop. These expenses are budgeted at \$39,000.
 - a. **Lodging & Housing (\$16,200).** The Diocese of Eau Claire will provide Bsp Gunter suitable lodging (GrandStay on Prill Rd in Eau Claire or equivalent) when he is resident in or traveling around the diocese.
 - b. **Mileage (\$9,600).** Bsp Gunter will be reimbursed for mileage driven while Provisional Bishop at the prevailing IRS business rate (currently 57½ cents per mile). Mileage accrues from the time he leaves his home until he returns.

Diocese of Eau Claire Inc 2021 Draft Budget Narrative

- c. ***Pastoral Care (\$6,600)***. Pastoral care expenses will be paid by Eau Claire. A few examples of these expenses are help for the needy, fellowship with Leadership Council or other diocesan groups after a meeting, fellowship with a congregation during annual visits, hosting visitors to the diocese, gifts, and memorials inside and outside the diocese. Funds will not be used for personal expenses.
- d. ***Per Diem Meals & IE (\$6,600)***. The IRS allows Per Diem Meals and Incidental Expenses to be paid at the rate of \$55 per day. The \$6,600 annual budget (1/3 time = 120 days x \$55/day) will be paid to Bsp Gunter at the rate of \$550 per month. The IRS requires a W-2 be issued for these payments. They can be deducted as business expenses when filing federal and state income taxes at year-end.
3. **Episcopate Expenses In 2020 and Earlier**. These expenses are enumerated in the table on page 5. These costs are included in the \$57,000 annual payment to Fond du Lac. They have been zeroed out in Eau Claire's budget.
4. **Bishop's Discretionary Fund**. A checking account will be established and designated as the Bishop's Discretionary Fund. Gifts earmarked by donors for this purpose will be deposited to that account. In addition, \$210 will be deposited to that account each month. The \$210 is the combined income from the Esther Keith Memorial Fund and the S Coleman Endowment. Donors established these endowments decades ago and directed income from each fund be regularly disbursed to the Bishop's Discretionary Fund.

Diocese of Eau Claire Inc 2021 Draft Budget Narrative

Half-Time Diocesan Administrator's Pay (\$34,800 vs. \$32,600)

The Diocesan Administrator's salary is increased \$2,200 (6.7%) for 2021.

Although the position of Diocesan Administrator has been staffed by both clergy and lay employees over the years, the pay package has historically been administered as a lay employee. In 2015, at the incumbent's request, the position was reclassified as a clergy position. Also, at the incumbent's request, medical and dental insurance allowances are paid directly to him rather than paying premiums to an insurer on his behalf. CPG (Church Pension Group) and IRS Guidelines are followed in administering the Diocesan Administrator's Pay Package.

	For the Year Ended December 31 st					
	2021 Budget	2020 Budget	2019 Actual	2018 Actual	2017 Actual	2016 Actual
610000 · Dioc Administrator (Part-Time)						
611000 · Paid To Administrator						
611100 · Total Assessable Comp (TAC)						
611110 · Salary	13,572	12,168	12,168	12,168	11,844	12,932
611120 · Housing	7,596	7,212	7,212	7,212	6,996	5,538
611130 · SECA [7.65% X (TAC-SECA)]	1,620	1,620	1,620	1,620	1,560	1,530
Total 611100 · Total Assessable Comp (TAC)	<u>22,788</u>	<u>21,000</u>	<u>21,000</u>	<u>21,000</u>	<u>20,400</u>	<u>20,000</u>
611200 · Medical Insurance Allowances						
611210 · Medical Ins Prem Allwnc	4,896	4,896	4,896	4,896	4,896	4,843
611220 · Medical Ins Allwnc SECA Offset	1,068	1,068	1,068	1,068	1,068	1,063
611230 · Medical Ins Allwnc Tax Offset	1,056	1,056	1,056	1,056	1,056	1,042
Total 611200 · Medical Insurance Allowances	<u>7,020</u>	<u>7,020</u>	<u>7,020</u>	<u>7,020</u>	<u>7,020</u>	<u>6,948</u>
611300 · Dental Insurance Allowances						
611310 · Dental Insurance Prem Allwnc	636	636	636	636	636	594
611320 · Dental Insurance SECA Offset	144	144	144	144	144	130
611330 · Dental Insurance Tax Offset	120	120	120	120	132	128
Total 611300 · Dental Insurance Allowances	<u>900</u>	<u>900</u>	<u>900</u>	<u>900</u>	<u>912</u>	<u>852</u>
Total 611000 · Paid To Administrator	<u>30,708</u>	<u>28,920</u>	<u>28,920</u>	<u>28,920</u>	<u>28,332</u>	<u>27,800</u>
612000 · Pension (18% TAC)	4,092	3,680	3,672	3,672	3,672	3,600
Total 610000 · Dioc Administrator (Part-Time)	<u>34,800</u>	<u>32,600</u>	<u>32,592</u>	<u>32,592</u>	<u>32,004</u>	<u>31,400</u>

Diocese of Eau Claire Inc

2021 Draft Budget Narrative

Help Diocesan Clergy (\$50,700 vs. \$48,000)

1. **Retired Clergy Life and Health Insurance.** This is a grandfathered obligation. Anyone serving the Diocese prior to the end of 1993 gets supplemental insurance paid by the diocese. This includes spouses. Here is the benefit:

You turn 65 and get Medicare. Church Pension Denominational Health Plan provides Comprehensive Health Coverage. The Diocesan Retired Clergy funding moves Supplemental Coverage to Platinum Coverage. Biggest part of this is no co-pays for those covered.

Five clergy, four clergy spouses, and one lay person receive this benefit. They are:

Life Insurance	Medical Insurance	
Kirby, Scott	Brown, Alice	Stamm, George (Retiree+1)
Rogers, Sampson	Gardner, Bruce	Usher, Evelyn
Vierbicher, Donna	Kirby, Scott (Retiree+1)	Vierbicher, Donna (Lay)
Wantland, William	Rogers, Sampson	Wantland, William

Individual Life Insurance premiums are budgeted at \$200 annually. Medical Insurance premiums for each clergy and clergy spouse are \$2,460 annually. The one Lay premium is \$7,260 annually. The Lay Premium is much higher because it is not subsidized by the Church Pension Fund. This budget will be adjusted if necessary, after 2021 premiums are finalized in late 2020.

2. **Clergy Retreats & Renewal.** \$6,000 is budgeted for Diocesan Clergy Retreats & Renewal Activities.
3. **Clergy Car Fund Reserve.** \$7,500 is budgeted for the Clergy Car Fund. For 2021, this benefit has been expanded to include deacons rather than priests only as in years past. \$100 is set aside every six months (January and July 1st) for qualifying clergy. Eligibility is determined by the bishop. Funds can be withdrawn on request to the Diocesan Treasurer. Money can be used for unreimbursed car expenses incurred in support of the priest's ministry. Clergy expected to be eligible in 2021 are:

Parochial Priests			Supply Priests
Augustine, Peter	Farr, Meghan	Stamm, George	Charles, Kathy
Bauer, Dave	Kuschel, Catherine	Thomas, Benjamin	Kirby, Scott
Broughton, Jackie	Radant, Bill	Usher, Guy	Michaud, Ellie
Burns, Steven	Scheff, Tanya	Zook, Aaron	Morgan, Phil
Carter, Charles	Sola, Geri		
Assigned Deacons			Unassigned Deacons
Glasser, Jo	McDaniel, Irene	Russell, Steven	Gumulauskas, Mike
Hogue, Marlene	Power, Bill	Ruthy, Rose	
Lorenze, Jim	Rezin, Mary	Scheff, Joe	
Manzo, Barb	Ring, Anthony	Tate, Russ	
McConohy, Joe	Ripplinger, Susan	Van Es, Ken	

4. **Background Checks & Psych Exams.** \$2,500 is budgeted for background checks and psych exams required before ordination. A Psych Exam costs \$450 and a background check costs \$25.
5. **Clergy Ordinations & Support.** \$2,400 is budgeted to support newly ordained priests and deacons. Typical disbursements are framing of ordination documents and graduation gifts.
6. **Clergy Continuing Education.** \$2,100 is budgeted for Diocesan Clergy Continuing Education.

Diocese of Eau Claire Inc

2021 Draft Budget Narrative

Help Other Ministries (\$19,800 vs. \$17,600)

These funds are used to pay ECUSA National Assessment (\$18,500), support the Wisconsin Council of Churches (\$500), pay our ECUSA mandated Province V Assessment (\$300), and support Outside Ministries TBD (\$500).

Help Diocesan Ministries (\$27,200 vs. \$32,900)

1. **Camp Horstick.** Since 2013, Diocesan Convention urged greater budget emphasis be placed on Youth Ministry. In response, financial support for Camp Horstick has significantly increased.

<u>Camp Horstick Attendance And Cost</u>						
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Attendees:						
Campers - Members	5	17	33	27	33	25
Campers - Friends	0	24	35	0	0	0
Adult Leaders	0	11	9	4	9	7
Total Attendees	<u>5</u>	<u>52</u>	<u>77</u>	<u>31</u>	<u>42</u>	<u>32</u>
Fees Paid:						
Attendees	\$ 304	\$ -	\$ -	\$ 4,045	\$ 5,430	\$ 3,145
Donations	586	1,450	-	490	960	-
Diocesan Scholarships	-	14,225	21,175	10,465	8,610	3,710
Total Fees Paid	<u>\$ 890</u>	<u>\$ 15,675</u>	<u>\$ 21,175</u>	<u>\$ 15,000</u>	<u>\$ 15,000</u>	<u>\$ 6,855</u>

For 2020, COVID caused Camp Horstick to be converted from an in-person camp experience to a virtual one. The diocese did not have any expenses. Money budgeted for Camp Horstick 2020 was escrowed so those funds would be available in future years.

For 2021, the Camp Horstick budget is \$9,400. While the diocese expects to be able to pay fees for all campers, congregations are encouraged to pay half of this fee to relieve strain on the Diocesan Budget.

2. **General Convention Deputies Expenses.** \$9,000 will be set aside from the 2021 budget to support attendance of Eau Claire's deputies to attend General Convention in Baltimore July 2021. In years past, the diocese sent a full deputation (4 Clergy & 4 Lay Deputies; 1 Clergy & 1 Lay Alternate; Bishop & Spouse) to General Convention. At the 2019 Diocesan Convention, it was decided alternates would not be sent to GC 2021 Baltimore and beyond. Alternates will be elected for 2021 and beyond but will attend only if a Deputy cannot. This saves \$7,200 for GC 2021 Baltimore or \$2,400 per year.
3. **Diocesan Convention Expenses.** \$2,200 is budgeted for Diocesan Convention Expenses.
4. **Family Retreat.** \$2,200 is budgeted to supplement this ministry. Attendees have historically paid most of the cost of this retreat.
5. **Episcopal Youth Event.** COVID caused the cancellation of EYE 2020. Funds budgeted for 2020 are being retained for a future event, hopefully in 2021. \$2,200 is budgeted to be set aside from the 2021 budget. Cost for Diocesan Youth to attend EYE 2017 at the University of Central Oklahoma near Oklahoma City 10-14 July 2019 was \$4,700 for 8 attendees.

Diocese of Eau Claire Inc 2021 Draft Budget Narrative

6. **Diocesan Ministries TBD.** \$2,200 is set aside for Diocesan Ministry opportunities that present themselves during the year.
7. **Resource 2.0.** This was a Stewardship Training Program sponsored by the College of Bishops, the Episcopal Church's Office of Development, and the Episcopal Church Foundation. Training took place at Camp Allen TX April 2018. The bishop and several members of the diocese attended.

Office Expenses (\$25,300 vs. \$23,500)

While no single expense was responsible for the \$1,800 increase in this budget, it's fair to attribute it to a heightened focus on technology and social media.

Funds are used to run the diocesan office. One of the largest expenses is the ECUSA mandated external audit. While national canons allow congregations to use an Audit Committee, "All accounts of the Diocese shall be audited annually by an independent Certified Public Accountant" (National Canon 1.7.1(f)). The Chancellor advises there is no wiggle-room in this Canon. Wipfli LLC is used to meet this requirement. Copies of the 2019 Audit are available on request. 2021 cost is budgeted at \$9,000 with \$6,000 paid by the diocese and \$1,490 by Buffington Trust.

The diocese pays \$6,460 per year rent to the Cathedral for office space. The Internet is shared by the Diocesan and Cathedral Offices and the cost is split equally between them. Other Office Expense budget provisions are made for office supplies, postage, Web Page Development, software purchases, and the Diocesan Journal. Because the office is open only part time, both the Diocesan Administrator and the Bishop have cell phones capable of retrieving messages from the diocese's voice mail; the diocese does not have a traditional landline or FAX. Insurance (office contents and Directors & Officers Liability) is provided through Church Insurance; Buffington Trust pays for insurance for the property it owns. Paychex administers Diocesan Payroll under the supervision of the Diocesan Treasurer. Paychex electronically pays employees monthly via Direct Deposit, prepares and submits all required state and federal tax forms, and prepares all year-end W2s and 1099s. Money is escrowed annually so funds are available to replace office computers and other hardware/software as needed. Cost of the Zoom Video-conferencing license is also paid from this budget

Trust Point Inc Management Fee (\$13,200 vs. \$13,200)

Trust Point Inc manages the Diocesan Endowment portfolio. Their annual fee is 0.5% of the Average MV of the portfolio payable monthly. Based on recent experience, Trust Point's 2020 fees are budgeted at \$13,200.

Diocese of Eau Claire Inc

2021 Draft Budget Narrative

Trust Point Inc Investment Performance (2016 to 2020)

Diocese Of Eau Claire Endowment Funds Trust Point Inc Equivalent Annual Return		
Diocese	Buffington	To 09/30/2020
7.3%	7.2%	10 Yrs 9 Mos
6.7%	6.3%	9 Yrs 9 Mos
7.5%	7.7%	8 Yrs 9 Mos
6.8%	6.8%	7 Yrs 9 Mos
5.6%	4.7%	6 Yrs 9 Mos

Although geopolitical uncertainties are causing significant volatility in the stock market, Trust Point continues to meet the diocese’s long-term Total Return investment goal of 7 percent annually over a normal business cycle of 7 to 10 years. Professional not-for-profit portfolio managers recommend 3 to 5 percent be taken as Endowment Income and the remainder reinvested as a hedge against inflation. Current Trustee policy is to take 4 to 5 percent of the Diocesan Endowment Fund invested at Trust Point as income.

This strategy should be able to be continued in perpetuity without ever invading principal. Recent stock market volatility reinforces why the temptation to resist withdrawing gains in good times should be resisted in a “Total Return” investment strategy. These gains are needed to offset inflationary pressures as well as sustain distributions in unfavorable markets. The diocese has two separate accounts at Trust Point.

- **Diocese** has a market value of \$3.99 million. \$2.99 million in Diocesan Endowments generates Diocesan Budget income, \$0.89 million in congregation endowments generates quarterly income to them, and the Trustees administer \$0.11 million in Restricted Endowments.
- **Buffington** Trust has a market value of \$1.02 million. A bequest from Fannie Mae Buffington established the Trust in the 1940s to provide housing for low income seniors in the Eau Claire area. In addition to the \$1.82 million at Trust Point, the Trust owns four Altoona 4-plexes with a combined insured value of \$2.88 million. Most Buffington-qualified tenants contribute \$130 per month while a few are unable to contribute anything. Trust income makes up the difference to cover the cost of owning and operating the buildings. While authority to manage Buffington Homes has been delegated to a Board appointed by the bishop, the diocese is ultimately responsible and accountable for management of the properties as well as Trust administration.

A Note About Diocesan Accounting Procedures

QuickBooks is used to manage diocesan finances. Electronic banking and “cloud” computing (Microsoft’s OneDrive) are used extensively to administer diocesan finances and maintain necessary records. Data is available by computer anywhere in the world an internet connection is available. Redundancy is provided by Carbonite, a software program that backs up diocesan financial records offsite. Because data is encrypted, password protected, and backed up as soon as changes are made, sensitive financial data has a high level of security. Since all data is stored offsite, it remains secure even if the diocesan office is compromised through events such as fire or vandalism.



Bob Weathers, Treasurer
Diocese of Eau Claire, Inc.
For the Executive Council

Diocese of Eau Claire

Comparative Operating Statement And Change In Assets & Fund Balances Excluding Property

	For the Year Ended December 31 st						
	2021 Budget	2020 Budget	2019 Actual	2018 Actual	2017 Actual	2016 Actual	2015 Actual
INCOME							
Apportionments	135,600	141,600	124,647	122,671	143,648	139,253	138,192
Endowment Income	121,200	121,200	121,901	122,049	115,211	113,784	113,448
Apportionment Arrearages Paid	-	-	16,165	-	-	-	-
TOTAL INCOME	256,800	262,800	262,713	244,720	258,859	253,037	251,640
EXPENSE							
Episcopate	96,000	95,000	92,801	84,997	89,715	88,822	84,298
Dioc Administrator (Half-Time)	34,800	32,600	32,592	32,592	32,004	31,400	31,400
Help Diocesan Clergy	50,700	48,000	44,278	44,523	46,117	41,286	35,447
Help Other Ministries	19,800	17,600	19,249	16,806	18,902	20,584	28,536
Help Diocesan Ministries	27,200	32,900	27,477	37,867	39,042	27,995	35,698
Office Expenses	25,300	23,500	22,542	26,876	19,054	20,444	20,855
Trust Point Inc Management Fee	13,200	13,200	13,902	14,049	12,611	11,784	12,033
TOTAL EXPENSE	267,000	262,800	252,841	257,710	257,445	242,315	248,267
Surplus (Deficit) For The Year	(10,200)	-	9,872	(12,990)	1,414	10,722	3,373

Summary Of Change In Assets & Fund Balances Excluding Property

	Sep 30, '20	Cash Rcpts	Cash Dsbmts	Transfers	Inc, Divs, & Rlzd CG (Loss)	Chng In Mkt Val	Dec 31, '19
ASSETS							
Trust Point Accounts	4,962,562	-	(32,247)	(637,911)	172,467	(156,212)	5,616,465
Checking & Savings	271,402	147,394	(230,686)	137,890	-	-	216,804
Loans (1 C1000: Bayfield)	2,700	-	(3,296)	(313,979)	-	-	319,975
Apportionment Arrearages	4,047	-	-	(11,000)	-	-	15,047
TOTAL ASSETS	5,240,710	147,394	(266,229)	(825,000)	172,467	(156,212)	6,168,291
FUND BALANCES							
Buffington Trust	1,019,757	35,760	(54,357)	(825,000)	93,073	(127,597)	1,897,878
Endowment Funds							
Diocese	2,987,868	-	(14,199)	(81,000)	61,751	(18,904)	3,040,220
Congregation	893,795	-	(15,237)	-	15,760	(8,668)	901,940
Trustee	106,700	-	(417)	(1,890)	1,884	(1,043)	108,166
Total Endowment Funds	3,988,362	-	(29,852)	(82,890)	79,394	(28,616)	4,050,325
Restricted Funds							
Save For Bishop Election	56,000	-	(26,000)	10,000	-	-	72,000
Save For Gen Conv 2021	39,900	-	-	21,300	-	-	18,600
Save For Lambeth 2030	8,000	-	(10,000)	1,000	-	-	17,000
Save For Office Equipment	4,750	-	(350)	599	-	-	4,501
Save For EYE 2021	6,800	-	-	2,000	-	-	4,800
All Other Dioc Restricted Funds	51,966	363	(15,664)	12,690	-	-	54,577
Total Restricted Funds	167,416	363	(52,014)	47,589	-	-	171,477
Unrestricted Funds	33,563	-	-	9,872	-	-	23,691
Apportionment Arrearages	4,047	-	-	(11,000)	-	-	15,047
Surplus (Deficit) For The Year	27,566	111,271	(130,006)	36,429	-	-	9,872
TOTAL FUND BALANCES	5,240,710	147,394	(266,229)	(825,000)	172,467	(156,212)	6,168,291

NOTE: Building and contents are insured for their replacement cost of \$53,709,100.

Diocese of Eau Claire
Comparative Operating Statement
2015 to 2021 Ministry Budget Detail

	For the Year Ended December 31 st						
	2021 Budget	2020 Budget	2019 Actual	2018 Actual	2017 Actual	2016 Actual	2015 Actual
Income							
400000 · Apportionments Current Year							
400100 · Ashland St Andrew's	-	-	-	5,360	6,600	3,996	5,880
400200 · Bayfield Christ Church	-	-	-	348	1,324	1,092	1,272
400250 · Bayfield CC of Chequamegon Bay	3,000	2,400	1,764	-	-	-	-
400300 · Chippewa Falls Christ Church	4,272	6,468	6,096	5,520	5,040	4,476	3,912
400400 · Chippewa Falls St Simeon's	2,040	1,764	1,632	1,067	1,848	2,484	3,216
400500 · Clear Lake St Barnabas	1,020	864	936	900	804	852	1,044
400600 · Conrath Holy Trinity	432	1,032	732	1,212	1,212	1,212	1,212
400700 · Eau Claire Christ Church Cath	30,108	33,444	18,349	15,984	30,844	27,360	24,396
400800 · Hayward Ascension	6,948	7,884	7,860	8,556	8,184	8,688	8,940
400900 · Hudson St Paul's	15,960	15,924	15,744	15,408	14,952	15,132	14,460
401000 · La Crosse Christ Church	32,760	33,504	33,000	32,400	32,700	32,800	32,000
401100 · Lugerville Our Savior's	1,596	1,416	1,164	1,080	996	1,608	1,380
401200 · Menomonie Grace Church	6,444	5,544	5,160	4,668	4,140	4,212	5,232
401300 · New Richmond Sts Thomas & John	1,032	1,032	996	1,056	1,008	1,260	1,476
401400 · Owen St Katherine's	2,040	1,920	1,776	1,680	1,812	1,813	2,092
401500 · Rice Lake Grace Church	6,108	6,564	7,152	6,672	9,060	9,276	9,036
401600 · Sparta St John's	4,836	4,608	4,800	4,104	5,040	4,728	4,980
401700 · Spooner St Alban's	3,792	3,612	3,744	3,684	3,456	3,372	3,192
401800 · Springbrook St Luke's	2,928	2,988	3,096	2,856	3,336	2,952	3,408
401900 · Superior St Alban's	6,012	6,900	6,386	5,904	5,268	5,088	4,608
402000 · Tomah St Mary's	5,592	4,860	4,260	4,212	6,024	6,852	6,456
402100 · Allowance For Unpd Apportmnt	(1,320)	(1,128)	-	-	-	-	-
Total 400000 · Apportionments Current Year	135,600	141,600	124,647	122,671	143,648	139,253	138,192
410000 · Endowment Income	121,200	121,200	121,901	122,049	115,211	113,784	113,448
420000 · Apportionment Arrearages Paid	-	-	16,165	-	-	-	-
430000 · All Other Income	-	-	-	-	-	-	-
Total Income	256,800	262,800	262,713	244,720	258,859	253,037	251,640
Expense							
600000 · Episcopate							
601000 · Provsional Bishop Fee to FdL	57,000	-	-	-	-	-	-
602000 · Accountable Plan							
602100 · Lodging & Housing	16,200	16,800	16,800	16,800	16,800	16,425	15,775
602200 · Mileage	9,600	7,500	7,141	5,820	7,072	6,882	6,908
602300 · Pastoral Care	6,600	6,000	7,697	5,179	5,435	4,637	4,570
602400 · Per Diem Meals & IE	6,600	-	-	-	-	-	-
Total 602000 · Accountable Plan	39,000	30,300	31,638	27,799	29,307	27,944	27,253
603000 · Salary	-	39,000	38,250	37,700	37,200	36,150	35,500
604000 · Dental Insurance	-	1,260	1,236	1,236	1,214	1,289	1,188
605000 · Cell Phone Allowance	-	900	900	900	-	-	-
606000 · Reserves for Future Expenses							
606010 · Lambeth Travel	-	1,200	1,200	2,065	100	1,100	1,200
606020 · Election Of Next Bishop of EC	-	12,000	12,000	12,000	11,100	10,400	8,400
Total 606000 · Reserves for Future Expenses	-	13,200	13,200	14,065	11,200	11,500	9,600
607000 · Extra-Diocesan Meetings							

Diocese of Eau Claire
Comparative Operating Statement
2015 to 2021 Ministry Budget Detail

	For the Year Ended December 31 st						
	2021 Budget	2020 Budget	2019 Actual	2018 Actual	2017 Actual	2016 Actual	2015 Actual
607010 · HOB Spring Meeting	-	3,000	1,147	1,863	2,124	2,301	1,729
607020 · HOB Fall Meeting	-	3,000	3,035	-	2,358	2,690	-
607030 · Province V Meeting	-	1,500	130	1,434	583	383	851
607040 · WI Council of Churches Meeting	-	500	273	-	480	-	-
607050 · Extra-Diocesan Travel TBD	-	2,340	2,992	-	5,249	6,565	8,177
Total 607000 · Extra-Diocesan Meetings	-	10,340	7,577	3,297	10,794	11,939	10,757
Total 600000 · Episcopate	96,000	95,000	92,801	84,997	89,715	88,822	84,298
610000 · Dioc Administrator (Part-Time)							
611000 · Paid To Administrator							
611100 · Total Assessable Comp (TAC)							
611110 · Salary	13,572	12,168	12,168	12,168	11,844	12,932	12,932
611120 · Housing	7,596	7,212	7,212	7,212	6,996	5,538	5,538
611130 · SECA [7.65% X (TAC-SECA)]	1,620	1,620	1,620	1,620	1,560	1,530	1,530
Total 611100 · Total Assessable Comp (TAC)	22,788	21,000	21,000	21,000	20,400	20,000	20,000
611200 · Medical Insurance Allowances							
611210 · Medical Ins Prem Allwnc	4,896	4,896	4,896	4,896	4,896	4,843	4,843
611220 · Medical Ins Allwnc SECA Offset	1,068	1,068	1,068	1,068	1,068	1,063	1,063
611230 · Medical Ins Allwnc Tax Offset	1,056	1,056	1,056	1,056	1,056	1,042	1,042
Total 611200 · Medical Insurance Allowances	7,020	7,020	7,020	7,020	7,020	6,948	6,948
611300 · Dental Insurance Allowances							
611310 · Dental Insurance Prem Allwnc	636	636	636	636	636	594	594
611320 · Dental Insurance SECA Offset	144	144	144	144	144	130	130
611330 · Dental Insurance Tax Offset	120	120	120	120	132	128	128
Total 611300 · Dental Insurance Allowances	900	900	900	900	912	852	852
Total 611000 · Paid To Administrator	30,708	28,920	28,920	28,920	28,332	27,800	27,800
612000 · Pension	4,092	3,680	3,672	3,672	3,672	3,600	3,600
Total 610000 · Dioc Administrator (Part-Time)	34,800	32,600	32,592	32,592	32,004	31,400	31,400
620000 · Help Diocesan Clergy							
621000 · Retired Clergy Insurance							
621100 · Life Insurance							
621101 · Kirby, Scott	200	180	159	159	159	172	159
621102 · Rogers, Sampson	200	180	159	159	159	172	159
621103 · Vierbicher, Donna	200	180	159	159	159	172	159
621104 · Wantland, William	200	180	159	159	159	172	159
621105 · Stillings, Eugene	-	-	-	-	-	-	159
Total 621100 · Life Insurance	800	720	636	636	636	688	795
621200 · Medical Insurance							
621201 · Brown, Alice	2,460	2,520	2,575	2,580	2,415	2,480	2,100
621202 · Gardner, Bruce	2,460	2,520	2,575	2,580	2,415	2,480	2,100
621203 · Kirby, Scott (Empl+1)	4,920	5,040	5,150	5,160	4,830	4,960	4,200
621204 · Rogers, Sampson	2,460	2,520	2,575	2,580	2,415	2,480	2,100
621205 · Stamm, George (Empl+1)	4,920	5,040	5,150	5,160	4,420	-	-
621206 · Usher, Evelyn	2,460	2,520	2,575	2,580	2,415	2,480	2,100
621207 · Vierbicher, Donna (Lay Premium)	7,260	7,080	7,040	6,840	6,510	6,780	5,820
621208 · Wantland, William	2,460	2,520	2,575	2,580	2,415	2,480	2,100

Diocese of Eau Claire
Comparative Operating Statement
2015 to 2021 Ministry Budget Detail

	For the Year Ended December 31 st						
	2021 Budget	2020 Budget	2019 Actual	2018 Actual	2017 Actual	2016 Actual	2015 Actual
621209 · Beauchamp, Gladys	-	-	1,505	2,580	2,415	2,480	2,100
621210 · Wantland, Janet	-	-	-	-	1,400	2,480	2,100
621211 · Stillings, Eugene	-	-	-	-	-	-	2,100
Total 621200 · Medical Insurance	<u>29,400</u>	<u>29,760</u>	<u>31,720</u>	<u>32,640</u>	<u>31,650</u>	<u>29,100</u>	<u>26,820</u>
Total 621000 · Retired Clergy Insurance	30,200	30,480	32,356	33,276	32,286	29,788	27,615
622000 · Clergy Retreats & Renewal	6,000	5,940	4,083	3,738	3,930	3,371	1,082
623000 · Clergy Car Fund Reserve	7,500	4,500	3,900	4,100	4,100	4,500	4,700
624000 · Background Checks & Psych Exams	2,500	2,500	600	-	2,296	2,319	911
625000 · Clergy Ordinations & Support	2,400	2,500	660	3,409	3,505	1,308	921
626000 · Clergy Continuing Education	2,100	2,080	2,679	-	-	-	218
Total 620000 · Help Diocesan Clergy	<u>50,700</u>	<u>48,000</u>	<u>44,278</u>	<u>44,523</u>	<u>46,117</u>	<u>41,286</u>	<u>35,447</u>
630000 · Help Other Ministries							
631000 · General Church Program	18,500	15,800	18,000	15,600	16,800	19,100	26,808
632000 · Wisconsin Council Of Churches	500	500	500	500	500	500	1,000
633000 · Province V Assessment	300	300	249	206	203	227	-
634000 · Outside Ministries TBD	500	500	-	-	335	257	228
635000 · College For Bishops	-	500	500	500	1,064	500	500
Total 630000 · Help Other Ministries	<u>19,800</u>	<u>17,600</u>	<u>19,249</u>	<u>16,806</u>	<u>18,902</u>	<u>20,584</u>	<u>28,536</u>
640000 · Help Diocesan Ministries							
641000 · Camp Horstick	9,400	8,400	10,393	15,675	21,570	10,682	8,610
642000 · Genl Conv Deputies Expenses	9,000	12,600	12,000	15,254	10,800	10,900	11,436
643000 · Diocesan Convention Expenses	2,200	4,200	784	555	1,919	2,678	1,250
644000 · Family Retreat	2,200	3,100	2,500	-	2,427	-	2,100
645000 · Episcopal Youth Event	2,200	2,400	1,800	1,800	1,861	3,600	-
646000 · Diocesan Ministries TBD	2,200	2,200	-	1,409	465	135	12,302
644000 · Resource 2.0	-	-	-	3,174	-	-	-
Total 640000 · Help Diocesan Ministries	<u>27,200</u>	<u>32,900</u>	<u>27,477</u>	<u>37,867</u>	<u>39,042</u>	<u>27,995</u>	<u>35,698</u>
650000 · Office Expenses							
650100 · Office Rent & Utilities	6,460	6,460	4,845	8,075	6,460	6,460	5,000
650200 · Audit	6,000	6,000	5,800	5,300	5,000	4,800	4,600
650300 · Insurance	3,000	2,600	2,340	2,259	3,243	3,797	4,152
650400 · Software	1,700	1,500	1,494	453	1,364	519	306
650500 · Office Supplies & Expenses	1,100	1,200	1,630	1,666	423	1,725	1,688
650600 · Cell Phone	1,020	1,000	767	787	787	905	1,518
650700 · Web Page Development	1,000	800	331	611	240	347	500
650800 · Internet	1,000	800	1,472	450	715	705	660
650900 · Zoom Video Conferencing	1,000	700	685	721	-	-	-
651000 · Diocesan Publications	500	600	-	-	-	-	-
651100 · Postage	500	500	342	437	110	134	208
651200 · Worker's Compensation	440	440	396	443	384	417	475
651300 · Paychex Service Fee	380	300	227	225	228	235	248
651400 · Office Equipment Reserve	1,200	600	2,213	5,449	100	400	1,500
Total 650000 · Office Expenses	<u>25,300</u>	<u>23,500</u>	<u>22,542</u>	<u>26,876</u>	<u>19,054</u>	<u>20,444</u>	<u>20,855</u>
660000 · Trust Point Inc Management Fee	13,200	13,200	13,902	14,049	12,611	11,784	12,033

Diocese of Eau Claire
Comparative Operating Statement
 2015 to 2021 Ministry Budget Detail

	For the Year Ended December 31 st						
	<u>2021 Budget</u>	<u>2020 Budget</u>	<u>2019 Actual</u>	<u>2018 Actual</u>	<u>2017 Actual</u>	<u>2016 Actual</u>	<u>2015 Actual</u>
Total Expense	<u>267,000</u>	<u>262,800</u>	<u>252,841</u>	<u>257,710</u>	<u>257,445</u>	<u>242,315</u>	<u>248,267</u>
Surplus (Deficit) For The Year	<u><u>(10,200)</u></u>	<u>-</u>	<u><u>9,872</u></u>	<u><u>(12,990)</u></u>	<u><u>1,414</u></u>	<u><u>10,722</u></u>	<u><u>3,373</u></u>