

Proposed 2019 Financial Statement of Mission

Our Financial Statement of Mission is our annual way of identifying the foundational principles upon which we will make financial decisions over the next triennium. As with previous years, your Joint Finance and Audit Committee, in collaboration with the Bishop and your Team of Missioners, has worked diligently to prepare a Financial Statement of Mission that is balanced, transparent, and missional. We are grateful for the input and shared ideas from our Mission Areas, from Council, and from people across the Episcopal Church in Minnesota.

Financial Statement of Mission Summary

Revenue – Monetary Resources

There are three main monetary resource streams for ECMN. The first and largest is Mission and Ministry Support (MMS), which comes from our faith communities and supports our common work. The second source is endowed and invested funds, which come to ECMN through individual donors and are generally designated to support specific ministries and missions. Lastly, ECMN receives revenue from programs like Convention, Clergy Conference, and the School for Formation. This money offsets the cost of those specific programs and is not used for other purposes.

Mission and Ministry Support (MMS)

In 2019, the Joint Finance and Audit Committee estimates that MMS will total \$1,985,000, which is in line with the trend of stable MMS over the last 6 years. We continue to appreciate the support of our faith communities, and the attention that is given to sending in MMS payments in a timely way. The Joint Finance and Audit Committee continues to recommend our current structure of 13% and 11% as sustainable for our faith communities and for ECMN.

Endowed and Invested Funds

The income that comes from endowed and invested funds is based on a five-year rolling average. Over the last several years, investments have performed very well, and in 2019, we expect to receive \$725,000 of earnings from these investments.

Program Revenue

The Program Revenue for 2019 remains the same as it was estimated to be in 2018. Revenue for programs such as ECMN Convention and Clergy Conference have been adjusted to allow for a modest subsidy that will result in decreased registration fees over the next few years.

Resource Utilization (Expenses)

We continue to believe that our faith communities are uniquely suited to identify what God is up to in their neighborhoods, and to decide how to engage in God's work. This value is what leads us to minimize the number of ECMN initiatives and mandates, especially ones that need financial support. Instead, we seek to support our faith communities by connecting them with appropriate

resources, networking them together to support each other, and to identify ways that we can use all of our resources, financial or otherwise, for God's mission. These decisions undergird the choices that we have made throughout the 2019 FSM.

You may notice changes to the Missioner Team structure throughout the 2019 FSM. This reflects a reorganization of the Team into Development Groups that reflect an interdisciplinary approach to work that has been a vital resource to our faith communities. Further, there are some changes to roles that will see the elimination of some positions, the creation of a new Missioner for Evangelism position, and the reallocation of responsibilities for some members of the Team of Missioners.

Mission Development

The Mission Development team brings together missioners from Mission, Ministry, and Management to create a focused resource on Identity, Context, and Sustainability for our faith communities. In consultation with the Personnel Committee, we will not be filling the role of Missioner for Networking. Rather, the funds for this position will be allocated partly to the creation of a half-time Missioner for Evangelism. The remaining funds from this position will be allocated to expand the role of two Missioners, balancing the portfolio of work.

We continue to support the granting program for Missional Innovative Partnerships balanced with the growth in the need for Ministry Development in faith communities. In 2019, we propose to maintain Missional Innovative Partnership grants at \$60,000, while responding to an increased demand for leadership development and training across our faith communities. Increases to the Ministry Development line are detailed in the Ministry Development section below.

Ministry Development

The work of the Ministry Development Team continues to encourage the discernment and formation of lay and ordained leaders for a missional church. For discernment, this is accomplished through the Commission on Ministry, supported and resourced by the Missioner for Ministry who also serves as a resource to our faith communities during times of transition.

The ongoing development of the School for Formation in the work of forming leaders includes the creation of a Commission for Formation. The School for Formation is supported and resourced by our Missioner for Formation. You may notice changes to the overall structure of the School for Formation lines in the FSM: this is meant to provide some structure and transparency to the work of the School for Formation. As mentioned in previous years, the expenses of the School for Formation are offset by endowment monies from various funds that will be sustainable for decades to come.

We continue to support the work of the Department of Indian Work and Multicultural Ministry by developing and resourcing these important partnerships. We are pleased to be able to continue this work. New this year is a proposed line to support the emerging Latino community at St. Nicholas in Richfield. This three-year grant of \$15,000 will enhance St. Nicholas' capacity to build and share ministry with their neighbors.

As mentioned above, we will be targeting efforts in 2019 toward Ministry Development and propose to use the increased funds in the Ministry Development line to identify needs, train leaders, and build leadership capacity in faith communities across Minnesota.

Finally, after the departure of the Missioner for Young Adult and College Ministry later this summer, and in consultation with the Personnel Committee, we will be rebalancing the work of this vital ministry toward an increased role and salary for the Missioner for Children, Youth, and Camp.

Management Development

The Management Development Team works to support our faith communities in the development of management best practices and capacities.

Overall, while we continue to increase our resourcing of faith communities, we are keeping our management expenses for 2019 in check, continuing the good work of previous years where we build efficiencies through contracted services and better use of our resources.

The Joint Finance and Audit Committee and Council has approved a 1% cost-of-living increase for ECMN employees for 2019, and that increase is reflected in the salary line of most of the missioners. We have also assumed a 5% cost increase for health care, which is reflected throughout the document. If these costs are less than projected, it will be reflected in the actual financial statements as we move into 2019. If they are more than projected, we will adjust the budget in conversation with Council.

Additionally, adjustments have been made to several Management Development Team salaries. The Missioner for Communications salary is increased to \$75,000, bringing this role back to its previous level, recognizing the increased need for a communications professional who is skilled in both content management, networking, and communications strategy. Similarly, the increase in salary for the Missioner for Administration is reflective of an expanded role, incorporating the management of outside organizations in the use of meeting space at 1101 W Broadway.

Canonical

The Canonical section of our FSM covers the Episcopate and various Canonical expenses such as General Convention, the Lambeth Conference, Meetings of the Elected Bodies, and our support for the wider Episcopal Church. Many of the lines in this section are for events that happen less often than annually.

Changes in this section include an expansion of role and salary for the Missioner for the Bishop, who now assists the Bishop and Mission Area Teams in the planning of Mission Area Gatherings. Additionally, we see some savings in the Episcopal Church Support line, as the new requirement for support from dioceses to The Episcopal Church comes down to 15% from 16.5% in the previous year. Lastly, we will be reinitiating a fund for the future election of a bishop for the Episcopal Church in Minnesota. Episcopal Elections can sometimes cost as much as \$175,000, and prudent planning now will prevent scrambling in future years for funding of this work.

