

THE DIOCESE OF VIRGINIA

2011 Description of Budgeted Income and Expenses

INCOME BUDGET ITEMS

A. ANTICIPATED PLEDGE INCOME

Projected total voluntary pledges from Virginia churches for the support of the mission of the diocese.

B. OTHER ESTIMATED INCOME TO SUPPORT DIOCESAN BUDGET

Total of non-pledge income from various sources. Examples include reimbursement of office expenses from diocesan institutions (The Diocesan Missionary Society, The Memorial Trustees and The Trustees of the Funds), individual gifts and donations, and investment income from operating cash management.

C. VIRGINIA EPISCOPALIAN SUBSCRIPTIONS

In 1966, Annual Council established a policy calling for each communicant household to receive the Virginia Episcopalian, and calling on congregations to contribute \$3.75 per household to help defray publication costs. The Executive Board has raised the asking just twice since then and the rate is currently \$5.00 per household. The rate for non-diocesan subscriptions is \$6.00 per copy. The 2011 Executive Board will consider how best to address core diocesan communication and how it is funded.

D. HEALTH INSURANCE ADMINISTRATION REIMBURSEMENT

Three-percent of health and dental insurance premium was approved by the 1995 Executive Board to reimburse the diocesan budget for expenses of plan administration (consultant, staff, postage, audit and account float). Diocesan auditors monitor the appropriate level of this account. With the change to the Denominational Health Plan, this amount was reduced to two-percent of premiums for 2011.

E. RESTRICTED INCOME

This line reflects income from restricted sources such as the Reid Trust income which helps support our mountain missions, the Episcopal Fund which supports our bishops and Line of Credit expense, the David Lewis Fund for offsetting prison chaplaincies and other sources of restricted funds.

EXPENSE BUDGET ITEMS

The 2010 Executive Board authorized the reorganization of the diocesan budget according to the priorities of the diocese, which are: Evangelism and Proclamation, Mission Beyond Ourselves, Multiculturalism and Ethnic Ministries, Strengthening Our Congregations and Youth and Young Adult Formation. Umbrella oversight of areas is assigned to Commissions in 2011, and these Commissions will have an increased role in how the 2012 budget will be designed.

A. Support of Our Greater Church Community

This diocese is part of the worldwide Anglican Communion. Our support of the general Church budget is a vivid reminder of this truth; that in our differences we remain one in heart and spirit through Jesus Christ who continues to work through the people of the Church to fashion a new creation.

The budget formula of the general Church, revised at the 2009 General Convention, asks the Diocese of Virginia for a pledge of 20% of total unrestricted diocesan income after a \$120,000 exemption. This is a reduction over 2010 in terms of percentage and will be lowered to 19% for 2012. Total unrestricted diocesan income is generally defined as operating income from churches and all other unrestricted income sources based on the prior year's audit, in this case the 2009 audit.

B. Ministry Areas in the Diocese

1 Christian Formation

1 Commission on Christian Formation

a. Committee on Aging. The Committee on Aging is a resource for parishes in engaging our Senior Adults for the second half of life. This committee seeks to affirm that the older members of our community are fully recognized as an important part of the Body of Christ. The committee assists parishes in meeting the needs of their senior adult members and annually sponsors the Tri-Diocesan Fall Camp at Shrine Mont, a 50th wedding anniversary celebration and a Longevity Service, honoring those 90 or more years young. Plans are also in place for a one-day education event in response to a charge from Annual Council to address end-of-life issues.

b. Committee on Campus Ministries/Grants for Episcopal College Ministries. Episcopal chaplaincy programs on college campuses within the Diocese of Virginia support our young adults at a critical time in life. 2011 support hopes to assist providing an Episcopal presence at James Madison University, the University of Mary Washington, the University of Virginia, George Mason University, Northern Virginia Community College and Virginia Commonwealth University.

c. Committee on Parish Youth Ministries. Strives to enable young people from all over the diocese to be full and active participants in the life of the Church. Organizes diocesan youth events & promotes youth involvement at the local, regional, diocesan and provincial levels. Provides staff support for Annual Council and training & leadership in youth ministry to adults and youth around the Diocese. 2011 programs include a Spring and Fall "Day of Service", a "Day of Play" for the youth of the diocese and Shrine Mont weekends for Senior High, 8th Grade and 6th/7th Grade.

d. Committee on Women in Mission and Ministry. These funds will enable the committee to continue to raise up awareness of the opportunities for women in both ordained and lay ministry.

e. Committee on Education. Purpose is to encourage, promote, develop, coordinate and support the efforts of all who are involved in Christian education. "Simply Education Day" is a key program for the committee, and regional events and monthly network meetings are held for anyone interested in Christian education.

f. Committee on Ministries in Higher Education. Provides an overview of current ministries on campuses within the Diocese, to determine needs for campus ministry within the Diocese. Provides programs for students and faculty involved in higher education. Representation at Province III college events and diocesan council are typical involvement of the committee.

2 Other Christian Formation Programs

- a. Shrine Mont Camp Program Support. Our camps and conferences program at Shrine Mont is one of the great assets in the diocese, and support of Youth and Young Adults is a priority of the diocese. This line subsidizes general expenses (camp infirmary, insurance, etc.), camp subsidies and camp scholarships. Offsetting costs of the camps and conferences makes them accessible to a broader group of people in the Diocese.
- b. Youth Ministry Development. A priority of the Diocese is the development of an energetic program for youth that networks and facilitates youth ministries across the Diocese. This supports the 2011 program development funding with expenses to include Provincial and National level experience for our young Episcopalians. A key event in 2011 is the Episcopal Youth Event (EYE), a national event held every three years.
- c. Clergy & Diocesan Conferences. This line supports those conferences held for both clergy and laity, both at Roslyn and Shrine Mont. 2011 programs will include the Administrative Professionals Retreat, Healthy Congregations Workshops, spring and fall clergy conferences and the Small Parish Retreat.
- d. Fee for Education for Ministry Program. Education for Ministry is a comprehensive four-year program based on the core curriculum of the School of Theology of the University of the South. Lay persons meet weekly with a mentor to become confident in a thorough understanding of Scripture and the Christian tradition, to learn to find God's presence in everyday life and to decide how to live in response to that presence. This line item is the cost of the diocesan contract with Sewanee which dramatically reduces participant program tuition for all diocesan EFM groups.
- e. St. Paul's College, Lawrenceville. St. Paul's College is a historically black college located in the Diocese of Southern Virginia. Absent from the diocesan budget since 2007, this request is for grant money to help single parents attend St. Paul's College.

2 Strengthening Our Churches

1 Commission on Strengthening Our Churches

- a. Committee on Church Planting. The mission of this committee is to inform and mobilize the Diocese in the planting of new churches. As part of a long-range plan in the late-1990's, this committee identified over 50 potential new church locations. Without funding to plant new churches, the committee is working to produce a manual and a related program on the efficacy of evangelism through church planting opportunities.
- b.a. Committee on Congregational Missions. A large element of our common work, this item will provide assistance to over 20 mission churches and church plants in the diocese in 2011.
- b.b. CCM - Aid for Mountain Missions. This is a direct expense of the gift from the Reid Trust and is how the diocese allocated the restricted income in 2011. Assisted here are mountain missions and it is expected that in 2011, this funding will also allow the diocese to assist with deferred maintenance items at a number of churches.
- b.c. CCM - Other items. This line item continues financial assistance for Iglesia de Santa Maria through capital debt reduction, sponsors program and scholarship support for the annual Carolina/Virginia Small Church Conference held in North Carolina, assists mission churches encountering unexpected expenses, provides funding for the Latino Task Force as it supports our Latino congregations in creating an informational presentation that can be shared with regional councils, parishes, or other interested groups to educate them on the demographics, congregations, and opportunities in the Diocese of Virginia.
- c. Committee on Stewardship. Assists parish stewardship by teaching the Biblical principles of Christian Stewardship and by planning a year-round stewardship program. The development of a mentor program in 2011 aims to raise diocesan consciousness of the "spirituality" of stewardship.
- d. Committee on Congregational Development. This committee provides key developmental resources for congregations. Vestry Education Day is an important element of their work and will be part of the 2011 workshop offerings. This line item funds an annual contract with Percept, Inc.(demographic data firm), conferences, parish consultants and matching funds for revisioning processes. A core publication, Church Tool Box, www.churchtoolbox.org, is maintained at no cost by commission members.
- e. Committee on Liturgy and Church Music. This committee's primary work is in the planning, coordination and execution of Diocesan Liturgical Events, such as Annual Council.

2 Other Areas for Strengthening Our Churches

- a. Bishop's Minority Scholarship. A tactical shift in 2007 funded this allocation for minority scholarships to support and encourage ordination for continued service to God's call. The 2011 budget includes this need-based aid for minority students at Episcopal seminaries and in supporting minority lay professionals expand their ministries.
- b. Transition Ministry Expenses. The Transition Ministry Officer, working with the Bishop and the Canon to the Ordinary, provide various services to the churches of the diocese related to clergy search processes and this line funds the expenses associated with providing these services. Typical expenses include consultant subsidies for congregations needing assistance, the costs of background checks for churches unable to afford those costs, and publication costs of church and clergy search manuals.
- c. Insurance for Vacant Churches. This line item covers property and casualty insurance expenses for vacant church buildings.
- d. Real Estate Tax (Undeveloped Land). This item covers the real estate taxes on the undeveloped church site properties owned by the diocese.

3 Mission and Outreach

1 Commission on Mission and Outreach

- a. Committee on World Mission. A revisioning process has helped this commission focus on being a smaller and more responsive means of support to the diocese. The committee seeks to sponsor, help schedule, and support domestic and foreign mission trips for youth and adults of the diocese so that they may live out the Great Commission. The ongoing development of six ministry areas will allow this important work to continue with an eye to a long-term goal to reduce diocesan budget support to administrative only, much like the Diocesan Fund for Human Need, and fund grants from gifts and income generated by the Diocesan Fund for World Mission endowment managed by the Trustees of the Funds. This is a component of the diocesan goal to meet 0.7% asking for the Millenium Development Goals.
- b. Committee on South Africa Partnership. This committee seeks to foster & nurture a relationship and joint venture in ministry between the Diocese of Virginia and the Anglican Diocese of Christ the King and the committee looks to work on expanding parish partnerships between Virginia and South Africa in 2011. How we view youth ministry and race relations is a tenet of the committee's work in 2011.
- c. Committee on Human Need. Established in 1989 as a voluntary fund to provide one-time grants to local churches, clusters of churches, or regions, for programs which address human need. Goals for 2011 include awarding of Mustard Seed and Human Need grant proposals, improving evaluation of completed projects, and encouraging giving to the Fund for Human Need. As no direct contributions to the fund are used to cover administrative expenses, this amount allows for expenses to manage the program oversight. This is a component of the diocesan goal to meet 0.7% asking for the Millenium Development Goals.
- d. Committee on Ecumenical and Interfaith Issues. Provides information and education for Parish Ecumenical Representatives; promotes our LARCUM Covenant, our interfaith and interchurch ecumenism dialogues in all mission & ministry of our Diocese.

2 Other Mission and Outreach Areas

a. Task Force on Emergency Preparedness. With initial work completed in 2007 pursuant to the direction of the 211th Annual Council, ongoing diocesan participation in the Virginia Organizations Active in Disaster (VOAD) is accomplished through minimal membership fees and a core of very involved volunteers.

b. Micro-Economic Development Grants. The Budget Committee of the Executive Board hopes to respond to domestic and foreign micro-economic initiatives when these funds are available. The Budget Committee hopes to maintain these funds, in conjunction with the South African Partnership, DFHN and DFWM, at a level consistent with the general Church resolution guidelines of 0.7% of unrestricted income being related to Millennium Development Goals (MDGs).

c. Church Schools - Robert Bruce Hall Scholarship Program. When funds are available, this line item seeks to honor Bishop Hall in funding additional diversity of experiences for all students at appropriate diocesan schools, such as St. Andrew's School in Richmond and the Church Schools of the Diocese.

d. Ecumenical Partnerships.

i. Chaplain Service of the Churches of Virginia. Since 1920, Chaplain Service has assigned Christian chaplains to the prisons throughout Virginia, offering this ministry to over 32,000 men, women and youth prisoners. Chaplains conduct worship services, lead Bible studies, coordinate volunteers and counsel prisoners.

ii. Virginia Council of Churches. The Virginia Council of Churches is our core link among 38 judicatories, representing 18 denominational groups within the Commonwealth. VCC provides for interchurch study, planning, work & witness, fostering ecumenical action and encouraging relationships with other ecumenical, private and public agencies whose interests are consistent with the purpose of VCC.

iii. Virginia Council of Churches - Refugee Resettlement Program. The Virginia Council of Churches' refugee coordinator helps resettle refugees within the Diocese of Virginia as part of the Episcopal Church Refugee/Migration Ministries. This is the largest resettlement organization in Virginia. All funding of this is used directly to support refugees and not for administrative costs.

iv. Virginia Interfaith Center for Public Policy. A non-profit, statewide, interfaith organization committed to addressing and promoting social justice for all Virginians through a full-time, year-round program of education and advocacy. VICPP is also very active in monitoring legislation that is of interest to religious entities and advising constituent members of potential impact to their various ministries.

4 Ministry

1 Commission on Ministry

a. Committee on Discernment. Mission is to develop and oversee the discernment process of both lay and ordained ministries: recruit, train and support Diocesan Spiritual Discernment Facilitators; design and deliver Diocesan Discernment Retreats; provide advice and counsel to the Bishop on matters related to discernment; serve as a resource on discernment for the diocese. While most of the program costs are paid by attendees, in 2010, this portion of the budget was funded by a grant from the Jessie Ball duPont Foundation, but is now restored to the diocesan budget in 2011.

b. Committee on Leadership Formation. In 2010, this portion of the budget was funded by a grant from the Jessie Ball duPont Foundation, and much of the work designed to be accomplished was fulfilled. This item is a placeholder for envisioned expansion of the Commission on Ministry.

c. Committee on Ministry in Daily Life. In 2010, this component of the Commission on Ministry completed much of their work and, for 2011, this item is a placeholder for envisioned expansion of the Commission on Ministry.

d. Committee on the Diaconate. This committee seeks to develop and oversee the diaconal formation process; including assisting individuals and parishes with application and screening processes; provide continuing support and assistance to persons in the diaconal formation process; lead in preparing and administering the GOE for deacons; and develop and oversee the Diaconal Formation Institute (DFI) and related curriculum. The committee is also charged to provide orientation, not only to deacons from other dioceses, but also to clergy in this diocese who will be assigned deacons. In 2010, this portion of the budget was funded by a grant from the Jessie Ball duPont Foundation, but in 2011, with a growing diaconate program and participation in the North American Association for the Diaconate Conference, this line is fully reflected in the diocesan budget.

e. Committee on the Priesthood. The priestly formation process is the focus of this committee, seeking to continually develop and oversee the involved policies and procedures. Included is the assistance of churches and individuals with application and screening processes for priesthood, ongoing support of persons in the ordination process and providing advice to the Bishop and diocese. Several former distinct line items of the diocesan budget are now covered through this line, such as postulancy interviews, retreats and the Mid-Atlantic Parish Training program. Ordination expenses, assumed for eight transitional deacons, are budgeted here.

f. Committee on the Young Priests Initiative. Responsible for the recruitment, selection and oversight of persons under 25 years of age, who are exploring a possible call to service in the Church, especially priesthood. A structured process of discernment and parish internship is involved. With Youth and Young Adults ministry being a named priority of the diocese, YPI also functions as a resource for the younger persons of the diocese.

g. Diocesan Board of Examining Chaplains. This item funds the expected \$500 per person expense for the General Ordination Examinations (GOEs) for seven seminarians, and the review and evaluation of the GOEs for persons seeking priesthood. Recommendation for, and oversight of, remedial work on GOEs is handled by this Board. This Board assists the Bishop on matters related to clergy ordained by churches not in communion with the Episcopal Church, and other special canonical examinations. 2010 grant money offset expenses, but in 2011, the item returns to the diocesan budget.

h. Committee on Continuing Clergy Formation. COM has oversight of the work of this committee in developing and administering the Fresh Start program for newly ordained clergy and clergy new to the Diocese. This important program is based on nationally-developed curriculum and involves monthly meetings over a two-year period, plus an overnight retreat at Shrine Mont. The committee assists the Bishop with continuing clergy formation issues, and provides input on clergy compensation matters.

i. Committee on Religious Life. This item is a placeholder for envisioned expansion of the Commission on Ministry.

5 Human Dignity and Justice

1 Commission on Human Dignity and Justice

- a. Committee on the Stewardship of Creation. Develops teaching materials and other resources for use at the diocesan, parish and personal levels to encourage people to identify ways in which they can become better stewards of the environment. A new brochure for 2011 and revised website offerings will help expand the work of the committee.
- b. Committee on Race Relations. Supports the Diocese, its churches, committees, commissions and related organizations in eliminating racism and encouraging cultural diversity, recognizing and incorporating the diverse & enriching gifts of all races and cultures. 2011 plans additional workshops of the newly developed materials designed to address the core goals of this work.
- c. Committee on Mental Health. This committee seeks to equip our churches to support and incorporate mentally ill persons and their families into the local parish, as well as to assist our churches in being welcoming communities of faith to all. 2011 will bring with it the initial presentations of a program designed to facilitate wellness and awareness of health issues at the parish level.
- d. Task Force on Parish Nursing. Intended to provide resources to parishes for setting up and maintaining a health ministry committee and/or parish nurse ministry.
- e. Committee on the Prevention of Sexual Misconduct. This commission provides training for the prevention of sexual misconduct and assists the Bishops in responding to individuals and congregations when misconduct or allegations of misconduct occur. 2011 will see the continued introduction of web-based training modules and revised materials developed by the Church Pension Group for Prevention of Adult Misconduct Workshops. A Spanish translation of the new material is being completed. The impact of the General Convention revisions to Title IV are administered through the work of this committee.

C. Governance and Commission Support

- 1 Standing Committee. Exists by Canon to help conduct the constitutional affairs of the Diocese. It is a board of counsel and advice to the Bishop. Participates in the process toward ordination, the approval process for incurring church debt, and giving and withholding of consent for the consecration of new bishops. In rare cases, it may act as the ecclesiastical authority. The expansion of teleconferencing has helped reduce expenses and the use of such tools will expand where possible.
- 2 Executive Board, Deans and Presidents (Support and Meetings). The canonical responsibilities of the Executive Board include carrying out the directions of Annual Council between sessions of Council, oversight of the budget adopted by Council, submitting a proposed budget to Council, oversight of inactive churches, approval of sale of property belonging to the Bishop, the Trustees of the Diocese or mission church property. The expanded use of teleconferencing will continue in 2011 as a means of good stewardship.
- 3 Commission Support and Program Development. Provides funds for the Diocesan Program Director to develop and support diocesan programs.
- 4 Province III - Representation and Support. Province III deputies represent the Diocese of Virginia at provincial Council and Synod meetings. Representatives are elected by Annual Council. The core expense of this item is a requested assessment of each diocese based on baptized members, plus a small allocation for the expenses of our deputies.
- 5 General Convention Representation - Reserve. This line transfers annually an amount to a reserve account to defray the costs for deputies to travel to General Convention every three years. The travel expense for diocesan staff requested by the Bishop to attend is paid from the regular staff travel accounts. While this line item has been reduced in recent years, the reduction in the duration of General Convention as of 2012 will mitigate depletion of these funds.

D. Communications & Technology Across the Diocese

- 1 Virginia Episcopalian & e-Communique. Expenses associated with producing six issues of the "VE", the online e-COMMUNIQUE, and other publications and flyers required by the Office of the Bishop.
- 2 Web Presence. Increasing the accessibility of the Diocese of Virginia to programs, documents and general information is efficiently done through a well-supported web page. The Communications Office also provides template support for churches developing their own web sites.
- 3 Other Communications Expenses. With the reduction in staffing, the use of freelance writers, photographers and layout designers provides the best possible communications products for the diocese. This line item also allows for communication expenses for materials, equipment and professional dues.
- 4 Committee on Communications. Provides individual communications consultation to parishes and diocesan groups in cooperation with diocesan staff.

E Bishops, Staff and Support

- 1 The Episcopate
 - a. Bishops. This category funds compensation (salary, housing, social security, pension, health & life insurance) for the bishops. 2009 returned the diocese to only two bishops and 2011 funds the hiring a half-time Assistant Bishop. The clergy compensation minimum of +0.54% for 2011 is the base target used for compensation.
 - b. Episcopal Office. This category covers total compensation for the Canon to the Ordinary, three Administrative Assistants, the Transition Ministry Officer and the Bishop's clerk. As with the Bishops, the suggested minimum increase is +0.54% in the proposed 2011 budget.
 - c. Other expenses of the Office of the Bishop. This line covers hiring Assisting Bishops for parish visitations, the expenses of the Canon to the Ordinary and other miscellaneous expenses of the Bishops' offices. This line item was increased for 2010 prior to the hiring of an Assistant Bishop for 2011 and has been substantially reduced this year.
 - d. Bishop's Travel. This category supports diocesan travel for the bishops, including automobile costs, insurance, mileage reimbursements, conference registration fees, airline tickets, hotels, meals and other transportation. This also includes an annual depreciation expense for diocesan vehicles.
 - e. Bishop's Office Travel. This category supports diocesan travel for the other staff in the Office of the Bishops, including automobile costs, insurance, mileage reimbursements, conference registration fees, airline tickets, hotels, meals and other transportation. This also includes an annual depreciation expense for diocesan vehicles.
 - f. Lambeth Conference - Reserve. This reserve account provides for a sinking fund allowance for the Bishops attending the Lambeth Conference, held every ten years in England.
 - g. Episcopal Transition Expense and Reserve. This reserve account provides for a sinking fun allowance for the search, election and transition expenses associated with new Bishops for the Diocese of Virginia.

2 Staff

a. Ministry and Governance - Staff. This category funds the staff costs for diocesan program and administration. It reflects the compensation and benefits of 16 full-time positions: Secretary of the Diocese, Stewardship and Development Officer, World Mission Officer, Communications Officer, Program Officer, Assistant Program Officer, four full-time Administrative Assistants, Receptionist, and Mailroom/Maintenance Clerk. As with the Bishops, the suggested minimum increase is +0.54% in the proposed 2011 budget.

b. Ministry and Governance - Travel. This category supports diocesan travel for those staff involved in the Ministry and Governance elements of the Diocese of Virginia, including automobile costs, insurance, mileage reimbursements, conference registration fees, airline tickets, hotels, meals and other transportation. This also includes an annual depreciation expense for diocesan vehicles.

c. Finance and Administration - Staff. This category funds the staff costs for the Finance Office staff. It reflects the compensation and benefits of four full-time positions: Treasurer, Financial Administrator, Benefits Administrator, and Bookkeeper. The Diocesan Risk Manager, while reporting to this office, is paid through the Church Pension Group. As with the Bishops, the suggested minimum increase is +0.54% in the proposed 2011 budget.

d. Finance - Travel. This category supports diocesan travel for Finance Office staff, including automobile costs, insurance, mileage reimbursements, conference registration fees, airline tickets, hotels, meals and other transportation. This also includes an annual depreciation expense for diocesan vehicles.

e. Temporary Assistance. This line covers temporary assistance during the year to maintain a high standard of customer service ministry.

f. Administrative Staff - Travel. This category supports diocesan travel for all other diocesan staff, including mileage reimbursements, conference registration fees, airline tickets, hotels, meals and other transportation.

g. Staff Long-Term Disability Insurance. This line was previously included in a general staffing expense line, but in a change for the 2011 budget, this amount is now included in the staffing expense lines.

h. Staff Continuing Education. This line allows for staff to receive additional training, if needed, for the improvement of their ability to serve the Diocese of Virginia. This line has, in the past also provided for group training sessions for the staff, as a whole. This line item was previously included in a general staffing expense line and has been broken out for 2011.

i. Staff Meeting Expense. This line item was previously included in a general staffing expense line and has been broken out for 2011.

j. Worker's Compensation Insurance. This amount is based on those persons under the diocesan payroll and is calculated through the diocesan Property and Casualty Insurance. This line item was previously included in a general staffing expense line and has been broken out for 2011.

3 Support

- a. Automobile Expense and Reserve. This category supports diocesan travel for the bishops and staff, including automobile costs, insurance, mileage reimbursements, conference registration fees, airline tickets, hotels, meals and other transportation. This also includes an annual depreciation expense for diocesan vehicles.

- b. Telephone and Cell Phone Expense. The expenses for the diocesan telephone system, software, support and all diocesan provided cell phones are included in this line item. This item had previously been included in a general office expense line item.

- c. Office Supplies, Equipment and Services. Costs associated with the Mayo House and Northern Virginia offices are funded here. Expenses include paper, printing, postage, copying, office equipment, service, supplies and maintenance. Annual depreciation of office equipment is included.

- d. Building Related Expenses and Reserve. Expenses related to the upkeep of Mayo Memorial Church House are recorded here, including property insurance, utilities, maintenance and custodial care.

- e. Audit, Legal and Professional Fees. This category covers costs of the annual audit of the diocesan accounting and an allowance for usual and customary legal expenses. The diocesan auditing contract is being put out for bid in 2011.

- f. Interest Expense - Line of Credit. This budget line covers the interest expense and fees related to the line of credit acquired by the diocese. This line of credit was established to provide adequate cash flow in the period of 2007-2011 in estimating required legal expenses. This line item is being funded by restricted income from the Episcopal Fund and not from church pledges to the diocese.

- g. Other Operating Expenses. Expenses in this category includes payroll service fees, service charges for international wires, service charges for requested website credit card accessibility and miscellaneous expenses of operating Mayo House.