

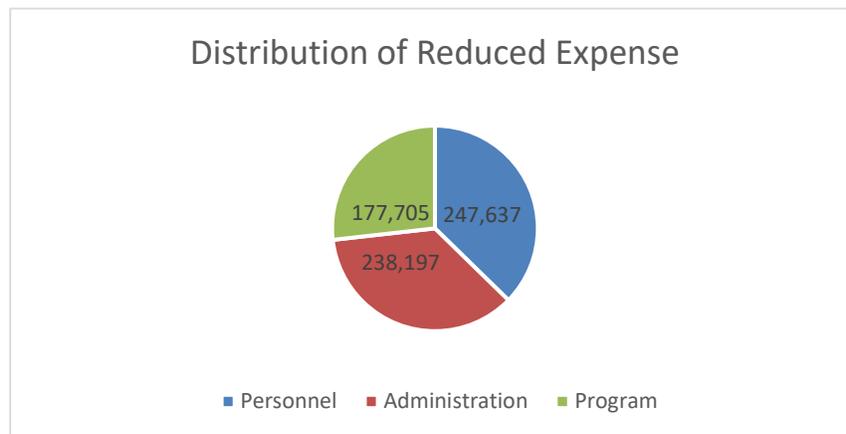
## 2021 Budget of the Diocese of Virginia

### Notes Supplemental to the Narrative Budget

10/29/2020

The budget always starts with a forecast of anticipated income, which dictates how much we have available to spend on program, personnel, and plant. Over the past five years, actual receipts of parish pledge income have declined by an average annual rate of 2.1%, from \$4,336,639 to close out 2014 to \$3,899,719 in 2019. Further, receipts declined at sharper rates in 2018 and 2019, by <3.2%> and <3.6%> respectively. COVID-19 has had varying impacts across the Diocese of Virginia and the Episcopal Church this year; a survey of parish wardens and treasurers in the diocese indicated that while 40% of respondents had seen no material change in income, 49% had seen a decline, with 21% reporting a decline of greater than ten percent. 12% reported an increase with two reporting an increase of greater than ten percent. A weighted average of these responses was <4.1%>. Since this survey was taken, COVID has continued to dampen the economy and our life together. A realistic forecast must assume that the trend already in place will continue, and that the impact of COVID would continue to impact parish budgets and amplify the existing trend, hence the 10% assumption. The figure of \$3,602,940 comes from applying a discount of 10% to the last twelve months of actual monthly receipts from parishes. This allows recent data to be reflected while also capturing the contributions of parishes who pay their entire pledge at once at the end of each year.

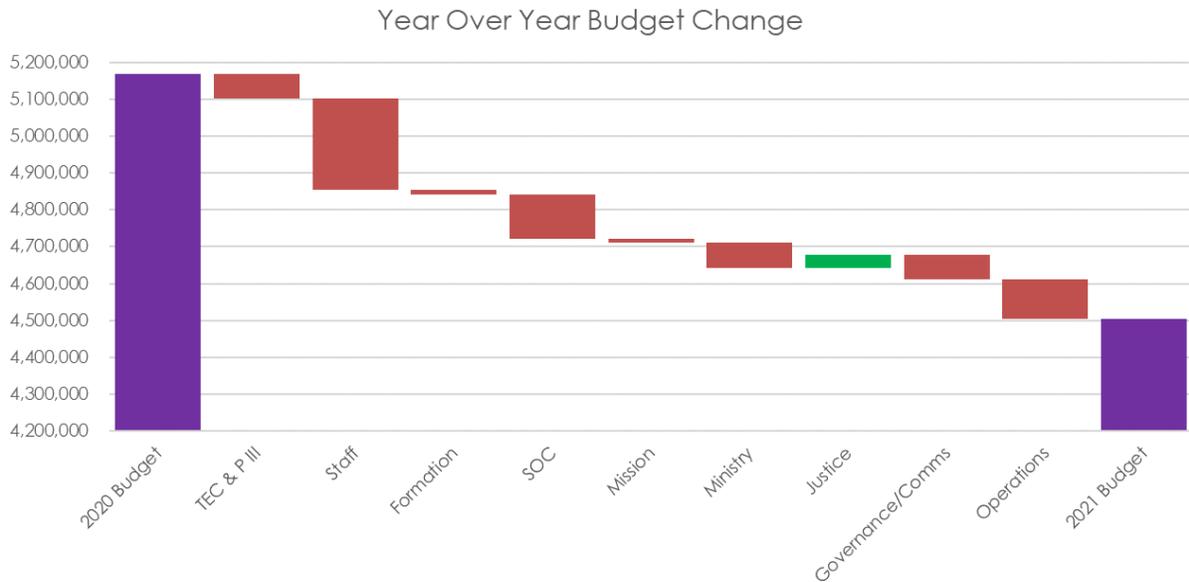
The reduced pledge income forecast presented a gap of (\$663,539) versus the 2020 Budget. This gap was closed by reductions in roughly equal percentages. Program was the least impacted, at 27% of the dollars reduced.



The salary area involves the reduction of staff size by one full-time and three part-time positions and the restructuring of one role to half-time. Two of the eliminated part-time positions were staffers who left in the first half of the year and for which no replacements were hired. No staff received a raise beyond the recommended 0.92 % COLA adjustment.

The administrative costs are largely driven by the reduced commitment to The Episcopal Church, the elimination of the print Virginia Episcopalian, scaled-back travel plans, and the reduction in the cost of operating headquarters.

As the waterfall chart shows, the only budget area to see an increase (green) is Justice. In this area the Triangle of Hope will be funded, and the re-formed Ministry for Racial Justice and Healing group has twice the funding it did in 2020.



Our program is nearly completely focused intramurally, as the narrative budget shows. We do have several key external partners in Virginia, most notably GraceInside, the prison chaplaincy in Virginia. Our support is vital to their work and is not reduced in the 2021 budget. At the diocesan level we send a much smaller amount of aid overseas through the operating budget. We are able to assist congregations in their aid efforts in Haiti, Tanganyika, and elsewhere through our access to international wire services at Truist.