

Draft 2007 Budget for Discussion and Second Reading
Prepared by the Financial Development Committee
Presbytery of Elizabeth
 First Reading October 28, 2006
Second Reading November 28, 2006

The 2007 budget was presented for the first reading at the October 28, 2006, Presbytery Stated Meeting. Final approval of the budget is planned for the November 28, 2006 Presbytery Stated Meeting.

These are the changes in the proposed budget between the first and second readings.

- (1) The income statement now shows 100% of the per capita payment instead of an anticipated shortfall. The anticipated shortfall is shown in the expense statement.
- (2) Council has created a \$40,000 spendable carry-over reserve for the ECVU unit. This reserve is now reflected in the income statement and the expense statement, which increases ECVU's 2007 budget from \$33,000 to \$73,000.
- (3) Council suggests that if this deficit budget is approved, all units will spend to 90% year to date through June, 2007, so that income projections can be verified and spending levels adjusted as appropriate. The exception to this is Personnel, which may spend to 100% year-to-date levels.
- (4) COM and CPM are hereby asked to consider how they might expand services and support for pastors, candidates and inquirers. These Committees are invited to reflect new services in their 2008 proposed budgets.

Budget Requests

The Financial Development Committee requested 2007 budget planning numbers from each unit in August 2006 and again in September. Budget requests and narratives that were received have been edited and are included in this packet. The Personnel Committee requested an overall 3% increase year to year. If a unit did not submit a budget request, their budget remained flat year-to-year.

Income Forecast

Presbytery's income is largely generated from two sources: per capita assessment and individual church pledges.

Per Capita Assessment

The per capita assessment amount is developed and proposed each year by the Financial Development Committee and approved by Presbytery Council.

- (1) The Elizabeth Presbytery per capita amount is composed of the requests received from General Assembly (GA) and Synod, combined with the amount necessary to close the Presbytery budget. The 2007 request from GA is \$5.79 for 2007 and 2008; a 22 cent increase. The 2007 request from Synod is \$3.70.

- (2) Per capita assessments are based on the reported membership of each church from two years prior. For example, the per capita assessment for the 2007 budget is based on church membership reported as of December 2005.
- (3) For the last three years our per capita forecast has fallen short of actual per capita payments received. Our 2005 per capita shortfall was \$10,395.35. Per capita shortfalls occur typically when Sessions decide that they will forward to Presbytery only per capita collected from the congregation instead of per capita for the entire reported membership.
- (4) When a per capita shortfall is experienced, Presbytery must pay these monies from reserves and/or pledge income. According to our Book of Order GA and Synod per capita must be paid by the Presbytery.
- (5) The Financial Development Committee increased per capita for 2007 from \$19.50 to \$20.00. This action was taken to accommodate the requested increase from GA and to bring our Presbytery closer to a balanced budget. Churches should anticipate modest and steady per capita increases in future budget years so that Presbytery can approach a balanced budget.
- (6) The 2007 Presbytery total per capita income forecast is \$150,000 based upon a reported membership of 15,087. \$8500 is the forecast per capita shortfall.

Anticipated Pledges

2006 forecast pledge income from our congregations was \$419,000. We anticipate a decrease in this amount. The FDC in consultation with the Presbyter Treasurer decided that \$375,000 in pledge income is an achievable forecast.

Significant Changes from 2006 to 2007

The proposed 2007 budget is a deficit budget with an anticipated shortfall of \$13,680. Achieving a balanced budget in 2007 will require all units to manage spending to 97% year to date through June 2007 so that FDC can monitor expense patterns and implement adjustments required to avoid taxing reserve funds.

- (1) The ECVU budget is reduced from a requested \$85,000 to \$33,000. This budget reduction is recommended because the unit under spent in 2005 (\$58,497 actual vs. \$70,000 budget) and is under spent in 2006 (through October 17, 2006, \$20,905 vs. \$85,000 budget). FDC is recommending the establishment of a carry-over reserve of \$40,000 to support ECVU's 2007 programs.
- (2) The Resource Center Administrator position is not part of the 2007 personnel budget. FDC and Council are asking EDU to consider ways that the Resource Center services might be combined with other presbyteries or ways that resource sharing between congregations might be facilitated.
- (3) Personnel requested an across the board 3% increase. There is a larger salary increase planned for the Stated Clerk because additional duties have been made part of that position with the recent presbytery job description review.
- (4) Outreach and Social Concerns is asked to hold grant spending flat year to year.

- (5) Many small units have maintained place-holder budgets, making no expenditures, for two or more years. The budgets for these units have been consolidated into a single line item for 2007 entitled Shared Contingency. Should any of these units need funds in 2007 they may request them from the Shared Contingency budget.

Evangelism and Church Vitality Unit (ECVU)

The Evangelism and Church Vitality Unit (ECVU) works to attain the goals of the Presbytery of Elizabeth in accordance with the Presbytery Mission Statement and with the 2004 Mission/Ministry Initiatives established toward achieving Vision 2014. The ECVU was formed in 2006 by combining the Evangelism and Church Growth Unit with the Congregational Strategy and Resources Unit. The ECVU has the following responsibilities:

- a. Evangelism-provides resources to congregations in the area of Evangelism. These may include workshops, seminars, curriculum, consultation and grants.
- b. Church Transformation – provide resources to congregations in the area of church transformation including seminars, workshops, curriculum, consultations, demographic data, and grants to attend conferences; includes review of transformation grants.
- c. Congregational Networking – facilitate networks of congregations within the Presbytery for sharing ideas and resources. Assist congregations in creating partnerships with one another for mutual benefit.
- d. New Church Developments (NCD) – oversee existing NCDs, Fellowships and newest chartered churches. Be responsible for initiating NCD probes. Includes review of grant requests related to NCDs.

The initiatives to support these responsibilities are listed below.

Congregational Transformation and Networking Events	\$9,500
Leadership Development	\$3,500
New Church Development and Fellowships	\$20,000
*Total requested in view of balanced budget initiative	\$33,000

*This amount is requested based upon the first reading of the budget, which reduced the ECVU total figure from \$85,000 to \$33,000 based upon 2005 and 2006 year-to-date under-spending. At the Council meeting of November 7, it was agreed that a \$40,000 spendable reserve be created for ECVU in the 2007 budget. Therefore, the total available budget for ECVU is \$73,000 for 2007.

Committee on Ministry (COM)

The general responsibilities of the COM are “to serve as pastor and counselor to ministers; to facilitate relations between congregations, ministers and presbytery; and to settle difficulties on behalf of presbytery when possible and expedient”. The Book of Order further defines these areas of responsibility in G-11.0502a through G-11.0502j.

This is the proposed COM budget detail for 2007, prepared by Elder Susan C. Gieser (Westminster, Berkeley Heights), Chair.

Unit Expenses	\$	300.00
Training	\$	900.00
Early Ministry Institute	\$	500.00
Emergency Relief Fund	\$	1,000.00
Consultation Fee	\$	2,000.00
Annual Retreat	\$	1,000.00
Annual Clergy Retreat	\$	900.00
Emergency Pension/ Salary Fund	\$	2,000.00
Counseling Service Fund	\$	1,400.00
 Total Proposed	\$	 10,000.00

Committee on Preparation for Ministry (CPM)

The Committee on Preparation for Ministry is responsible to oversee the entire process through which men and women discern their call to pastoral ministry, pursue their theological education through college, seminary and practical ministry and receive the church's blessing on their call through ordination. CPM, working within the Presbytery's covenant relationship with those who feel called to ministry of word and sacrament, guides and nurtures inquirers and candidates by examining their spiritual, theological, intellectual and practical preparation for ordination.

Our Presbytery currently has 19 inquirers and 14 candidates working with CPM through the ordination process. We rejoice that during this past year 3 candidates were approved as ready to receive a call.

Due to Synod cuts for reimbursement of monies for the required career counseling for Inquirers, we are increasing our request for that portion of our budget to cover those higher costs.

This is the proposed 2007 budget for CPM prepared by Rev. Victoria M. Ney (Westfield), Chair.

Unit expense	\$	500.00
Candidate Counseling	\$	4,600.00
Annual Candidates' Luncheon	\$	300.00
CPM Inter-governing body Meetings	\$	250.00
Training	\$	350.00
Total	\$	6,000.00

Outreach and Social Concerns Unit

The responsibilities of the Outreach and Social Concerns Unit as defined by the presbytery are:

- (1) analyze requests for the funding of mission programs and monitor ongoing mission programs of the presbytery;
- (2) support and participate with congregations in developing programs of compassion, healing and service;

- (3) interpret the mission work of the PC(USA);
- (4) provided analysis of select social justice issues;
- (5) advocate to congregations, government, corporate policy makers and the public positions taken by presbytery;
- (6) support the Self-development of People, Global Peacemaking and Creation Enablers Committees.

The proposed 2007 line item budget for OSCU was prepared by Elder Jack Paddon (Liberty Corner) and Rev. John Illian (Central, Summit), Co-Chairs.

	2006	2007
Agency Mission Grants	\$139,100	
Church Grants	\$ 4,000	
Mission Initiatives	\$ 1,200	
Global Mission Promotion	\$ 1,200	
Total	\$145,000	\$145,000

Education and Discipleship Unit

The Education and Discipleship Unit supports the Christian Education ministry of our Presbytery. Camp Johnsonburg Programs, Young Adult Ministry, our annual lay and pastoral ministry-equipping seminar called Xtravaganza, the Youth Retreat and Triennium are all vital parts of EDU's work. The total budget request for 2007 is \$30,000. Specific budget information is provided for the Resource Center.

The Resource Center (part of the Education and Discipleship Unit)

The Resource Center provides current resources for churches within our presbytery. It is important that current materials are available. The Resource Center continues to advertise new materials and respond to requests for resources made by more than one church.

Bible Reference Materials	\$ 700.00
Church School Curriculum	
Includes VBS	\$ 700.00
Adult Bible Study	\$ 250.00
Youth Study	\$ 300.00
Young Adult Ministry	\$ 300.00
Childrens' Ministry	\$ 450.00
Theological Resources	\$ 250.00
Church History Resources	\$ 250.00
Seasonal Resources	\$ 600.00
Mission Study/Stewardship	\$ 400.00
PCUSA Yearly Subscription	\$ 550.00
Total	\$ 4,750.00

Off-setting income of up to \$1,200.00 in subscription fees may be received from the churches. In addition to the Resource Center, EDU provides opportunities for churches to connect through education and fellowship in youth and young adult ministry and by supporting Camp Johnsonburg.

Respectfully Submitted,

Presbytery of Elizabeth Financial Development Committee

Joann Noblitt, Dex Carpenter, John Cavicchia, Pat Weikart, Jon Finne,
Paul Rack, and Dave Bomgaars, Ex Officio

SECOND READING
2007 PRESBYTERY BUDGET

Presbytery Of Elizabeth

Cash Income/Expense Statement and Budget

	2005 Actual	October YTD	2006 Budget	2007 Proposed Budget
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INCOME¹

Per Capita	\$ 149,671	\$ 120,000	\$ 158,000	\$ 158,564
Mission	397,821	253,475	419,000	375,000
Spendable Reserve for ECVU carryover from 2006				40,000

Total Income	\$ 547,492	\$ 373,475	\$ 577,000	\$ 573,564
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EXPENSES

Administrative				
Committee on Ministry	\$ 3,476	\$ 1,389	\$ 10,120	\$ 10,000
Committee on Preparation for Ministry	1,508	3,425	5,000	6,000
Presbytery Council	863	1,360	2,400	2,000
Presbytery Office	62,683	45,107	57,000	60,000
Treasurer Fidelity Bond			350	350
Presbytery Personnel ²	246,348	169,386	263,058	251,330
Uncollected Per Capita ³	10,395	8,500	8,500	8,500
Other ⁴			9,650	1,000
Total	\$ 325,273	\$ 229,167	\$ 356,078	\$ 339,180

Mission				
Education & Discipleship	\$ 25,400	\$ 16,221	\$ 33,000	\$ 30,000
Evangelism and Church Vitality	56,497	20,905	85,000	73,000
Outreach & Social Concerns	146,050	87,068	145,000	145,000
Total	\$ 227,947	\$ 124,194	\$ 263,000	\$ 248,000

Total Expenses	\$ 553,220	\$ 353,361	\$ 619,078	\$ 587,180
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Net Result (Income-Expenses)	\$ (5,728)	\$ 20,114	\$ (42,078)	\$ (13,616)
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Notes

- 1-Income does not include sources of revenue such as interest and reserve transfers
- 2-Stated Clerk, Bookkeeper and Assistant funded by per capita. EP and Assistant funded by mission.
- 3-Synod and GA per capita not paid by churches, but required to be paid by presbytery
- 4-Expenses for Trustees, Nominating, COR, PJC, legal counsel, Financial Development, Communications and Personnel. Funds have not been expended for these items in 2006.