

Great Rivers Region 2007 Budget

As adopted by the
Regional Ministry Board
October 2007



Budgets are not merely dollars and cents. Budgets empower the priorities of the Regional Ministry Board. Only the Board has the authority to establish priorities, allocate resources, and demand accountability.

The General Operating Budget (GOB) consists of INCOME and four EXPENSE sections. The EXPENSE sections are: **General Ministry Expense, Self-Funded Events, Grant-Funded Ministries, and Program Ministries Funded by United Mission.**

General Ministry encompasses all the Region's area ministry services as well as all administrative and office costs. Instead of having seven different line items for one specific type of expense shown repeatedly in each cost center, they have been combined here. Salary, benefits, travel, contractual services, supplies, maintenance, and convention are examples of these types of expenses. This represents about 89% of GOB.

Self-Funded Events includes expenses related to conferences and events for which a registration fee is charged. In other words, these are "revenue neutral" activities. The GRR Missions Conference is an example. The expense of Funded Events is balanced by the income of Conferencing (line 3019). This represents about 3% of GOB.

Grant-Funded Ministries shows the distribution for projects funded by grants (or other) income. Primarily, these consist of Shurtleff Fund grants, Foresee the Future distributions (from restricted regional investments), and American Baptist Church Developers donations. Like Self-Funded Events, these are self-supporting activities. Together, these represent about 7% of GOB.

Program Ministries Funded by United Mission shows the allocation of unrestricted resources to regional ministry teams to accomplish program goals. Various subsidies to regional auxiliaries and related ministries are also shown here. All expenses shown in this section are covered by, and totally dependent upon, unrestricted gifts to the Region, primarily United Mission dollars. Together, these items represent less than 1% of GOB.

Narrative Explanation of Key Elements

Under **Income**, you will note that about 67% of our GOB comes from United Mission and America for Christ (line 3000). This is down from 75% last year as increasing numbers of churches have reduced their support through United Mission. Many, but not all of those churches have chosen to support the Region through specific and designated gifts (line 3010). At this point in time these gifts represent about 17% of regional income. We are in the midst of a major transition in the mission support of churches and it is very difficult for us to plan on income with much confidence.

According to the Common Budget Covenant adopted by all the legal partners who constitute ABCUSA, regions retain 65% of United Mission to support regional ministry and mission. 35% of United Mission goes to the General Board of ABCUSA for distribution to the various national partners. America for Christ (AFC) is a special offering. One-third of AFC stays in the region of origin to support local mission and ministry. Two-thirds of AFC goes to the Board of National Ministries. Our conservative policy has been to use the average actual income for the last two years in order to project income for the coming year.

Another 14% of planned income comes from various non-restricted investments (lines 3001, 3002 and 3011). As affirmed in the "Roadmap," we are committed to the judicious and strategic use of the principal from unrestricted resources in this time of crisis. It is important to remember that we planned on using \$30,000 of those same resources to intentionally subsidize camping in 2006. As of August 31st,

the deficit in camping operations was \$43,203. That additional deficit (\$13,000) must also be covered from unrestricted resources. That draw from unrestricted resources will be in addition to nearly \$90,000 to cover last year's shortfall. Using unrestricted reserves is not a long-term solution to our financial problems.

It is clear that the Region must identify and encourage new income streams in order to continue our mission and ministry. The "Roadmap" will more clearly outline the measures we will be taking in 2007.

Personnel costs are included in **General Ministry Expense**. The Ministry of Staff Relations made a recommendation regarding compensation to the Ministry of Financial Stewardship, which prepared the budget proposal for the Regional Ministry Board. During its business session the Regional Ministry Board modified those recommendations to provide for a 3% cost of living increase for full time staff. This resulted in a budget that was out of balance. The Board consequently increased line 3260 (New Income Streams) in anticipation that there would be positive responses to the "Roadmap" strategies. Should this not materialize, the deficit will be covered from unrestricted reserves. This could mean \$60,700 taken from reserves (lines 3011 and 3260). At the same time, Max Klinkenborg is transitioning into retirement, and asked that his time commitment to the Region until retirement be reduced by eight weeks. This reduces his compensation proportionately and results in significant savings to the Region. Taken together, these result in a 1.1% increase in salaries for full-time regional staff.

The ministerial staff have committed to reducing their travel costs in 2007 (line 4004). While we are doing several things in this area, two directly impact this budget. First, all out of state travel must have prior approval. Second, July and December will continue to be "no travel" months, during which activities involving travel will not be planned. Finally, there is no provision for reimbursement of travel to the 2007 Biennial. If staff attend, it will be at their own expense. In addition, the *Continuing Education* allowance (line 4006) has been reduced to \$250 for each of the ministerial staff.

Contract Services (line 4010) include pastoral care assistants, the camp properties supervisor, camping program coordinator, and Mainstream editor. In addition, the Dean of the Regional Ordination Program is included here, but that particular cost is entirely offset by designated funds (income line 3180). As 2006 progressed all the pastoral care assistants were dropped. We will not be able to reinstate this service in 2007.

Under **Self-Funded Events**, some things do not occur every year, and that explains some of the difference between 2006 and 2007. The direct costs of these activities are carried primarily by registration fees (income line 3019) and/or designated funds. Proposals for 2007 include the *Church Planting Academy*, *Congregational Renewal Academy*, *Pastoral Leadership Academy* and the *Regional Ordination Program*. Plans for 2007 include a GRR Missions Conference, and a Pastor's Conference prior to the convention in Decatur.

Program Ministries Funded by United Mission are those activities funded predominantly (if not exclusively) through United Mission dollars.

GRR Non-Funded Subsidies (line 5280) includes grants set aside for GRR auxiliaries. This will be significantly reduced in 2007. This budget earmarks \$500 for ABY and \$200 for Clergy Spouses. *Camping Program* (line 5400) is for curriculum. *New PCL Events* (line 6105) is for orientation and welcome events that are planned for ministers new to the Great Rivers Region (we do this twice a year). *Convention Subsidy* (line 6201) realizes that convention registration fees (income line 3020) rarely cover 100% of meeting expenses.

Overall, the 2007 Budget has cut nearly \$60,000 from the 2006 Budget.

Camp Budgets

Camping properties and programs remain the responsibility and liability of the entire Region. While the budgets are presented separately for each camp, the Regional Ministry Board is responsible for the finances of this regional activity, and the Executive Minister is accountable for expenditures and responsible for camping activities. The individual camp budgets do not show shared administrative costs of the camping program which are included in the General Operating Budget of the Region. Total camping costs were about \$350,000 in 2006.

When the Regional Ministry Board adopted the 2006 Budget, it included \$30,000 taken from unrestricted reserves to cover anticipated shortfalls in camping operations. That planned subsidy was part of a larger plan:

1. Camping would be subsidized \$30,200 with funds taken from GRR reserves, with the intent that 2006 will be a turn-around year. *In reality, we may end up taking more than \$40,000 from GRR reserves.*
2. Camper fees were increased at least 10%. Despite this increase, camping in GRR remains a bargain. Camper fees are less than 50% of actual camping costs.
3. Camper goals for 2006 were set. Blackhawk was challenged to have 250 campers. Lake Benton was challenged to have 250 campers. Lake Springfield was challenged to have 500 campers. *Blackhawk actually had 280 campers (2% less than 2005). Lake Benton actually had 164 campers (14% less than 2005). Lake Springfield actually had 406 campers (19% less than 2005). Overall, camping participation was the lowest it has been since 1978 (the earliest date we have reliable numbers for) and continues the decline from a peak of about 1700 campers in 1992.*
4. The Executive Minister was charged to make specific recommendations to this Board based on camp performance.

Not only was 2006 a poor camping season, we faced even greater deficits at Lake Benton than we anticipated. We came to the painful conclusion that full-time camp operations at Lake Benton are no longer financially viable, primarily because camper participation continues to decline at a dramatic rate. It was the unanimous decision of the Ministry of Financial Stewardship not to present a budget for operations at Lake Benton in 2007. The Executive Minister has been charged to prepare alternative programming for children and youth located in Area IV. A full proposal (including budget) will be presented to the Regional Ministry Board at its regular meeting in February 2007.

However, it has not been decided to sell the Lake Benton property. While there are many options, a full-time camp operation is not one of them. The plan may or may not include the use of the Benton property. Whatever the plan is, its success will depend entirely on the continued financial support of those churches that supported Lake Benton, and on the participation of children and youth. The Camp Advisory Council will meet in November and discuss possibilities with the Executive Minister.

Lake Springfield Camp is having its own financial difficulties. In preparing this budget for 2007, the Ministry of Financial Stewardship expects that Lake Springfield will attract an additional \$13,000 in order to balance the budget (line 325-100). This could come from any combination of increased camper participation, church contributions, or rental fees. Performance will be evaluated at the conclusion of the 2007 camping season, options considered, and reported to the Board.

We have good camp curriculum and activities. We have competent, dedicated staff. We have faithful, passionate volunteers. But we don't have adequate numbers of youth and children attending camp. Camps all across the country in all denominations are having the same experience.

Roadmap for the Next 18 Months

Primary Goal: **Adapt to a new financial reality while positioning GRR for a stronger future.**

What is our new financial reality?

- United Mission has been on a steady decline for five years. It has taken a precipitous decline for 18 months and shows no signs of leveling off. (Income is over \$200,000 less than it was at this same time 24 months ago, a drop of about 16%)
- Total American Baptist Mission Support is about \$270,000 less than this same time last year.
- We administratively reduced our Budget by \$42,000 in January to meet the anticipated shortfall. At this point our best projections show another \$21,000 in shortfall (total about \$63,000 for the year—it could be better it could be worse).
- As of August, Lake Benton Camp was \$22,000 in the red. That deficit will definitely grow between now and the end of the year. Remember we took \$30,000 from reserves to cover anticipated shortfalls in camp operations this year.
- While specific giving to the Region has increased dramatically, it does not match the losses through United Mission. Through August, total specifics to the Region were \$45,834, about 10% of regional income. It is evident that 10 churches have committed to regular support of GRR through specifics. Others have done it sporadically.
- I have made regular, accurate reports of our situation to the Board and to Pastors in appropriate ways.
- Intentional interviews with churches that have declined in their giving reveal three causes (more than one may be at work in any particular church):

Poor financial health of the church.

Changes in giving patterns (some generational, some by design).

Conflict within the denomination, primarily over homosexuality. (alienation, loss of identity)

Key objectives:

1. Control costs. (Immediate, crisis response)

Severe budget restrictions in 2007. (Program and staff costs)

The camping situation will be addressed.

Better control of travel costs.

Anticipate staff reductions (through attrition, not dismissal).

Judicious use of reserves to protect "core" ministries.

2. Create new income streams. (long-term response)

Develop an appeal to about 150 donors who have a history of supporting the Region.

Develop a process to encourage annual over-and-above offering to the Region.

Fee for service (limited)

American Baptist Foundation

3. Build identity and loyalty

Prepare better promotional/educational resources for regional ministry.

Create a brochure of staff resources—revivals, workshops, preaching, etc.

Enlist and train Regional Board members to be advocates for the Region.

As services and programs are cut back, strategically identify activities that make a difference.

4. Review the way we work in order to provide a sure footing for the future.

What is God calling us to be in the 21st Century?

How much programming can we really do?

What programming really makes a difference? (high leverage activities)

What really are the essentials to our work?

How do we really spend our time?

What about the staffing issue? How can we reconfigure?

Can we make better use of volunteers? Board members?

5. Prayer partners

Develop a network of prayerful support for regional staff, mission and ministry.

INCOME						
CODE	SRC	DESCRIPTION	2007	2006 Proj	2005	
3000	MIS	United Missions/America For Christ	736,571	796,590	850,247	
3001	CAP	Investment Income	125,000	125,000	125,000	
3002		Checking Interest	500	500	273	
3010	MIS	ABMS Specifics	60,000	66,000	10,886	includes regional designations
3011	CAP	Investment Interest	30,000	25,000	0	
3019	I+O	Conferencing	24,000	28,170	26,157	* In and out
3020	I+O	Convention	16,000	16,000	21,191	* In and out
3025		Invoicing	2,000	2,000	1,600	
3050	I+O	Shurtleff Fund Distributions	20,500	20,500	20,500	includes Wilcoxen 2,500/yr
3051	I+O	Harold O. Long Scholarship Fund	6,887	6,887	7,000	* In and out
3052	I+O	Long -- Care of Ministers	500	500	0	* In and out
3100	I+O	ABCD Contributions	20,000	20,000	27,211	* In and out
3160	I+O	Grant - Volunteers In Ministry	10,000	10,000	5,702	* In and out
3180	I+O	Grant - ROP Payroll & Travel	10,000	10,000	0	* In and out
3210	I+O	NCPC and BNM Grants	7,950	8,200	8,450	* In and out
3230	I+O	Foresee The Future	12,500	12,882	7,901	* In and out
3250		Miscellaneous Income	6,500	6,500	20,309	
3260		New Income Streams	30,700	0	0	anticipated to cover shortfall
			1,119,608	1,154,729	1,132,427	

GRR GENERAL MINISTRY EXPENSE						
CODE	SRC	DESCRIPTION	2007	2006 Proj	2005	
4000	4	Salary/SS Offset	554,091	548,138	538,935	
4001	4	Health Insurance	113,004	111,941	102,939	
4002	4	Retirement	88,655	87,702	85,846	16% of line 4000
4003	4	Payroll Tax	11,200	10,920	10,842	
4004	3	Travel - Professional Staff	80,000	84,000	90,506	no Biennial travel
4006	2	Continuing Ed - Professional Staff	1,750	8,400	8,400	\$250 each
4007	4	Affiliation Dues	425	425	425	
4010	4	Contract Services	28,520	30,160	45,620	
4019	2	Contract Travel	2,000	6,000	15,053	
4012	1	Continuing Ed - Lay Staff	500	1,056	76	
4013	1	Miscellaneous Expense	500	500	516	
4016	1	Food - Staff Meetings	1,000	1,000	1,063	
4018	2	Staff Resources	200	1,200	1,315	
4020	2	Office Supplies/Duplicating Supplies	10,000	10,000	11,924	
4023	3	Postage	10,000	9,500	10,695	
4024	3	Printing	750	750	1,405	
4025	3	Telephone	7,000	6,750	7,278	
4027	2	Office Equipment and Maintenance	8,500	8,500	7,364	
4028	2	Fixed Services, Rents, Copyrights	4,695	8,028	8,776	
4029	1	Literature and Subscriptions	150	150	150	
4030	5	Annual Audit	3,050	3,000	3,000	
4032	4	Accounting Services	15,000	18,975	18,975	
4033	1	Gifts and Celebrations	2,500	2,500	2,302	
4036	4	Leased Equipment	10,614	13,764	19,560	
4037	5	Credit Card Processing	450	450	351	
4038	1	Software, Peripherals, Technology	2,000	4,000	4,045	
5000	2	Building Maintenance and Supplies	2,500	3,000	3,156	
5001	4	Utilities	5,600	5,500	5,409	
5003	4	Insurance and Bond	19,500	18,072	16,496	
5055	3	Mainstream	1,200	1,200	607	
5206	2	Board and Committee Meetings	5,000	4,500	7,108	
5207	2	Professional Staff Retreat	1,000	1,000	0	
5250	I+O	Convention	16,000	16,000	19,704	
			1,007,354	1,027,081	1,049,841	

GRR SELF-FUNDED EVENTS					
CODE	SRC	DESCRIPTION	2007	2006 Proj	2005
5110	I+O	special event	0	1,000	356
5111	I+O	Missions Conference	5,000	6,426	7,420
5112	I+O	Mission Discovery Tour	0	0	0
5113	I+O	Pre-Conv Continuing Education	3,000	3,000	1,314
5114	I+O	Face To Face Event	0	0	1,994
5115	I+O	ABCD Bike Ride Event	10,000	10,000	11,673
5116	I+O	Church Planting Academy	2,000	2,000	0
5118	I+O	Congregational Renewal Academy	0	10	651
5119	I+O	special event	0	2,000	175
5120	I+O	Pastoral Leadership Academy	0	0	0
5121	I+O	Regional Ordination Program	7,200	2,000	0
5122	I+O	Natural Church Development	2,000	1,734	0
			29,200	28,170	23,583

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GRR GRANT-FUNDED MINISTRIES					
CODE	SRC	DESCRIPTION	2007	2006 Proj	2005
5150	I+O	Grant Funded Subsidies	7,950	8,200	8,450
5160	I+O	FTF Grants	5,500	5,500	1,500
5161	I+O	FTF Scholarships	3,000	3,382	1,600
5162	I+O	FTF Programs and Expenses	3,000	3,000	1,801
5163	I+O	FTF Ministerial Training	1,000	1,000	3,000
5170	I+O	Shurtleff Fund Scholarships	15,500	15,559	14,291
5171	I+O	Shurtleff Fund Programs	0	0	232
5172	I+O	Shurtleff Fund Administration	5,000	5,000	3,776
5180	I+O	Harold O. Long Scholarships	6,887	6,887	6,571
5181	I+O	Long -- Care of Ministers	500	500	0
5190	I+O	ABCD Grants	18,000	18,000	24,947
5191	I+O	ABCD Promotion and Expenses	2,000	2,000	1,848
5224	I+O	Volunteers In Ministry	10,000	10,000	5,702
			78,337	79,028	73,718

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GRR PROGRAM MINISTRIES FUNDED BY UNITED MISSION					
CODE	SRC	DESCRIPTION	2007	2006 Proj	2005
5280	4	GRR Non-Funded Subsidy Grants	700	3,500	8,275
5285	1	Discretionary Programming	0	500	0
5290	2	Ecumenical Participation	0	1,500	1,349
5400	4	CC - Camping Program	2,000	32,700	1,821
5784	4	Stewardship Education & Resources	0	3,000	2,942
6105	2	New PCL Events	500	300	595
6201		Convention Subsidy	1,500	1,500	0
6202		Costa Rica Partnership Misc.	0	1,200	0
			4,700	44,200	14,982
TOTAL EXPENSES			1,119,591	1,178,479	1,162,124
EXCESS (DEFICIENCY)			17	(23,750)	(29,697)

ABY 500, Clergy Spouses 200

ICC & MCLC

BLACKHAWK BAPTIST CAMP
2007 approved by RMB

CODE	DESCRIPTION	Budget 2007	Projected 2006	Actual 2005
303-300	Church Specifics	20,000	19,500	23,191
304-300	Camper Fees	41,000	43,150	37,679
305-300	Rental Income	2,500	2,000	3,645
306-300	Canteen Income	2,000	2,000	1,986
307-300	Checking Interest	0	0	0
308-300	T-Shirt Income	450	489	460
311-300	Miscellaneous Income	0	0	35
312-300	Individual Donations	0	0	0
313-300	Camp Photo Income	50	25	55
315-300	Food Income from Rentals	200	200	199
	TOTALS	66,200	67,364	67,250
502-300	Salary - Full-Time	4,500	4,500	4,550
503-300	Salary - Seasonal	12,500	12,500	7,255
505-300	Contract Services	100	100	125
515-300	Payroll Tax	1,301	1,301	903
523-100	Background Checks	400	300	517
525-300	Kitchen Supplies	850	800	907
527-300	Food Expenses	7,000	6,750	5,287
530-300	Equipment Maintenance	1,750	1,500	2,139
532-300	Pool Supplies	1,500	1,500	1,500
533-300	Pool Maintenance Project	1,500	1,500	1,500
537-300	Pest Control	50	50	28
538-300	Groundskeeping	350	350	281
540-300	Sewer Maintenance	100	760	0
542-300	Facility Maintenance	2,500	2,500	2,079
553-300	Gas Utility	2,100	2,000	1,982
554-300	Telephone Utility	1,850	1,750	1,657
555-300	Gas for Storage Tank	900	850	719
563-300	Electric Utility	7,750	7,500	7,534
600-300	Program Supplies	2,200	2,250	2,145
601-300	Canteen Expenses	1,300	1,250	1,307
603-300	First Aid Supplies	50	59	61
604-300	Camper Insurance	1,300	1,300	1,345
605-300	Property Insurance	5,750	5,500	5,469
606-300	Counselor Travel	650	650	562
607-300	Travel - Errands	50	50	0
609-300	Travel/Promotion	100	100	73
611-300	Recreation Equipment	50	50	49
612-300	Office Supplies	100	50	148
614-300	Postage	100	75	30
622-300	Audit	975	950	950
625-300	Camp Photo Expenses	400	400	346
626-300	T-Shirt Expenses	2,100	2,000	2,134
627-300	Volunteer Appreciation	2,000	2,000	3,348
631-300	Miscellaneous Expenses	250	150	479
632-300	Trash Utility	900	900	822
650-300	Construx Transfer	0	0	0
	TOTALS	65,276	64,245	58,231
	EXCESS (DEFICIENCY)	924	3,119	9,019

LAKE SPRINGFIELD BAPTIST CAMP

2007 Budget approved by RMB

CODE	DESCRIPTION	Budget 2007	Projected 2006	Actual 2005
303-100	Church Specifics	25,250	26,000	24,422
304-100	Camper Fees	69,400	70,447	68,318
305-100	Rental Income	17,000	17,000	18,177
306-100	Canteen Income	1,200	1,200	1,180
307-100	Checking Interest	0	0	0
308-100	T-Shirt Income	0	0	0
311-100	Miscellaneous Income	100	100	296
312-100	Individual Donations	25	25	15
313-100	Camp Photo Income	0	0	5
315-100	Food Income from Rentals	2,300	2,300	2,368
320-100	GRR Camp Assistance	0	6,700	0
325-100	New Income Streams	13,350	0	0
	TOTALS	128,625	123,772	114,781
502-100	Salary - Full-Time	20,000	19,418	18,740
503-100	Salary - Seasonal	12,000	12,000	14,360
505-100	Contract Services	100	100	416
515-100	Payroll Tax	918	918	1,079
520-100	Health Benefits	4,950	4,832	4,710
521-100	Retirement Benefits	3,619	3,619	3,040
523-100	Background Checks	650	628	517
525-100	Kitchen Supplies	1,500	1,500	1,726
527-100	Food Expenses	12,500	12,500	12,220
530-100	Equipment Maintenance	1,500	4,500	5,995
531-100	Leased Equipment	960	960	959
532-100	Pool Supplies	1,500	1,775	2,101
533-100	Pool Maintenance Project	1,500	500	90
537-100	Pest Control	1,350	1,350	523
538-100	Groundskeeping	200	170	0
540-100	Sewer Maintenance	1,200	1,150	1,330
541-100	EPA Wastewater Fee	500	500	500
542-100	Facility Maintenance	1,500	4,500	7,362
553-100	Gas Utility	10,000	9,500	7,222
554-100	Telephone Utility	3,800	3,750	3,706
555-100	Gas for Storage Tank	300	300	227
561-100	Water Utility	7,500	6,500	8,912
563-100	Electric Utility	12,500	12,000	11,161
600-100	Program Supplies	3,500	3,500	3,843
601-100	Canteen Expenses	1,500	1,500	1,353
603-100	First Aid Supplies	50	50	76
604-100	Camper Insurance	2,500	2,500	2,768
605-100	Property Insurance	5,750	5,500	5,469
606-100	Counselor Travel	1,300	1,200	1,453
607-100	Travel - Errands	150	100	161
609-100	Travel/Promotion	750	750	1,082
610-100	Rental Programming/JHR	1,000	1,000	1,078
611-100	Recreation Equipment	100	100	58
612-100	Office Supplies	750	750	806
614-100	Postage	100	75	81
622-100	Audit	975	950	950
625-100	Camp Photo Expenses	350	250	435
626-100	T-Shirt Expenses	3,500	3,500	3,605
627-100	Volunteer Appreciation	3,000	5,000	6,072
631-100	Miscellaneous Expenses	1,000	1,250	962
632-100	Trash Utility	1,800	1,800	1,779
	TOTALS	128,622	132,745	138,927
	EXCESS (DEFICIENCY)	3	(8,973)	(24,146)