

Diocesan Treasurer's Report Diocesan Assembly 2017

Your Eminence, Clergy, and Faithful of the Diocese of Philadelphia and Eastern Pennsylvania,

Christ is in our midst!

This past year has seen a number of significant changes in the Diocesan Treasurer Office. First of all are the personnel changes. At mid-year, the previous Diocesan Treasurer, Father Ignatius Gauvain, transferred to Saint Tikhon's Seminary to become the Director of Student Life. I was appointed as the new Diocesan Treasurer at the June 30th Diocesan Council meeting. At this same meeting, it was decided to create a new financial secretary position to separate some of the duties of the treasurer position. Specifically, the financial secretary is responsible for processing checks received by the Diocese and preparing and making deposits while also providing assistance to Matushka Sandy, as needed.

This past year also saw a number of operational improvements. Through the efforts of Father Ignatius, the Diocese made great strides in using on-line banking services, including establishing an automatic link of the Diocese QuickBooks application to on-line banking accounts. An effort was also undertaken to eliminate the backlog in payments of bills. All bills are now being paid on a timely basis. At the request of His Eminence, a project was undertaken to research and assign uncategorized income and expenditure entries to proper categories. In addition, modifications to the Diocese Chart of Accounts were made to make it easier to review income and expenditure reports generated from QuickBooks.

With the support of His Eminence and the Diocesan Council, the Diocese made great progress in reducing outstanding parish support balances. While a few of the older invoice balances were forgiven; the Diocesan Council authorized His Eminence to personally meet with each parish that was in arrears to negotiate a repayment plan. Currently, two of the parishes in arrears are now taking advantage of a negotiated repayment plan.

The Diocese also continues to make great progress toward the move to tithing. A number of parishes have moved from Giving Level 1 directly to Giving Level 5 this past year. A new form (Giving Level Proposal) was adopted for parishes to use to submit their proposed parish support amounts for the upcoming budget year. After some initial confusion with the process, almost all parishes submitted the required information to use to develop the 2017 Operating Budget. Parishes will be given the opportunity to revise their Giving Level Proposal if changes are made to operating budgets at the Annual Parish meeting, many of which are held during the months of January and February.

The parishes are again reminded of the requirement to submit the Standardized Parish Financial Report after the Annual Parish meeting is held. There was some concern expressed at the November Diocesan Council meeting that the Standardized Parish Financial Report may be too difficult for some of the parishes to prepare. An effort is planned to address this concern in 2017.

Comments on the Proposed 2017 Budget are posted separately.

The following reports are included to provide a picture of the financial state of the Diocese at the close of budget year 2016, which ended on December 31, 2016.

ACCOUNT BALANCE SUMMARY

This report shows the balances in each of the Diocese bank accounts. All of the bank accounts are presently at PNC Bank.

The Peer Group Checking account includes funds from the Lilly Foundation Grant (initial grant of \$25,000), as well as, matching funds over three years from the Diocese general checking account. This account is managed by Fr. Nicholas Solak, who is the Administrator of the Peer Group Program.

The General Checking account is self-explanatory. As noted, the account shows an increase of over \$52,000 over the balance as of December 31, 2015. This increase is the result of both a decrease in the OCA assessment and an increase in the collection of Parish Support contributions.

The Protected Fund Money Market account is the Diocese savings account. The increase over the balance as of December 31, 2015 is the result of a transfer of \$50,677 in July, 2016 from an NBT Bank CD, which was subsequently closed out.

ACCOUNT BALANCE SUMMARY

(As of 12-31-2016)

ACCOUNT NAME	ACCOUNT BALANCE (12-31-2016)	ACCOUNT BALANCE (12-31-2015)
Peer Group Checking	\$22,119.06	\$23,721.20
General Checking	\$131,186.08	\$78,298.77
Protected Fund Money Market	\$79,060.94	\$28,283.22
TOTAL	\$232,366.08	\$130,303.19

2016 BUDGET VERSUS ACTUAL SUMMARY

This report compares actual income and expenditures to planned amounts in the Proposed 2016 budget approved at last year's Diocesan Assembly. Comments are provided to help explain entries with major differences between budget and actual.

As a general comment, many of the differences are the result of the project to reclassify income and expenditure categories previously mentioned above.

Orthodox Church in America Diocese of Eastern PA Budget vs. Actuals: FY 2016 - FY16 P&L

January - December 2016

	Total			% of Budget	
	Actual	Budget	over Budget		
Income					
43100 Parish Support		384,582.00	-384,582.00	0.00%	
43101 Per Capita Giving	165,158.18		165,158.18		
43103 Tithing	82,217.94		82,217.94		
43104 Tithing plus Offerings	45,170.00		45,170.00		
43400 National Assessments					
OCA	125,618.35		125,618.35		
Total 43100 Parish Support	\$ 418,164.47	\$ 384,582.00	\$ 33,582.47	108.73%	
44800 Indirect Public Support	3,706.76	2,000.00	1,706.76	185.34%	
46400 Other Types of Income	500.00		500.00		
46402 Parish Clergy Salary	34,545.00	32,300.00	2,245.00	106.95%	
46403 Travel Reimbursement	695.56		695.56		
46410 Sales of Product Income	3,300.00		3,300.00		Sale of Archbishop's vehicle
46411 Refund / Credit Income	399.67		399.67		
Total 46400 Other Types of Income	\$ 39,440.23	\$ 32,300.00	\$ 7,140.23	122.11%	
47200 Program Income			0.00		
47205 Diocesan Assembly	5,549.00	5,500.00	49.00	100.89%	
47240 Diocesan Event Fees	4,889.00	4,000.00	889.00	122.23%	
47250 Diocesan Event Donations	3,215.00		3,215.00		Sister Vassa Tour donations
Total 47200 Program Income	\$ 13,653.00	\$ 9,500.00	\$ 4,153.00	143.72%	
Unapplied Cash Payment Income	0.00		0.00		
Total Income	\$ 474,964.46	\$ 428,382.00	\$ 46,582.46	110.87%	
Gross Profit	\$ 474,964.46	\$ 428,382.00	\$ 46,582.46	110.87%	
Expenses					
43401 National Assessments	171,928.36	174,375.00	-2,446.64	98.60%	
61000 Administrative Salaries and Exp			0.00		
61100 Bishop Salary	48,000.00	48,000.00	0.00	100.00%	
61150 Bishop Pension	9,200.00	9,240.00	-40.00	99.57%	

61175 Bishop Health Insurance	12,775.50	11,232.00	1,543.50	113.74%	
61190 Bishop Payroll Tax	2,000.00	2,000.00	0.00	100.00%	
62000 Bishop Travel	3,168.55	7,000.00	-3,831.45	45.27%	Expenses distributed to actual expenditure category
63000 Chancellor Salary	3,600.00	3,600.00	0.00	100.00%	
63150 Chancellor Social Security	475.22	562.00	-86.78	84.56%	
63200 Treasurer Salary	1,800.00	3,600.00	-1,800.00	50.00%	Salary moved to Financial Secretary Position
63220 Office of Treasurer Pension		0.00	0.00		
63250 Treasurer Social Security		540.00	-540.00	0.00%	
63255 Bishop Assistant-Subdeacon	5,000.00	4,200.00	800.00	119.05%	
63275 Dean Travel Allowance	7,200.00	7,200.00	0.00	100.00%	
63500 Admin Asst to Bishop	15,150.00	15,600.00	-450.00	97.12%	
63501 Ass't for Communications	5,780.00	5,600.00	180.00	103.21%	
63502 Financial Secretary	1,155.00		1,155.00		See Treasurer Salary
Total 61000 Admin. Salaries and Exp	\$115,304.27	\$118,374.00	-\$ 3,069.73	97.41%	
62100 Contract Services			0.00		
62140 Legal Fees	1,193.50	10,000.00	-8,806.50	11.94%	Lack of action on Diocesan property resolution
62151 Parish Priest Salary and Pensio	40,216.37	32,300.00	7,916.37	124.51%	
Total 62100 Contract Services	\$ 41,409.87	\$ 42,300.00	-\$ 890.13	97.90%	
62800 Facilities and Equipment			0.00		
62840 Equip Rental and Maintenance	151.52		151.52		
Total 62800 Facilities and Equipment	\$ 151.52	\$ 0.00	\$ 151.52		
64000 Diocesan Departments			0.00		
64050 Diocesan Council	269.35	500.00	-230.65	53.87%	
64150 Diocesan Magazine	4,606.57	4,000.00	606.57	115.16%	
64250 Christian Education and Youth	7,362.43	5,000.00	2,362.43	147.25%	Advance for next year's teen retreat plus Sister Vassa Tour
64350 Special Celebrations	1,266.65	1,000.00	266.65	126.67%	
64360 Seminary Scholarship	2,000.00	2,000.00	0.00	100.00%	
64450 Clergy Assistance Program	4,450.00	4,000.00	450.00	111.25%	
64500 Continuing Clergy Education	6,645.28	6,000.00	645.28	110.75%	
Total 64000 Diocesan Departments	\$ 26,600.28	\$ 22,500.00	\$ 4,100.28	118.22%	
65000 Operations			0.00		
60900 Business Expenses	6.00		6.00		
65010 Books, Subscriptions, Reference	1,988.09		1,988.09		Expenses distributed to actual expenditure category
65020 Postage, Mailing Service	739.73		739.73		Expenses distributed to actual expenditure category
65030 Printing and Copying	96.04		96.04		
65040 Supplies	968.84	2,000.00	-1,031.16	48.44%	Expenses distributed to actual expenditure category
65050 Telephone, Telecommunications	1,564.72	1,500.00	64.72	104.31%	
Total 65000 Operations	\$ 5,363.42	\$ 3,500.00	\$ 1,863.42	153.24%	
66000 Payroll Expenses			0.00		

66100 Health Insurance Administrator	1,200.00	1,200.00	0.00	100.00%	
Total 66000 Payroll Expenses	\$ 1,200.00	\$ 1,200.00	\$ 0.00	100.00%	
67000 Diocesan Programs			0.00		
67100 Missionary	20,400.00	20,100.00	300.00	101.49%	
67200 Charity	2,500.00	3,000.00	-500.00	83.33%	
67400 Diocesan Assembly	6,532.05	5,000.00	1,532.05	130.64%	
67500 Parish Assistance	125.00	5,400.00	-5,275.00	2.31%	No requests received from parishes
67600 Camp Scholarship Fund	350.00	1,000.00	-650.00	35.00%	
Total 67000 Diocesan Programs	\$ 29,907.05	\$ 34,500.00	-\$ 4,592.95	86.69%	
68000 Diocesan Center			0.00		
68100 Utilities	2,136.62	4,500.00	-2,363.38	47.48%	Expenses for propane split into separate category
68150 Propane	1,698.78		1,698.78		Expenses split out from Utilities category
68230 Center Maintainence	3,364.04	2,500.00	864.04	134.56%	Includes expenses previously charged to Bishop Travel
68250 Insurance	5,839.01	6,000.00	-160.99	97.32%	
Total 68000 Diocesan Center	\$ 13,038.45	\$ 13,000.00	\$ 38.45	100.30%	
Bishop Moving Expenses		5,300.00	-5,300.00	0.00%	Not needed
Technology		1,200.00	-1,200.00	0.00%	
Total Expenses	\$ 404,903.22	\$ 416,249.00	-\$ 11,345.78	97.27%	
Net Operating Income	\$ 70,061.24	\$ 12,133.00	\$ 57,928.24	577.44%	
Other Income					
Interest - Other Accounts	153.14		153.14		
Peer Group - Hope Account	1,750.00		1,750.00		
Total Other Income	\$ 1,903.14	\$ 0.00	\$ 1,903.14		
Other Expenses					
Bishop Vehicle Depreciation	4,290.00	5,000.00	-710.00	85.80%	
Lilly Fund Matching	8,333.00	8,333.00	0.00	100.00%	
Peer Group Expense - Uncategorized	11,685.14		11,685.14		
Service Fees - Other Accounts	3.00		3.00		
Total Other Expenses	\$ 24,311.14	\$ 13,333.00	\$ 10,978.14	182.34%	
Net Other Income	-\$ 22,408.00	-\$ 13,333.00	-\$ 9,075.00	168.06%	
Net Income	\$ 47,653.24	-\$ 1,200.00	\$ 48,853.24	3971.10%	

2016 ACCOUNTS RECEIVABLE AGING SUMMARY

This report shows unpaid parish support invoice amounts summarized by aging periods. It's my pleasure to report that only two parishes, one being St. Nicholas in Philadelphia, have unpaid invoices generated during 2016. **All other parishes have paid in full their invoices for 2016.**

As previously noted, repayment plans are being negotiated for the parishes in arrears on invoices older than one year.

Orthodox Church in America Diocese of Eastern PA A/R Aging Summary

As of December 31, 2016

	<u>Current</u>	<u>1 - 30</u>	<u>31 - 60</u>	<u>61 - 90</u>	<u>91 and over</u>	<u>Total</u>
_Alden Station (Nanticoke HR)					955.65	955.65
_Coatesville 38					4,274.58	4,274.58
_McAdoo 18					17,090.61	17,090.61
_Olyphant AS 98	1,226.36	1,226.36			1,306.34	3,759.06
_Philadelphia SN 20	266.60	266.60			4,757.00	5,290.20
_Pottstown 71					10,207.59	10,207.59
_Uniondale 17					1,039.48	1,039.48
TOTAL	\$ 1,492.96	\$ 1,492.96	\$ 0.00	\$ 0.00	\$ 39,631.25	\$ 42,617.17