

Diocesan Treasurer's Report 2019 Diocesan Assembly

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

This past year saw a lot of activity within the Diocesan Office, particularly with the sale of the Diocesan Center to St. Tikhon's Seminary and the purchase of and move to the new Diocesan Chancery. Special thanks are due to His Eminence, Archbishop Mark, for his leadership, persistence and tireless efforts throughout this long ordeal.

The parishes within the Diocese continued to do an outstanding job keeping current with their monthly parish support payments. The total outstanding parish support balance as of December 31, 2018 was \$8,024.95, most of which was paid within the first two weeks of January, 2019.

The Diocese also continued to make progress toward the move to full tithing. As of the submission of this report, 24 of 34 parishes (70%) are now tithing (Note: St. Tikhon's Monastery is not included in the count). Since a majority of parishes have still not held their Annual Parish meetings, this number may end up being even higher.

Parishes are again reminded of the annual requirement to submit the Standardized Parish Financial Report for the recently completed budget year and the Giving Level Proposal form for the upcoming budget year to the Diocesan Treasurer. Instructions were sent to the parishes in a letter dated November 7, 2018 from His Eminence.

The reports on the following pages provide a picture of the financial state of the Diocese as of the close of budget year 2018, which ended on December 31, 2018.

Comments on the Proposed 2019 Budget are posted separately.

ACCOUNT BALANCE SUMMARY

ACCOUNT NAME	ACCOUNT BALANCE (12-31-2018)	ACCOUNT BALANCE (12-31-2017)
Peer Group Checking	\$20,379.46	\$22,010.94
General Checking	\$267,469.98	\$163,029.04
Protected Fund Money Market	\$79,288.24	\$79,161.79
TOTAL	\$367,137.68	\$264,201.77

This report shows the balances in each of the Diocese bank accounts as of December 31, 2018.

The Peer Group Checking account includes funds from the Lilly Foundation Grant (initial grant of \$25,000), as well as, matching funds over the past 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 shows an increase of more than \$104,000 over the balance as of December 31, 2017. This increase is the result of three primary factors:

- A net balance of \$47,795.99 from the sale of the old Diocesan Center and the purchase of the new Diocesan Chancery (This is explained further in the *Special Report* section of this report).
- A net balance of \$26,817.31 from the sale of the property (6 acres north of Lopez, PA) donated by Helen Moncovich.
- A surplus of over \$30,000 from the 2018 Budget, which is detailed later under the *2018 Budget versus Actual Report*.

It should also be noted that while the General checking account shows a cash balance of \$267,469.98 as of December 31, 2018, the actual balance available to use is \$204,691.99, because of the following reserves:

- \$47,795.99 balance remaining to use on upgrading the new Diocesan Chancery
- \$12,300 to purchase a new vehicle for the Archbishop
- \$2,682 tithe from the Moncovich property sale as a gift to St. Tikhon's for the icon restoration project.

The Protected Fund Money Market account is the Diocese savings account. The slight increase over the balance as of December 31, 2017 is from earned interest.

2018 BUDGET VERSUS ACTUAL SUMMARY

This report compares actual income and expenditures to planned amounts in the 2018 budget approved at last year's Diocesan Assembly. Comments are provided to help explain entries with major differences between budget and actual.

Orthodox Church in America Diocese of Eastern PA Budget vs. Actuals: Fiscal Year 2018

	Total			
	Actual	Budget	over Budget	% of Budget
Income				
43100 Parish Support		392,570.00	-392,570.00	0.00%
43101 Per Capita Giving	78,039.32		78,039.32	
43102 Proportional Giving	48,336.00		48,336.00	
43103 Tithing	242,862.00		242,862.00	
43104 Tithing plus Offerings	20,780.04		20,780.04	
43105 True Up Tithe Amount	1,676.01		1,676.01	
43400 National Assessments OCA	1,750.00		1,750.00	Coatesville Repayment
Total 43100 Parish Support	\$ 393,443.37	\$ 392,570.00	\$ 873.37	100.22%
44800 Indirect Public Support	6,201.09	300.00	5,901.09	Unanticipated Tithing Donations
46400 Other Types of Income	100.00		100.00	
46403 Travel Reimbursement	1,077.11		1,077.11	Reimbursement by OCA for Holy Synod expenses
46411 Refund / Credit Income	1,069.29		1,069.29	Refund for cancellation of insurance policy on old Diocesan Center
46412 Reimbursement	1,287.55	1,000.00	287.55	Background checks
Total 46400 Other Types of Income	\$ 3,533.95	\$ 1,000.00	\$ 2,533.95	353.40%
47200 Program Income			0.00	
47205 Diocesan Assembly	3,750.00	5,500.00	-1,750.00	68.18%
47240 Diocesan Event Fees	4,128.00	4,000.00	128.00	103.20%
47250 Diocesan Event Donations		1,000.00	-1,000.00	0.00% No special events held
Total 47200 Program Income	\$ 7,878.00	\$ 10,500.00	-\$ 2,622.00	75.03%
Total Income	\$ 411,056.41	\$ 404,370.00	\$ 6,686.41	101.65%
Gross Profit				
	\$ 411,056.41	\$ 404,370.00	\$ 6,686.41	101.65%
Expenses				
43401 National Assessments	165,560.00	160,833.00	4,727.00	Supplemental payment of \$4,727 from FY 2017
61000 Administrative Salaries and Exp			0.00	
61100 Bishop Salary	51,408.00	51,408.00	0.00	100.00%
61150 Bishop Pension	9,705.36	9,800.00	-94.64	99.03%
61175 Bishop Health Insurance	15,989.24	15,000.00	989.24	106.59%
61190 Bishop Payroll Tax	2,000.00	2,000.00	0.00	100.00%
62000 Bishop Travel	4,784.97	5,000.00	-215.03	95.70%
63000 Chancellor Salary	3,600.00	3,600.00	0.00	100.00%
63255 Bishop Assistant-Subdeacon	1,405.00	5,500.00	-4,095.00	Seminarians not always available
63275 Dean Travel Allowance	10,800.00	10,800.00	0.00	100.00%
63500 Admin Asst to Bishop	14,670.00	15,600.00	-930.00	94.04%
63501 Ass't for Communications	5,645.00	5,600.00	45.00	100.80%
63502 Financial Secretary	1,207.50	2,000.00	-792.50	Appointed as Admin Asst in September
Total 61000 Administrative Salaries and Exp	\$ 121,215.07	\$ 126,308.00	-\$ 5,092.93	95.97%
62100 Contract Services			0.00	
62135 Background Checks	1,197.85	1,000.00	197.85	119.79%
62140 Legal Fees		5,000.00	-5,000.00	Legal fees charged to new Diocesan Chancery purchase
Total 62100 Contract Services	\$ 1,197.85	\$ 6,000.00	-\$ 4,802.15	19.96%

62156 Credit Card Fees	49.33		49.33	
62800 Facilities and Equipment			0.00	
62830 Donated Facilities	972.22		972.22	Back taxes on Moncovich estate
62840 Equip Rental and Maintenance	74.61	500.00	-425.39	14.92% Auto repairs not needed
62890 Rent, Parking, Utilities	500.00		500.00	One month rent to St Tikhon's for use of old Diocesan Center
Total 62800 Facilities and Equipment	\$ 1,546.83	\$ 500.00	\$ 1,046.83	309.37%
64000 Diocesan Departments			0.00	
64050 Diocesan Council	353.37	500.00	-146.63	70.67%
64150 Diocesan Magazine	1,265.42	5,000.00	-3,734.58	25.31% Expenses for one printing, second printing charged to January, 2019
64250 Christian Education and Youth	7,270.08	10,000.00	-2,729.92	72.70%
64350 Special Celebrations	3,398.23	1,000.00	2,398.23	339.82% Gifts for assistance moving Archbishop, icon for Matushka Sandra
64360 Seminary Scholarship	2,000.00	2,000.00	0.00	100.00%
64450 Clergy Assistance Program	4,802.00	4,000.00	802.00	120.05%
64500 Continuing Clergy Education	5,657.02	6,000.00	-342.98	94.28%
Total 64000 Diocesan Departments	\$ 24,746.12	\$ 28,500.00	-\$ 3,753.88	86.83%
65000 Operations			0.00	
60900 Business Expenses	276.70		276.70	
65010 Books, Subscriptions, Reference	1,242.80	2,000.00	-757.20	62.14%
65020 Postage, Mailing Service	541.57	800.00	-258.43	67.70%
65030 Printing and Copying	127.12	200.00	-72.88	63.56%
65040 Supplies	976.97	1,000.00	-23.03	97.70%
65050 Telephone, Telecommunications	2,162.59	2,000.00	162.59	108.13%
Total 65000 Operations	\$ 5,327.75	\$ 6,000.00	-\$ 672.25	88.80%
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	20,400.00	0.00	100.00%
67200 Charity	3,000.00	3,000.00	0.00	100.00%
67400 Diocesan Assembly	2,213.33	5,000.00	-2,786.67	44.27% Actual expenses lower than anticipated
67500 Parish Assistance	250.00	2,500.00	-2,250.00	10.00%
67600 Camp Scholarship Fund	1,000.00	2,000.00	-1,000.00	50.00%
67700 Seminarian Mentorship	295.48		295.48	Reimbursement for expenses
Total 67000 Diocesan Programs	\$ 27,158.81	\$ 32,900.00	-\$ 5,741.19	82.55%
68000 Diocesan Center			0.00	
68100 Utilities	3,005.44	2,100.00	905.44	143.12% Switch from propane to heating oil at new Diocesan Chancery
68150 Propane	1,518.34	2,000.00	-481.66	75.92% See "Utilities"
68230 Center Maintenance	1,363.62	3,000.00	-1,636.38	45.45% Emphasis switched to upgrading new Diocesan Chancery
68250 Insurance	5,449.00	6,000.00	-551.00	90.82%
Total 68000 Diocesan Center	\$ 11,336.40	\$ 13,100.00	-\$ 1,763.60	86.54%
68300 Travel and Meetings			0.00	
68320 Travel	132.37		132.37	Chancellor/Treasurer Meeting in Syosset
Total 68300 Travel and Meetings	\$ 132.37	\$ 0.00	\$ 132.37	

Bishop Moving Expenses	4,837.09	6,500.00	-1,662.91	74.42%
Technology		1,200.00	-1,200.00	0.00% No needs identified
19th All-American Conference Video	3,778.00	5,000.00	-1,222.00	75.56%
Lilly Fund Matching	8,333.00	8,333.00	0.00	100.00%
New Car Fund	3,600.00	3,600.00	0.00	100.00%
Total Expenses	\$ 380,018.62	\$ 399,974.00	-\$ 19,955.38	95.01%
Net Operating Income	\$ 31,037.79			

2018 ACCOUNTS RECEIVABLE AGING SUMMARY

Orthodox Church in America Diocese of Eastern PA

A/R AGING SUMMARY

As of December 31, 2018

	CURRENT	1 - 30	31 - 60	61 - 90	91 AND OVER	TOTAL
_Coatesville					695.15	\$695.15
_Jermyn	1,839.00	1,853.95		1,839.00		\$5,531.95
_Mechanicsburg			44.85			\$44.85
_Philadelphia Cath	1,753.00					\$1,753.00
TOTAL	\$3,592.00	\$1,853.95	\$44.85	\$1,839.00	\$695.15	\$8,024.95

- Coatesville continues their repayment plan to pay invoices older than one year. At the current repayment amount, the parish should have the balance re-paid by the end of May, 2019.
- Mechanicsburg had a past due invoice for background check reimbursement
- Jermyn and Philadelphia Cathedral were the only parishes with open parish support balances from calendar year 2018 invoices. (Note: the invoices for both Jermyn and Philadelphia Cathedral were paid in January, 2019)

In a related matter, at the June, 2018 Diocesan Council meeting, a motion was approved to forgive the existing debt (\$2,250) at that time for Holy Trinity in McAdoo, and to suspend billing through December, 2018 due to necessary repairs to the parish property and to allow them to re-establish parish life.

2018 SPECIAL REPORTS

2018 DIOCESAN ASSEMBLY INCOME/EXPENSE REPORT

The total income received from registration fees for the 2018 Diocesan Assembly was \$3,250. Of this total, \$950 was received in calendar year 2017 (i.e. prior to January 1, 2018) and \$2,300 was received in calendar year 2018.

The total expenses for the 2018 Diocesan Assembly was \$1,852.67, with the following showing the breakdown of expenses by category:

- Hotel \$238.38
- Travel \$412.00
- Speaker \$500.00
- Food \$702.29

Please note that the expenses for food includes a deduction of \$400 because of a donation for this amount from a parishioner from St. Michael the Archangel, Wilmington.

2018 SEMINARIAN APPEAL

During 2018, \$8,472 was donated to the Seminarian special appeal. A total of \$8,487 was disbursed as follows:

- Daniel Valentine \$1,677
- James Latimer \$1,677
- Larry Conover \$1,877
- Silouan Burns \$1,103
- Vejoslav Jovicic \$2,153

Donations were disbursed equally between the seminarians, unless the donation was specifically designated. Silouan Burns and Vejoslav Jovicic were not added to the disbursement list until May, 2018.

Please note the \$15 difference between the donation amount and disbursement amount. The reason for the difference was due to disbursement amounts being rounded up to whole dollar amounts. The funds to cover the \$15 difference came from the General Checking account.

2018 FATHER JOHN NIGHTINGALE SPECIAL APPEAL

The total amount donated to the Father John Nightingale Appeal in 2018 was \$7,800. Checks from the appeal for the same amount were disbursed to Father Nightingale.

Since the inception of the appeal in February, 2017, **\$111,142.79** has been donated to the appeal. The same amount has been disbursed as either direct payment of bills from Father Nightingale or donations directly to Father Nightingale.

Please keep Father John and Matushka Kyra in your prayers and consider an occasional donation to help offset their expenses.

NEW DIOCESAN CHANCERY – SUMMARY OF EXPENSES

At the 2017 Diocesan Assembly, it was decided that the Diocese would not incur any debt from the sale of the old Diocesan Center and the purchase of the new Diocesan Chancery. A specific ledger account was established to keep track of all expenses (including purchase price) related to the new Diocesan Chancery.

The old Diocesan Center was sold to St. Tikhon's Seminary for \$375,000. In addition, the Diocese received another \$5,000 from the Seminary as a moving incentive, bringing the total amount received from the sale to \$380,000.

As shown in the report on the next page, as of December 31, 2018, a total of \$332,204.01 has been expended on the new Diocesan Chancery, leaving an outstanding balance of \$47,795.99 to spend on improvements. On January 10, 2019, Archbishop Mark sent out a letter providing an update on work at the Diocesan Chancery. This letter included work items completed and work items still needing to be done.

Orthodox Church in America Diocese of Eastern PA
General Ledger of Expenses
New Diocesan Chancery
 January 2018 - December 2018

ITEM	AMOUNT
Purchase Amount	280,440.44
Deposit on Sales Agreement	5,000.00
Applications/Permits	408.10
Inspections/Mitigation Efforts	3,095.00
Legal Fees/certified mailings	13,510.40
Water Softener & Iron Filter	2,199.00
New Roof	9,380.00
Tractor snow blower attachment	662.50
Appliances	1,742.52
Carpeting	1,562.28
Flooring	5,021.52
Landscaping/Garden Shed	3,259.00
General Repairs	5,923.25
	332,204.01

SUMMARY	
Diocesan Center Sale Price	375,000.00
Additional Moving Incentive	5,000.00
Total Expenses to-date	-332,204.01
Difference	47,795.99