

Treasurer's Report for 1/23/20 DOEPA Assembly

Prepared by Mark Linnehan

Summary

The financial state of the Diocese is good. Obligations are up to date and we have a positive Cash flow position.

We have four bank accounts with the following amounts as of 12/31/19:

Operational Checking	\$29,447.19
Operational Savings	\$39,767.51
Clergy Peer Group Checking	\$3,850.46
Clergy Peer Group Savings*	\$22,167.12

*The Clergy Peer Group accounts are not available to the Diocese for Operational expenses.

We have three investment accounts with the following amounts invested.

Held by:	12/31/19 amount	Interest rate	Expected annual yield (minimum)
Diocese of the South	\$200,000	3.75%	\$7500
OCCIF	\$50,000	2.75%	\$1000
Russian Brotherhood	\$50,302	2.00%	\$1375

- OCCIF pays \$114.58 interest every month for 5 years starting in October 2019. This currently reflects in *Other Income* at the bottom of the Budget vs. Actual report.
- Diocese of the South and the Russian Brotherhood interest is retained and reinvested by them until we withdraw it. When statements are received the interest will be shown with the asset
- Diocese of the South has not yet reported interest for 2019

Reports

This meeting 3 reports will be discussed

- *2019 Assembly Budget v actual and Proposed Budget.xls*
 - This report shows actual income and expenses for 2019 compared to the 2019 budget

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- The report also contains the 2020 proposed budget which will be discussed after the 2019 Auditors report is concluded
- The report was created using accrual method vs. cash as that is how QuickBooks is currently set-up. Approximately \$4,200 of income for 2019 has not yet been collected.
- Total 43100 Parish Support YTD
 - 100.3% of budget, which indicates that our parishes are supporting the DOEPA at the levels they agreed to in a timely manner
- Total Expenses
 - YTD - 95.3% of budget.
 - 62140 Legal Fees – 133% of budget due to the cost of trying to obtain waivers for part of the property.
 - 64450 Clergy assistance Program – 139% of budget
 - 64500 Continuing Clergy Education – 209% of budget
 - 68230 Center Maintenance – 221% of budget, this reflects a reclassification of approximately \$4,700 of costs associated with the purchase of the Diocesan Center that should not have been recorded on the balance sheet but should have been reflected as expenses hitting the P&L at the time they were recorded. Several of these expenses relate to prior periods/years.
- Net Income
 - Total – 537% of budget, however this is skewed based on the Lily Fund budgeting. Should properly reflect closer to 400%. Mostly due to under-budget expenses
 - Lily Find Matching – Budgeted as \$8000, which was transferred into the Peer Group Account, but not shown as an expense since this is a transfer of asset. (Money moved from one pocket to another).
- *2020 DOEPA Assembly Statement of Cash Flow.pdf*
 - There is a negative cash flow between 1/1/19 and 12/31/19 of \$277,937. The negative cash flow is due to the transfer of \$300,000 into Investment instruments, so we have actually improved our situation by \$49,481, though we have made \$300,000 less liquid.
 - The *New Diocesan Center Purchase* income of \$332,204 is offset by the expense Lines *15010 Diocesan Center – Bath* and *15011 Diocesan Center - Bath:Bath - Capital Improvements*. This was

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recategorized to be in accordance with General Accounting Principles.

- The cash at end of period also includes the Peer Group Checking account.
- *2020 DOEPA Assembly BalanceSheet.pdf*
 - This shows the total net worth of the Diocese as of 12/31/19 and compares the items to the total net worth as of 12/31/18
 - Diocesan Center has been reclassified from a Negative Liability Account to an Asset Account on the balance sheet where it should reside.
 - Several miscoded items in QuickBooks were corrected such as:
 - 10 St. Tikhon's Summer Camp
 - 12000 Undeposited Funds
 - 25610 Insurance D
 - 25620 Due to/from
 - 9 Health Insurance Account

Notes and/or Recommendations

- The 2020 budget shows a monthly amount for the National Assessment. This is acceptable to, and preferred by, the Treasurer of the OCA.
- The current Summer Camp team has their own checking account, which does not currently reflect in QuickBooks. I would like to incorporate the information for that account into QuickBooks.
- The account for the new Diocesan center has been reclassified from a negative liability to an asset with some costs reclassified to expense rather than remaining on the balance sheet as a capital item.
- I will continue to consult with accountants to determine if the Diocesan Center should be depreciated.
- Mat. Sharon Hubiak has been extremely helpful in assisting me in getting things more in line with Generally Accepted Accounting Procedures and in correcting mistaken entries. I will continue to work with her to correct misinformation and to avoid new errors.

Orthodox Church in America Diocese of Eastern Pennsylvania
Budget vs. Actuals: Fiscal Year 2019 - FY19 P&L

January - December 2019

	Total				2020 Budget	2020-2019 Difference Budget \$	2020-2019 Difference Budget &
	Actual	Budget	over Budget	% of Budget			
Income							
43100 Parish Support		400,084	-400,084	0.0%			
43101 Per Capita Giving	45,789		45,789				
43102 Proportional Giving	67,609		67,609		400,080		
43103 Tithing	272,223		272,223				
43104 Tithing plus Offerings	15,513		15,513				
Total 43100 Parish Support	401,133	400,084	1,049	100.3%	400080	-4	100.0%
44800 Indirect Public Support	5,000	4,000	1,000	125.0%	2400	-1600	60.0%
45000 Investments						0	
45030 Interest-Savings, Short-term CD					1800	1800	
45031 Operational Money Market Interest	552		552			0	not budgeted
Total 45030 Interest-Savings, Short-term CD	552	0	552		1800	1800	not budgeted
45040 Peer Group Money Market Interest	164		164		480	480	not budgeted
Total 45000 Investments	716	0	716		2280	2280	not budgeted
46400 Other Types of Income							
46403 Travel Reimbursement	133		133				
46412 Reimbursement	6,488	1,000	5,488	648.8%		-1000	0.0%
46420 Mission Support	90		90			0	
Total 46400 Other Types of Income	6,711	1,000	5,711	671.1%	0	-1000	0.0%
47200 Program Income							
47205 Diocesan Assembly	2,405	4,500	-2,095	53.4%	4000	-500	88.9%
47240 Diocesan Event Fees	1,873	4,500	-2,627	41.6%		-4500	0.0%
Total 47200 Program Income	4,278	9,000	-4,722	47.5%	4000	-5000	44.4%
Services	1,094		1,094			0	
Total Income	418,933	414,084	4,849	101.2%	408760	-5324	98.7%
Gross Profit	418,933	414,084	4,849	101.2%	408760	-5324	98.7%
Expenses						0	
43401 National Contributions	156,545	156,545	0	100.0%	151908	-4637	97.0%
61000 Administrative Salaries and Exp						0	
61100 Bishop Salary	55,008	55,008	0	100.0%	55008	0	100.0%
61150 Bishop Pension	10,179	10,300	-121	98.8%	10260	-40	99.6%
61175 Bishop Health Insurance	18,311	17,000	1,311	107.7%	18000	1000	105.9%
61190 Bishop Payroll Tax	2,000	2,000	0	100.0%	8000	6000	400.0%
62000 Bishop Travel	1,692	8,000	-6,308	21.1%	6000	-2000	75.0%
63000 Chancellor Salary	3,600	3,600	0	100.0%	3600	0	100.0%
63200 Treasurer Salary	2,675	3,600	-925	74.3%	3600	0	100.0%
63255 Bishop Assistant-Subdeacon	654	2,500	-1,846	26.2%	2400	-100	96.0%
63275 Dean Travel Allowance	10,800	10,800	0	100.0%	10800	0	100.0%
63500 Admin Asst to Bishop	14,325	17,000	-2,675	84.3%	18000	1000	105.9%
63501 Ass't for Communications	5,375	6,000	-625	89.6%	6000	0	100.0%
Total 61000 Administrative Salaries and Exp	124,619	135,808	-11,189	91.8%	141668	5860	104.3%
62100 Contract Services						0	
62110 Accounting Fees		0			1800	1800	not budgeted
62135 Background Checks	1,583	1,400	183	113.0%	1800	400	128.6%
62140 Legal Fees	6,664	5,000	1,664	133.3%	6000	1000	120.0%
Total 62100 Contract Services	8,246	6,400	1,846	128.8%	9600	3200	150.0%
62156 Credit Card Fees	49		49			0	
62800 Facilities and Equipment						0	
62840 Equip Rental and Maintenance	128	500	-372	25.5%		-500	0.0%
62890 Rent, Parking, Utilities	10		10			0	
Total 62800 Facilities and Equipment	138	500	-362	27.5%		-500	0.0%
64000 Diocesan Departments						0	
64050 Diocesan Council	269	500	-231	53.8%	600	100	120.0%
64150 Diocesan Magazine	1,746		1,746		0	0	
64250 Christian Education and Youth	1,900	10,000	-8,100	19.0%	4800	-5200	48.0%
64350 Special Celebrations		1,500	-1,500	0.0%	3500	2000	233.3%
64360 Seminary Scholarship	2,180	2,000	180	109.0%	2400	400	120.0%
64450 Clergy Assistance Program	5,562	4,000	1,562	139.0%	6000	2000	150.0%
64500 Continuing Clergy Education	12,569	6,000	6,569	209.5%	12000	6000	200.0%
Total 64000 Diocesan Departments	24,226	24,000	226	100.9%	29300	5300	122.1%
65000 Operations	24		24			0	
60900 Business Expenses	156		156			0	
60920 Business Registration Fees	5		5			0	
Total 60900 Business Expenses	161	0	161			0	

65010 Books, Subscriptions, Reference	1,376	2,000	-624	68.8%	2400	400	120.0%
65020 Postage, Mailing Service	443	800	-357	55.4%	600	-200	75.0%
65030 Printing and Copying	149	200	-51	74.5%	240	40	120.0%
65040 Supplies	564	1,000	-436	56.4%	1200	200	120.0%
65050 Telephone, Telecommunications	1,789	2,300	-511	77.8%	2400	100	104.3%
Total 65000 Operations	4,506	6,300	-1,795	71.5%	6840	540	108.6%
65100 Other Types of Expenses					0	0	
65160 Other Costs	583		583		0	0	
Total 65100 Other Types of Expenses	583	0	583		0	0	
66000 Payroll Expenses					0	0	
66100 Health Insurance Administrator	1,000	1,200	-200	83.3%		-1200	0.0%
Total 66000 Payroll Expenses	1,000	1,200	-200	83.3%		-1200	0.0%
67000 Diocesan Programs							
67100 Missionary	20,776	25,400	-4,624	81.8%	24000	-1400	94.5%
67200 Charity	2,000	3,000	-1,000	66.7%	3000	0	100.0%
67300 Donations - Gifts	5,682	6,000	-318	94.7%	6000	0	100.0%
67400 Diocesan Assembly	958	5,000	-4,042	19.2%	4900	-100	98.0%
67500 Parish Assistance	2,136	2,500	-364	85.5%	2400	-100	96.0%
67600 Camp Scholarship Fund		2,000	-2,000	0.0%	1800	-200	90.0%
67700 Seminarian Mentorship	491		491		1250	1250	
Total 67000 Diocesan Programs	32,044	43,900	-11,856	73.0%	43350	-550	98.7%
68000 Diocesan Center						0	
68100 Utilities	2,974	4,500	-1,526	66.1%	3600	-900	80.0%
68230 Center Maintenance	11,060	5,000	6,060	221.2%	6000	1000	120.0%
68250 Insurance	5,062	6,500	-1,438	77.9%	6600	100	101.5%
68260 Property Tax	7,350	7,000	350	105.0%	7800	800	111.4%
Total 68000 Diocesan Center	26,446	23,000	3,446	115.0%	24000	1000	104.3%
68300 Travel and Meetings	481		481		600	600	
68300 Travel and Meetings		200	-200	0.0%		-200	0.0%
Technology	200	1,200	-1,000	16.7%	600	-600	50.0%
Uncategorized Expense	1,176		1,176			0	
Total Expenses	380,258	399,053	-18,795	95.3%	407866	8813	102.2%
Net Operating Income	38,675	15,031	23,644	257.3%	894	-14137	5.9%
Other Income						0	
Interest - Other Accounts	427		427			0	
Total Other Income	427	0	427			0	
Other Expenses						0	
Lilly Fund Matching		8,000	-8,000	0.0%		-8000	0.0%
Peer Group Expense - Uncatagorized	1,367		1,367			0	
Total Other Expenses	\$ 1,367	\$ 8,000	-\$ 6,633	17.1%		-8000	0.0%
Net Other Income	-\$ 941	-\$ 8,000	\$ 7,059	11.8%		8000	0.0%
Net Income	\$ 37,734	\$ 7,031	\$ 30,703	536.7%	894	-6137	12.7%

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Orthodox Church in America Diocese of Eastern Pennsylvania

STATEMENT OF CASH FLOWS

January - December 2019

	TOTAL
OPERATING ACTIVITIES	
Net Income	37,733.83
Adjustments to reconcile Net Income to Net Cash provided by operations:	
11200 Assessments	695.15
11211 Mission Donation	7,528.56
25610 Insurance D	-12,487.06
25620 Due to/from	-22,209.42
9 Health Insurance Account	12,487.06
20100 Accounts Payable	0.00
Abp Mark Card - Control - 7944	118.72
New Diocesan Center Purchase	332,204.01
Pass Through Accounts:Appeal for Fr. Nightingale	-1,000.00
Pass Through Accounts:Seminary Support	931.00
Total Adjustments to reconcile Net Income to Net Cash provided by operations:	318,268.02
Net cash provided by operating activities	\$356,001.85
INVESTING ACTIVITIES	
11141 Investments - Other:Note Receivable Diocese of the South	-200,000.00
11142 Investments - Other:OCCIF Rec	-50,000.00
11143 Investments - Other:Russian Brotherhood Receivable	-50,000.00
15010 Diocesan Center - Bath	-301,453.94
15011 Diocesan Center - Bath:Bath - Capital Improvements	-32,484.61
Net cash provided by investing activities	\$ -633,938.55
FINANCING ACTIVITIES	
30000 Opening Bal Equity	0.00
Net cash provided by financing activities	\$0.00
NET CASH INCREASE FOR PERIOD	\$ -277,936.70
Cash at beginning of period	394,096.10
CASH AT END OF PERIOD	\$116,159.40

Orthodox Church in America Diocese of Eastern Pennsylvania

BALANCE SHEET

As of December 31, 2019

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
9020272 PNC General Checking	34,474.31
New Automobile Purchase Reserve	15,900.00
Total 9020272 PNC General Checking	50,374.31
Operational Money Market	39,767.51
Peer Group Checking	3,850.46
Peer Group Money Market - 0964	22,167.12
Total Bank Accounts	\$116,159.40
Accounts Receivable	
11100 Accounts Receivable (A/R)	
11199 Allowance for Doubtful Accounts	1,087.07
Total 11100 Accounts Receivable (A/R)	1,087.07
11200 Assessments	-12,931.73
11210 Diocesan Assembly	2,148.84
11211 Mission Donation	11,777.21
11215 Retreat	
11219 Teen Retreat	830.00
Total 11215 Retreat	830.00
11225 Special Projects	697.75
11220 Alive in Christ Subscriptions	-12.00
11226 Bishop Installation Banquet	-50.00
11230 United Appeal	-175.00
Total 11225 Special Projects	460.75
11400 Grants Receivable	-746.98
Total Accounts Receivable	\$2,625.16
Other Current Assets	
11140 Investments - Other	
11141 Note Receivable Diocese of the South	200,000.00
11142 OCCIF Rec	50,000.00
11143 Russian Brotherhood Receivable	50,000.00
Total 11140 Investments - Other	300,000.00
Total Other Current Assets	\$300,000.00
Total Current Assets	\$418,784.56
Fixed Assets	
15010 Diocesan Center - Bath	301,453.94
15011 Bath - Capital Improvements	32,484.61
Total 15010 Diocesan Center - Bath	333,938.55
16400 Vehicles	
16401 Vehicles	25,744.95
17401 Accum Depr - Vehicles	-17,160.00

	TOTAL
Total 16400 Vehicles	8,584.95
Total Fixed Assets	\$342,523.50
TOTAL ASSETS	\$761,308.06
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Credit Cards	
Abp Mark Card - Control - 7944	118.72
Total Credit Cards	\$118.72
Other Current Liabilities	
Deferred income Peer Group	23,621.20
Pass Through Accounts	
Appeal for Fr. Nightingale	2,857.21
Appeal for Fr. Volkovinsky	152.00
Seminary Support	916.00
Total Pass Through Accounts	3,925.21
Total Other Current Liabilities	\$27,546.41
Total Current Liabilities	\$27,665.13
Total Liabilities	\$27,665.13
Equity	
30000 Opening Bal Equity	538,608.76
32000 Unrestricted Net Assets	157,300.34
Net Income	37,733.83
Total Equity	\$733,642.93
TOTAL LIABILITIES AND EQUITY	\$761,308.06

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2020 Budget Proposal

Reference the *2019 Assembly Budget v actual and Proposed Budget.xls*

Overall the Budget for 2020 is very similar to the 2019 Budget.

- Total Income has been reduced slightly (99% of 2019) due primarily to:
 - Reducing the amount of *44800 Indirect Public Support* expected
 - Reducing the amount for *46412 Reimbursement* - although we will use that line item, not showing it makes the calculation for *the 43401 National Contributions* simpler.

- Total Expenses have increased by 2%. Significant changes include:
 - 61190 Bishop Payroll Tax – Increased from \$2000 to \$8000 to more closely match the actual tax burden. (For 2020 this is in place of an increase in the Archbishop's salary)
 - 62110 Accounting Fees – to allow for consulting, if necessary, on the use of QuickBooks. (This year we received well over 30 Hours of unpaid services)
 - 62135 Background Checks – to more closely reflect actual expenses
 - 62140 Legal Fees – to more closely reflect actual expenses
 - 64350 Special Celebrations – to be used for the 50th Anniversary of autocephaly
 - 64360 Seminary Scholarship – to more closely reflect actual expenses
 - 64450 Clergy Assistance Program – to more closely reflect actual expenses
 - 64500 Continuing Clergy Education – to more closely reflect actual expenses
 - 68230 Center Maintenance – to more closely reflect actual expenses