

REPORT OF THE TREASURER, Rev. 1
58th DIOCESAN ASSEMBLY
Archangel Church, Broadview Heights Ohio
October 7th and 8th, 2019

The primary responsibilities of the Treasurer are to oversee the financial affairs of the Diocese; monitor Diocesan investments, together with the Diocesan Council and Finance Committee; oversee the distribution of funds and judiciously invest Diocesan funds; and convene and chair regular and special Finance Committee meetings. In addition, the Treasurer and members of the Finance Committee review the parishes requests for financial relief for the Diocese's Proportional Giving Plan and after review, makes recommendations to His Grace. The members of the Finance Committee currently are: Bishop Paul, Fr. John Zdniak, Fr. Herman Kincaid, Mr. Robert Graban and Mr. Simeon Morbey. The Finance Committee also receives input from our Bookkeeper Phillip Sokolov.

Attached to this report is a summary of:

- Attachment A: 2018 Profit and Loss Budget vs. Actual: January thru December 2018
- Attachment B: Summary Balance Sheet as of December 31, 2018
- Attachment C: 2019 Profit and Loss Budget vs. Actual: January thru June 30th, 2019
- Attachment D: Summary Balance Sheet as of June 30th, 2019
- Attachment E: Diocesan Parish / Mission Development Fund Status as of August 31st, 2019
- Attachment F: Morgan Stanley Investment Account Status as of August 31st, 2019
Note all former Fidelity Investment Accounts Transferred to Morgan Stanley
- Attachment G1: 2020 Budget and Executive Summary: Move to rectory at Archangel Church, Burbank, Illinois. To be presented to the Diocesan Council for review and approval to the Diocesan Council Meeting prior to presenting to the Diocesan Assembly.
- Attachment G2: 2020 Budget and Executive Summary: Remain at the La Salle Street Property. To be presented to the Diocesan Council for review and approval to the Diocesan Council Meeting prior to presenting to the Diocesan Assembly. This Budget would be presented for approval should the move to the rectory at Archangel Church in Burbank not be approved.

Attachment A: 2018 Profit and Loss Budget vs. Actual

For 2018, based on the budget, we had projected an income from assessments of \$873,312.00. The actual income from assessments was \$861,452.53. The total received from assessments was \$11,859.47 less than anticipated. The total actual income from all sources was \$952,659.52 compared to \$900,812 anticipated, a difference of \$51,847.52. The additional income to the Diocese was due to income from the Convocation, CTS Reimbursement for the copier, Other Contributions and Program Income which consisted of the Alaska Mexico Appeal, Late Vocations and Support our Seminarians Appeal.

The total of all normal expenses was \$36,999.53 less than anticipated, \$964,382.16 vs. \$1,001,381.66.

2018 had a deficit budget of \$14,443.80 with total income of \$969,337.13 vs. total expenses being \$983,780.93.

Summary of Expenses:

The following is a summary of some of the major categories. The numbers are taken from the 2018 P&L Budget vs. Actual located in Attachment "A":

- Total Salaries and Wages were \$11,034.75 greater than budgeted (\$207,709.51 vs. \$196,674.76)
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- Professional Fees were \$2,898.69 less than budgeted (\$14,171.31 vs. \$17,070.00).
- Office expenses were \$484.59 less than budgeted (\$28,865.41 vs. \$29,350).
- Diocesan Travel Expenses were \$2,418.31 more than budgeted (\$44,518.31 vs. \$42,100).
- Total Insurance Expenses were \$3,282.20 less than budgeted, \$24,462.80 vs \$27,710).
- Program expenses were \$32,978.37 more than budgeted (\$135,278.37 vs. \$102,300).
- Repairs and Maintenance Expenses were \$11,072.01 less than budgeted (\$17,584.89 vs. \$28,656.60)
- Total Utility Expenses were \$39.16 less than budgeted (\$19,610.84 vs. \$19,650).

One of the longstanding issues we have had in the Diocese has been a large balance in our accounts receivable which is shown on the balance sheet. At the end of 2015, this amount totaled \$394,903.70. The accounts receivable is comprised primarily of parishes that have owed the Diocese assessments. For a multitude of reasons, these funds have not been able to be paid and for one reason or another are not collectable. At the direction of Bishop Paul, letters were sent out to these parishes requesting an explanation asking why they cannot be paid and requested a payback plan. Based on a review of the individual circumstances of each parish of the

explanations given, a decision was made by Bishop Paul, with concurrence by the Diocesan Council, to either forgive or reduce the amounts owed or to accept a payback plan. This effectively reduced our accounts receivable to \$133,936.74 as shown in the December 2018 Balance Sheet. One of the reasons it is important to reduce this amount is because when we apply for a continuation of our loan, the bank looks at all our financial data, and having this large of an Accounts Receivable does not look good. In addition, by agreeing to new payment plans, additional income is received to cover the operating expenses of the Diocese.

For 2018, the amount of debt forgiven totaled \$2,835.52 and is shown as an expense called "Debts Forgiven" on page 3 of the P&L under Office Expense. This is not a payment from our budget. It is an accounting means of showing the amount of debt forgiven. Therefore, the deficit shown of \$14,443.80 may be reduced by \$2,835.52 and the actual deficit for 2018 was **\$11,6028.28.**

Attachment B: Summary Balance Sheet as of December 31, 2018

The 2018 Balance Sheet is shown in Attachment B, pages 1-3, and provides a summary of all of our assets and liabilities from January 1, 2018 to December 31, 2018. As mentioned above, there was a "Debts Forgiven" line item shown of \$2,835.52 in the P&L.

Attachment C: 2019 Profit and Loss Budget vs. Actual: January thru June 30th, 2019

For 2016, a change was made in showing Assessment Income. The income now includes the total for both the OCA Assessments and the Diocesan Assessments received. In addition, beginning in 2019, the Diocese implemented a Proportional Giving methodology for providing funding for the Diocese in lieu of the old Assessment methodology. For the first six months of 2019, we had projected an income of \$536,406 from Proportional Giving from the parishes. The actual amount received was \$557,799. The amount received from Proportional Giving was \$21,393 greater than projected. The total Income received was \$582,284.36 vs. \$556,190.88 budgeted. This resulted in total net income of \$26,093.48 greater than the amount budgeted for the first 6 months of 2019.

This is the first year since 2018 that the Diocese did not have a deficit budget made up from funds from the OCA Reserve Fund to cover Diocesan Expenses (See the remaining funds in the OCA Reserve Fund in Attachment F and further discussion on the Reserve Fund on page 6).

For the first six months of 2019, the total of all expenses is \$2,355.23 greater than budgeted, \$554,327.23 vs. \$551,972.00 projected.

For 2019, the amount of debt forgiven totaled \$10,000 and is shown as an expense called "Debts Forgiven" on page 3 of the P&L under Office Expense. This is not a payment from our budget. It is an accounting means of showing the amount of debt forgiven. After considering the Total Other Income and Total Other Expenses, there is a Net Income shown of \$33,012.54. This amount may be increased by \$10,000 and the actual net income as of June 30th, 2019 is **\$43,012.54**

Summary of Expenses:

The following is a summary of some of the major categories. The numbers are taken from the 2019 P&L Budget vs. Actual located in Attachment "C":

- Total Salaries and Wages were \$4,963.50 greater than budgeted (\$111,762.72 vs. \$106,763.22).
- Total Health Insurance Costs were \$3,149.08 less than budgeted (\$5,448.38 vs. \$8,597.48).
- Total Professional Fees were \$711.68 less than budgeted (\$7,623.04 vs. \$8,334.92).
- Total Office Expenses were \$11,866.78 greater than budgeted (\$28,416.64 vs. \$16,549.86). This was due to background checks costing more than budgeted and \$10,000 in Debts being Forgiven.
- Travel Expenses were \$20.82 less than budgeted. (\$21,079.04 vs. \$21,099.86)
- Total Insurance Expenses were \$284.60 less than budgeted. (\$12,230 vs. \$11,945.40)
- Total Program Expenses were \$16,886.33 greater than budget (\$79,786.25 vs \$62,899.92) due to the fundraiser portion of Seminarian Scholarships expenses being paid.
- Total Repairs and Maintenance costs were \$4,232.50 less than budgeted (\$6,767.42 vs. \$10,999.92).
- Utility Expenses were \$867.80 greater than budgeted. (\$10,467.74 vs. \$9,599.94)

Attachment D: Summary Balance Sheet as of June 30th, 2019:

This balance sheet is shown in Attachment D, pages 1-3, and provides a summary of all of our assets and liabilities as of June 30th, 2019. Note that the Account Receivables is currently at \$135,484.64. This line item reflects the current amount of money owed to the Diocese by various parishes. For comparison, at the end of 2016, it was \$216,647.89 and at the end of 2015 it was \$394,903.70.

Attachment E: **Diocesan Parish / Mission Development Fund Status as of August 31st, 2019:**

The Mission Endowment Fund was created to provide additional funding to the Mission Department through its earnings on interest. The money is invested in both a Portfolio Fund (approximately 60%) and an Income Fund (approximately 40%) in an account with Salomon Smith Barney. We consider the Mission Endowment fund to be a long-term investment fund. As such, investment history has shown that having a mix of funds in equities and income funds provides the highest returns in the long term. Currently, the market continues to be very volatile, but this year has been on the upside compared to previous years. As of August 31st, 2019, the total in the Mission Development Fund is \$502,365.75, compared to \$459,585.49 at the start of the year, an increase of \$42,780.26 for this year.

However, due to market conditions at the end of 2017 and the beginning of 2018, the market was performing very well. To take advantage of this situation, a series of three transfers totaling \$41,558.59 (\$25,997.54 on 11/28/2017, \$8,839.05 on 12/29/17 and \$6,722 on 1/3/2018) were made out of this fund into a new Missions Project Fund (Morgan Stanley) created which may be utilized for future Diocesan Mission Development projects (See Attachment F).

In addition, due to favorable market conditions, an additional \$23,000 was transferred into the Missions Project Fund on 8/23/2019 (See Attachment F). The total in the Missions Project Fund is currently \$64,623.11.

Throughout the year, you can see that monthly totals have risen and fallen quite dramatically, hitting a current fund high at the end of July, 2019. Since we are in it for the long term, we are not looking at the short-term variations that the market will inevitably experience. To date, there have been no additional funds added to the Mission Endowment Fund. Previously, money was allocated to this fund as part of a budget line item and when parishes in the Diocese have closed, any remaining funds were placed in this account. A summary of the monthly totals as of August 31st, 2019 as well as the progress since 12/31/1999 (\$113,216.57) when first created is shown in Attachment E.

Attachment F: Morgan Stanley Accounts: Fund Status as of August 31st, 2019

The Fidelity Operating Reserve Fund was closed out at the beginning of 2016 and held in the Bank of America Checking Account. As a result, this amount was transferred into new Morgan Stanley Investment Accounts in 2017. New separate accounts were created for each of the original Fidelity Funds. The manager of the fund will be the same manager as the Diocesan Parish/ Mission Development Fund. The funds will be invested into more conservative areas to maintain the principle as these are reserve funds, but with the intent to earn a higher return than the money market account. A summary of the monthly totals for the new Morgan Stanley accounts is shown in Attachment F. There is currently a total of \$213,566.02 in all our reserve funds.

There is currently \$38,791.19 in the Maintenance Reserve Fund.

There is currently \$5,488.46 in the Special Visit Reserve Fund.

The Missions Projects Fund was opened in November of 2017. This fund has been growing as a result of fund transfers from the Diocesan Parish.Mission/Development Fund (See Attachment E). As the market has been performing favorably, amounts from the Mission/Development fund have been taken out and transferred into the Mission Projects Fund to protect the gains made as this is a much more conservative investment fund. The funds available are still designated for use for Mission purposes.

OCA Reserve Fund: The fund reached an amount of \$108,125.26 in 2015. In 2015, the Diocesan Assembly approved a deficit budget, with any required funds to cover the deficit to be taken out of this reserve fund. On 7/6/2015, \$35,000 was transferred to the Bank of America Checking Account to cover general operating fund expenditures leaving a balance of \$73,125.26 in the escrow fund. The same type of deficit budget was passed in 2016 and 2017. In March of 2017, \$20,000 was withdrawn to cover general operating fund expenditures and in June of 2018 another \$21,000 was withdrawn. As of the end of August 2019, \$32,184.89 remains in this escrow account. At this time, it is not anticipated that additional funds will be required for the end of this year. See page 11 for more information on the OCA Reserve Fund.

Automobile Reserve Fund: In January of 2018, a new vehicle was purchased for His Grace for a cost of \$17,469.06 with the funds coming from the Automobile Reserve Fund. In December of 2018, \$5,000 was transferred out of our Bank of America Checking Account and deposited into the Auto Reserve Fund per the 2018 Budget line item. There is currently \$8,851.73 in the Automobile Reserve Fund.

There is currently \$12,668.09 in the Bishop Job Memorial Scholarship Fund.

There is currently \$38,701.72 in the Legal Reserve Fund.

There is currently \$12,256.83 in the General Operating Reserve Fund.

TWO BUDGETS ARE BEING PRESENTED FOR 2020: Rev. 1

For both budgets, this is the second year that Proportional Giving is utilized for funding the day to day operations of the Diocese. The budgets are based on a 13% of Parish eligible income. With tithing of 13%, the work of the Diocese is fully funded, and balanced budgets are being presented.

Attachment G1: Proposed 2020 Budget and Executive Summary with move to rectory at Archangel Michael Church, Burbank, Illinois.

This budget is based on the Diocesan Assembly voting in favor of a motion to enter an agreement with Christ the Savior Church to take over the property on LaSalle Street and to relocate the Diocesan Offices and home for the Bishop to the rectory of Archangel Michael Church in Burbank, Illinois.

Attachment G2: Proposed Budget and Executive Summary should the Diocesan Assembly decide to not move the Diocesan Offices and home for the Bishop to the Burbank property.**ATTACHMENT G1: PROPOSED BUDGET
MOVE TO ARCHANGEL MICHAEL RECTORY IN BURBANK, IL,
Rev 1**

With the proposed move to Burbank, expenses related to residing at and maintaining the current La Salle Street property will no longer be required as of January 1, 2020. This would result in long term financial savings to the Diocese. As part of the agreement with Christ the Savior Church to take over the day to day operations of the LaSalle Street property, the Diocese would still be responsible for paying off the existing loan on the property. Once the loan is paid off, the Memorandum of Understanding between Christ the Savior Church would take effect and they would be fully responsible for the LaSalle Street Property. Savings due to a reduction of expenses in moving the Diocesan Center to Burbank would be utilized to pay off the loan on an accelerated basis, well within 5 years, but most likely 3 to 3½ years. At the end of 2019, the remaining balance on the loan is \$168,185.54.

Below is a summary of Income and Expenses for this Budget:

INCOME:

Based on a 13% tithing and taking into consideration the relief granted to some parishes, the total income to the Diocese is equal to **\$1,101,059.**

In addition to the Tithing income, Program income (\$48,000) and Additional income (\$18,250) is included for a total income of \$1,167,309.

EXPENSES:

For the detail of the actual expenses, please refer to the actual numbers provided in the Excel Spreadsheet. Additional explanation/detail is provided where deemed appropriate.

OCA Tithing: The amount paid to the OCA is shown as \$462,444.78 (42% of the Parish Tithing Income of \$1,101,059).

Program Expenses: Total of \$127,800: This comprises Charity, Donation to the Episcopal Assembly, Late Vocations, Mission Parish Development Grants, Mother Maria of Paris Ministry Charity, Scholarships, Diocesan Assembly Expense and Clergy Convocation Expense.

Auto and Travel: Total of \$60,500. This comprises travel expenses for the Auditors, Automobile Expenses, Automobile Reserve fund, Bishop, Bishop's Kellenik, Chancellor, Deans, Diocesan/ Bishop/ Metropolitan Council, Late Vocations, Secretariat.

Building and Grounds: BURBANK: Total \$69,042.75: This comprises rent of \$12,000 paid to Archangel Michael Church, Interest on our current loan (\$12,442.75), Maintenance Reserve Fund (\$5,000), Supplies (\$1,500) and one-time expenses of Moving from the LaSalle Street Property to Burbank (\$3,000) and House/Property Improvements (\$30,000).

Utilities: Total is \$5,480. This comprises Electric, Garbage, Gas, Water and Sewer. (Expenses for these same items at LaSalle Street is \$19,200).

Diocesan Staff Salaries/Stipends: Total is \$264,912.58. This comprises the salary and benefits for the Bishop, Bishop's Kellenik, Chancellor and Secretary/Bookkeeper. Based on the Consumer Price Index, all salaries were increased 1.45%. It also includes all the Stipends for the Deans, Communications Director, Late Vocations and Treasurer. (Expenses for these same items at LaSalle Street is \$277,944.58. The position of Property Manager is eliminated)

Insurance: Total is \$10,608. This comprises Auto, Bishop's Life Ins. Liability, Renters/Content Insurance, Property and Workers Compensation. (Expenses for these same items at LaSalle Street is \$29,408)

Office Expenses: Total is \$19,250. This comprises Advertising, bank service charges, Copier Lease, Hospitality, Internet Service Provider, Library Periodicals, Miscellaneous, Office Supplies, Postage and Telephone.

Professional Fees: Total is \$45,670. This comprises Accounting, Audit, Background Checks, Compliance Website, Counseling, Family/Youth Ministry, Investment Fund Management Fees, Legal, Parish Health Facilitator, Psychological Evaluations and Payroll preparation.

Additional Expenses: Total is \$101,600.89. This comprises the Bishop's Discretionary Funds (\$1,200), Candles (\$1,500), Liturgical Supplies (\$200), Taxes and Licenses (\$150.00), Financial Reserves (\$40,000) and additional funds to paydown the outstanding loan (\$58,550.89).

- The Financial Reserves line item (Formerly Special Projects Fund) is added again as it was in 2019 except under a different name. The purpose in Fiscal year 2020 will be covering shortfall from financial relief granted to parishes or for other projects approved by the Diocesan Council with the blessing of His Grace.

Taking all the above into consideration, the total budgeted expenses, \$1,167,309 is equal to the 13% tithe minus relief granted to parishes and a balanced budget is being presented for 2020.

ATTACHMENT G2: PROPOSED BUDGET
REMAIN AT THE LA SALLE STREET PROPERTY: Rev 1

INCOME:

Based on a 13% tithing and taking into consideration the relief granted to some parishes, the total income to the Diocese is equal to **\$1,101,059**.

In addition to the Tithing income, Program income (\$48,000) and Additional income (\$18,250) is included for a total income of **\$1,168,379**.

EXPENSES:

For the detail of the actual expenses, please refer to the actual numbers provided in the Excel Spreadsheet. Additional explanation/detail is provided where deemed appropriate.

OCA Tithing: The amount paid to the OCA is shown as \$462,444.78 (42% of the Parish Tithing Income of **\$1,101,059**).

Program Expenses: Total of \$127,800: This comprises Charity, Donation to the Episcopal Assembly, Late Vocations, Mission Parish Development Grants, Mother Maria of Paris Ministry Charity, Scholarships, Diocesan Assembly Expense and Clergy Convocation Expense.

Auto and Travel: Total of \$60,500. This comprises travel expenses for the Auditors, Automobile Expenses, Automobile Reserve fund, Bishop, Bishop's Kellenik, Chancellor, Deans, Diocesan/ Bishop/ Metropolitan Council, Late Vocations, Secretariat.

Building and Grounds: Total \$39,442.75: This comprises cleaning (\$8,400), Interest on our current loan (\$12,442.75), Maintenance/Repairs (\$5,000), Maintenance Reserve Fund (\$5,000), Service Contracts (\$7,100) and Supplies (\$1,500).

Utilities: Total is \$19,200. This comprises Electric, Garbage, Gas, Water and Sewer.

Diocesan Staff Salaries/Stipends: Total is \$277,944.58. This comprises the salary and benefits for the Bishop, Chancellor, Secretary/Bookkeeper, Property Manager and Bishop's Kellenik. Based on the Consumer Price Index, all salaries were increased 1.45% except for the Property Manager. It also includes all the Stipends for the Deans, Communications Director, Late Vocations and Treasurer.

Insurance: Total is \$29,408. This comprises Auto, Bishop's Life Ins. Liability, Renters/Content Insurance, Property and Workers Compensation.

Office Expenses: Total is \$19,250. This comprises Advertising, bank service charges, Copier Lease, Hospitality, Internet Service Provider, Library Periodicals, Miscellaneous, Office Supplies, Postage and Telephone.

Professional Fees: Total is \$45,670. This comprises Accounting, Audit, Background Checks, Compliance Website, Counseling, Family/Youth Ministry, Investment Fund Management Fees, Legal, Parish Health Facilitator, Psychological Evaluations and Payroll preparation.

Additional Expenses: Total is \$85,768.85. This comprises the Bishop's Discretionary Funds (\$1,200), Candles (\$1,500), Liturgical Supplies (\$200), Taxes and Licenses (\$150.00), Financial Reserves (\$40,000) and additional funds to paydown the outstanding loan (\$43,668.89).

- The Financial Reserves line item (Formerly Special Projects Fund) is added again as it was in 2019 except under a different name. The purpose in Fiscal year 2020 will be covering shortfall from financial relief granted to parishes or for other projects approved by the Diocesan Council with the blessing of His Grace.

Taking all the above into consideration, the total budgeted expenses, \$1,168,379 is equal to the 13% tithe minus relief granted to parishes and a balanced budget is being presented for 2020.

OCA RESERVE FUND:

The final total of OCA escrowed funds from 2013 and 2014 was \$108,125.26. These were funds collected and held by the Diocese given the uncertainty of what expenses the Diocese was going to be responsible for given the state of flux in the OCA at that time. (Note, all funds from assessments held in that time frame due to the OCA were paid as required.)

Since 2015 we have passed deficit budgets with the deficit amount being made up from this reserve fund. As discussed at the 2014 Diocesan Assembly, rather than raising the assessment, the money that has been collected from our "OCA RESERVE FUND" has been utilized to make up any shortfall in the budgets for 2015, 2016, 2017 and 2018. There is currently a balance of \$32,184.89. This year, no additional funds were required to be withdrawn due to the implementation of the Proportional Giving Plan to fund the Diocese.

DIOCESAN LOAN INFORMATION:

The current 5 year term for the \$250,000 loan from Bank of America to cover major maintenance issues at both the residence and Christ the Savior Church was taken out in 2007. The original loan carried an interest rate of 7.1% with a 5-year balloon (up in 2012) with monthly payments of \$1,814.81. In 2012 the loan was renewed again for a second 5-year term ending on March 6, 2017 with an outstanding balance of \$227,050.67 carried an interest rate of 4.68% and monthly payments of \$1,466.99. In March of 2017, the loan was again renewed for a third 5-year term with an outstanding balance of \$188,915.63. The current interest rate is 7.45% with monthly payments of \$1,757.85.

As of December 31, 2019, the remaining balance on the loan will be \$168,185.54. This loan will mature on March 28, 2022 and will have a remaining balance of \$150,169.52 at which time we will seek to renew the loan again unless it is paid off before then.

CLOSING:

I would also like to thank Philip Sokolov who is not only the Secretary of the Diocese, but also our bookkeeper and Greg Hostalley from who is our accountant. I would also like to thank the other members of the Finance Committee, His Grace Bishop Paul, our Chancellor, Fr. John Zdniak, Fr. Herman Kincaid, Mr. Robert Graban and Mr. Simeon Morbey who all deserve a big thanks for the extra time and effort they put in throughout the year and once again, for their valuable advice and ideas presented throughout the year. Finally, I would again like to thank my wife Karen for her patience and support during this time.

It has been a pleasure serving the Diocese as Treasurer this past year.

Sincerely,

Robert A. Koncel, Treasurer
Diocese of the Midwest
2019 DIO ASSEMBLY TREASURER REPORT.DOC

Please see the following pages for all of the Attachments identified on the first page.

**Diocese of the Midwest - OCA
2020 Proposed Budget at Burbank Property, Rev 1**

Ordinary Income / Expenses

Income

Tithing of 13% from Parishes minus relief Granted to Parishes **\$ 1,101,059.00**

Program Income

Late Vocations	\$ 12,000.00	(Pass Through)	
Seminars & Meetings (Convocation)	\$ 12,000.00	(Pass Through)	
Support our Seminarians Appeal (SOS)	\$ 12,000.00	(Pass Through)	
Scholarship (Other Contributions)	\$ 2,000.00	(Pass Through)	
Mother Maria of Paris Ministry Charity	\$ 10,000.00	(Pass Through)	
Total Program Income	\$ 48,000.00	\$ 48,000.00	\$ 48,000.00

Additional Income

Psych Evaluations (50% Reimb from parishes)	\$ 2,500.00		
Background checks (50% Reimb from parishes)	\$ 5,250.00		
Uncategorized Income	\$ 500.00		
Diocesan Assembly Income	\$ 10,000.00	(Pass Through)	
Total Additional Income	\$ 18,250.00	\$ 18,250.00	\$ 18,250.00

Total Income **\$ 1,167,309.00**

Expense

OCA Tithing (42% of \$1,101,059) **\$ 462,444.78**

Program Expense

Charity	\$ 1,500.00	
Donation to Episcopal Assembly	\$ 1,500.00	
Late Vocations	\$ 12,000.00	(Pass Through)
Mission/Parish Development Grants	\$ 46,800.00	
Mother Maria of Paris Ministry Charity	\$ 10,000.00	(Pass Through)

Scholarships

Budgeted Portion	\$ 20,000.00	
Fundraisers Portion (SOS)	\$ 12,000.00	(Pass Through)
Scholarships - Other	\$ 2,000.00	(Pass Through)
Total Scholarships	\$ 34,000.00	\$ 34,000.00

Diocesan Assembly Expense	\$ 10,000.00	\$ 10,000.00	(Pass Through)
Seminars & Meetings (Convocation)	\$ 12,000.00	\$ 12,000.00	(Pass Through)

Total Program Expense **\$ 127,800.00**

Auto and Travel

Auditors	\$ 2,500.00
Automobile Expense	\$ 2,000.00
Automobile Reserve Fund	\$ 5,000.00
Bishop	\$ 13,500.00
Bishop's Kellenik	\$ 5,000.00
Chancellor	\$ 5,000.00
Deans	\$ 1,200.00
Diocesan / Bishop's Council	\$ 24,000.00
Late Vocations	\$ 500.00
Metropolitan Council	\$ 1,000.00
Secretariat	\$ 800.00

Total Diocesan Auto and Travel **\$ 60,500.00**

Diocese of the Midwest - OCA
2020 Proposed Budget at Burbank Property, Rev 1

Building and Grounds: BURBANK

Repairs and Maintenance

Rent	\$ 12,000.00	
Moving Expenses	\$ 3,000.00	
Cleaning	\$ 3,600.00	
House/Property Improvements	\$ 30,000.00	
Interest Expenses (Loan)	\$ 12,442.75	
Maintenance Reserve Fund	\$ 5,000.00	
Service Contracts (Security)	\$ 1,500.00	
Supplies	\$ 1,500.00	
Total Repairs and Maintenance	\$ 69,042.75	\$ 69,042.75

Utilities

Electric	\$ 2,000.00	
Garbage	\$ 480.00	
Gas	\$ 2,000.00	
Water & Sewer	\$ 1,000.00	
Total Utilities	\$ 5,480.00	\$ 5,480.00

Total Building and Grounds

\$ 74,522.75

\$ 74,522.75

Diocesan Staff Salaries and Benefits

Bishop

Salary: \$ 73,716.00 2019 Baseline Salary: (Baseline of 2018 Median Household Income for Chicago as prescribed by Dio. Clergy Comp Guidelines)

1.45% CPI Increase \$ 1,068.88

New base salary \$ 74,784.88

Health Insurance (Med/Den + 3%)	\$ 4,251.00	Medicare Paid Direct to Provider
Housing Allowance	\$ 24,000.00	(Rent, Utilities, Ins, Cleaning, Supplies)
Pension (8% Diocese)	\$ 7,902.79	8% x (\$74,784.88 Salary + \$24k Housing)
Social Security (Diocese Portion)	\$ 7,557.04	7.65% x (\$74,884.88 Salary + \$24k Housing)
Equity Allowance (10% Housing Allowance)	\$ 2,400.00	Create a separate Account for Deposit in Bishop's Name: Per Dio. Clergy Comp Guide)lines

Life Insurance \$ 3,108.00 Bishop's Personnal Life Ins. Policy

Rent (Payroll Deduction) \$ (24,000.00)

Total Bishop \$ 100,003.72 \$ 100,003.72

Value of Bishop's Salary Package \$ 124,003.72 (Total for Bishop Including Housing Allowance)

Chancellor

Salary \$ 26,993.27 2019 Baseline Salary \$26,993.27: [Based on 2018 W2 Salary of \$23,308.68 + \$1,619.60 (6% Pension) + \$2,064.99 (7.65% FICA)]

1.45% CPI Increase \$ 391.40

New base salary \$ 27,384.67

Pension (8% Diocese)	\$ 2,190.77	(\$26,993.27 x 8%)
Social Security (7.65%)	\$ 2,094.93	(\$26,993.27 x .0765%)

Total Chancellor \$ 31,670.37 \$ 31,670.37

Secretary/Bookkeeper

Salary \$ 43,138.00 2019 Baseline Salary = \$39,952.39 (Salary) + \$3,185.61 (approx 6% Pension on \$56k)

1.45% CPI Increase \$ 625.50

New base salary \$ 43,763.50

Pension (8% Diocese)	\$ 3,501.08	8% x \$44,173.31, New Base Salary
Social Security (7.65%)	\$ 3,347.91	7.65% x \$44,173.31, New Base Salary
Health Insurance + 5%	\$ 13,722.00	(\$1,144/mo)

Total Secretariat \$ 64,334.49 \$ 64,334.49

Bishop's Kelenik/Office Aide

Diocese of the Midwest - OCA
2020 Proposed Budget at Burbank Property, Rev 1

Salary	\$ 24,000.00	Based on \$15/hr spent on job	
1.45% CPI Increase	\$ 348.00		
Pension (8%): 8% x \$24k	\$ 1,920.00	8% x (\$24,000 Salary)	
Social Security (7.65% x \$24k)	\$ 1,836.00	7.65%x(\$24,000 Salary)	
Total Bishop Kelenik/Office Aide	\$ 28,104.00	\$ 28,104.00	
Deans			
Chicago	\$ 3,600.00		
Cleveland	\$ 3,600.00		
Indianapolis	\$ 3,600.00		
Kansas City	\$ 3,600.00		
Michigan	\$ 3,600.00		
Minneapolis	\$ 3,600.00		
Total Deans	\$ 21,600.00	\$ 21,600.00	
Support Staff			
Communications Director Stipend	\$ 3,600.00		
Late Vocations Stipend	\$ 12,000.00		
Treasurer Stipend	\$ 3,600.00		
Total Support Staff	\$ 19,200.00	\$ 19,200.00	
Diocesan Staff Salaries and Benefits		\$ 264,912.58	\$ 264,912.58
Insurance			
Auto	\$ 1,900.00		
Bishop's Life Ins. (Diocesan Policy)	\$ 3,108.00		
Liability	\$ 2,100.00		
Renters/Content Insurance	\$ 1,000.00		
Property	\$ 1,500.00		
Workers Comp	\$ 1,000.00		
Total Insurance	\$ 10,608.00	\$ 10,608.00	\$ 10,608.00
Office Expenses			
Advertising	\$ 150.00		
Bank Service Charges	\$ 600.00		
Copier Lease (TTSG)	\$ 1,500.00		
Dues & Subscriptions (WebEx/Angies List)	\$ 1,200.00		
Hospitality	\$ 6,000.00		
Internet Service Provider	\$ 3,000.00		
Library & Periodicals	\$ 700.00		
Miscellaneous Expenses	\$ 500.00		
Office Supplies	\$ 3,000.00		
Pitney Bowes	\$ 1,500.00		
Postage	\$ 1,000.00		
Printing & Reproduction	\$ 100.00		
Telephone	\$ 8,000.00		
Total Office Expenses	\$ 19,250.00	\$ 19,250.00	\$ 19,250.00

**Diocese of the Midwest - OCA
2020 Proposed Budget at Burbank Property, Rev 1**

Professional Fees

Accounting	\$ 6,500.00	
Audit (External)	\$ 2,000.00	
Background Checks	\$ 10,500.00	(Estimate of 15 @ \$700 ea.)
Compliance Website Yearly Maintenance Fee	\$ 420.00	
Counseling	\$ 2,500.00	
Family/Youth Ministry	\$ 8,000.00	
Family Website Hosting Costs (\$100/mo)	\$ 1,200.00	
Investment Fund Management Fees	\$ 2,600.00	
Legal	\$ 1,200.00	
Parish Health Facilitator	\$ 5,000.00	
Psychological Evaluations	\$ 5,000.00	(Estimate of 5 @ \$1,000 ea)
Payroll Preparation	\$ 750.00	

Total Professional Fees	\$ 45,670.00	\$ 45,670.00	\$ 45,670.00
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Additional Expenses:

Bishop Discretionary Fund	\$ 1,200.00
Candles	\$ 1,500.00
Liturgical Supplies	\$ 200.00
Financial Reserves	\$ 40,000.00
Additional amount to Paydown Loan	\$ 58,550.89
Taxes and Licenses	\$ 150.00

Total Additional Expenses	\$ 101,600.89	\$ 101,600.89	\$ 101,600.89
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Total Expense	\$ 1,167,309.00
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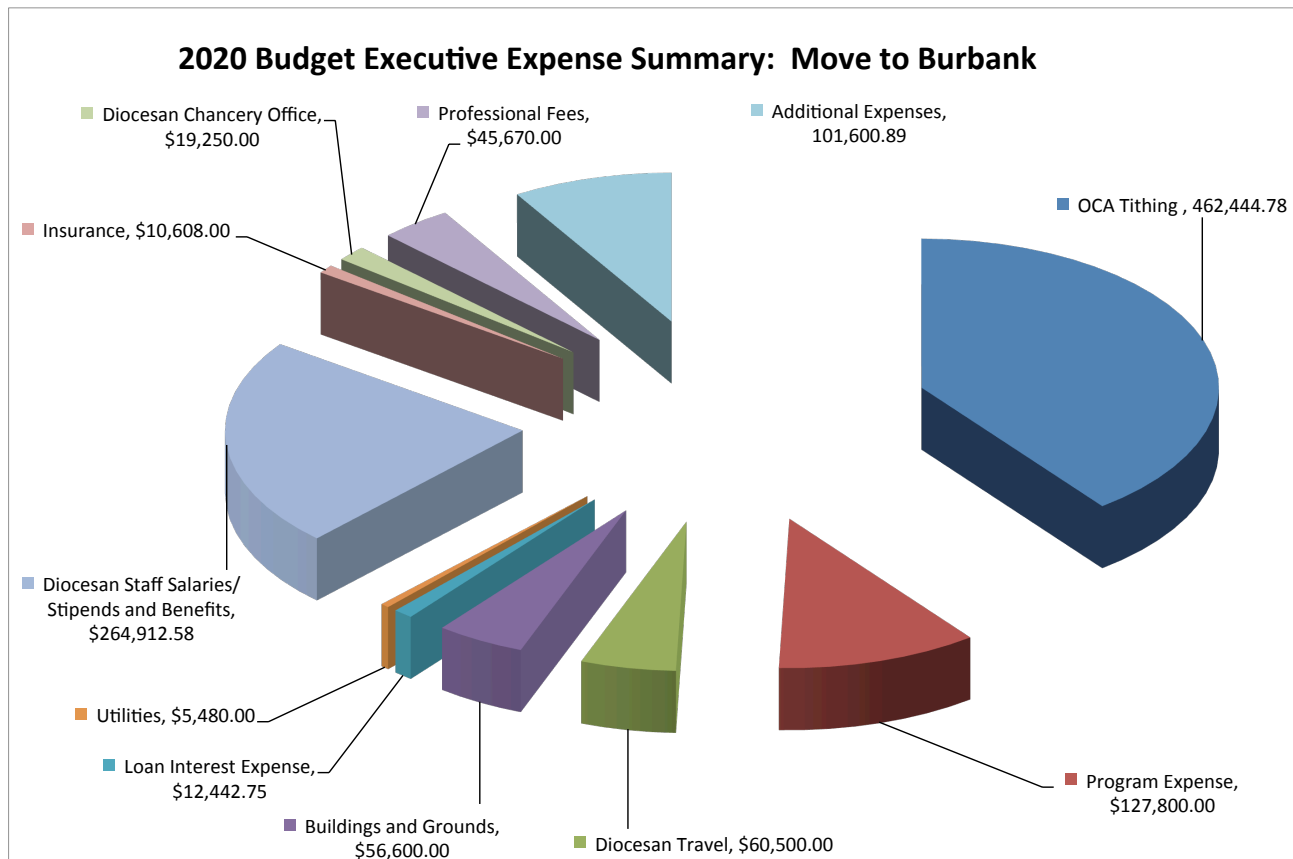
Total Income (Page 1)	\$ 1,167,309.00
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Balanced Budget	\$ 0.00
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2020 Budget Executive Summary: Move to Burbank, Rev. 1

**Total Income Based on 13% Tithing from Parishes (Minus relief granted to Parishes), Program Income and Additional Income.
Total Income = \$1,167,309.00**

OCA Tithing	462,444.78	42% of Tithing Income minus relief granted to parishes \$1,099,421
Program Expense	\$127,800.00	Missions, Late Vocations, Charity, Seminarian Scholarships
Diocesan Travel	\$60,500.00	Bishop, Bishop's Kellenik, Chancellor, Secretary, Deans, Diocesan/Bishop's/ Metropolitan Council
Buildings and Grounds	\$56,600.00	Rent, Moving Expenses, House/Property Improvements, Maint Reserve Fund, Supplies
Loan Interest Expense	\$12,442.75	Interest on Diocesan Loan from Bank of America
Utilities	\$5,480.00	Electric, Garbage, Gas, Water
Diocesan Staff Salaries/Stipends and Benefits	\$264,912.58	Bishop, Bishop's Kellenik, Chancellor, Secretary, Deans, Communication Director, Late Vocations and Treasurer
Insurance	\$10,608.00	Auto, Bishop's Life Ins., Liability, Renters/Content Insurance, Property and Workers Compensation
Diocesan Chancery Office	\$19,250.00	Advertising, Baxnk, Copier Lease, Dues & Subscriptions, Hosiptality, Internet, Office Supplies, Pitney Bowes, Postage, Postage, Printing, Telephone
Professional Fees	\$45,670.00	Accounting, Audit, Background Checks, Compliance Website, Counseling, Family/Youth Ministry, Investment Fund Management Fees, Legal, Parish Health Facilitartor, Psychological Evaluations, Payroll Peperation
Additional Expenses	101,600.89	Bishop Discretionary Fund, Candles/Liturgical Supplies, Financial Reserves, Loan Paydown, Taxes/Fees
TOTAL EXPENSES	\$1,167,309.00	Balances with Income



**Diocese of the Midwest - OCA
2020 Proposed Budget Remaining at La Salle Street, Rev. 1**

Ordinary Income / Expenses

Income

Tithing of 13% from Parishes Minus Relief Granted to Parishes	\$ 1,101,059.00
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Program Income

Late Vocations	\$ 12,000.00	(Pass Through)	
Seminars & Meetings (Convocation)	\$ 12,000.00	(Pass Through)	
Support our Seminarians Appeal (SOS)	\$ 12,000.00	(Pass Through)	
Scholarship (Other Contributions)	\$ 2,000.00	(Pass Through)	
Mother Maria of Paris Ministry Charity	\$ 10,000.00	(Pass Through)	
Total Program Income	\$ 48,000.00	\$ 48,000.00	\$ 48,000.00

Additional Income

CTS Reimbursement for Copier	\$ 1,070.00		
Psych Evaluations (50% Reimb from parishes)	\$ 2,500.00		
Background checks (50% Reimb from parishes)	\$ 5,250.00		
Uncategorized Income	\$ 500.00		
Diocesan Assembly Income	\$ 10,000.00	(Pass Through)	
Total Additional Income	\$ 19,320.00	\$ 19,320.00	\$ 19,320.00

Total Income	\$ 1,168,379.00
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Expense

OCA Tithing (42% of \$1,101,059.00)	\$ 462,444.78
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Program Expense

Charity	\$ 1,500.00		
Donation to Episcopal Assembly	\$ 1,500.00		
Late Vocations	\$ 12,000.00	(Pass Through)	
Mission/Parish Development Grants	\$ 46,800.00		
Mother Maria of Paris Ministry Charity	\$ 10,000.00	(Pass Through)	

Scholarships

Budgeted Portion	\$ 20,000.00		
Fundraisers Portion (SOS)	\$ 12,000.00	(Pass Through)	
Scholarships - Other	\$ 2,000.00	(Pass Through)	
Total Scholarships	\$ 34,000.00	\$ 34,000.00	

Diocesan Assembly Expense	\$ 10,000.00	\$ 10,000.00	(Pass Through)
Seminars & Meetings (Convocation)	\$ 12,000.00	\$ 12,000.00	(Pass Through)

Total Program Expense	\$ 127,800.00
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Auto and Travel

Auditors	\$ 2,500.00		
Automobile Expense	\$ 2,000.00		
Automobile Reserve Fund	\$ 5,000.00		
Bishop	\$ 13,500.00		
Bishop's Kellenik	\$ 5,000.00		
Chancellor	\$ 5,000.00		
Deans	\$ 1,200.00		
Diocesan / Bishop's Council	\$ 24,000.00		
Late Vocations	\$ 500.00		
Metropolitan Council	\$ 1,000.00		
Secretariat	\$ 800.00		

Total Diocesan Auto and Travel	\$ 60,500.00
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Diocese of the Midwest - OCA
2020 Proposed Budget Remaining at La Salle Street, Rev. 1

Building and Grounds

Repairs and Maintenance

Cleaning	\$ 8,400.00	
Interest Expenses (Loan)	\$ 12,442.75	
Maintenance/Repairs	\$ 5,000.00	
Maintenance Reserve Fund	\$ 5,000.00	
Service Contracts	\$ 7,100.00	(Johnson Controls Security \$6k, Orkin \$1.1k)
Supplies	\$ 1,500.00	
Total Repairs and Maintenance	\$ 39,442.75	\$ 39,442.75

Utilities

Electric	\$ 8,000.00	
Garbage	\$ 300.00	
Gas	\$ 10,000.00	
Water & Sewer	\$ 900.00	
Total Utilities	\$ 19,200.00	\$ 19,200.00

Total Building and Grounds

\$ 58,642.75 **\$ 58,642.75**

Diocesan Staff Salaries and Benefits

Bishop

Salary:	\$ 73,716.00	2019 Baseline Salary: (Baseline of 2018 Median Household Income for Chicago as prescribed by
1.45% CPI Increase	\$ 1,068.88	

New base salary	\$ 74,784.88
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Health Insurance (Med/Den + 3%)	\$ 4,251.00	Medicare Paid Direct to Provider
Housing Allowance	\$ 24,000.00	
Pension (8% Diocese)	\$ 7,902.79	8% x (\$74,784.88 Salary + \$24k Housing)
Social Security (Diocese Portion)	\$ 7,557.04	7.65% x (\$74,784.88 Salary + \$24k Housing)
Equity Allowance (10% Housing Allowance)	\$ 2,400.00	Create a separate Account for Deposit in Bishop's

Name: Per Dio. Clergy Comp Guide)lines

Life Insurance	\$ 3,108.00	Bishop's Personal Life Ins. Policy
Rent (Payroll Deduction)	\$ (24,000.00)	

Total Bishop	\$ 100,003.72	\$ 100,003.72
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Value of Bishop's Salary Package **\$ 124,003.72** **(Total for Bishop Including Housing Allowance)**

Chancellor

Salary	\$ 26,993.27	2019 Baseline Salary \$26,993.27: (Based on 2018 W2 Salary of \$23,308.68 + \$1,619.60 (6% Pension) + \$2,064.99 (7.65% FICA))
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1.45% CPI Increase	\$ 391.40
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New base salary	\$ 27,384.67
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Pension (8% Diocese)	\$ 2,190.77	(\$26,993.27 x 8%)
Social Security (7.65%)	\$ 2,094.93	(\$26,993.27 x .0765%)

Total Chancellor	\$ 31,670.37	\$ 31,670.37
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Secretary/Bookkeeper

Salary	\$ 43,138.00	2018 Baseline Salary = \$39,952.39 (Salary) + \$3,185.61 (approx 6% Pension on \$56k)
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1.45% CPI Increase	\$ 625.50
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New base salary	\$ 43,763.50
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Pension (8% Diocese)	\$ 3,501.08	8% x \$44,173.31, New Base Salary
Social Security (7.65%)	\$ 3,347.91	7.65% x \$44,173.31, New Base Salary
Health Insurance + 5%	\$ 13,722.00	(\$1,144/mo)

Total Secretariat	\$ 64,334.49	\$ 64,334.49
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Diocese of the Midwest - OCA
2020 Proposed Budget Remaining at La Salle Street, Rev. 1

Property Manager		
Salary	\$ 11,112.00	\$11,112 = \$6,000 Salary + 15.3% FICA (\$6k Salary + \$18K Housing) + 6% Pension (\$6k Salary + \$18K Housing)
Housing Allowance	\$ 18,000.00	
Pension (8%): 8% x \$24k	\$ 1,920.00	8% x (\$6,000 Salary + \$18,000 Housing)
Rent (Payroll Deduction)	\$ (18,000.00)	Housing Allowance is subtracted out
Total Property Manager	\$ 13,032.00	\$ 13,032.00
Bishop's Kelenik/Office Aide		
Salary	\$ 24,000.00	Based on \$15/hr spent on job
1.45% CPI Increase	\$ 348.00	
Pension (8%): 8% x \$24k	\$ 1,920.00	8% x (\$24,000 Salary)
Social Security (7.65% x \$24k)	\$ 1,836.00	7.65% x (\$24,000 Salary)
Total Bishop Kelenik/Office Aide	\$ 28,104.00	\$ 28,104.00
Deans		
Chicago	\$ 3,600.00	
Cleveland	\$ 3,600.00	
Indianapolis	\$ 3,600.00	
Kansas City	\$ 3,600.00	
Michigan	\$ 3,600.00	
Minneapolis	\$ 3,600.00	
Total Deans	\$ 21,600.00	\$ 21,600.00
Support Staff		
Communications Director Stipend	\$ 3,600.00	
Late Vocations Stipend	\$ 12,000.00	
Treasurer	\$ 3,600.00	
Total Support Staff	\$ 19,200.00	\$ 19,200.00
Diocesan Staff Salaries and Benfits	\$ 277,944.58	\$ 277,944.58
Insurance		
Auto	\$ 2,200.00	
Bishop's Life Ins. (Diocesan Policy)	\$ 3,108.00	
Liability	\$ 2,200.00	
Property	\$ 20,100.00	
Workers Comp	\$ 1,800.00	
Total Insurance	\$ 29,408.00	\$ 29,408.00
Office Expenses		
Advertising	\$ 150.00	
Bank Service Charges	\$ 600.00	
Copier Lease (TTSG)	\$ 1,500.00	
Dues & Subscriptions (WebEx/Angies List)	\$ 1,200.00	
Hospitality	\$ 6,000.00	
Internet Service Provider	\$ 3,000.00	
Library & Periodicals	\$ 700.00	
Miscellaneous Expenses	\$ 500.00	
Office Supplies	\$ 3,000.00	
Pitney Bowes	\$ 1,500.00	
Postage	\$ 1,000.00	
Printing & Reproduction	\$ 100.00	
Telephone	\$ 8,000.00	
Total Office Expenses	\$ 19,250.00	\$ 19,250.00

Diocese of the Midwest - OCA
2020 Proposed Budget Remaining at La Salle Street, Rev. 1

Professional Fees			
Accounting	\$	6,500.00	
Audit (External)	\$	2,000.00	
Background Checks	\$	10,500.00	(Estimate of 15 @ \$700 ea)
Compliance Website Yearly Maintenance Fee	\$	420.00	
Counseling	\$	2,500.00	
Family/Youth Ministry	\$	8,000.00	
Family Website Hosting Costs (\$100/mo)	\$	1,200.00	
Investment Fund Management Fees	\$	2,600.00	
Legal	\$	1,200.00	
Parish Health Facilitator	\$	5,000.00	
Psychological Evaluations	\$	5,000.00	(Estimate of 5 @ \$1,000 ea)
Payroll Preparation	\$	750.00	
Total Professional Fees	\$	45,670.00	\$ 45,670.00 \$ 45,670.00
Additional Expenses			
Bishop Discretionary Fund	\$	1,200.00	
Candles	\$	1,500.00	
Liturgical Supplies	\$	200.00	
Financial Reserves	\$	40,000.00	
Additional amount to Paydown Loan	\$	43,668.89	
Taxes and Licenses	\$	150.00	
Total Additional Expenses	\$	86,718.89	\$ 86,718.89 \$ 86,718.89
Total Expense		\$ 1,168,379.00	
Total Income (Page 1)		\$ 1,168,379.00	
Balanced Budget		\$ 0.00	

2020 Budget Executive Summary: Remain at La Salle Street, Rev. 1

**Total Income Based on 13% Tithing from Parishes (Minus relief granted to Parishes), Program Income and Additional Income.
Total Income = \$1,168,379.00**

OCA Tithing	462,444.78	42% of Tithing Income minus relief granted to parishes \$1,099,421
Program Expense	\$127,800.00	Missions, Late Vocations, Charity, Seminarian Scholarships
Diocesan Travel	\$60,500.00	Bishop, Bishop's Kellenik, Chancellor, Secretary, Deans, Diocesan/Bishop's/ Metropolitan Council
Buildings and Grounds	\$27,000.00	Cleaning, Maintenance/Repairs, Maint Reserve Fund, Service Contracts, Supplies
Loan Interest Expense	\$12,442.75	Interest on Diocesan Loan from Bank of America
Utilities	\$19,200.00	Electric, Garbage, Gas, Water
Diocesan Staff Salaries/Stipends and Benefits	\$277,944.58	Bishop, Bishop's Kellenik, Chancellor, Secretary, Property Manager, Deans, Communication Director, Late Vocations and Treasurer
Insurance	\$29,408.00	Auto, Bishop's Life Ins., Liability, Property and Workers Compensation
Diocesan Chancery Office	\$19,250.00	Advertising, Baxnk, Copier Lease, Dues & Subscriptions, Hosiptality, Internet, Office Supplies, Pitney Bowes, Postage, Postage, Printing, Telephone
Professional Fees	\$45,670.00	Accounting, Audit, Background Checks, Compliance Website, Counseling, Family/Youth Ministry, Investment Fund Management Fees, Legal, Parish Health Facilitartor, Psychological Evaluations, Payroll
Additional Expenses	86,718.89	Bishop Discretionary Fund, Candles/Liturgical Supplies, Financial Reserves, Loan Paydown, Taxes/Fees
TOTAL EXPENSES	\$1,168,379.00	Balances with Income

