

# **2020 DIOCESAN TREASURER'S REPORT**

## **ATTACHMENT "I"**

### **2021 Proposed Budget**

**&**

### **Executive Summary**

**To be presented to the Diocesan Council  
for Approval at the meeting before the  
Diocesan Assembly**

**REPORT OF THE TREASURER  
59<sup>th</sup> DIOCESAN ASSEMBLY  
Special Online Web Meeting  
October 5<sup>th</sup> thru 8<sup>th</sup>, 2020**

**ATTACHMENT I:  
2021 PROPOSED BUDGET AND EXECUTIVE SUMMARY**

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

With the proposed move to Burbank, expenses related to residing at and maintaining the current La Salle Street property will be less. This will 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 hopefully in the next 3 to 3½ years. At the end of this year, 2020, the remaining balance on the loan is **\$159,534.09** without any additional amount added to pay down the loan. Should the PPP loan we received from Bank of America be forgiven, this would provide an additional \$43,664 of available funds which might be utilized towards paying down the loan balance.

**BELOW IS A SUMMARY OF INCOME AND EXPENSES  
FOR THE PROPOSED 2021 BUDGET:**

**INCOME:**

Based on a 13% tithe and taking into consideration the relief granted to some parishes, the total projected income to the Diocese is equal to **\$1,167,108.66**.

In addition to the Tithing income, Program income (**\$41,500**) and Additional income (**\$17,500**) is included for a total projected income of **\$1,226,108.66**

## **EXPENSES:**

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

**OCA Tithing:** The tithe to the OCA is shown as **\$466,843.46**. This year, the tithe amount to be sent to the OCA is 40% of the Parish Tithing Income of **\$1,167,108.66**. The OCA tithe is based on 40% of the proportional giving that is received from all the Diocesan parishes throughout the year which takes into consideration the relief granted to some parishes.

**Program Expenses:** Total of **\$139,800**: This comprises Charity, Donation to the Episcopal Assembly, Late Vocations, Mission Development and Mission/Parish Development Grants, Seminarian Scholarships, Diocesan Assembly Expense and Clergy Convocation Expense. Please note that this amount includes an increase of the budgeted portion for Seminarian Scholarships from \$20,000 to **\$30,000**.

**Auto and Travel:** Total of **\$61,200**. This comprises travel expenses for the Auditors, Automobile Expenses, Automobile Reserve fund, Bishop, Bishop's Kellenik, Chancellor, Deans, Diocesan/Bishops/Metropolitan Councils and Late Vocations. Note, while the expenses for 2020 are expected to be lower than budgeted, it is anticipated that current restrictions due to the pandemic may be relaxed and that we will see a return to normal in 2021.

**Building and Grounds:** Total **\$43,029.83**: This comprises a rectory reimbursement of \$12,000 paid to Archangel Michael Church, Cleaning (\$3,600), potential property improvements for the rectory (\$9,000), Interest on our current loan (\$11,729.83), Maintenance Reserve Fund (\$5,000), Service Contract (\$200.00) and Supplies (\$1,500).

**Utilities:** Total is **\$5,000**. This comprises Electric, Garbage, Gas, Water and Sewer.

**Diocesan Staff Salaries/Stipends:** Total is **\$295,028.11**. This comprises the salary and benefits for the Archbishop, Chancellor, Archbishops Secretary/Bookkeeper, Property Manager, and the Archbishop's Keleunik. Based on the Consumer Price Index (August 2020) all salaries were increased 1.0%.

As recommended by His Eminence and approved by the Finance Committee (without Treasurer input), stipends for the Deans, Communications Director, and Treasurer were increased from \$3,600 per year to \$4,200 per year (\$50.00 per month increase). The first time that these stipends were instituted (\$250.00 per month) was in 2004 under Archbishop Job. The last increase of \$50.00 per month was 5 years ago in 2015 (\$3,600 per year). In addition, a stipend was added for the Diocesan Secretary of \$2,400 per year (\$200.00 per month)



**Insurance:** Total is **\$16,436.25**. This comprises Archbishop's Life Ins., Auto, Liability, Business Personal Property, Property, Umbrella and Workers Compensation. Note, currently, our Diocesan insurance is linked between the La Salle Street Property and the Burbank location as this provides the lowest coverage as it is combined. For 2021, we will split the property insurance cost 50/50 (\$11,402.75 each) between Christ the Savior Church and the Diocese.

**Office Expenses:** Total is **\$15,570**. This comprises Advertising, bank service charges, dues and subscription services, Hospitality, Internet Service Provider, Library Periodicals, Miscellaneous, Office Supplies, Postage, Printing, Service Contracts and Telephone.

**Professional Fees:** Total is **\$127,672**. This comprises Accounting, Potential External Audit, Background Checks, Counseling, a Development Director position, Family/Youth Ministry, Investment Fund Management Fees, Legal, Psychological Evaluations and Payroll preparation and Website support.

Note, the cost for the External Audit (\$40,000) is an estimate based on potential fees that are currently being received from various firms being interviewed/reviewed. The cost/benefit of an external audit is still under review.

The Development Director (\$50,000) is seed money for a new position where the individual selected would seek outside grants and funding for ministry development. The job description/responsibilities are currently a work in progress.

**Additional Expenses:** Total is **\$67,942.84**. This comprises the Archbishop's Discretionary Fund, Candles, Liturgical Supplies, Financial Reserves (\$2,179.01), additional funds to paydown our outstanding loan to Bank of America (\$50,000) and Taxes and Licenses.

- Note, the Financial Reserves line item is to cover any shortfall from financial relief granted to parishes or for other projects approved by the Diocesan Council with the blessing of His Eminence.

Taking all the above into consideration, the total budgeted expenses, \$1,226,108.66 is equal to the 13% tithe minus relief granted to parishes. A balanced budget is being presented for 2021.

For a summary of the income and expenses, please see the 2021 Proposed Budget Executive Summary.

Sincerely,



Robert A. Koncel, Treasurer  
Diocese of the Midwest

**Diocese of the Midwest - OCA  
2021 Proposed Budget**

**Ordinary Income / Expenses**

**Income**

<b>Tithing of 13% from Parishes minus relief Granted to Parishes</b>	<b>\$ 1,167,108.66</b>
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**Program Income**

Late Vocations	\$ 12,000.00	(Pass Through)	
Seminars & Meetings (Convocation)	\$ 13,800.00	(Pass Through)	
Support our Seminarians Appeal (SOS)	\$ 13,700.00	(Pass Through)	
Scholarship (Other Contributions)	\$ 2,000.00	(Pass Through)	
<b>Total Program Income</b>	<b>\$ 41,500.00</b>	<b>\$ 41,500.00</b>	<b>\$ 41,500.00</b>

**Additional Income**

Psych Evaluations (50% Reimb from parishes)	\$ 2,500.00		
Background checks (50% Reimb from parishes)	\$ 1,000.00		
Uncategorized Income	\$ 500.00		
Diocesan Assembly Income	\$ 13,500.00	(Pass Through)	
<b>Total Additional Income</b>	<b>\$ 17,500.00</b>	<b>\$ 17,500.00</b>	<b>\$ 17,500.00</b>

<b>Total Income</b>	<b>\$ 1,226,108.66</b>
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**Expense**

<b>OCA Tithing (40% of \$1,167,108.66)</b>	<b>\$ 466,843.46</b>
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<b>Program Expense</b>
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Charity	\$ 1,500.00		
Donation to Episcopal Assembly	\$ 1,500.00		
Late Vocations	\$ 12,000.00	(Pass Through)	
Mission Development	\$ 5,000.00		
Mission/Parish Development Grants	\$ 46,800.00		

**Scholarships**

Budgeted Portion	\$ 30,000.00		
Fundraisers Portion (SOS)	\$ 13,700.00	(Pass Through)	
Scholarships - Other	\$ 2,000.00	(Pass Through)	
<b>Total Scholarships</b>	<b>\$ 45,700.00</b>	<b>\$ 45,700.00</b>	

Diocesan Assembly Expense	\$ 13,500.00	\$ 13,500.00	(Pass Through)
Seminars & Meetings (Convocation)	\$ 13,800.00	\$ 13,800.00	(Pass Through)

<b>Total Program Expense</b>	<b>\$ 139,800.00</b>		<b>\$ 139,800.00</b>
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<b>Auto and Travel</b>
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Auditors	\$ 2,500.00		
Automobile Expense	\$ 2,000.00		
Automobile Reserve Fund	\$ 5,000.00		
Bishop	\$ 18,000.00		
Bishop's Kelelnik	\$ 2,000.00		
Chancellor	\$ 5,000.00		
Deans	\$ 1,200.00		
Diocesan / Bishop's Council	\$ 24,000.00		
Late Vocations	\$ 500.00		
Metropolitan Council	\$ 1,000.00		

<b>Total Diocesan Auto and Travel</b>	<b>\$ 61,200.00</b>	<b>\$ 61,200.00</b>	<b>\$ 61,200.00</b>
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**Diocese of the Midwest - OCA**  
**2021 Proposed Budget**

**Building and Grounds: BURBANK**

**Repairs and Maintenance**

Rectory Reimbursement	\$ 12,000.00
Cleaning (\$300/mo)	\$ 3,600.00
House/Property Improvements	\$ 9,000.00
Interest Expenses (Loan)	\$ 11,729.83
Maintenance Reserve Fund	\$ 5,000.00
Service Contracts (Ring Doorbell)	\$ 200.00
Supplies	\$ 1,500.00

**Total Repairs and Maintenance** \$ 43,029.83 \$ 43,029.83

**Utilities**

Electric	\$ 1,200.00
Garbage	\$ -
Gas	\$ 1,200.00
Water & Sewer	\$ 100.00
<b>Total Utilities</b>	\$ 2,500.00

**Total Building and Grounds** \$ 5,000.00 \$ 5,000.00

**\$ 48,029.83**

**Diocesan Staff Salaries and Benefits**

**Archbishop**

Salary: \$ 74,784.88 2020 Salary \$74,784.88: (Baseline Salary Based on 2018 Median Household Income for Chicago as prescribed by Dio. Clergy Comp Guidelines)

1.0% CPI Increase \$ 747.85

**New base salary** \$ 75,532.73

Health Insurance (Med/Den + 3%) \$ 5,000.00 Medicare Paid Direct to Provider  
Housing Allowance \$ 24,000.00 (Rent, Utilities, Ins, Cleaning, Supplies)  
Pension (10% Diocese) \$ 9,953.27 10% x (\$75,308.37 Salary + \$24k Housing)  
Social Security (Diocese Portion) \$ 7,614.25 7.65% x (\$74,884.88 Salary + \$24k Housing)  
Equity Allowance (10% Housing Allowance) \$ 2,400.00 Will be paid via. Additional Voluntary Contributions of \$200/mo. to Pension Fund.  
Equity Allowance based on Dio. Clergy Comp Guidelines

**Life Insurance** \$ 3,500.00 **Bishop's Personal Life Ins. Policy**

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

**Total Archbishop** \$ 104,000.26 \$ 104,000.26

**Value of Archbishop's Salary Package** \$ 128,000.26 (Total for Bishop Including Housing Allowance)

**Chancellor**

Salary \$ 28,041.91 2020 Salary \$28,041.91 [Baseline Salary based 2018 W2 Salary of \$23,308.68 + \$1,619.60 (6% Pension) + \$2,064.99 (7.65% FICA)]

1.0% CPI Increase \$ 280.42

**New base salary** \$ 28,322.33

Pension (10% Diocese) \$ 2,832.23 (\$28,322.33 x 10%)  
Social Security (7.65%) \$ 2,166.66 (\$28,322.33 x .0765%)

**Total Chancellor** \$ 33,321.22 \$ 33,321.22



## Diocese of the Midwest - OCA

### 2021 Proposed Budget

#### Archbishop Secretary/Bookkeeper

Salary	\$ 44,813.82	2020 Salary \$44,813.82: (Baseline salary based on 2018 = \$39,952.39 (Salary) + \$3,185.61 (approx 6% Pension on \$56k)
1.0% CPI Increase	\$ 448.14	
<b>New base salary</b>	<b>\$ 45,261.96</b>	
Pension (10% Diocese)	\$ 4,526.20	10% x \$45,127.52 New Base Salary
Social Security (7.65%)	\$ 3,462.54	7.65% x \$44,173.31, New Base Salary
Health Insurance + 5%	\$ 14,500.00	(\$1,208/mo)
<b>Total Archbishop Secretary/Bookkeeper</b>	<b>\$ 67,750.69</b>	<b>\$ 67,750.69</b>

#### 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 (10% Diocese): 10% x \$24k	\$ 2,400.00	10% x (\$6,000 Salary + \$18,000 Housing)
Rent (Payroll Deduction)	\$ (18,000.00)	Housing Allowance is subtracted out
<b>Total Property Manager</b>	<b>\$ 13,512.00</b>	<b>\$ 13,512.00</b>

#### Archbishop's Kelelnik/Office Aide

Salary	\$ 24,384.00	2019 Based on \$15/hr spent on job, 1,600 hours per year
1.0% CPI Increase	\$ 243.84	
<b>New base salary</b>	<b>\$ 24,627.84</b>	
Pension (10%): 8% x \$24,554.69	\$ 1,950.72	10% x (\$24,564.69 Salary)
Social Security (7.65% x \$24k)	\$ 1,865.38	7.65% x (\$24,000 Salary)
<b>Total Archbishop Kelenik/Office Aide</b>	<b>\$ 28,443.94</b>	<b>\$ 28,443.94</b>

#### Deans

Chicago	\$ 4,200.00	
Cleveland	\$ 4,200.00	
Indianapolis	\$ 4,200.00	
Kansas City	\$ 4,200.00	
Michigan	\$ 4,200.00	
Minneapolis	\$ 4,200.00	
<b>Total Deans</b>	<b>\$ 25,200.00</b>	<b>\$ 25,200.00</b>

#### Support Staff

Communications Director Stipend	\$ 4,200.00	
Diocesan Secretary Stipend	\$ 2,400.00	
Late Vocations Stipend	\$ 12,000.00	
Treasurer Stipend	\$ 4,200.00	
<b>Total Support Staff</b>	<b>\$ 22,800.00</b>	<b>\$ 22,800.00</b>

#### Diocesan Staff Salaries and Benfits

\$ 295,028.11

**\$ 295,028.11**

#### Insurance

Archbishop's Life Ins. (Diocesan Policy)	\$ 3,500.00	
Auto	\$ 2,088.00	
Liability	\$ 812.50	
Business Personal Property	\$ 131.00	
Property: 50/50 Split betwn Dio. and CTS	\$ 11,402.75	
Umbrella	\$ 810.00	
Workers Comp	\$ 1,192.00	
<b>Total Insurance</b>	<b>\$ 16,436.25</b>	<b>\$ 16,436.25</b>

**\$ 16,436.25**

**Diocese of the Midwest - OCA**  
**2021 Proposed Budget**

<b>Office Expenses</b>			
Advertising	\$	250.00	
Bank Service Charges	\$	600.00	
<b>Dues &amp; Subscriptions</b>			
DropBox (\$19.99/mo)	\$	240.00	
GoToMeeting (\$14.55/MO)	\$	180.00	
Hospitality	\$	6,000.00	
Internet Service Provider (Comcast)	\$	3,000.00	
Library & Periodicals	\$	700.00	
Miscellaneous Expenses	\$	500.00	
Office Supplies	\$	3,000.00	
Postage	\$	1,000.00	
Printing & Reproduction	\$	100.00	
<b>Service Contracts</b>			
TTSG (Copier)	\$	3,000.00	
Pitney Bowes	\$	1,600.00	
Tyco	\$	500.00	
Telephone	\$	9,000.00	
<b>Total Office Expenses</b>	<b>\$</b>	<b>15,570.00</b>	<b>\$ 15,570.00</b>

<b>Professional Fees</b>			
Accounting	\$	6,500.00	
Audit (External)	\$	40,000.00	
Background Checks	\$	2,000.00	Church School Teachers as required
Counseling	\$	2,500.00	
Development Director	\$	50,000.00	
Family/Youth Ministry	\$	8,000.00	
Investment Fund Management Fees	\$	2,600.00	
Legal	\$	1,200.00	
Psychological Evaluations	\$	5,000.00	Clergy, as required
Payroll Preparation	\$	252.00	
(QuickBooks, Direct Deposit Fee)			
<b>Website Support</b>			
Compliance Website Maintenance	\$	420.00	
Diocesan Website Maintenance	\$	8,000.00	
(Rolla Creative)			
Family Website Hosting Costs	\$	1,200.00	
<b>Total Professional Fees</b>	<b>\$</b>	<b>127,672.00</b>	<b>\$ 127,672.00</b>

<b>Additional Expenses:</b>			
Bishop Discretionary Fund	\$	1,200.00	
Candles	\$	1,500.00	
Liturgical Supplies	\$	400.00	
Financial Reserves	\$	2,179.01	
Additional amount to Paydown	\$	50,000.00	
Outstanding Loan			
Taxes and Licenses	\$	250.00	
<b>Total Additional Expenses</b>	<b>\$</b>	<b>55,529.01</b>	<b>\$ 55,529.01</b>

<b>Total Expense</b>	<b>\$ 1,226,108.66</b>
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<b>Total Income (Page 1)</b>	<b>\$ 1,226,108.66</b>
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<b>Balanced Budget</b>	<b>\$ 0.00</b>
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## 2021 Proposed Budget Executive Summary:

Total Income Based on 13% Tithing from Parishes (Minus relief granted to Parishes), Program Income and Additional Income. Total Income = \$1,226,108.56		
OCA Tithing	466,843.46	(40% of Tithing Income minus relief granted to parishes \$1,167,108.66
Program Expense	\$139,800.00	Missions, Late Vocations, Charity, Seminarian Scholarships
Diocesan Travel	\$61,200.00	Bishop, Bishop's Kellenik, Chancellor, Secretary, Deans, Diocesan/Bishop's/ Metropolitan Council
Buildings and Grounds	\$31,300.00	Rent, Moving Expenses, House/Property Improvements, Maint Reserve Fund, Supplies
Loan Interest Expense	\$11,729.83	Interest on Diocesan Loan from Bank of America
Utilities	\$5,000.00	Electric, Garbage, Gas, Water
Diocesan Staff Salaries/Benefits and Stipends	\$295,028.11	Archbishop, Chancellor, Bishops Secretary/Bookkeeper, Property Manager, Archbishop's Keleinik, Deans, Communication Director, Diocesan Secretary, Late Vocations and Treasurer
Insurance	\$16,436.25	Archbishop's Life Ins., Auto, Liability, Property, Umbrella and Workers Compensation
Diocesan Chancery Office Expenses	\$15,570.00	Advertising, Bank, Dues & Subscription Services, Hosiptality, Internet, Office Supplies, Postage, Printing, Service Contracts and Telephone
Professional Fees	\$127,672.00	Accounting, External Audit, Background Checks, Counseling, Development Director, Family/Youth Ministry, Investment Fund Management Fees, Legal, Psychological Evaluations, Payroll Peparation and Website Support
Additional Expenses	\$ 55,529.01	Bishop Discretionary Fund, Candles/Liturgical Supplies, Financial Reserves, Existing Loan Paydown, Taxes/Fees
<b>TOTAL EXPENSES</b>	<b>\$1,226,108.66</b>	Balances with Income

