

# Treasurer's Report

## FY 2018

**Prepared by: Deborah McCloskey – Diocesan Treasurer / Finance Committee Chair  
Chad Linder – Canon of Finance and Operations**

Fiscal year-end 2018 closed with a net surplus of \$177,850, \$104,032 ahead of budget. Income totaled \$2,174,480, or \$75,832 above forecasts. Several one-time non-budgeted transactions occurred during the year resulting in this income surplus. These transactions include \$452,000 from the dissolution of the Albee Living Trust, \$52,000 from the sale of the Diocese property in York County, and approximately \$215,000 in assets received from parish closures.

Another significant item impacting income was that the 2018 draw from investments did not hit the Diocese accounts until January of 2019, therefore is not recorded in the FY 2018 results. The total draw received was \$387,500.

Expenses for FY 2018 were \$1,996,630, or \$28,200 below budget. All major departments within the Diocese came in below budget. General office expenses exceeded budget by approximately 48%. A significant contributor to this overage was the change from event registration software from 123 Signup to CVent. In addition, the billing for CVent included a 2019 invoice paid in 2018.

Other items of note includes a significant increase in instructional cost with the Stevenson School of Ministry due to an increase in the number of courses that were offered, particularly in the Fall of 2018. Audit expenses, totaling \$19,434, exceeded the budgeted amount of \$8,000. The additional accounting and audit material related to parishes that were closed in 2017-18 accounted for a portion of this overage, along with an incorrect budget estimate.

The Episcopal Diocese of Central Pennsylvania's investment portfolio totaled \$9,519,884 as of December 31, 2018. The 2018 markets were challenging, and the Diocese portfolio lost 8.35% in market value in 2018. The trailing three-year average annual return was 7.05%. The SSGA benchmark index was (7.37%) for 2018 and 5.39% trailing 3-year respectively. Total assets in the Diocese Pooled Investment Fund were \$23,289,195.

In summary, when you remove significant non-recurring income and add in the investment draw, the Diocese recorded a net deficit of \$44,602, or \$118,420 below a budgeted surplus of \$73,818. These results are inline with expectations when taking into account the 2018 Fair Share shortfall.