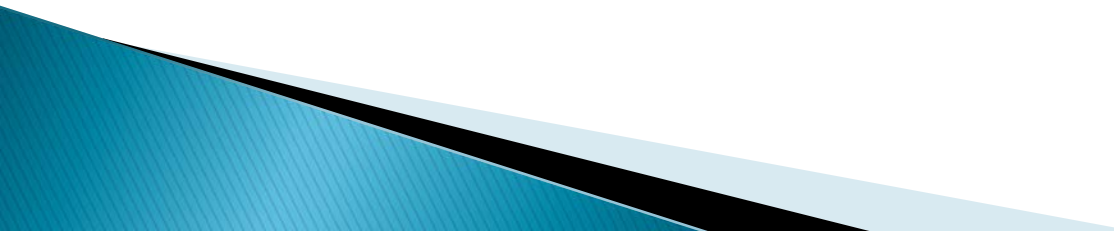


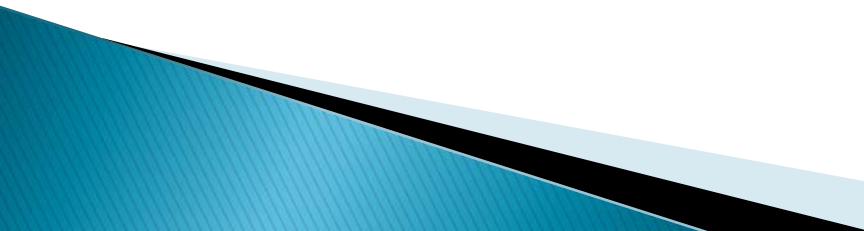
Ukrainian Orthodox Church of Canada
2010-2014 Financial Review
23 rd Sobor Winnipeg

Victor Hetmanczuk
Treasurer
July 15, 2015

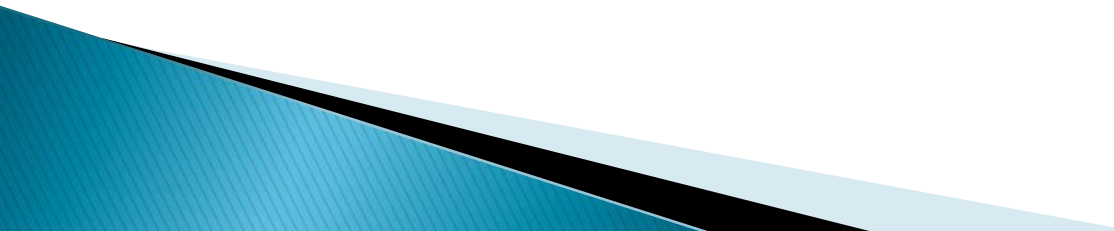
Agenda of Presentation

- ▶ 2014 Audit Letter
 - ▶ Reason for Audit Delay
 - ▶ Follow up to prevent future delays
 - ▶ 2010 Variance report
 - ▶ 4 Year summary chart
 - ▶ Decline in Membership
 - ▶ Cash Flow/Accounts Receivable
 - ▶ Potential new revenue options
- 

Delay of 2014 Audit report

- ▶ All Departments except Church Goods are on QuickBooks and have no inventory
 - ▶ Church Goods was on Business Works and had 2000 items for transfer; actual inventory count and book value was an issue
 - ▶ The trained Church Goods person left the position at the end of July 2014.
 - ▶ Replacement person was not selected until end of October 2014.
 - ▶ Steep learning curve for new person
 - ▶ There is no back up person except the Finance Manager
 - ▶ The replacement of the Church Goods staff has been long any time it happened during this period (3 times).
 - ▶ Unusual heavy sickness period this past winter reduced hours worked.
- 

Future steps to prevent audit delays

- ▶ Implement Management Letter observations – by the new Consistory
 - ▶ Monitored by the Internal Audit Committee
 - ▶ Stabilize Church Goods staff turnover
 - ▶ Continue Church Goods Inventory reconciliation – bring in part time help to complete by September 30.
- 

2010 Audit Variance Report

- ▶ How do we explain the difference between the budget deficit of \$ 38,958 and the actual \$86,464 - \$ (47,506)?
- ▶ Revenues were down \$ 42,430; Expenditures were up \$ 5,076

- ▶ Levy \$ (29,597)
- ▶ Interest \$ (3,675)
- ▶ Donations \$ 17,136
- ▶ Grants \$ 36,948
- ▶ Church Goods \$ (69,961)
- ▶ Herald \$ (11,371)
- ▶ Other \$ 12,090
- ▶ Total \$ (42,430)

Operating Losses

	Without Other Income	Net Revenue/Loss
2010	(96,322)	(178,173)
2011	(45,970)	(40,658)
2012	(55,180)	(98,506)
2013	(79,241)	(130,868)
2014	(126,396)	(9,547)
Total	(403,109)	(457,752)
Difference	(54,643)	

Audited UOCC Consolidated Statements

Net Income/(Loss)

- ▶ 2010 – 2014 \$ (457,752)

- ▶ Three prime areas for concern:
 - Parish levies \$ (129,112)
 - Church Goods \$ (203,574)
 - Herald \$ (69,694)

 - Total \$ (402,380)

Other Income

▶ 2010	(81,851)
▶ 2011	5,312
▶ 2012	(43,326)
▶ 2013	(51,627)
▶ 2014	116,849
▶ Total	(54,643)

Legal Costs 2010 - 2014

▶ New Westminster	\$ 245,224
▶ Regina	\$ 8,940
▶ Bonnyville	\$ 1,466
▶ Fr. Lipinski	\$ 11,977
▶ Shepentzi	\$ 15,971
▶ Total	\$ 283,578
▶ Expenses in 2014-2015	
▶ Fr. Lipinski	\$ 35,876
▶ Shepentzi	\$ 34,763
▶ Total	\$ 70,639

Cash Flow

	Inc/Dec in Cash	Cash/(Deficiency)
2010	64,649	42,376
2011	(151,021)	(108,645)
2012	(69,920)	(178,565)
2013	(196)	(178,761)
2014	282,349	103,588

Accounts Receivable

	Church Goods	Parish Levy	Congregations
2010	33,777	104,955	6,336
2011	68,140	132,973	12,959
2012	81,286	191,822	34,847
2013	68,941	233,779	9,465
2014	76,835	206,925	16,025

Audited UOCC Consolidated Statements

Net Assets

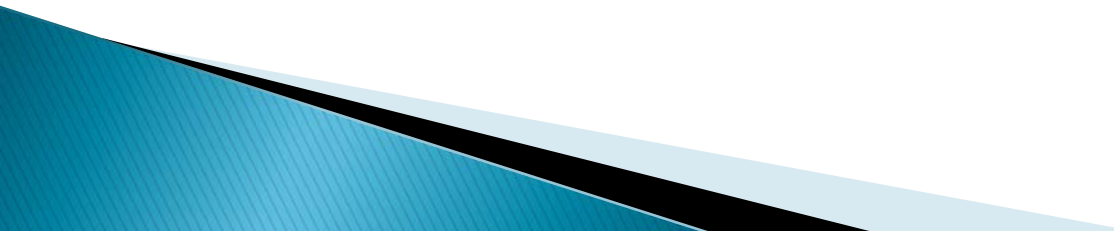
▶ 2009	\$ 801,075
▶ 2010	\$ 622,902
▶ 2011	\$ 582,244
▶ 2012	\$ 495,512
▶ 2013	\$ 364,644
▶ 2014	\$ 313,120
▶ Decrease in net Assets	\$ (487,955)

Decline in investments

▶ 2010	\$ 259,897
▶ 2011	\$ 264,105
▶ 2012	\$ 81,597
▶ 2013	\$ 11,952
▶ 2014	\$ 13,054
▶ Delta	\$ (246,803)



UOCC Membership Trend

- | | |
|--------|--------|
| ▶ 2000 | 12,667 |
| ▶ 2009 | 10,300 |
| ▶ 2010 | 9,072 |
| ▶ 2014 | 7,397 |
- ▶ If we had 12,500 members in 2014, the levies would come in at \$ 962,500 not \$ 510,000
- 

UOCC Membership Projection

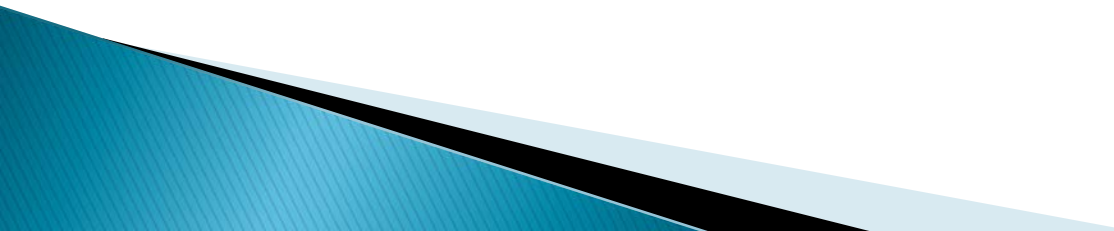
- ▶ If nothing changes, I project a 4 % per year decline in membership continuing:

▶ 2015	7,101
▶ 2016	6,817
▶ 2017	6,544
▶ 2018	6,282
▶ 2019	6,031

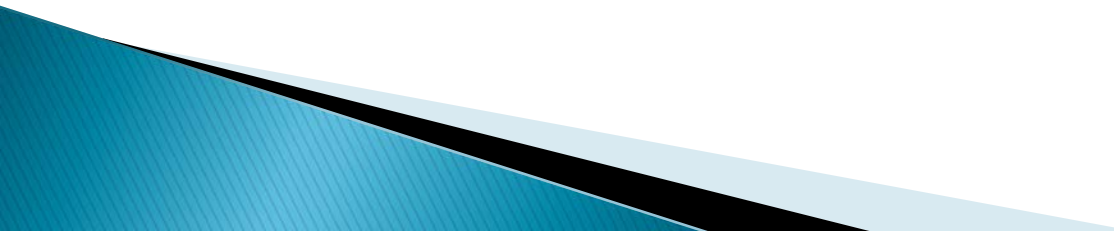
UOCC Foundation Growth and Support

▶ 2010	\$ 1,111,447
▶ 2011	\$ 1,223,171
▶ 2012	\$ 1,307,837
▶ 2013	\$ 1,383,695
▶ 2014	\$ 1,852,076
▶ Grants to Consistory	\$ 112,101
▶ Eastern	\$ 73,550
▶ Central	\$ 44,720
▶ Western	\$ 67,613
▶ Total	\$ 297,984

Notes from 2014 Audit

- ▶ # 10 Amount due to Ukrainian Orthodox Church Foundation
 - ▶ # 13 Parish Closures
 - ▶ # 14 Subsequent events
- 

Potential Revenue Streams

- ▶ Raise UOCC levies \$ 2 per year beginning in 2016 to cover core inflation
 - ▶ Streamline Consistory Operations
 - ▶ Sale of Consistory owned Properties
 - ▶ Consolidation with St. Andrews College
 - ▶ Revisit funding formula to UOCC Foundation
 - ▶ Set up Fundraising Committee to collect a \$ 5,000,000 endowment fund for UOCC operations as a Centennial Project
- 

Operations Contingency Fund

- ▶ As of August 1,2015, place a moratorium on UOCC Foundation transfers until \$ 500,000 is raised
- ▶ Funds will be held in the UOCC Restricted Funds
- ▶ Internal Audit Committee will monitor transfers quarterly

- ▶ Use of Funds
 - Drop in Levies
 - Shutdown costs of rural parishes
 - Legal costs
 - Hierarchy trips to Istanbul/Ukraine/other conferences