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REPORT TO DIOCESAN COUNCIL

BASIC FINANCIAL POSTURE

The Diocesan books for 1987 have yet to be closed, therefore, accurate budget figures are not available. The following preliminary estimates are indicative of the Diocese's overall financial position as of this date:

Accounts Payable: \$ 160,000

January 14 Cash Position: \$ 11,181

Payroll due Friday, January 15, 1988: \$ 35,035

Preliminary estimates re Vehapar's visit:

As of December 31, 1987 Total expenses (borrowed) approx. \$153,000 + \$40,000 hotel

As of December 31, 1987 total income (spent) \$144,000

CURRENT CHALLENGES

The Diocese, like all religious and non-profit organizations today, is faced with soaring operating costs in virtually every area. The need to hire and retain employees, including a Fund-raiser, at competitive salary levels is a continuing and pressing challenge. Basic maintenance costs continue to rise, and after 20 years the Cathedral and the adjoining Complex are in need of extensive repairs. Estimates for the restoration of the plaza alone exceed \$200,000; those for other repairs required throughout the Cathedral Complex exceed \$200,000.

While every conceivable effort has been made to "keep the lid" on administrative costs as well as prices for supplies, publications, etc., they continue to rise inexorably year-to-year.

Simply stated, a sound financial foundation must immediately be established. (Ideally, a contingency fund should also be set up to respond to emergencies or unforeseen expenditures, such as those incurred during Vehapar's recent visit.) In part, the foundation may be accomplished by revitalizing a number of existing programs and establishing new ones.

PENDING FINANCIAL SUPPORT

1. The Archbishop's Fund -- Principally as the result of staff changes here at the Diocese, this vitally important program -- which is SPECIFICALLY DIRECTED TO ACQUIRING CONTRIBUTIONS FOR THE DIOCESAN GENERAL OPERATING FUND -- has not been given forceful, continuing promotional support.

Plans are now underway to rectify this inaction and bring the Fund to the foreground of the attention it needs and deserves. This includes a Pacesetter "1988 Salute Program" early this year and other types of promotional support.

2. Co-op Raffle -- Through the good offices of Kevork Hovnanian, the Diocese may purchase a co-op apartment at below cost (approximately \$40,000) in Florida. The co-op will be offered to the public in a general raffle at a \$100 per ticket. It is expected that such a raffle may net the Diocese over to \$100,000.
3. Vehapar Commemorative Book -- Messrs. Suren Fesjian and Edward Mardigian have been kind enough to lend their support in securing additional financial aid from donors to help resolve remaining obligations from the Vehapar's visit. This is linked to the planned publication of a prestigious Commemorative Book on His Holiness' American sojourn. While we hope the response will be substantial, publication costs for the book will also be considerable, estimated at about \$50,000.
4. Special Rug Sale -- Scheduled for March of this year, this sale is expected to net the Diocese at least \$100,000 to help cover the costs for the Vehapar's visit. Mr. Edward Basjian, who conducts the Diocesan Annual Rug Sale, has promised to give 35% of the proceeds to the Diocese in place of the usual 29%. This means there will be 3 rug sales in 1988.

1988 ORGANIZATIONAL IMPERATIVES

In order to assure the continuing success of the aforementioned programs and establish a secure financial foundation, it is imperative that the Diocese hire the following:

PROFESSIONAL FUND-RAISER

This individual must have very specific qualifications, including:

1. Suitable educational qualifications and program management experience, and demonstrated success in fund-raising activities;
2. Proper appearance, manner and demeanor in dealing with the various "publics": clergy, congregants of various ages, social levels, and national backgrounds; government officials, educators and others in donor and/or funding activities.
3. Demonstrated knowledge of Armenian language, history and culture;

This person should be responsible for the following:

- To maintain and continually expand the Archbishop's Fund, with the objective of securing the maximum number of \$5,000 Pacesetter Pledges to achieve the Fund's objectives.
- Conduct ongoing fund-raising programs to solicit support for the Diocese from members of the Church, Armenian religious, fraternal, and civic organizations.
- Solicit grants and subsidies from government agencies, non-Armenian religious institutions, charitable and philanthropic organizations interested in the advancement of religious, cultural and ethnic activities at all levels. There are more than 30,000 such agencies and organizations.
- Manage rug sales and secure renters for Kavookjian Auditorium in arranging for suitable trade shows, displays and exhibitions for the purpose of generating funds for the general operations of the Diocese.
- Maintain appropriate records and supervise production of booklets, brochures and other fund-raising literature.

Techniques to be employed by this professional, should include:

1. Media relations to announce and promote fund-raising campaigns;
2. Letter writing and direct mail solicitations;
3. Writing of proposals to foundations and/or corporations;
4. Intensive campaigns featuring media promotion, staged events, celebrity support;
5. Provision of ongoing information to donors and/or prospective donors through magazines, newsletters, radio-TV annual reports, and other literature;
6. Speeches to donor groups;
7. Interpersonal contacts with key prospects: non-Armenian as well as Armenian individuals, agencies and organizations.

EXECUTIVE DIRECTOR

This individual to have overall administrative responsibility for all finances, property rentals, investments, and general Diocesan operations. All Diocesan directors and department heads, including the Fund-raiser, to report directly to the Executive Director. Regular parish visits should also be intrinsic to this individual's management responsibilities.

PROGRAM DIRECTOR

This individual to be responsible for all programs and related activities of the Diocese, i.e. publications, social and cultural events, and to serve as liaison to the Parishes regarding these matters.

DIOCESAN CONSULTANTS

The following is also suggested: Messrs. Zaven Dadekian and Kevork Hovnanian have expressed their willingness to assist the Diocese as Consultants, in giving advice and council on major maintenance and construction proposals, as well as in other areas demanding their knowlege and expertise. These gentlemen, and other Diocesan consultants, would be able to consult with Griffin Industries to assure that the Church's interests are fully secured.

1/14/88