

Report of the Diocesan Treasurer 2010

An Ordinary Year

The past year has been just that from the point of view of the Diocesan Treasurer: nothing extraordinary in terms of expense or income, increase or decrease of personnel, Diocesan Center, bishop's travel or other activities.

Income

Our primary, almost sole source of income remains the Diocesan Assessment. And those aspects of this system mentioned in last year's report remain unchanged. Several parishes are thousands of dollars in arrears to the diocese for national and diocesan assessments, while others are regularly one, two, three and in some cases four months behind, playing catch up throughout the year. Fortunately, enough parishes pay regularly and on time so that we have been able to meet our obligations to the Central Church Administration (\$26,633 a month) and our needs here in the Diocesan Administration.

Expenses

The bulk of our expenses are salary items for the one full time and four part time staff. Next come departments, with Mission being the largest expenditure there. The Diocesan Center expenses are unexceptional given the usage of the property not only for the Episcopal residence, but for meetings, retreats, and visiting hierarchs and other guests of the diocese. A new washing machine was recently purchased, otherwise no new expenditures have been made. There is a plan to get a new computer, as approved by the Diocesan Council, but that has not yet happened.

The Diocesan Council voted to pay off the car with money from our CD which was done in April. The money withdrawn will be replenished on a yearly basis until the full amount is repaid. This is reflected in the Proposed Budget and as well as in the Statement of Income/Expense for the Financial Year just ended.

Assets

These remain unchanged. We have a Certificate of Deposit at Pennstar, another at Wachovia that dates to 1981 and which we have brought up to date with changes in diocesan governance and a checking account. Otherwise there are the bishop's car and the Diocesan Center.

The Diocesan Center's status has not changed in the past year, partially due to the outcome of the St. Tikhon's Investigative Committee Report which established the continued legal existence of the St. Tikhon's Orphanage Corporation which holds the title to the land on which the Diocesan Center was built. Recommendations made by that committee have been followed and a Board has been reconstituted for the Orphanage which includes His Grace, Bishop TIKHON, and hopefully will include David Yeosock as a diocesan representative, as requested by resolution of our last Diocesan Council Meeting on October 12th of this year.

It is the recommendation of the Diocesan Auditors that an appraisal of the property be done so as to reflect current market conditions. This can be done in the current year, during which the Orphanage Board will hopefully resolve issues of land ownership. Once that is decided, the diocese can enter into discussions with the Monastery or Orphanage, but it must be noted that

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the property is itself part of the collateral for the \$1.5 million loan from the Honesdale Bank, which further complicates the resolution of this issue.

What this all means is that we are in a very precarious financial position. We have the liquid assets mentioned above which fluctuate from fifty to eighty thousand dollars, a used car and the contents of the Diocesan Center. The building is itself already mortgaged. In this respect we are actually worse off than some of the distressed parishes which own their own property. This issue is critical for the future of our diocese, and is intimately related to the spiritual and administrative health of our parishes.

Honest, clear, thoughtful, discussion, planning and leadership that is focused on meeting the challenges of the present and the future, not rehashing the issues and conflicts of the past is what is needed on the parochial and diocesan levels.

Personnel

Again, no changes here. But a few comments are in order. Some may look at the expenditure on salaries and wonder. But as the Treasurer I think it proper to make the following comments:

Our bishop is also Rector of St. Tikhon's Seminary and Secretary to the Holy Synod of Bishops of the Orthodox Church in America. He is a fulltime bishop, fulltime Rector, fulltime secretary. The compensation he receives from the diocese is minimal, but the demands are maximal, as is true with the other positions. His service to St. Tikhon's and the Holy Synod are a sacrifice the diocese makes, but the burden of the sacrifice in time, travel, and responsibility are first and foremost his. The diocese is always his first priority, and its well being in every respect, including its financial health, is a constant concern and regular subject of discussion with him.

The Chancellor and Treasurer's positions, like the Administrative Assistant and Director of Communications are part time positions. I will let others judge my performance. But as for productivity and bringing a new level of administrative efficiency and quality of communication to our diocese both Mat. Sandy Kopestonsky and Cindy Davis have given far more than they have received in compensation.

With the greater involvement of the deans in diocesan administration, along with the chancellor, and based on the precedent set by other dioceses, the proposed budget includes a yearly stipend for the deans to cover travel and other expenses in order to minimize the financial impact of their office on themselves or their parishes.

Procedures

We have had four audits this year, with the Diocesan Council receiving reports on each of the first three, the final one being the subject of the Auditor's Report to the Assembly. I wish to acknowledge the thorough, dedicated, and cooperative efforts of all the members, appreciating their encouragement and support and their suggestions.

We are looking at updating our software, either a newer version of Quickbooks, or another software system that is better able to reflect our Church life. Currently one option under consideration is produced by ParishSoft which designs software for churches, individual and diocesan, and has a system for Orthodox Churches which is in use in the Greek Orthodox Archdiocese. We are still in preliminary stages and if and when there is a firm proposal, it will be made to the Diocesan Council.

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Other Issues

There are other issues such as stewardship and parish health which impact the Diocesan Treasury, but they are discussions that at the present time go beyond the scope of this report. Obviously, I am in favor of both, but it is my opinion that these discussions must take place on a diocesan, deanery and parish level simultaneously.

Moreover, as we look to an All American Council next year in Seattle, I cannot emphasize enough how important the issue of national church funding is to the life of our diocese and urge all of the Rectors and Parish Councils to give serious consideration to the issue and participate in whatever discussions will be held on the issue at the Council.

Conclusion

Once again I wish to conclude by thanking His Grace for the opportunity to serve, to the members of the Diocesan Council for their support and advice and to the Rectors and Councils who work not only to support their own parishes, but through their support of the diocese other parishes and clergy.