

Diocesan Treasurer's Report for FY 2013

Your Grace Bishop Melchisedek, Your Grace Bishop Mark, Brothers and Sisters in Christ,

This report is written a month before our Assembly, by which time we will have nominated a candidate for election by the Holy Synod as our new Diocesan Bishop, and Fr. John Kowalczyk and I will have attended the third annual meeting of Diocesan Chancellors and Treasurers. Both of these (now anticipated) events will have great significance for our Church in the coming years, a significance which will become apparent sooner rather than later.

It is my sincere hope that the issue of the transfer of the land under the Diocesan Center will be completed in the coming year, bringing to closure an adventure that has spanned the past seven years of my tenure as Diocesan Treasurer. I thought this last year, and I know that progress has been made insofar as the subdivision has been completed and submitted to the local authorities. However, the completion of the transaction requires action by the Orphanage Board which did not meet during the past year. I do know that Bishop Mark has advocated for a meeting but the calling of such rests with the Metropolitan. When that is done we will have a professional valuation, the results of which will be found in next year's report.

As we know, the next All American Council will meet next year (2015) in Atlanta, at which meeting a major issue will be an alternative to the current assessment system. This has been the subject of discussion of each of the chancellor and treasurer's meetings. At the one held in 2013 there was discussion about the transition to proportional giving on a parish and diocesan level and the challenges this presented. Fr. Gleb McFatter of the Metropolitan Council attended the meeting to hear directly from chancellors and treasurers and to take back the substance of our discussion to the Finance Committee in its deliberations. In October Melanie Ringa met with Bishop Mark, Fr. John, Fr. Nicholas Solak, Fr. James Weremedic and myself to discuss further progress and plans for the future. [A summary of the 2014 meeting will be presented verbally at our Assembly].

Together with Bishop Mark, I presented on the topic of Financial Accountability and Transparency in each of the three deaneries in May and June. These presentations were built upon a series of very informational handouts provided by Bishop Mark to assist parishes in proper stewardship of their financial resources. The possibility of help from the diocese in adapting these to parish use was offered. No parish has approached us with requests for assistance in this area. The presentations seemed to be well received and were focused not in a "secular" or "corporate" approach, but rather using established, demonstrated, and professional standards of accounting and management AS A TOOL to enable us to fulfill our Divine mandate to be good stewards of the resources the Lord has entrusted to us for the mission of the Church, evangelization and repentance through worship and service through education and relief of human want and suffering, and the witness of love in action.

The new expenses incurred in the course of the year were the addition of a person to clean the Diocesan Center on a monthly basis for \$75 a month, the Diocesan Council approved replacement of the heating and air-conditioning system and the repair of an area of the roof, and caulking of the windows, at the rear of the Diocesan Center which had been damaged in a storm. Bids were solicited and the lowest one was submitted by Keating Brothers for the air/heating job for \$20, 640. The upstairs airconditioning was

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broken and irreparable due to age, and the heating system inefficient. The roof repair and caulking was done by F & H Construction at the cost of \$825. The funds for both of these were taken from the checking account and did not require any borrowing or liquidating of any assets, and the checking account was not seriously compromised by the expenditure. Additionally we had an expense of \$3845 for investigation of allegations. We have been able to meet all of our expenditures with a sufficient cushion from month to month. Moreover, the utility bills have shown a real savings in terms of before and after, the second half of last year cost approximately \$1500, whereas the second half of this year has cost approximately \$850.

As for the proposed budget, it does not anticipate an increase in the total assessment, though it does include the increase of the diocesan assessment by three dollars, the amount of the cut in the national assessment. In order to have a balanced budget cuts were made in various lines based upon actual usage. The budget does include a ten thousand dollar increase in the bishop's salary, along with a 2% mandatory increase in the diocesan contribution to the OCA pension on his behalf. The Diocesan Council suggested increasing the diocesan contribution to include housing at an allowance of \$1500 monthly. What this means is whereas previously the pension contribution was based on salary alone, the DC suggested the contribution be based on salary and housing valued at 1500 monthly using the mandated 8% from the diocese. Moreover this year the bishop's health insurance is again diocesan responsibility. Bishop Mark's health insurance was paid by the O.C.A. during 2013 as part of his compensation for his work as Coordinator for Ministries. The computation of salary is based on OCA guidelines for clergy salary, median income minus 32% for housing, with Pennsylvania median income at \$51,561. This continues a process the Assembly committed to several years ago to raising the bishop's salary to an appropriate level.

As was agreed upon the vacancy of the diocese in November 2012, Bishop Mark received the Bishop Salary and benefits, while Bishop Melchisedek and the Archdiocese of Pittsburgh and Western Pennsylvania were compensated for his travel expenses to the diocese. Despite the frequent travel to and attentive involvement in the life of the diocese, those expenses were relatively low.

As I have stated previously, issues of income and expense, assessment arrears and the irregular payment of assessments, which remain persistent problems, are symptomatic of other areas of our ecclesial life which need to be addressed and are beyond the scope of this office or this report.

As they will indicate, the Auditors have examined the records throughout the year and can testify to their judgment of my administration. In the coming year I look forward to handing over this responsibility to someone else knowing there are others who are certainly more capable and willing to take on the office.

Thank you for your support, patience and guidance over the past seven years.

In Christ,

Priest Raymond Martin Browne, Diocesan Treasurer

