

Treasurer's Report (2010-2012)

Your Grace, Brothers and Sisters in Christ.

This brief narrative complements the attached nine PDF files which summarize the past three years with annual statements depicting the Archdiocesan Net Worth, Parish contributions and the Annual Operating Budgets. With these statements as background permit me to make just three points.

1. State of Archdiocesan Treasury.

The past three years were, thank God, without fiscal crises. As recorded by the attached parish contributions, income from Parishes has grown over the past three years. Of note, a number of Parishes have begun to contribute while others are becoming more and more compliant with the Archdiocesan tithing policy. But, expenses have also gone up. Previous to this intercessional period Parishes and individuals contributed over \$60,000 to an Auxiliary Bishop Fund. In this Intercessional Period that Fund has been exhausted as we used it cover the expenses of our administrative Bishop. Remuneration (two Bishops and an Executive Episcopal Secretary) is our biggest expense, followed by real estate costs, and travel.

In keeping with Government of Canada Laws, the 10% of parish contributions dedicated to the Central Administration of the OCA are kept in Canada but allocated to cover such expenses as travel of our Bishop and Metropolitan Council members to attend OCA meetings or in representing the OCA abroad. In the past intercessional period a good part of the OCA funds were dedicated towards a planting grant for the Mission in Cranbrook, BC that unfortunately did not flourish. It would seem that a more stringent basis of allocating resources for mission support is required.

In summary, the Archdiocese is facing significant financial challenges. Our reserves are limited and you will note that Council approved a deficit budget for 2013. The deficit is projected despite continued strong contributions from Parishes and STAS contributions that are increased significantly from the previous year.

New sources of funding must be realized and now, more than ever, all parishes must strive to meet the Archdiocesan tithing policy. At the same time, savings will hopefully be realized. For example, we hope to eliminate the cost of running Fair Haven, now home for a number of monastics. At this point, the cost is being carried mostly by the Archdiocese. The hope is that Fair Haven will soon be a cost neutral operation, with the monastic community supporting itself.

Through the past six months of this year, though not included among the attached documentation, under the direction of the Archdiocesan Council, the smaller house at Fair Haven was sold. The house had a failed septic system resulting in a Health Ontario directive to fix or vacate. This house purchased for \$27,000 was sold as is for \$57,000 and as a result reduced the future operating costs of Fair Haven.

2. Archdiocesan Office

Of note, as well, was the closing of the Archdiocesan Office at Fair Haven, moving it to the Cathedral and subsequently to the newly acquired Archdiocesan Centre (ADOCC). The down payment and transactional costs of purchasing the new ADOCC were met by cashing in an insurance policy donation, as well as collapsing the remaining reserve funds. Part of the funds from the sale of the smaller Fair Haven house along with contributions from Parishes eliminated a \$100K bridge financing loan, leaving a mortgage of just under \$200K on the ADOCC which was purchased for \$350K. The monthly carrying costs of the ADOCC are being met partially through a reduction of Fair Haven expenses.

The Archdiocese is now house poor!

3. Archdiocesan Treasurer

The Treasurer's responsibilities are becoming more and more complex. Revenue Canada is imposing ever more stringent directives affecting charities. New requirements affecting governing by-laws have been issued that will affect our governing structure. Annual reports with ever changing procedures must be submitted within 6 months of the end of the fiscal year. These are posted on the Revenue Canada web site which assures that our records are open for scrutiny beyond Revenue Canada.

As well, like all Parishes, employee deductions and annual submissions must be sent in on a regular basis to Revenue Canada. Receipts for contributors to the Archdiocese, STAS, Missions which do not yet have a charitable number, and Fair Haven are also the responsibility of the Treasurer. The Archdiocesan Group Insurance plan is now also handled by the Archdiocesan Treasurer insofar as payment and collection of monthly premiums. Our bank is also demanding annual statements in a format that only accountants understand. Of course, these responsibilities are on top of the regular maintenance of records of expenses and income. For this function, I have been very ably supported by Ms. Jenn Di Giacomo of the Annunciation Cathedral who has diligently entered data in the recently inaugurated Quickbooks programme. This Programme uses accounting language that is quite foreign to me, an ecologist by training. The Archdiocesan Audit Committee has been very helpful in identifying better treasurer practices but again these recommendations and directions reinforce my view that I am not competent in continuing in the function of Treasurer. This Assembly must think through how best to support our Bishop in managing the Archdiocesan finances and securing a qualified treasurer.

Furthermore, I have served as Archdiocesan Treasurer for over 25 years and given that I am in my 70th year it is time for renewal.

Thank you for your support over these many years.