

Treasurer's Report 2010

We have made an effort to keep the assessments stable for the last four years. The CAA and DAA have stayed at \$105 and \$40 per person. This will remain for next year. This has made budgeting and program financing very difficult. Two areas really affect the budget. One is declining census. Our numbers have continuously fallen which means less revenue. Secondly, the amount of monies not forwarded by various parishes has led to a two year loss despite our austerity measures. Nonetheless, we have been able to maintain cash on hand in the amount of \$158,808.56.

To date in 2010 we have a loss of \$49,033.26. This correlates directly with the CAA/DAA monies not received which are \$49,287.74. Bishop Michael and the council are making an effort to work with those parishes to become current and set up a plan to make up arrears.

On December 31, 2009, we split the diocese. At that time funds were given to Diocese of Washington based on percentage of census. We withheld certain monies for anticipated costs for legal fees. The \$27,180 in legal fees for litigation was covered in part by the census apportionment of monies withheld. That is the Diocese of Washington's share withheld during the distribution. We also withheld the cost of furniture purchased by the Diocese for Metropolitan Jonah, which he took with him in the amount of \$5,000. Thus, Diocese of Washington's money was used to offset two expenses.

In 2010, we had emergency repairs to the Chancery furnace and hot water heater caused by flooding. We also had to purchase furniture for the Chancery. The only furniture left was the dining room table. The Council approved the extraordinary purchase. You will note that we were able to carry some of the balance interest free into 2011. The consecration expenses were offset by specific consecration income received with a \$4.00 loss.

After reviewing the Niagara Falls situation with New York counsel, we found that the loan was not properly documented and our chance of recovery was diminished. Further, it was determined that our control over the property was not as clear cut. When we did an analysis of the cost for recovering the money and property against the potential gain, the cost effectiveness was not in our favor. We decided to settle the matter and allow the ecclesiastic courts handle the discipline.

An outside accountant was retained to perform an audit on the pre-2005 records and 2005-2008 records. Since the records were sparse and unclear, he could not give the proper review for pre-2005 and advised us as such. The 2005-2008 report had certain suggestions to implement controls on cash funds. We have adopted a policy for same. Interestingly enough, we have had no cash receipts since 2005. Otherwise we have a clean bill of health. Currently, he has 2009 records and we hope for a report by the meeting. All internal audits have found no discrepancies.

As a note all expenditures, with the exception of salaries and stipends, must have pre-approval. This is a review that the person suggesting the expense has the authority to incur the expense and there is money available for same. Authority is given by the Council and Bishop, not the Treasurer. The Treasurer only ensures that the money is available. Payment is not made without receipts and certification that the monies were spent for the Diocese. Thereafter payment is made.

Again, 2011 budget is a bare bones budget. You will note that it is a deficit budget. This is the first time that our predicted income will not cover the anticipated expenses. Bishop Michael, with the assistance of the Council will be seeking alternative ways of funding certain programs. However, the outcome of same is uncertain and we must rely upon the assessments until such income is in place. I note that this is the first time in 5 years that we have a full time Bishop with staff. This has caused an increase in our fixed costs. In the past we have been able to proceed with part time payments. Further, we have not been able to increase programs because of our austerity measures. Without alternate funding sources, it will be necessary to use our reserves this year. The hope is that we obtain a significant reduction in arrears owed without additional arrears being incurred this year so that we may have some financial stability.

Yours in Christ,

Lawrence G. Tosi, Esq.
Treasurer