

DIOCESE OF THE SOUTH COMPARATIVE BALANCE SHEET	30-Sep 2014	31-Dec 2013	31-Dec 2012	31-Dec 2011	31-Dec 2010	31-Dec 2009	31-Dec 2008	31-Dec 2007
ASSETS								
Current Assets								
Cash	\$ 137,794	\$ 223,464	\$ 324,647	\$ 162,031	\$ 166,982	\$ 103,300	\$ 330,097	\$ 308,636
Income Earned, Not Collected	14,393	62,437	43,924	35,468	35,898	62,393	54,331	35,659
Prepaid Expense/Accounts Receivable	187	997	564	455	1,798	2,956	6,006	66,072
Investments-Market Value	-	-	-	-	-	-	35,687	61,370
Total Current Assets	\$ 152,374	\$ 286,899	\$ 369,134	\$ 197,955	\$ 204,677	\$ 168,649	\$ 426,121	\$ 471,738
Loans & Advances								
Advances (Note 1)	\$ 10,415	\$ 13,858	\$ 1,566	\$ 7,482	\$ 13,303	\$ 18,690	\$ -	\$ -
Primary Loans (Note 2)	1,378,865	509,406	494,154	770,344	706,281	704,687	258,978	399,793
Subordinated Loans (Note 3)	992,918	1,299,192	991,709	850,900	912,435	789,371	349,149	170,639
Managed Debt Program Loans (Note 4)	5,412,893	4,023,048	4,300,167	4,483,843	2,791,901	2,815,508	1,069,358	-
Total Loans & Advances	\$ 7,795,092	\$ 5,845,504	\$ 5,787,595	\$ 6,112,568	\$ 4,423,919	\$ 4,328,256	\$ 1,677,486	\$ 570,432
Real Estate								
Chancery Office Property	\$ 316,530	\$ 316,530	\$ 316,530	\$ 261,047	\$ 316,530	\$ 388,280	\$ 336,120	\$ 210,000
Alpine Church Property	137,500	137,500	137,500	137,500	137,500	-	-	-
Denton Church Property	219,517	219,517	219,517	275,000	275,000	-	-	-
Naples Church Property	225,000	225,000	225,000	-	-	-	-	-
Clarksville Church Property	156,291	-	-	-	-	-	-	-
Weatherford Church Property	152,058	-	-	-	-	-	-	-
Total Real Estate	\$ 1,206,896	\$ 898,547	\$ 898,547	\$ 673,547	\$ 729,030	\$ 388,280	\$ 336,120	\$ 210,000
Other Assets								
Deferred Charge - Priest Service Book	\$ 3,310	\$ 3,374	\$ 3,409	\$ 3,409	\$ 4,276	\$ 4,722	\$ 5,005	\$ 6,180
Equity In Non-Owned Church Properties	1,285,074	1,108,954	932,114	706,241	498,693	329,745	178,133	88,131
Total Other Assets	\$ 1,288,384	\$ 1,112,328	\$ 935,523	\$ 709,650	\$ 502,968	\$ 334,466	\$ 183,138	\$ 94,311
TOTAL ASSETS	\$ 10,442,746	\$ 8,143,278	\$ 7,990,799	\$ 7,693,720	\$ 5,860,595	\$ 5,219,652	\$ 2,622,865	\$ 1,346,480
LIABILITIES								
Direct Liabilities								
Accounts Payable	\$ 2,649	\$ 4,880	\$ 8,073	\$ 3,199	\$ 4,867	\$ 2,243	\$ 9,064	\$ 5,141
Designated Funds (Note 5)	1,361	6,192	949	-	-	-	-	-
Clergy Assistance Fund (Note 6)	10,194	5,908	4,329	2,751	-	-	-	-
Church Savings Deposits	2,395,027	1,763,486	1,409,886	1,147,237	822,092	477,362	228,181	135,965
Church-Friendly Loans (Note(7)	1,052,741	1,064,899	987,494	946,768	1,003,294	922,254	400,594	336,365
Total Direct Liabilities	\$ 3,461,972	\$ 2,845,366	\$ 2,410,732	\$ 2,099,956	\$ 1,830,253	\$ 1,401,860	\$ 637,840	\$ 477,471
Indirect Liabilities								
Managed Debt Program Creditors (Note 8)								
Guaranteed By Diocese	3,448,675	\$ 1,912,157	\$ 1,187,779	\$ 1,280,705	\$ 827,931	\$ 275,854	\$ 293,383	\$ -
Not Guaranteed By Diocese	1,917,612	2,110,891	3,112,388	3,203,138	1,963,969	2,539,653	775,976	-
Total Indirect Liabilities	\$ 5,366,287	\$ 4,023,048	\$ 4,300,167	\$ 4,483,843	\$ 2,791,901	\$ 2,815,508	\$ 1,069,358	\$ -
RESERVES & SURPLUS								
Publications Fund Reserve (Note 8)	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
Pastoral School Fund (Note 9)	251,529	251,529	251,529	251,529	251,529	251,529	239,549	263,268
Surplus	1,357,958	1,018,335	1,023,371	853,393	981,913	745,755	671,118	600,741
TOTAL RESERVES & SURPLUS	\$ 1,614,487	\$ 1,274,864	\$ 1,279,901	\$ 1,109,923	\$ 1,238,442	\$ 1,002,284	\$ 915,667	\$ 869,009
TOTAL LIABILITIES, RESERVES, & SURPLUS	\$ 10,442,746	\$ 8,143,278	\$ 7,990,799	\$ 7,693,721	\$ 5,860,596	\$ 5,219,652	\$ 2,622,865	\$ 1,346,480
CONTINGENT LIABILITIES								
Priest Seminary Debt (Note 10)	\$ 324,902	\$ 320,717	\$ 339,398	\$ 252,228	\$ 139,881	\$ 103,847	\$ 119,014	\$ 8,236

BALANCE SHEET FOOTNOTES

Note 1. Advances are for purposes that can broadly be described as "Budget Support". They are noninterest bearing and tithes from Advancees are credited to the account balance. No other payment is usually required.

Note 2. The Primary Loan designation means that the Diocese is the principal debtholder of the church. Most are refinances of other creditor debt but the Diocese has provided primary funding for several lower cost property acquisitions. Diocese. Primary Loans are noninterest bearing and repayment terms vary with the circumstances of Tithe payments are also credited to the loan balance.

Note 3. The Subordinated Loans designation applies when the church has other mortgage debt. Most are partial refinances of other creditor debt, either through the Managed Debt Program or by other arrangement. (Each church in the Managed Debt Program has a Subordinated Loan, and when the MDP creditor is paid in full the Subordinated Loan becomes a Primary Loan. Subordinated Loans may also be extended to cover building cost overruns or fill the gap between project cost and bank funding shortfalls. No DOS repayment is required until the debt of the primary creditor is retired. Subordinated Loans are noninterest bearing and tithe payments are credited to the loan balance.

Note 4. The amounts shown here are the mortgage debts that the churches in the Managed Debt Program (MDP) owe to bank creditors. These are loans that the Diocese is seeking to refinance in their entirety, ie, convert to Primary Loans. But the immediate objective of the MDP is to reduce a church's monthly mortgage payment in order to free up cash for ongoing obligations and emerging developmental needs. The MDP begins with the church instructing its lender to send the monthly billing statement to the Diocese, then the Diocese begins making said payments on behalf of the church. (It should be noted that the church's underlying obligation to the debtholder is not changed and the Diocese does not incur a legal obligation for payment of the debt by virtue of this arrangement.) Such payment by the Diocese constitutes a partial debt refinance and the church's Subordinated Loan balance is therefore increased by like amount. Having been relieved of the monthly payment to the debtholder the church now has the obligation of making monthly payments to the Diocese on its Subordinated Loan. Such payments are usually fixed at a "workable" percentage of General Fund income, with 25% being the maximum amount. The Diocese regularly utilizes cash flow from its Church Savings Deposit and Church Friendly Loan programs to prepay the MDP creditors

Note 5. This is the offsetting debit to the tithe payments that have been credited to church loan balances (described above). Tithe Credits were shown as "Charges to Surplus" in previous financial statements and the accounting change was concurred in by a CPA priest.

Note 6. Designated Funds are gifts received from individuals and disbursed at the direction of the donor. Stipends donated by Diocesan personnel and donated Church Friendly Loan interest are the primary source of such gifts

Note 7. The Diocese is the beneficiary of the OCA Pension of a reposed priest (\$131.56 per month). It is anticipated that the funds will ultimately be used for clergy assistance.

Note 8. Church Friendly Loans are borrowings from individuals that are used primarily to support the MDP and provide funding for church building programs. The loans are unsecured and bear an interest rate of 4.25% except for one loan of \$100K which is 6%. The loans originate with a letter from the individual offering to lend money to the Diocese under terms and conditions specified therein .

Note 9. The totals here offset the "Managed Debt Program Loans" asset category and shows the amount of MDP debt that is and isn't guaranteed by the Diocese.

Note 10. The Publications Reserve represents "seed money" donations for the printing of Archbishop Dmitri's "Priest Service Book". When publishing costs are fully sales proceeds are then to be utilized for other Diocesan publications. The unrecovered costs are shown as "Deferred Charge-Priest Service Book" on the Balance Sheet.

Note 11. The Pastoral School Fund was established in the early 1990's from a \$100,000 donation for the purpose of establishing a formal pastoral schooling program. About \$2,000 in other donations were subsequently received, and the remaining increase came from earnings from loans and investments. For a time Seminarian Assistance was being rendered from the Fund, but the Fund has since been reimbursed by the General Fund for all such outlays.

Note 12. The Diocese makes the monthly payment on the seminary debt of priests coming to the Diocese to serve as Priest-in-Charge until the date is paid in full, provided that the person continues to serve in said capacity. Eleven priests are presently receiving this benefit.