

DOS Assembly, Plenary Session I

Miami Lakes, FL

October 6, 2021



- 2:09 PM Call to order and prayer
- 2:10 PM First order of business is to appointment Assembly Officers and Secretariat
Motion to accept: Fr Photius Avant
Second: Igumen Sergious Gerken
Motion passed unanimously
- 2:10 PM Attendance: Rdr James Gordon and Fr Daniel Greeson
Credentials:
2 Bishops
56 Clergy Delegates +(9) via zoom
43 Lay Delegates
24 Observers
- 2:13 PM **Motion to Accept the Minutes: Fr John Cox**
Second: Stephen Bonarchuk
Motion passed unanimously
- 2:14 PM Address of Archbishop Alexander:
Every good and rightful, Godly thing
- 2:23 PM Address of Diocesan Administrator Bishop Gerasim:
1. Leadership work in parishes
 2. Instructing and teaching in Austin, TX
 3. Deanery changes and elections
 4. Deanery parish/mission updates:
 - a. St. Sava
 - i. Ailing clergy - Fr John Reeves
 - b. Ss. George and Alexandra
 - i. Fr John Maxwell - cancer treatments
 - c. St. George the Great Martyr
 - i. Fr Antonio Perdomo - repose

- ii. Visits by Fr. David Wooten every 6-8 weeks has sustained the parish
- iii. Parish Council organizing liturgical work and finances
- iv. Search for a priest still continues
- v. Building and documenting a church roster
- vi. Many building repairs
- d. St. Jonah in Alpine, TX
 - i. Fr Frederick Janecek couldn't be present, Prayers for his wife in the hospital in Wisconsin
- e. St. Cyril of Jerusalem
 - i. Fr Benedict Crawford, parish is flourishing, excellent work as priest
- f. All Saints of North America
 - i. Fr Nikolay Miletkov, building and architectural plan, educational work, leadership

2:39 PM

Address of Chancellor Marcus Burch:

1. Eucharistic service with both Bishops, clergy and faithful
2. Appreciation of Fr Joseph Lucas and volunteers for hosting Assembly
3. Introduction of Allison Nix (Office Administrator)
4. Additional work and assistance of Fr Peter Robichau
5. Need of more administrative assistance (supporting work of the church)
 - a. Zoom, classes online, hybrid
 - b. Lay delegates providing parish and mission administration assistance to allow for deeper and more effective ministry
6. Deans and Diocesan Council
 - a. Assignment of clergy and clergy development and transition
 - b. Seminarian students
 - i. Places for them to serve with experienced priests
 - c. Clergy retiring
7. Chancellery financial work anchored by Noel Busch (Treasurer)
8. Introduction of Ms. Mary Warnky (Accounting)
9. Growth of Diocese with building programs
 - a. Planting of new missions
10. Ordination and consecration of Bishop Gerasim

2:55 PM

Treasurer's Report: Noel Busch

1. Operating Income:
 - a. Tithes and Donations from 2019 to 2020 were only down 3.5%
 - b. Possible contributing factor could be the creation of the donation portal at the DOS website
 - c. Donation portal enabled parishioners who were not attending a convenient way to make their donations on a regular basis

- d. \$235,000 was contributed by way of the donation portal
- e. 35 parishes benefitted from the donation portal
- f. Interest expense:
 - i. 2019 was an extraordinary year; we had to take an operating charge for the resolution of the Moundville property, had a substantial loss on that sale and had to recognize other expenses and losses associated with it.
 - ii. In 2020 the negative cash flow (outflow of cash) was \$486,000 and only \$131,000 (inflow) from investing
 - iii. Net cash increase was a negative \$289,000 for that year but not withstanding the significant cash flow reduction we show in net operating income

2. Statement of Condition:

- a. Further outflow of cash in 2020 related with a number of withdrawals with building projects
 - i. All Saints of North America
 - ii. Holy Cross
 - iii. St Raphael investments were reduced to \$114,000
- b. The negative outflow of \$289,000 is explained by a significant reduction in current assets (or reflected in that reduction)
- c. Parish savings is down about \$300,000 due to those withdrawals
- d. Managed debt loans remain about the same
- e. Total equity is down 16% for the same reason with the reduction of current assets being the contributor of that

3. Current Operating Income:

- a. Our tithing income this year through the first half is up 8.5% and is trending towards 9 %

4. Current Operating Expenses:

- a. Operating expenses (on the year to date) were up 343%
 - i. Post covid our operations began returning to normal which meant more travel expense
 - ii. OCA Assessment was up due to timing difference when the check was written
 - iii. Total expenses in 2021 at June 30, 2021, were close to what they were in 2020, but the net is up considerably
 - iv. The outflow (looking at our cash position) which is crucial because our cash position are the funds that we have available any given day of the week (for withdrawals or refunds, loans that have been made to the DOS))
 - v. In 2021 Ss. George and Alexandra withdrew for Hall renovations \$192,648
 - vi. St. Matthew the Apostle withdrew \$75,000 in the first half along with additional funds after that

- vii. Net cash reduction during the first half was \$127,993
- viii. The donation portal continued to assist the individuals to stay current with their donations
- ix. That portal received over \$90,000 of donations
- x. There are 23 parishes that are now beneficiaries

5. Consecration Events:

- a. Generated a net cash outlay of \$12,062; had an original budget of \$5,000
- b. We revised our interim budget to \$22,320 not knowing what kind of donation support we would have
- c. Principally from St. Seraphim Cathedral in the amount of \$7,000 and individual donations of \$9,348
- d. We already had on the account \$5,000 at the Warwick Hotel related to the 2020 Assembly that did not occur so we called on that credit; we had some additional expenses related to the consecration banquet; the net refund from the Warwick was \$3,300

6. Actual vs. Budget Comparison:

- a. Our net is considerably greater than what was forecast
- b. Budget is drafted a year in advance
- c. In 2020, unsure of any in person conferences or activities, entailing travel or meeting expenses
- d. Our budget for parish and mission support and administration was down
- e. OCA Assessment was up due to increased tithes
- f. Tithe credits/grants; small number is related to a tithing difference
- g. By the end of the year; tithes, credits and grants will be in the neighborhood of \$40,000 - \$50,000
- h. We are well ahead of the budget forecast: we are on course to exceed \$1 million in tithes for the first time ever

7. 2022 Budget and Forecast:

- a. Compensation for Bishop Gerasim
 - i. Receive from the DOS a stipend and his pension fund contributions; St. Seraphim will assume housing allowance and health care benefits cost; the housing allowance (St. Seraphim's books) is an accounting transaction and there is no cash outlay and the property is owned by the Cathedral. The actual expense of supporting Bishop Gerasim's compensation will be \$20,000 (and change) and the DOS will assume the rest
- b. Ms. Mary Warnky (Financial Secretary, Administrative Assistant, Event Coordinator, Building Repair and Maintenance of Chancery property)

- i. Stipend has been \$3,000 per month; increasing that to \$3,500 per month. She receives a stipend of \$500 per month from the Cathedral to serve as Financial Secretary to the Parish Council (warden and treasurer); total compensation will be \$48,000 per year
 - ii. Fr Peter Robichau took a reduction in his stipend to \$50 per quarter
- c. Travel, Building & Grounds, Office & Administration; are all close
- d. Meetings & Conferences; Less than what we have had in the past, they will entail real cash outlays
- e. Missions & Parish Support; roughly the same
- f. Interest Expense; is running less due to the interest policy that we adopted two years ago. It went into effect last year. We pay interest on parish savings at the rate equivalent to 1% above the ten year treasury note (52 week average) for the previous year. We anticipate in 2022 it will remain the same
- g. All American Conference (in the Meetings & Conference) Budget
 - i. Our tab for this year is \$47,484 paid on January 1, 2022 to the OCA

8. Funding:

- a. Our funding relies solely upon tithes and free will donations
- b. 34% goes to the OCA
- c. 36% goes to services that the DOS performs
- d. The balance is Administration
- e. We are netting other income and tithe that we offer you (tithe credits) from the total
- f. Notable transactions since June 30th (contributors to net cash outflow)
 - i. Ss. George and Alexandra doing a parish hall renovation; withdrawals (loans refunded) were \$131,127.22
 - ii. St Matthew the Apostle is engaging in a land purchase; withdrawals associated with their savings is \$220,786.62
 - iii. We have funds from Fr Antonio Perdomo's Spanish Language Ministry of \$35,593.25; placed on account with the DOS to set up a separate (liability) account to earn interest and this will be managed by Fr David Wooten in San Antonio
 - iv. St. Andrew has engaged in renovations of its temple and adjacent fellowship facility that were in excess of \$200,000 before the realization that the contractor was taking advantage of them financially. Fr Ted Pisarchuk retained a new contractor and spurred the attorney to assist the DOS with lodging a complaint with the Department of

Professional Regulations in Florida. The project was completed with an additional \$89,000 over and above. The DOS lent in excess of \$50,000 to the parish to assist them to bridge those costs and they paid back \$32,378.80 in a matter of less than a year.

9. Where is the DOS today and expectations for the future:

- a. If you have surplus monies that are earning .01% at the local bank the DOS pays 2.5%; this helps to maintain a level of cash assets (cash in the bank) so we can meet extraordinary withdrawals or refunds of loans made by individuals
- b. All of our administrative expense is supported by tithing but whatever projects we engage in from a lending standpoint or supporting building costs and renovations or even land acquisitions; the funding for those activities are entirely supported by your savings or loans made by individuals to the DOS
- c. Ordinary income or operating income from tithes should be devoted solely to the support of DOS activities, DOS administration, DOS programs, not the financing side of the ledger
- d. This operates like a mutual savings bank

10. Assembly Takeaway:

- a. Our future involvement in financing activities will depend on our capacity to fund them
- b. Looking at ratios our return on equity should be in the neighborhood of 20% of assets. We are currently in the neighborhood of 12-14%.
- c. Our current assets (cash in the bank) should be 10% of assets, we are currently at 4.5%

3:35 PM 2022 Proposed Budget: (posted on the DOS website)

Motion to Approve the Budget: Fr Thomas Moore

Second: Rdr James Gordon

Motion passed unanimously

3:37 PM Motion to Adjourn: Fr Philip Beiner