

**DIOCESE OF THE SOUTH  
ORTHODOX CHURCH IN AMERICA  
FINANCIAL REPORTS**

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## INTRODUCTION

The Financial Reports package before you is comprised of three sections. Section I contains the basic financial reports you would expect to see from a CPA firm: income statement; balance sheet; cash flow statement; fund balance reconciliation, and; audit letter. Section II is an analysis of financial trends and performance of the diocese, the respective deaneries, and the individual parishes. Section III contains the treasurer-proposed 2009 Budget, and two Resolutions that the treasurer believes need to be enacted in order to enhance our Missions and Parish Development initiatives. Each of these matters must first be acted on by the Diocesan Council, and whatever is approved by the Council will be presented to the Diocesan Assembly for ratification.

A person well-versed in financial analysis will not find it difficult to wade through the myriad of schedules, columns, and ratios and come to a conclusion about the financial health and direction of the diocese. Not everyone is, or wants to be, an accomplished financial analyst. But it has become abundantly clear from the ongoing OCA "controversy" that the membership is deeply concerned about the financial health and direction of each level of our church. With this in mind, the following paragraphs are intended to highlight the items from various schedules that are most necessary for the general membership to know in order to have an understanding of the financial health and direction of the diocese.

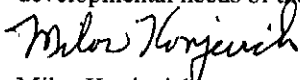
The explosive growth in Tithes over the past two years, and the corresponding growth in outlays for Missions and Parish Financial Support, are of monumental significance when assessing the present condition, and future prospects, of the diocese (Page 1, Consolidated Income Statement). Everything else is pretty much business as usual, though the large increases in Net Income are worthy of note.

The listing of tithes received from parishes in each of the past four years (Page 7) is intended to facilitate analysis of what accounts for the upsurge mentioned above. Part of the answer is: more parishes giving; more parishes giving more, and; more parishes giving regularly. The huge increase in 2007 becomes even more remarkable when you consider the fact that the three largest givers in 2006 (St Seraphims, St Justin Martyr, St Stephen) all contributed lesser amounts in 2007.

Significant variations shown in the Budget Report (Page 5) are the overages in Tithes, \$97,686, and Direct Assistance to Parishes and Missions, \$61,977. Interest expense is charged to Missions and Parish Development Overhead, which accounts for the overage in that expense category

The Consolidated Statement of Assets & Liabilities (Page 2) shows loans to parishes and missions in the amount of \$582,189 at year end 2007, compared to \$214,987 at year end 2006. Each of the loans are building program-related. The loans were funded by Custodial Funds (borrowings), that totaled \$534,539 and \$149,092 at year end 2007 and 2006, respectively. The Custodial Funds belong to churches, and individuals within our diocese, and the average interest rate is less than 3%. No formal repayment terms have been set for the parish loans; however, the monthly tithe and assessment payments received from these churches are credited to the balance of their loan. Such credits comprise \$124,931 of the \$256,450 in assistance grants disbursed from January 1, 2007 to June 3, 2008 (Page 10).

Our solid cash flow from revenues provides a safe and sound basis for the usage of borrowings to provide funding for investment in our parishes and missions beyond what our immediate cash reserves might otherwise allow. To illustrate this point, during 2007 the diocese rendered the sum of \$719,184 to its parishes in the form of loans and grants and still finished the year with \$310,216 in the bank, which is twice the amount at year end 2006. Thus, there are sufficient reserves on hand to meet the payment needs of the Custodial Fund providers, and for the emerging developmental needs of the diocese.

  
Milos Konjevic  
Treasurer

**DIOCESE OF THE SOUTH  
CONSOLIDATED INCOME STATEMENT**

<u>REVENUES</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Tithes	\$ 275,245	\$ 298,600	\$ 404,826	\$ 522,686
OCA Membership Assessments	143,012	155,894	195,319	195,539
Missions Donations				
Designated	-	18,908	42,998	53,833
Unrestricted	-	25	4,100	227
Publications	8,336	3,062	1,342	2,361
Assemblies & Conferences	12,012	-	18,225	200 #
Interest Income	6,596	9,876	13,864	23,910
Investment Income	14,424	12,989	22,772	15,308
Diocesan Pastoral Education			1,916	342
<b>TOTAL REVENUES</b>	<b>\$ 459,625</b>	<b>\$ 499,355</b>	<b>\$ 705,362</b>	<b>\$ 814,405</b>
<b>EXPENDITURES</b>				
<b>I DIOCESAN CENTRAL ADMINISTRATION</b>				
<b>Chancery Payroll</b>				
Stipends & Allowances	\$ 98,980	\$ 108,800	\$ 109,463	\$ 116,870
Insurance & Pension Benefits	\$ 20,204	\$ 22,339	\$ 28,971	\$ 35,714
Subtotal	\$ 119,184	\$ 131,139	\$ 138,434	\$ 152,584
<b>Travel</b>				
Archbishop	\$ 8,417	\$ 7,795	\$ 7,724	\$ 15,971
Other Chancery Staff	480	682	759	1,023
Invitational	1,179	2,482	5,822	1,223
Diocesan Council	194	488	-	597
Subtotal	\$ 10,270	\$ 11,447	\$ 14,305	\$ 18,814
<b>Chancery Office Overhead</b>				
Building & Grounds	\$ 4,924	\$ 12,130	\$ 2,277	\$ 2,847
Utilities	3,021	3,104	3,026	2,968
Office & Administrative	6,815	7,472	6,910	10,582
Subtotal	\$ 14,760	\$ 22,706	\$ 12,213	\$ 16,397
<b>Diocesan Sponsored Activities</b>				
Publications	\$ 14,425	\$ 10,326	\$ 10,954	\$ 9,993
Clergy Conference	533	-	830	6,209
Diocesan Assembly	8,375	941	13,087	2,317 #
Clergy Wives Activities	1,224	-	3,312	500 #
Youth Activities	4,023	-	7,924	- #
Exarchate of Mexico	-	-	-	-
Subtotal	\$ 28,579	\$ 11,267	\$ 36,107	\$ 19,019
<b>TOTAL CENTRAL ADMINISTRATION</b>	<b>\$ 172,793</b>	<b>\$ 176,560</b>	<b>\$ 201,060</b>	<b>\$ 206,814</b>
<b>II MISSIONS &amp; PARISH DEVELOPMENT</b>				
<b>Administration &amp; Overhead</b>				
Dean & Missions Director Stipends	\$ 27,300	\$ 31,125	\$ 33,600	\$ 37,800
Travel	1,559	1,732	3,806	4,637
Administrative Expenses	10	-	-	-
Meetings	-	73	-	3,503
Interest Expense	1,541	3,735	5,346	9,983
Subtotal	\$ 30,410	\$ 36,665	\$ 42,751	\$ 55,923
<b>Missions &amp; Parish Financial Support</b>				
Church Planting Grants	\$ 63,333	\$ 50,417	\$ 37,250	\$ 19,833
Church Development Grants	-	-	30,000	106,698
Seminarian Assistance	-	-	-	-
Other Assistance	2,440	9,128	16,809	5,445
Designated Donations Disbursed	-	18,908	42,998	53,833
Subtotal	\$ 65,773	\$ 78,452	\$ 127,058	\$ 185,810
<b>TOTAL MISSIONS &amp; PARISH DEVELOPMENT</b>	<b>\$ 96,182</b>	<b>\$ 115,117</b>	<b>\$ 169,809</b>	<b>\$ 241,733</b>
<b>III ORTHODOX CHURCH IN AMERICA</b>				
Membership Assessment Obligation	\$ 176,290	\$ 178,925	\$ 234,260	\$ 241,920
Personal Assistance Program	1,770	1,770	1,770	1,770
All America Council	1,000	278	-	-
Metropolitan Council	330	1,185	1,391	716
Ecclesiastical Items	250	300	300	300
<b>TOTAL ORTHODOX CHURCH IN AMERICA</b>	<b>\$ 179,640</b>	<b>\$ 182,458</b>	<b>\$ 237,721</b>	<b>\$ 244,706</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 448,616</b>	<b>\$ 474,135</b>	<b>\$ 608,590</b>	<b>\$ 693,253</b>
<b>NET INCOME</b>	<b>\$ 11,009</b>	<b>\$ 25,220</b>	<b>\$ 96,772</b>	<b>\$ 121,152</b>

#Does not include all revenues and expenses from 2007 Diocesan Assembly.

**DIOCESE OF THE SOUTH**  
**CONSOLIDATED STATEMENT OF ASSETS & LIABILITIES**

	<u>12/31/2004</u>	<u>12/31/2005</u>	<u>12/31/2006</u>	<u>12/31/2007</u>
<b>ASSETS</b>				
Bank Accounts	\$ 87,961	\$ 58,393	\$ 153,557	\$ 310,126
Tithes & Assessments Receivable	21,621	23,062	60,595	34,454
Prepaid Expense	942	-	-	66,072
Investments				
Education Fund	108,249	120,129	110,243	61,370
Trust Fund	23,818	24,927	-	-
Custodial Funds	55,233	64,018	59,503	55,900
Subtotal	\$ 187,300	\$ 209,074	\$ 169,746	\$ 117,271
Loans				
Holy Apostles, Tulsa	\$ -	\$ -	\$ -	\$ 64,000
St Barbara, Ft Worth	-	65,000	120,408	104,205
St Justin Martyr, Jacksonville	100,000	100,000	49,579	14,192
St Maximus, Denton	-	-	-	123,803
St Paul, Denison	-	-	-	92,924
St Sava, Plano	-	-	-	183,065
St Seraphims, Dallas	-	50,000	45,000	-
Subtotal	\$ 100,000	\$ 215,000	\$ 214,987	\$ 582,189
Deferred Charge - Priest Service Book Costs	12,207	9,203	8,099	5,895
Chancery Office Property (Donated Value)	210,000	210,000	210,000	210,000
<b>Total Assets</b>	<b>\$ 620,031</b>	<b>\$ 724,732</b>	<b>\$ 816,985</b>	<b>\$ 1,326,007</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 2,580	\$ 2,802	\$ 3,863	\$ 5,877
Disaster Relief	1,745	326	-	-
Custodial Funds				
Carolinas Deanery Missions Fund	\$ -	-	\$ 11,170	\$ 15,240
Individuals	-	-	-	345,238
Publications Fund	5,000	5,000	5,000	5,000
St Anne, Knoxville	-	83,146	54,466	99,336
St Innocent, Macon	61,074	69,070	64,254	60,850
St John Damascus, Tyler	-	-	3,353	-
St Seraphim Reciprocal Account	7,185	(3,279)	10,850	8,875
Subtotal	\$ 73,259	\$ 153,937	\$ 149,092	\$ 534,539
<b>Total Liabilities</b>	<b>\$ 77,584</b>	<b>\$ 157,065</b>	<b>\$ 152,955</b>	<b>\$ 540,416</b>
<b>FUND BALANCES</b>				
General Fund	\$ 269,327	\$ 275,417	\$ 338,573	\$ 425,212
Trust Fund	139,282	144,768	151,044	166,851
Education Fund	133,838	147,482	174,412	193,528
<b>Total Fund Balances</b>	<b>\$ 542,447</b>	<b>\$ 567,667</b>	<b>\$ 664,030</b>	<b>\$ 785,591</b>
<b>Total Liabilities &amp; Fund Balances</b>	<b>\$ 620,031</b>	<b>\$ 724,732</b>	<b>\$ 816,985</b>	<b>\$ 1,326,007</b>

<b>STATEMENT OF CHANGES IN FUND BALANCES</b>	<b>General Fund</b>	<b>Trust Fund</b>	<b>Education Fund</b>	<b>Total Funds</b>
Fund Balance - December 31, 2006	\$ 338,573	\$ 151,044	\$ 174,412	\$ 664,030
2007 Net Income	81,591	20,444	19,116	121,151
Interfund Adjustments	5,048	(4,638)	-	410
Fund Balance - December 31, 2007	<u>\$ 425,212</u>	<u>\$ 166,851</u>	<u>\$ 193,528</u>	<u>\$ 785,591</u>

<b>DIOCESE OF THE SOUTH</b>	
<b><u>SOURCES &amp; USES OF FUNDS STATEMENT</u></b>	
	<b><u>2007</u></b>
<b>Beginning Cash- January 1, 2007</b>	<b>\$ 153,557</b>
<b><u>Cash Provided by Earnings</u></b>	
Net Income	\$ 121,152
Less-Unrealized Investment Gains	<u>(13,435)</u>
<b>Net Cash from Earnings</b>	<b>\$ 107,717</b>
<b><u>Other Sources of Cash</u></b>	
Borrowings	\$ 345,238
Custodial Funds	\$ 43,842
Sale of Investments	64,181
Income Earned Not Collected	26,662
Deferred Charge - Priest Service Book	2,204
Accounts Payable	<u>2,014</u>
<b>Total</b>	<b>\$ 482,127</b>
<b><u>Other Uses of Cash</u></b>	
Loans to Churches	\$ (367,203)
Prepaid Expenses	<u>(66,072)</u>
<b>Total</b>	<b>\$ (433,275)</b>
<b>Net Increase in Cash</b>	<b>\$ 156,569</b>
<b>Ending Cash, December 31, 2007</b>	<b><u>\$ 310,126</u></b>

Diocese of the South  
Orthodox Church in America  
P.O. Box 191109  
Dallas, Texas 75219  
Telephone:214/522-4149

June 13, 2008

Diocesan Council  
Diocese of the South  
Orthodox Church in America

Members of the Council:

The undersigned examined the Diocesan financial records to verify that the numbers shown therein conform with those of the Income Statement and the Consolidated Balance Sheet for Calendar Year 2007, as prepared by the treasurer. No material discrepancies between the Financial Statements and the underlying financial records were found.

The bank balances and investment holdings were reconciled to the statements of the brokerage depository institutions. The listing of Tithes and Assessments Receivable was reviewed, all of which were subsequently collected in full.

Respectfully submitted,



Fr. Michael Storozuk  
St. Paul the Apostle Orthodox Church  
Denison, Texas

**DIOCESE OF THE SOUTH  
2007 BUDGET REPORT**

<b>REVENUES</b>	<b>Budget</b>	<b>Actual</b>	<b>Overage</b>	<b>Percent</b>
Tithes	\$ 425,000	\$ 522,686	\$ 97,686	23%
Membership Assessments	200,000	195,539	(4,461)	-2%
Missions-Unrestricted	-	227		
Publications	-	2,361		
Assemblies & Conferences	-	200		
Interest & Investments	-	39,218		
Pastoral School Funding	30,000	342		
<b>TOTAL REVENUES</b>	<b>\$ 655,000</b>	<b>\$ 760,573</b>	<b>\$ 105,573</b>	<b>16%</b>
<b>EXPENSES</b>				
Chancery Office Payroll	\$ 185,800	\$ 152,584	\$ (33,216)	-18%
Orthodox Church in America	244,800	244,706	(94)	0%
Travel	17,700	22,317	4,617	26%
Administrative & Office	11,500	10,582	(918)	-8%
Building & Grounds	18,800	5,815	(12,985)	-69%
Publications	7,000	9,993	2,993	43%
Pastoral School	30,000	-	(30,000)	-100%
Deans Stipends	32,400	32,400	-	0%
Missions & Parish Development-Direct Assistance	70,000	131,977	61,977	89%
Missions & Parish Development-Overhead	7,900	20,020	12,120	153%
Diocesan Assembly	-	2,317	2,317	
Youth Activities	5,200	-	(5,200)	-100%
Clergy Conference	2,000	6,209	4,209	210%
Clergy Wives Activities	2,500	500	(2,000)	-80%
<b>TOTAL EXPENSES</b>	<b>\$ 635,600</b>	<b>\$ 639,420</b>	<b>\$ 3,820</b>	<b>1%</b>
<b>NET INCOME</b>	<b>\$ 19,400</b>	<b>\$ 121,153</b>	<b>\$ 101,753</b>	<b>525%</b>

**INCOME & EXPENSE ANALYSIS**

	4 Yrs <u>1996-1999</u>	4 Yrs <u>2000-2003</u>	4 Yrs <u>2004-2007</u>
<b><u>Revenues</u></b>			
Tithes	\$ 584,217	\$ 856,812	\$1,501,357
OCA Membership Assessments	244,167	422,091	689,764
Missions Donations			
Designated		-	115,740
Unrestricted	26,786	11,756	4,352
Publications	4,679	6,693	15,100
Assemblies & Conferences	11,782	11,364	30,437
Interest Income	21,846	24,430	49,150
Investment Income	98,246	(29,300)	63,224
Diocesan Pastoral Education	5,600	5,925	2,258
Donated Real Estate (Chancery Office)	-	210,000	-
Total Revenues	<u>\$ 997,323</u>	<u>\$1,519,770</u>	<u>\$2,471,383</u>
<b><u>Expenditures</u></b>			
Diocesan Central Administration	\$ 416,364	\$ 567,505	\$ 757,227
% of Total Expenditures	52%	42%	34%
Missions & Parish Development	71,154	245,277	622,841
% of Total Expenditures	9%	18%	28%
OCA Central Administration	306,463	525,066	844,526
% of Total Expenditures	39%	39%	38%
Total Expenditures	<u>\$ 793,981</u>	<u>\$1,337,848</u>	<u>\$2,224,594</u>
Consolidated Net Income	<u>\$ 203,342</u>	<u>\$ 181,922</u>	<u>\$ 246,789</u>
<b><u>Tithes Statistics</u></b>			
Percentage Increase from Prior Period		47%	75%
Tithes as Percentage of Total Expenditures	74%	64%	67%
Average Membership Census	1,396	1,877	2,173
Tithe Per Member	\$ 418.49	\$ 456.48	\$ 690.91
<b><u>Tithes by Deanery</u></b>			
Appalachians Deanery	\$ 47,185	\$ 88,417	\$ 189,305
Atlanta Deanery	42,282	101,158	164,112
Carolinas Deanery	34,772	108,184	277,125
Dallas Deanery	183,528	243,882	466,686
Miami Deanery	115,517	117,722	124,672
Orlando Deanery	160,933	197,448	279,457
Totals	<u>\$ 584,217</u>	<u>\$ 856,812</u>	<u>\$1,501,357</u>
<b><u>Unpaid Membership Assessments by Deanery</u></b>			
Appalachians Deanery	\$ 891	\$ 5,138	\$ 22,613
Atlanta Deanery	11,392	23,472	36,171
Carolinas Deanery	6,113	11,050	15,426
Dallas Deanery	18,645	20,678	8,405
Miami Deanery	8,831	17,298	35,856
Orlando Deanery	3,587	12,580	23,124
Totals	<u>\$ 49,460</u>	<u>\$ 90,216</u>	<u>\$ 141,595</u>
<b><u>Membership Assessment Default Percentage</u></b>			
Appalachians Deanery	7%	14%	26%
Atlanta Deanery	43%	45%	32%
Carolinas Deanery	22%	20%	13%
Dallas Deanery	23%	13%	4%
Miami Deanery	13%	19%	29%
Orlando Deanery	5%	10%	13%
Aggregate Default Percentage	<u>17%</u>	<u>18%</u>	<u>17%</u>



**TITHE PAYMENTS LISTING BY CHURCH**

	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>Total</b>
St Seraphim, Dallas	\$ 28,801	\$ 31,528	\$ 43,472	\$ 32,606	\$ 136,406
St Justin Martyr, Jacksonville	20,146	24,787	33,791	32,234	110,958
St Stephen, Orlando	23,454	21,426	25,327	23,071	93,279
St Barbara, Ft Worth	21,234	14,331	18,636	20,447	74,648
St John Ladder, Piedmont	10,788	11,605	15,743	30,007	68,143
St Cyprian, Richmond	7,622	9,026	24,664	26,727	68,039
Holy Apostles, Columbia	7,501	15,333	14,754	22,014	59,601
St John the Wonderworker, Atlanta	10,119	12,978	17,634	17,189	57,920
St Sava, Plano	4,811	7,748	14,559	25,915	53,034
St Anne, Knoxville	11,932	10,092	14,465	14,816	51,306
Nativity, Charlotte	11,365	11,862	13,130	12,283	48,640
Christ the Savior, Miami	8,185	8,266	9,749	21,052	47,253
St Mary Egypt, Atlanta	8,942	10,734	15,509	11,914	47,100
St Anthony, San Antonio	10,773	11,404	10,912	9,792	42,881
Holy Resurrection, Clinton	8,784	5,782	9,582	9,056	33,203
St Timothy, Toccoa	-	1,939	4,205	26,447	32,592
Holy Ascension, Mt Pleasant	5,189	6,919	9,237	10,184	31,528
St Symeon, Birmingham	3,300	5,400	6,700	10,500	25,900
All Saints, Albuquerque	5,471	4,553	6,805	6,714	23,542
Holy Transfiguration, Raleigh	5,013	6,138	6,321	4,946	22,418
St Andrew, Ashland	5,000	5,271	6,805	4,409	21,485
St Andrew, New Port Richey	4,675	4,652	5,902	5,615	20,844
Christ the Savior, McComb	2,275	6,090	4,430	7,451	20,246
St James, Port St Lucie	2,278	4,753	586	12,380	19,998
Holy Apostles, Tulsa	2,018	4,632	4,937	7,871	19,458
St Innocent, Macon	7,273	-	1,000	10,727	19,000
St Maximus, Denton	50	1,645	4,030	12,022	17,747
St Athanasius, Nicholasville	4,271	4,904	2,834	5,297	17,306
St Nicholas, Ft Lauderdale	3,791	3,034	2,457	7,143	16,425
St Simeon, Titusville	4,177	3,651	3,760	3,779	15,367
Dormition, Norfolk	2,074	2,419	4,776	4,696	13,965
Archangel Michael, Houston	1,767	-	4,125	4,956	10,848
St Seraphim, Memphis	2,827	2,853	2,297	2,600	10,577
Holy Cross, Ft Myers	2,387	2,690	2,429	2,740	10,245
St Raphael Of Brooklyn, Inverness	-	1,609	4,153	4,436	10,199
Holy Spirit, Venice	-	1,500	1,005	7,565	10,070
St Paul, Denison	2,421	1,888	2,081	3,143	9,533
St Mark, Bradenton	398	1,510	5,875	1,514	9,297
Holy Cross, Greensboro	-	-	2,992	6,090	9,082
St Peter The Apostle, Jupiter	-	1,378	3,186	3,626	8,190
Holy Trinity, Safety Harbor	4,450	-	576	2,663	7,689
St Tikhon, Chattanooga	-	-	3,592	3,035	6,627
St Dimitri Rostov, Los Alamos	133	2,064	2,112	1,961	6,270
St Cyril of Jerusalem, The Woodlands	-	1,184	3,127	1,884	6,195
St Alexis, Palm Coast	1,673	1,500	1,514	1,245	5,932
St Gregory, Tuscaloosa	941	1,402	1,568	1,997	5,909
St Philip The Apostle, Tampa	-	-	2,192	3,681	5,873
St George, Pharr	1,370	1,000	1,400	1,271	5,041
St Mary Magdalene, Rincon	205	2,954	609	1,228	4,996
St Herman, Lake Worth	3,067	-	-	1,869	4,936
St Demetrius, Naples	-	-	-	4,256	4,256
St Peter & Paul, Miami	1,200	1,200	900	-	3,300
Holy Resurrection, Aiken	-	-	-	3,035	3,035
St John Damascus, Tyler	-	-	494	1,908	2,402
St Cyril & Methodius, Hartshorne	1,095	947	205	-	2,246
St Luke, Anniston	-	-	-	2,200	2,200
St George's Orthodox Church, Edenton	-	-	276	1,394	1,670
All Saints, Victoria	-	-	-	1,391	1,391
St George & Alexandra, Ft Smith	-	-	584	606	1,190
St Constantine & Helen, Helena	-	-	821	266	1,087
St Nicholas, Fayetteville	-	-	-	415	415
St Matthew The Apostle, Baton Rouge	-	-	-	407	407
Tallahassee Mission	-	20	-	-	20
<b>TOTAL</b>	<b>\$ 275,245</b>	<b>\$ 298,600</b>	<b>\$ 404,826</b>	<b>\$ 522,686</b>	<b>\$ 1,501,357</b>

**TITHES PAID & FINANCIAL ASSISTANCE RECEIVED BY PARISHES**

	Years			12 Year
	1996-1999	2000-2003	2004-2007	Total
<b>GROUP I. - Founded Prior to 1980</b>				
St Seraohim, Dallas	\$ 96,541	\$ 102,932	\$ 136,406	\$ 335,879
Diocesan Assistance Received	-	-	(36,000)	(36,000)
St Stephen, Orlando	47,398	66,073	93,279	206,749
St Barbara, Ft Worth	13,314	23,130	74,648	111,091
Diocesan Assistance Received	-	-	(38,537)	(38,537)
St Cyprian, Richmond	21,695	21,103	68,039	110,836
Diocesan Assistance Received	-	-	(3,000)	(3,000)
Christ the Savior, Miami	27,666	35,082	47,253	110,001
St Mary Egypt, Atlanta	18,217	39,501	47,100	104,818
St Anthony, San Antonio	24,874	25,455	42,881	93,210
Holy Resurrection, Clinton	21,357	28,063	33,203	82,624
St Andrew, New Port Richey	25,200	20,966	20,844	67,010
Diocesan Assistance Received	-	(600)	-	(600)
St James, Port St Lucie	21,261	16,533	19,998	57,793
St Nicholas, Ft Lauderdale	14,160	18,228	16,425	48,813
St Simeon, Titusville	17,366	14,509	15,367	47,242
Dormition, Norfolk	14,981	14,419	13,965	43,366
St Herman, Lake Worth	17,989	19,214	4,936	42,139
St Symeon, Birmingham	5,792	9,200	25,900	40,892
St Mark, Bradenton	15,603	15,503	9,297	40,402
Diocesan Assistance Received	(1,666)	-	-	(1,666)
All Saints, Albuquerque	-	12,521	23,542	36,064
Holy Trinity, Safety Harbor	14,281	9,869	7,689	31,839
Holy Cross, Ft Myers	6,789	8,961	10,245	25,995
St Cyril & Methodius, Hartshorne	9,019	4,757	2,246	16,022
St George, Pharr	849	2,479	5,041	8,369
Diocesan Assistance Received	(3,000)	(2,983)	-	(5,983)
St Peter & Paul, Miami	1,200	1,886	3,300	6,386
Diocesan Assistance Received	(4,794)	(799)	(674)	(6,267)
Total Tithes Paid	\$ 435,551	\$ 510,384	\$ 721,603	\$ 1,667,538
Total Assistance Received	\$ (9,460)	\$ (4,382)	\$ (78,211)	\$ (92,053)
Financial Assistance Ratio	2%	1%	11%	6%

	Years			12 Year
	1996-1999	2000-2003	2004-2007	Total
<b>GROUP II. - Founded In 1980's</b>				
St Justin Martyr, Jacksonville	\$ 35,423	\$ 60,762	\$ 110,958	\$ 207,143
Diocesan Assistance Received	(10,494)	\$ -	\$ (25,945)	(36,439)
St John Ladder, Piedmont	10,583	34,939	68,143	113,665
Holy Apostles, Columbia	17,476	24,703	59,601	101,780
Nativity, Charlotte	3,682	31,160	48,640	83,482
Diocesan Assistance Received	-	(7,959)	-	(7,959)
St Sava, Plano	11,320	15,698	53,034	80,052
Diocesan Assistance Received	(2,900)	-	(11,520)	(14,420)
Holy Spirit, Venice	15,252	10,850	10,070	36,172
Diocesan Assistance Received	-	-	(9,648)	(9,648)
St Demetrius, Naples	11,200	6,969	4,256	22,424
Diocesan Assistance Received	(1,000)	-	-	(1,000)
St Gregory, Tuscaloosa	6,341	3,671	5,909	15,921
St Mary Magdalene, Rincon	-	2,000	4,996	6,996
Diocesan Assistance Received	(6,000)	(8,400)	(3,250)	(17,650)
Total Tithes Paid	\$ 111,276	\$ 190,751	\$ 365,607	\$ 667,634
Total Assistance Received	\$ (20,394)	\$ (16,359)	\$ (50,362)	\$ (87,115)
Financial Assistance Ratio	18%	9%	14%	13%

**TITHES PAID & FINANCIAL ASSISTANCE RECEIVED-By Parish (Continued)**

GROUP III. - Founded in 1990's	Years	Years	Years	12 Year
	1996-1999	2000-2003	2004-2007	Total
St Anne, Knoxville	\$ 9,922	\$ 37,429	\$ 51,306	\$ 98,657
Diocesan Assistance Received	(5,000)	\$ (25,000)	\$ -	(30,000)
St Innocent, Macon	11,770	21,140	19,000	51,910
Diocesan Assistance Received	(8,629)	-	-	(8,629)
Archangel Michael, Houston	245	9,023	10,848	20,115
Diocesan Assistance Received	(359)	(21,667)	(8,333)	(30,359)
St Alexis, Palm Coast	5,662	5,878	5,932	17,472
St Dimitri Rostov, Los Alamos	2,990	5,039	6,270	14,298
Diocesan Assistance Received	-	(2,300)	-	(2,300)
St George & Alexandra, Ft Smith	1,904	2,668	1,190	5,762
St Nicholas, Fayetteville	3,031	-	415	3,446
Total Tithes Paid	\$ 35,524	\$ 81,176	\$ 94,961	\$ 211,661
Total Assistance Received	\$ (13,989)	\$ (48,967)	\$ (8,333)	\$ (71,289)
Financial Assistance Ratio	39%	60%	9%	34%

GROUP IV. - Founded in 2000's	Years	Years	8 Year
	2000-2003	2004-2007	Total
St John the Wonderworker, Atlanta	\$ 26,032	\$ 57,920	\$ 83,952
St Timothy, Toccoa	3,762	32,592	36,354
Holy Transfiguration, Raleigh	12,120	22,418	34,538
Diocesan Assistance Received	(30,000)	-	(30,000)
Holy Ascension, Mt Pleasant	1,499	31,528	33,028
Diocesan Assistance Received	(6,667)	(23,750)	(30,417)
St Andrew, Ashland	8,373	21,485	29,858
Christ the Savior, McComb	4,289	20,246	24,535
Diocesan Assistance Received	-	(4,402)	(4,402)
St Athanasius, Nicholasville	5,358	17,306	22,663
Diocesan Assistance Received	(8,333)	(22,500)	(30,833)
St Maximus, Denton	4,586	17,747	22,333
Diocesan Assistance Received	(28,561)	(15,190)	(43,751)
Holy Apostles, Tulsa	-	19,458	19,458
Diocesan Assistance Received	-	(34,636)	(34,636)
St Raphael Of Brooklyn, Inverness	3,889	10,199	14,088
St Paul, Denison	1,532	9,533	11,065
Diocesan Assistance Received	-	(41,272)	(41,272)
St Seraphim, Memphis	-	10,577	10,577
Holy Cross, Greensboro	-	9,082	9,082
Diocesan Assistance Received	-	(20,000)	(20,000)
St Peter The Apostle, Jupiter	-	8,190	8,190
St Tikhon, Chattanooga	-	6,627	6,627
Diocesan Assistance Received	(6,216)	(27,500)	(33,716)
St Cyril Of Jerusalem, The Woodlands	-	6,195	6,195
Diocesan Assistance Received	-	(5,481)	(5,481)
St Philip The Apostle, Tampa	-	5,873	5,873
Holy Resurrection, Aiken	-	3,035	3,035
Diocesan Assistance Received	-	(788)	(788)
St John Damascus, Tyler	-	2,402	2,402
St Luke, Anniston	-	2,200	2,200
St George, Edenton	-	1,670	1,670
All Saints, Victoria	-	1,391	1,391
St Constantine & Helen, Helena	-	1,087	1,087
St Matthew the Apostle, Baton Rouge	-	407	407
St Thomas, Kerrville	-	-	-
Diocesan Assistance Received	-	(6,000)	(6,000)
Total Tithes Paid	\$ -	\$ 71,441	\$ 319,166
Total Assistance Received	\$ -	\$ (79,777)	\$ (201,519)
Financial Assistance Ratio	NA	112%	63%

Total Tithes - All Groups	\$ 582,352	\$ 853,753	\$ 1,501,337	\$ 2,937,442
Total Assistance- All Groups	\$ (43,843)	\$ (149,484)	\$ (338,426)	\$ (531,753)
Assistance to Tithes Received-All Groups	8%	18%	23%	18%

**FINANCIAL ASSISTANCE**

	1/1/2008 6/3/2008	Year 2007	Total 2007-2008	Cash Payments	Tithe & Assessment Credits
Christ The Savior, McComb	\$ 6,000	\$ 4,058	\$ 10,058	\$ 10,058	\$ -
Holy Apostles, Tulsa	9,222	5,833	15,055	10,833	4,222
Holy Apostles, Columbia	5,833		5,833	5,833	
Holy Cross, Greensboro	6,000	14,000	20,000	20,000	
Holy Trinity, Safety Harbor	2,650		2,650	-	2,650
St Anne, Knoxville	550		550	550	
St Athanasius, Nicholasville	251		251	251	
St Barbara, Ft Worth	8,910	26,537	35,447	-	35,447
St Cyprian, Richmond	8,859	3,000	11,859	6,000	5,859
St Cyril Of Jerusalem, The Woodlands	6,000		6,000	6,000	
St George & Alexandra, Ft Smith	6,000		6,000	6,000	
St Innocent, Macon	7,500		7,500	7,500	
St John Damascus, Tyler	12,516		12,516	12,516	
St Justin Martyr, Jacksonville	14,366	25,945	40,310		40,310
St Mary Egypt, Atlanta	1,875		1,875	1,875	
St Mary Magdalene, Rincon	3,900	3,250	7,150	7,150	-
St Maximus, Denton	5,519	6,061	11,580	1,452	10,128
St Paul, Denison	8,611	11,272	19,883	15,000	4,883
St Sava, Plano	9,912	11,520	21,432		21,432
St Seraphim, Dallas	-	18,000	18,000	18,000	-
St Tikhon, Chattanooga	-	2,500	2,500	2,500	-
<b>Total</b>	<b>\$ 124,473</b>	<b>\$ 131,977</b>	<b>\$ 256,450</b>	<b>\$ 131,518</b>	<b>\$ 124,931</b>

**LOANS RECEIVABLE**

	Balance 6/3/2008	Balance 12/31/2007	Total Payments 2007-2008	Cash Payments	Tithe & Assessment Credits
Holy Apostles, Tulsa (4.5%)	\$ 61,201	\$ 64,000	\$ 4,222	\$ -	\$ 4,222
Holy Trinity, Safety Harbor (4.5%)	48,093	-	2,650	-	2,650
St Barbara, Ft Worth I (4.5%)	97,642	104,205	38,447	3,000	35,447
St Barbara, Ft Worth II (6.0%)	40,631	-	-	-	-
St Cyprian, Richmond (4.5%)	47,911	-	5,859	-	5,859
St Justin Martyr, Jacksonville (4.5%)	-	14,192	51,410	11,100	40,310
St Maximus, Denton (4.5%)	119,086	123,803	14,236	4,108	10,128
St Paul, Denison (4.5%)	91,272	92,924	7,258	1,921	5,337
St Sava, Plano (4.5%)	177,255	183,065	21,432		21,432
<b>Total</b>	<b>\$ 683,092</b>	<b>\$ 582,190</b>	<b>\$ 145,514</b>	<b>\$ 20,129</b>	<b>\$ 125,385</b>

**CUSTODIAL FUNDS**

	Balance 6/3/2008	Balance 12/31/2007	Repayment Terms
Alpine Mission Station (NIB)	\$ 1,000	\$ -	Demand
Carolinas Deanery Missions Fund (NIB)	14,440	15,240	Variable, currently \$1,500 per month.
Publications Fund (NIB)	5,000	5,000	Priest Service Book sales residuals.
St Anne, Knoxville (4.25%)	81,288	99,336	\$3,333.33 per month.
St Innocent, Macon (4.25%)	61,672	60,850	Demand
St Maximus, Denton (4.25%)	10,142	-	When needed for building program.
St Seraphim Reciprocal Account	(5,168)	8,875	Demand
Three Individuals (2.00%)	398,235	345,238	Flexible. Averaging \$5,936 per month.
One Individual (6.00%)	35,555	-	Flexible. This is for funding St Barbara Loan II.
<b>Total</b>	<b>\$ 602,164</b>	<b>\$ 534,539</b>	

**DIOCESE OF THE SOUTH  
2009 PROPOSED BUDGET (Consolidated)**

	<b>Existing Programs Budget</b>	<b>Future Development Needs</b>	<b>Extended Budget</b>
<b>REVENUES</b>			
Tithes	\$ 597,249	\$ -	\$ 597,249
Membership Assessments (\$2,450 @\$105 X 83%)	213,518		213,518
Missions - Unrestricted	300		300
Diocesan Assembly	20,000		20,000
Interest & Investments	25,000		25,000
All Other	3,000		3,000
<b>TOTAL REVENUES</b>	<b>\$ 859,067</b>	<b>\$ -</b>	<b>\$ 859,067</b>
<b>EXPENSES</b>			
<b>I. DIOCESAN CENTRAL ADMINISTRATION</b>			
<b>A. Chancery Office Payroll</b>			
Archbishop	\$ 80,982	\$ -	\$ 80,982
Auxiliary Bishop	65,362		65,362
Archbishop Secretary	44,644		44,644
Administrative Assistant	38,644		38,644
Administrative Secretary	-	40,000	40,000
Treasurer/Bookkeeper (Uncompensated)	17,500 ##		17,500
Subtotal	\$ 247,132	\$ 40,000	\$ 287,132
<b>B. Travel</b>			
Archbishop	\$ 10,000	\$ -	\$ 10,000
Auxiliary Bishop	10,000		10,000
Chancery Staff	1,500		1,500
Diocesan Council	2,000		2,000
Invitational	3,500		3,500
Subtotal	\$ 27,000		\$ 27,000
<b>C. Building &amp; Grounds</b>			
Insurance	\$ 1,800	\$ -	\$ 1,800
Landscaping	1,000		1,000
Pest Control	400		400
Maintenance & Repairs	3,000		3,000
Utilities	3,000		3,000
Chancery Office Reconfiguration	10,000	50,000	60,000
Subtotal	\$ 19,200	\$ 50,000	\$ 69,200
<b>D. Office &amp; Administrative Expense</b>			
Telephone	\$ 4,500		\$ 4,500
Equipment	2,500		2,500
Office Supplies	2,000		2,000
Postage	1,500		1,500
Copying & Printing	1,500		1,500
Other	1,000		1,000
Subtotal	\$ 13,000		\$ 13,000
<b>E. Diocesan Sponsored Activities</b>			
The Dawn	\$ 10,000		\$ 10,000
Diocesan Assembly	15,000		15,000
Clergy Conference	7,000		7,000
Clergy Wives Programs	3,000		3,000
Youth Programs	5,000		5,000
Diocesan Seminary	-	30,000	30,000
Subtotal	\$ 40,000	\$ 30,000	\$ 70,000
<b>TOTAL DIOCESAN CENTRAL ADMINISTRATION</b>	<b>\$ 346,332</b>	<b>\$ 120,000</b>	<b>\$ 466,332</b>

**DIOCESE OF THE SOUTH**  
**2009 PROPOSED BUDGET (Consolidated)**  
**(Continued)**

	<u>Existing Programs Budget</u>	<u>Future Development Needs</u>	<u>Extended Budget</u>
<b>II. MISSIONS &amp; PARISH DEVELOPMENT</b>			
<b>A. Overhead</b>			
Deans & Mission Director Stipends	\$ 37,800		\$ 37,800
Field Travel	5,000		5,000
Meetings	3,000		3,000
Administrative Expenses	500		500
Interest Expense	21,000		21,000
Subtotal	<u>\$ 67,300</u>		<u>\$ 67,300</u>
<b>B. Financial Assistance to Parishes &amp; Missions</b>			
Uncommitted	\$ 53,470		\$ 53,470
Existing Commitments-Funded	113,222 ##		\$ 113,222
Existing Commitments-Unfunded	36,000		36,000
Subtotal (25% of Tithe & Assessment Revenues)	<u>\$ 202,692</u>		<u>\$ 202,692</u>
<b>TOTAL MISSIONS &amp; PARISH DEVELOPMENT</b>	<u>\$ 269,992</u>		<u>\$ 269,992</u>
<b>III. ORTHODOX CHURCH IN AMERICA</b>			
Diocesan Assessment (2,450 @\$105)	\$ 257,250		\$ 257,250
Metropolitan Council	1,500		1,500
Personal Assistance Program	1,800		1,800
<b>TOTAL ORTHODOX CHURCH IN AMERICA</b>	<u>\$ 260,550</u>		<u>\$ 260,550</u>
<b>TOTAL EXPENSES</b>	<u>\$ 876,873</u>	<u>\$ 120,000</u>	<u>\$ 996,873</u>
<b>CONSOLIDATED SURPLUS (DEFICIT)</b>	<u>\$ (17,807)</u>	<u>\$ (120,000)</u>	<u>\$ (137,807)</u>
 ##Noncash Expenses	 \$ 130,722		

## RESOLUTIONS

I. RESOLVED: That the Diocese of the South be authorized to accept, but not solicit, funds from church organizations and individuals and pay an appropriate rate of interest thereon. Such funds will be shown as Liabilities (borrowings) on the Consolidated Statement of Assets and Liabilities. The proceeds may only be used for Missions and Parish Development purposes.

### Discussion

The Resolution pertains to the utilization of borrowed funds that is discussed in paragraphs six and seven of the Introduction to the financial reports. The authority to “accept but not solicit” basically describes the genesis of the Custodial Funds that are currently on the books, and also conveys a requirement that the providers of such funds have an abiding interest in the purpose for which the monies are to be utilized. In other words, funds will not be accepted from “questionable” sources or from those merely seeking an attractive investment alternative.

The possibilities of how these borrowings could dramatically expand the working capital base of the diocese is shown by the recent addition of St. Maximus, Denton, to the list of Custodial Fund providers. These are Building Fund dollars entrusted to the diocese until needed for the intended purpose. In the meantime, the funds can be used by the diocese to bolster its building program assistance initiatives of others, as described in paragraph six of the Introduction.

A Custodial Fund arrangement is also a means by which a church can effectively segregate its Building Fund dollars from General Fund dollars and thus alleviate a rather common concern of potential donors that their designated donations will be diverted to other purposes.

II. RESOLVED: That the Diocese of the South be authorized to guarantee repayment of the indebtedness of its churches that is incurred for building program purposes. Such guarantees may be rendered to commercial lending organizations, other church bodies, and individuals. Authorized signatories of such guarantees are a Hierarch and the Treasurer, or other person(s) having a good working knowledge of diocesan finances.

### Discussion

Like Resolution I above, Resolution II deals with an activity that is already taking place. The Treasurer has written “comfort letters” to prospective commercial lenders of our churches that describes the hierarchal nature of our church, expresses our concurrence with the building initiative, and asserts that the diocese will render financial assistance if the church is unable to meet the payment terms of the debt. Lending institutions understand that a comfort letter is not legally enforceable, as is a guarantee. But it does assure them that the applicant church is not an “orphan”, that it in fact has an extended family with an abiding interest in its mission and development.

Some of the churches to whom the diocese has loaned money were also provided comfort letters, at the request of the primary lender. Others receiving comfort letters but not indebted to the diocese are Holy Ascension, Mount Pleasant, St. Mark’s, Bradenton, and most recently, St. Gregory, Tuscaloosa. (A tacit acknowledgement of the financial strength of the diocese happened in the case of St. Gregory, where the bank loaned the full amount of the purchase price of the property, relying primarily on the financial reports of the diocese that were downloaded from the website and given to the bank by St. Gregory.)

Adoption of this Resolution will enable the diocese to support the credit application of a church when and if a lender insists on a formal guarantee that is legally enforceable. The comfort letter will remain the preferred option of the diocese.