

STATEMENT OF ASSETS AND <u>LIABILITIES (Balance Sheet)</u>	30-Jun 2011	31-Dec 2010	31-Dec 2009	31-Dec 2008	31-Dec 2007	31-Dec 2006
ASSETS						
Current Assets						
Cash	\$ 180,590	\$ 166,982	\$ 103,300	\$ 330,097	\$ 308,636	\$ 158,160
Income Earned, Not Collected	6,730	35,898	62,393	54,331	35,659	56,173
Prepaid Expense	-	1,798	2,956	6,006	66,072	-
Investments-Market Value	-	-	-	35,687	61,370	110,243
Total Current Assets	\$ 187,320	\$ 204,677	\$ 168,649	\$ 426,121	\$ 471,738	\$ 324,575
Other Assets						
Deferred Charge - Priest Service Book	\$ 4,276	\$ 4,276	\$ 4,722	\$ 5,005	\$ 6,180	\$ 8,099
Loans & Advances						
Advances (Note 1)						
All Saints, Victoria	\$ -	\$ -	\$ 9,000	\$ -	\$ -	\$ -
St Basil, Wilmington	10,379	13,303	18,690	-	-	-
St Seraphim, Memphis	589	757	1,785	-	-	-
Total Advances	\$ 10,968	\$ 14,060	\$ 29,475	\$ -	\$ -	\$ -
Primary Loans (Note 2)						
St Mary Magdalene, Rincon	\$ 124,820	\$ 137,910	\$ -	\$ -	\$ -	\$ -
St Maximus, Denton	83,528	91,627	99,833	111,883	123,803	-
St Paul, Denison	111,921	115,543	119,831	132,669	92,924	-
St Raphael, Inverness	63,238	-	-	-	-	-
St Sava, Plano	30,029	36,883	56,124	14,427	183,065	-
St Seraphim, Dallas	270,377	324,318	428,900	-	-	-
Total Primary Loans	\$ 683,912	\$ 706,281	\$ 704,687	\$ 258,978	\$ 399,793	\$ -
Subordinated Loans (Note 3)						
All Saints, Albuquerque	\$ 174,444	\$ 156,476	\$ 146,054	\$ -	\$ -	\$ -
Auxiliary Bishop	42,798	42,798	42,798	42,798	-	-
Holy Apostles, Bixby	45,685	48,479	54,623	59,025	64,000	-
Holy Apostles, West Columbia	-	-	-	-	-	-
Holy Ascension, Charleston	82,454	82,938	-	-	-	-
Holy Trinity, Safety Harbor	220,554	208,137	173,125	47,350	-	-
St Barbara, Ft Worth	127,997	129,754	115,773	122,530	92,447	107,187
St Cyprian, Richmond	54,232	60,639	72,265	37,762	-	-
St Gregory, Moundville	12,623	9,447	7,325	1,334	-	-
St Innocent, Macon	97,852	104,457	117,292	9,575	-	-
St John Damascus, Tyler	-	(6,050)	-	-	-	-
St John Ladder, Greenville	-	-	-	-	-	-
St Jonah, Alpine	537	992	-	-	-	-
St Justin Martyr, Jacksonville	-	-	-	-	14,192	49,579
St Mark, Bradenton	14,329	14,329	-	-	-	-
St Mary Magdalene, Rincon	-	-	39,563	44,349	-	-
St Phiip, Tampa	9,012	8,748	5,380	-	-	-
St Raphael, Inverness	-	45,241	15,173	-	-	-
St Seraphim, Dallas	-	-	-	-	-	45,000
Total Subordinated Loans	\$ 882,517	\$ 906,385	\$ 789,371	\$ 364,724	\$ 170,639	\$ 201,766
Managed Debt Program Loans (Note 4)						
Holy Apostles, Bixby	\$ 480,771	\$ 484,130	\$ 287,198	\$ 319,997	\$ -	\$ -
Holy Apostles, West Columbia	243,790	-	-	-	-	-
Holy Ascension, Charleston	920,319	679,200	767,611	-	-	-
Holy Trinity, Safety Harbor	282,314	284,119	302,582	-	-	-
St Barbara, Ft Worth	649,341	661,317	675,716	-	-	-
St Gregory, Moundville	260,448	265,374	275,854	293,383	-	-
St Jonah, Alpine	106,964	78,427	-	-	-	-
St Mary Magdalene, Rincon	-	-	114,944	139,408	-	-
St Phiip, Tampa	304,300	306,991	312,138	316,986	-	-
St Raphael, Inverness	-	36,016	79,464	-	-	-
Total MDP Loans	\$3,248,245	\$2,795,575	\$ 2,815,508	\$1,069,774	\$ -	\$ -
Total Loans & Advances	\$ 4,825,643	\$ 4,422,301	\$ 4,339,041	\$1,693,476	\$ 570,432	\$ 201,766
Real Estate						
Chancery Office Property	\$ 210,000	\$ 210,000	\$ 210,000	\$ 210,000	\$ 210,000	\$ 210,000
Alpine Church Property	137,500	137,500	-	-	-	-
Denton Church Property	275,000	275,000	-	-	-	-
Subtotal	\$ 622,500	\$ 622,500	\$ 210,000	\$ 210,000	\$ 210,000	\$ 210,000
TOTAL ASSETS	\$ 5,639,738	\$ 5,253,754	\$ 4,722,412	\$ 2,334,603	\$ 1,258,349	\$ 744,441

DIOCESE OF THE SOUTH <u>BALANCE SHEET(Continued)</u>	30-Jun 2011	31-Dec 2010	31-Dec 2009	31-Dec 2008	31-Dec 2007	31-Dec 2006
LIABILITIES						
Accounts Payable	\$ 2,896	\$ 4,867	\$ 2,243	\$ 24,638	\$ 5,141	\$ 4,363
Designated Funds (5)	\$ 5,587	\$ -	\$ -	\$ -	\$ -	\$ -
Church Deposits						
All Saints, Albuquerque	\$ 201,679	\$ 174,704	\$ 150,985	\$ -	\$ -	\$ -
All Saints, Victoria	3,837	3,752	-	-	-	-
Carolinas Deanery Missions Fund	19,158	14,803	13,341	14,266	8,240	4,470
Dormition, Norfolk	46,976	43,833	20,046	-	-	-
Gainesville (GA) Mission Station	1,511	1,478	-	-	-	-
Holy Ascension, Mt Pleasant	57,778	58,615	-	-	-	-
Holy Cross, Greensboro	26,041	21,501	11,348	-	-	-
Holy Resurrection, Augusta	10,527	10,293	9,841	8,035	-	-
St Andrew, New Port Richey	812	794	-	-	-	-
St Anne, Oak Ridge	-	-	-	62,946	99,336	54,466
St Athanasius, Nicholasville	10,858	10,617	10,151	-	-	-
St Basil, Wilmington	504	-	-	-	-	-
St Cyril of Jerusalem, The Woodlands	10,296	10,068	-	-	-	-
St George & Alexandra, Ft Smith	31,775	31,069	-	-	-	-
St Innocent, Macon	163,926	159,790	127,189	-	4,950	4,251
St John Damascus, Tyler	13,649	16,290	14,704	-	-	3,353
St John Ladder, Piedmont	-	20,608	(1,000)	4,000	7,000	6,500
St Jonah Mission Station, Alpine	-	-	1,082	1,034	-	-
St Mary Egypt, Norcross	51,200	50,063	-	-	-	-
St Matthew, Baton Rouge	6,005	1,964	-	-	-	-
St Maximus, Denton	50,352	49,234	47,071	45,500	-	-
St Peter, Jupiter	75,281	-	-	-	-	-
St Philip, Tampa	31,731	31,044	15,662	5,094	-	-
St Raphael, Inverness	36,098	35,247	10,019	-	-	-
St Sava, Plano	38,973	15,744	25	-	-	-
St Seraphim, Dallas	18,726	6,946	(2,197)	44,306	16,439	10,820
St Seraphim, Memphis	4,409	4,311	4,122	-	-	-
St Tikhon, Chattanooga	1,997	1,366	-	-	-	-
St Timothy, Tocoa	42,861	41,909	44,975	43,000	-	-
Total Deposits	\$ 956,957	\$ 816,042	\$ 477,362	\$ 228,181	\$ 135,965	\$ 83,859
Debt						
Church-Friendly Loans (Note 6)	\$ 981,261	\$1,003,294	\$ 922,254	\$ 400,594	\$ 336,365	\$ -
Managed Debt Program Creditors (Note 7)	\$3,248,245	\$2,795,575	\$2,815,508	\$1,069,774	\$ -	\$ -
Total Liabilities	\$5,194,946	\$4,619,778	\$4,217,368	\$1,723,188	\$ 477,471	\$ 88,222
RESERVES & SURPLUS						
Publications Fund Reserve (Note 8)	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
Pastoral School Fund (Note 9)	251,529	251,529	251,529	239,549	263,268	237,774
Surplus	188,263	377,447	248,515	366,865	512,610	413,445
TOTAL RESERVES & SURPLUS	\$ 444,793	\$ 633,976	\$ 505,045	\$ 611,415	\$ 780,879	\$ 656,219
TOTAL LIABILITIES, RESERVES, & SURPLUS	\$5,639,738	\$5,253,754	\$4,722,412	\$2,334,603	\$1,258,349	\$ 744,441
CONTINGENT LIABILITIES						
Priest Seminary Debt(Note 10)	\$ 222,620	\$ 139,959	\$ 103,847	\$ 119,014	\$ -	\$ -
MEMORANDUM ACCOUNTS						
Missions Reserve (Note 11)	\$ (38,756)	\$ (28,791)	\$ 21,649	\$ 95,022	\$ 163,329	\$ 105,840

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

Note 2. The Primary Loan designation applies when the Diocese is the principal debtholder of the church. They are noninterest bearing and repayment terms vary with the circumstances of each church. Monthly Tithe payments are credited to the loan balance.

Note 3. Subordinated Loans are those where the church has other mortgage debt. No repayment is required until the primary debt has been retired. They are noninterest bearing and tithe payments are credited to the loan balance.

Note 4. The Managed Loan Pool consists of mortgage debt owed by the listed churches to a primary creditor, usually a bank. The Diocese makes the monthly payments to the primary creditor on behalf of the church, and the church monthly payment to the Diocese is calculated as a percentage of church income (usually 25%) in the preceding month. A church's underlying obligation to their primary creditor is not changed nor does the Diocese incur a legal obligation for payment of the debt by virtue of this arrangement. The Diocese payment to the primary creditor is added to the church's Subordinated Loan balance and the church payment to the Diocese is credited thereto, as is their monthly tithe payment. The debt of Holy Apostles, St Gregory, and St Jonah are guaranteed by the Diocese. The aggregate monthly payment currently being made by the Diocese is \$23,131.

Note 5. Designated Funds are gifts received from individuals that may be utilized at the discretion of the Diocese to supplement its various financial assistance programs. Stipends donated by Diocesan personnel and donated interest from Church Friendly Loans are the sole sources of funds at this time.

Note 6. Church Friendly Borrowings consist of loans from six church-related individuals, the proceeds of which were used to refinance church debt or pay down the primary creditor of churches in the Managed Loan Pool. Repayment is at the discretion of the Diocese, but with the understanding that if cash is needed the Diocese will make an immediate payment of up to \$25K and will endeavor to accommodate larger amounts. Currently the Diocese is making regular payments totaling \$6,500 a month to three individuals. The loans are unsecured and bear an interest rate of 4.25%, except for one loan of \$100,000 which is at 6%.

Note 7. This is the offsetting credit to the Managed Debt Program asset category.

Note 8. The Publications Reserve represents "seed money" donations for the printing of Archbishop Dmitri's "Priest Service Book". When publishing costs are fully covered sales proceeds are to be utilized for other Diocesan publications. The unrecovered costs are shown as "Deferred Charge-Priest Service Book" on the Balance Sheet.

Note 9. 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 for the Diocese. About \$2,000 in other donations were subsequently received, and the remaining increase came from loan and investment earnings. At one 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 10. The Diocese makes the monthly payment on the seminary debt of priests coming to the Diocese to serve as Priest-in-Charge of a church until such time as the debt is paid in full, provided that the person continues to serve in said capacity. Eight priests are currently receiving this benefit, and the aggregate monthly payment currently being made is \$2,435.

Note 11. Beginning on January 1, 1996, the Missions Reserve has been credited in each calendar quarter where the Missions and Parish Development expense category total is less than 25% of Total Income received during that quarter, and charged in each quarter that the 25% Benchmark is exceeded. The negative balance shown at June 30, 2011 is the amount by which expenditures have exceeded the 25% Benchmark over the past fifteen years. Expenditures have exceeded the Benchmark in each of the last ten calendar quarters.