

Diocese of the South
Orthodox Church in America
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TREASURER'S MESSAGE

Your Eminence, Reverend Fathers, Brothers and Sisters,

The financial capacity of the Diocese continues to grow and develop. Significant progress has been shown in each of our financial components:

- 2013 Net Income was in the black for the first time since 2010, when we stopped collecting the OCA Assessment from the churches.
- Annual tithe income has averaged \$673,000 over the past three years. Our earnings base is sufficient for the present administrative needs of the Diocese, and to support a 33% allocation of income to Missions and Parish Development, and to meet our financial support obligation to the OCA.
- Church Savings Deposits were \$1,763,000 at year end 2013 (25% increase) and are \$2,304,000 as of today. Forty-three churches are now participating in this program.
- The Managed Debt Program continues to work well. The Church MDP Coverage Ratio in 2013 was 75% (60% is OK), and is running at 98% so far this year. This means that there will be no difficulty absorbing churches into the MDP that are able to procure building program financing.
- Church Friendly Loan totals are stable, with dollars being paid out on older loans being replaced by new enrollments. We've recently booked several loans from persons within church communities that are trying to acquire property.

The growth of the Church Deposit and Church Friendly Loan programs is essential to building the infrastructure of the churches in this Diocese. It has become increasingly difficult to obtain adequate financing for a proper Orthodox temple (the cost per square foot is 'too high'), and virtually impossible for land acquisition. Church loans just don't meet the financial profile that banks are looking for. We are a 'special handling' item in an environment that demands uniformity, conformity, and standardization. We have been able to muddle through in one way or another, and that will continue. What we don't have an answer for, though, is the churches in high cost areas that are in rented quarters (e.g. Annunciation, Jacksonville; Dormition, Norfolk; St Cyril, The Woodlands; St Matthew, Baton Rouge; St Peter, Jupiter).

Our greatest strategic goal needs to be the development of a financial self-sufficiency for church capital projects that matches what we now have for general operations.

In Christ,

Milos Konjevich
Treasurer
Diocese of the South