

DIOCESE OF THE SOUTH
2023 Budget & Forecast
NOTES

Income

Tithes and other income are on course to finish 2022 at \$1,240,000, an increase of 9.26% over the previous year, with 2023 projected at that level.

Diocesan Administration Expense

With the objective of the transferring over time of Bishop Gerasim's compensation support from St. Seraphim Cathedral to the diocese and raising it to a level more in alignment with his peers, Personnel Expense was increased this year from \$12,000 to \$45,200 consisting of the following components: Stipend- \$40,000; and Pension contribution of \$5200. Under this compensation sharing arrangement St Seraphim Cathedral retained responsibility for the Housing Allowance of \$12,000 and the Health Benefit expense estimated at \$20,000 for 2022. The proposed 2023 compensation contemplates an increase of the Stipend to \$60,000, plus \$6,000 Pension Contribution and \$19,200 Health Benefit Expense. The Cathedral will continue to provide the Housing Allowance, a non-cash Expense.

Travel Expense

With marginal revisions, budgeted travel accounts were estimated at rates generally consistent with past experience, although Bp. Gerasim's is increased to conform more closely to his currently increased activity.

Building & Grounds Expense

The 11.0% increase is largely due to increased insurance premiums for owned properties and the balance is attributable to the expectation of increased costs. An arrangement has been worked out with the Cathedral for Utilities to be paid by the diocese while Landscaping and Pest Control are paid by the Cathedral. These two accounts typically offset each other.

Office and Administrative Expense

Clergy Screening expense is reduced due to improved invoice processing by Allison. In addition, we continue to pass on transactional costs for the Donation Portal to the beneficiary parishes. However, the diocese continues to incur ACH transfer fees, which comprise the total of bank charges. Audit Expense contemplates a day trip to Dallas by the Treasurer and Auditor to view documents, security and handling procedures on site. The Legal Expense is strictly a provision in the event that attorney assistance is required in the settlement of the Konjevich Estate.

Meeting & Conferences Expense

The one-third provision for the 2025 AAC will serve to spread the DOS Assessment over a three-year period rather than incurring the entirety in a single year, which distorts reporting of DOS Expenses. The increased Assembly Expense is intended to conform more closely to pre-Covid, in-person Assembly costs incurred.

OCA Assessment Expense

After Administration and OCA Assessment Expense, available funds for Parish and Missions Support plus Interest Expense, typically range from 25 to 30% of our Budget. The OCA allocation is based on Total Income less Other Income and Tithe Credits, i.e. Tithe Income less Tithe Credits.

Interest Expense

Each interest-bearing account was analyzed and, where applicable, the anticipated savings rate was calculated. However, treasury security yields have been especially volatile this year making it a challenging exercise to forecast likely rates when the DOS rate adjusts at year-end.

Loans Forgiven-Tithe Credits/Grants

More difficult to forecast, but a reasonable estimate based on current experience.

Net Income

While not as robust as one might hope, the outcome faithfully incorporates the added costs or anticipated expense for Compensation, Travel, 2025 AAC Assessment, Insurance, Assembly, Legal Expense Provision and Interest Expense.

Noel Busch
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