

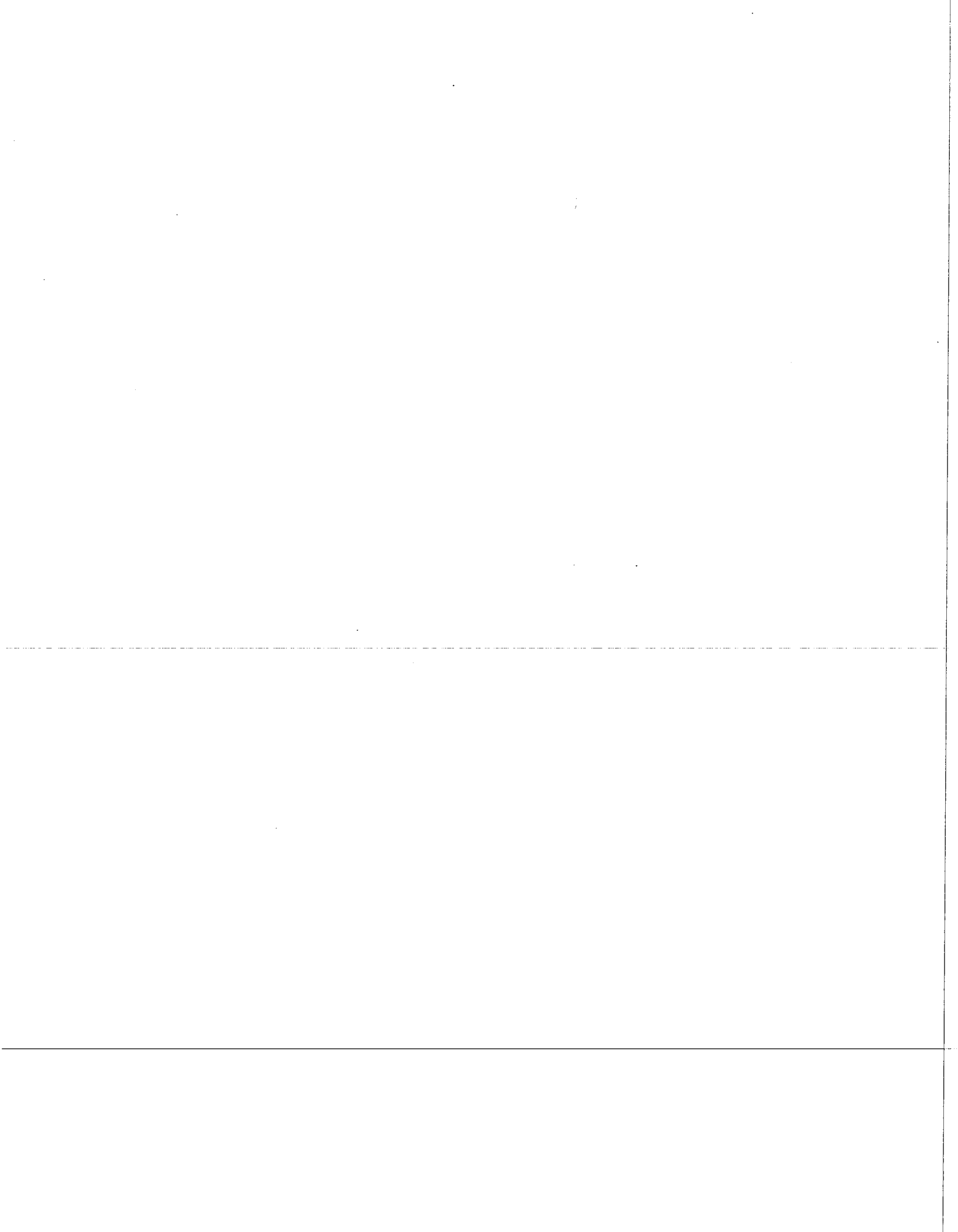
DIOCESE OF THE SOUTH
ORTHODOX CHURCH IN AMERICA
2010 DIOCESAN ASSEMBLY
Financial Reports

TABLE OF CONTENTS

Page 1	Opening Thoughts
Page 2-3	Administrator's Message
Page 4	Income Statement
Page 5-7	Balance Sheet
Page 8	Cash Flow Statement
Page 9	Auditor's Report
Page 10	2009 Budget Report & 2011 Proposed Budget
Page 11	Tithes Report-By Church
Page 12-13	Tithes Report-By Deanery
Page 14-15	Tithes Report-By Year Church Established
Page 16	Church Loan & Managed Debt Pool Performance Analysis
Page 17-18	Funding Development Timeline - 1996 to June 30, 2010
Page 19	Missions Support Development Timeline - 1996 to June 30, 2010
Page 20	Balance Sheet Composition Timeline - December 31, 1996 to June 30, 2010

“...I felt it quite acutely today while attending a report of our church’s committee on investment, including a discussion about what is better, more profitable, secure--some bonds or some stocks. Nobody felt the comical and demonic aspect of a discussion attended by bishops and priests who listened with genuine reverence and admiration to the financial experts: a broker and a banker. I saw for about an hour a true religious awe, which was completely absent when simple church affairs were discussed--in an atmosphere of petty mistrust, intrigue, and verification of every cent spent by the administration. The banker and the broker were listened to with hearty enjoyment, and questions were asked in the way that one used to ask elders, wise men and masters. They talked with the simplicity and the humility of people who know their business, their indispensable place in society. This is the way that religion does not express itself anymore, because religion does not have such an indispensable place any more. What does it mean? It means that religion has accepted secular logic and does not see in that acceptance either its fall or even a ‘problem’. For how could religion survive otherwise?”

The Journals of
Father Alexander Schememann
1973-1983



ADMINISTRATOR'S MESSAGE

Our financial operations for the first six months of this year show no adverse impact resulting from adoption of the Resolution at last year's Assembly whereby "the requirement that the churches of the Diocese remit a per capita membership assessment payment to the Diocese be eliminated for calendar year 2010, and thereafter". It was anticipated that 2010 might be a year of "holding the line", with no major new program initiatives being undertaken, and perhaps even "pulling in our horns", if necessary, on prepaying the bank debt of churches in the Managed Loan Pool, and in the repayment amounts on the Church-Friendly Loans. But this hasn't happened: cash reserves have increased since year end and remain at a comfortable working level. A bit of a planning adjustment was made, however, in the area of Chancery Office staffing additions, where a "wait and see" posture seemed prudent until there was a better feel for cash flow and cash reserves needs.

Lifting the assessment was a major expression of confidence that the percentage growth rate in Tithes that has occurred over the past fifteen years would be sustained, if not increased, and that there would be steady growth in the Church Deposit base. Both are happening. In 2009 Tithes were \$552,062, an increase of 12%. The June 30, 2010 total of \$265,033 is 11% above last year, and if historic seasonal trends hold up the total for the full year will be in the \$609-\$618K range. Church Deposits have increased from \$325,279 to \$597,554 over the past twelve months, and the number of participating churches has risen from twelve to nineteen. There are about forty-five churches that are not yet participating, which indicates a considerable growth potential.

We have reached the point where Tithes alone are sufficient to meet the administrative costs of the Diocese, to financially support the OCA, and to meet our budgetary allocation of 25% of Tithe income for Missions and Parish Development. Thus, the Church Deposit program is not necessary for these purposes, and therefore should not be seen as some restyled form of financial support for the Diocese or for the OCA. Rather, it is the means by which the Diocese is able to provide Missions Support of a scope and magnitude that goes far beyond what can be done from Tithes alone. Missions Support programs in general, and the Managed Debt Program in particular, are, in fact, the only reason that it makes sense for the Diocese to pay interest to its churches at the rate of 4.5% at a time when the banks are paying less than one half of one percent.

The Diocese is currently managing the bank debt of eight churches in the aggregate amount of \$2,722,438, and these numbers will continue to grow. Dollar inflows from Church Deposits, and Church-Friendly Loans, can be put to immediate use by paying down higher-cost bank debt. The debtor church is thus benefited by lower interest costs and accelerated debt reduction, the Diocese benefits from an increasing cash flow stream from that church, and the depositor church benefits from higher earnings on its cash reserves. It's simply a matter of pooling idle cash reserves and putting them to work where much work is needed, that is, in the building up of the church.

Access to financing for land acquisition and church construction have been the subject of Resolutions at the past two Assemblies. In 2008 the Diocese was authorized to guarantee church debt, and in 2009 was further authorized to borrow funds on behalf of its churches for the purpose of refinancing debt, property acquisition, and church building construction. As a result, discussions with prospective lenders have become a regular Chancery Office activity, from which we're able to get a better feel of their "take" on the financial strengths and weaknesses of the Diocese, and the extent to which a church loan application is enhanced by our guarantee.

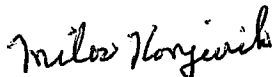
The financial model of the Diocese is quite different from that of other church organizations, and it takes a lot of explanation to convey its evolution and how it works. The Financial Report package contains an array of analytical schedules that address questions raised by the bankers, and others within the church, both inside and outside of our Diocese. The "Developmental Timeline" schedules are particularly useful in showing how our tactics and strategies have evolved and broadened over the past fifteen years in response to the problems, and opportunities, encountered in the course of building the Diocese, and the cumulative effect on the financial numbers being generated today.

Regarding loan applications, it appears that bank lending windows are slowly opening but any weakness in the financial condition of the church applicant will result in a turn down: the guarantee of the Diocese is of no help in these situations. An approved loan is subject to a requirement that the church cover at least 20% of the project cost, and that the loan be guaranteed by local individuals : the guarantee of the Diocese makes the loan more "bankable" but will not be a basis for departure from lending policy guidelines

Some of our churches have had loan turn downs, and in today's environment it is unlikely that one bank will approve an application that another has rejected. A possible alternative is to seek a church-friendly lender, keeping in mind that the Diocesan guarantee is also available for loans from individuals. In situations where borrowing of any magnitude is simply not currently feasible the church, working with the Diocese and the area Dean, will need to formulate an intermediate facilities plan that will enhance church growth. Rental of an existing church property is likely to be the most efficient next step.

The bankers quickly identify increasing Tithe revenues and the degree of commitment to church support, along with the Church Deposit program, as strengths of the Diocese. Eyebrows are raised over the dollar volume of Church-Friendly Loans on the Balance Sheet but they seem to accept the concept as a logical extension of an individual's support for the church. Their analysis of the Income Statement pinpoints recurring Net Income deficits as our primary financial weakness, and that among the three major expense groups it is only the OCA numbers that are out of line. Our explanation that this is a financial obligation of one level of the church to another that can be managed in a way that would not impair the Diocese's ability to honor commitments made to its churches is not very persuasive in a zero risk lending environment. But one banker in particular saw that the Net Income problem will self-correct as Tithes continue to outgrow the financial obligation to the OCA, and appeared to be very open to an eventual financial relationship with the Diocese.

There is every reason to believe that the funding base already in place will continue to grow, and be augmented by external funding sources in the coming years. Moreover, there is a growing awareness within the OCA that its financial health cannot be separated from that of the constituent dioceses. The Strategic Plan that is currently being formulated envisions replacing the membership assessment as the means of church support with tithing or proportional giving, and this measure alone would be of considerable benefit to our Diocese. More importantly, the overall objective of the Strategic Plan is to "capture the visions, goals, culture and structure of the church for the foreseeable future". This is indeed a formidable goal, and the Diocese of the South should be looking forward to assisting in its formulation and to attending the 16th All American Council in the fall of 2011, where the Plan will be presented for adoption.



Milos Konjevich
Administrator and Treasurer

DIocese of the South INCOME STATEMENT	04/01/10 06/30/10	01/01/10 03/31/10	Year 2009	10/01/09 12/31/09	07/01/09 09/30/09	04/01/09 06/30/09	01/01/09 03/31/09
INCOME							
Tithes							
Appalachian Deanery	\$ 16,251	\$ 14,056	\$ 56,316	\$ 16,707	13,344	\$ 11,269	\$ 14,996
Atlanta Deanery	16,233	17,108	73,625	27,441	17,175	15,876	13,133
Carolinas Deanery	24,878	20,546	87,627	28,426	18,639	25,532	15,029
Dallas Deanery	43,807	43,650	201,333	74,239	45,615	40,203	41,275
Miami Deanery	21,188	12,547	54,164	13,302	12,456	17,522	10,884
Orlando Deanery	20,262	14,510	78,996	27,093	18,918	15,119	17,867
Total	\$ 142,617	\$ 122,416	\$ 552,062	\$ 187,209	\$ 126,147	\$ 125,522	\$ 113,184
Membership Assessments	\$ -	\$ -	\$ 157,237	\$ 45,957	\$ 29,843	\$ 44,483	\$ 36,953
Interest	1	2	94	3	4	8	80
Investments	-	-	11,956	(323)	7,336	7,634	(2,692)
TOTAL INCOME	\$ 142,618	\$ 122,418	\$ 721,349	\$ 232,846	\$ 163,331	\$ 177,647	\$ 147,525
EXPENSES							
DIOCESAN ADMINISTRATION							
Payroll	\$ 35,913	\$ 37,325	\$ 184,878	\$ 36,395	\$ 45,882	\$ 47,283	\$ 55,317
Travel	1,859	7,008	20,917	4,906	3,991	7,967	4,053
Building & Grounds	4,565	3,829	6,977	2,010	2,345	1,459	1,163
Administrative & Office	1,754	2,664	12,893	2,016	6,088	2,560	2,229
Subtotal	\$ 44,091	\$ 50,827	\$ 225,665	\$ 45,327	\$ 58,306	\$ 59,269	\$ 62,763
DIOCESAN SPONSORED ACTIVITIES							
The Dawn	\$ -	\$ -	\$ 6,424	\$ -	\$ 2,300	\$ 2,626	\$ 1,498
Diocesan Assembly	(163)	-	2,827	(1,240)	11,556	(7,489)	-
Clergy Wives Activities	-	-	853	-	853	-	-
Clergy Conference	-	3,705	4,677	-	-	-	4,677
Anglican Dialogue	490	-	874	874	-	-	-
Youth Activities	-	-	995	-	995	-	-
Subtotal	\$ 327	\$ 3,705	\$ 16,650	\$ (366)	\$ 15,704	\$ (4,863)	\$ 6,175
TOTAL DIOCESE	\$ 44,418	\$ 54,532	\$ 242,316	\$ 44,961	\$ 74,010	\$ 54,406	\$ 68,938
ORTHODOX CHURCH IN AMERICA							
Membership Assessment Obligation	\$ 63,604	\$ 63,604	\$ 252,105	\$ 63,026	\$ 63,026	\$ 63,026	\$ 63,026
Metropolitan Council	-	-	1,566	946	-	620	-
TOTAL OCA	\$ 63,604	\$ 63,604	\$ 253,671	\$ 63,972	\$ 63,026	\$ 63,646	\$ 63,026
MISSIONS & PARISH DEVELOPMENT							
Overhead							
Interest Expense-Deposits	\$ 5,571	\$ 4,885	\$ 14,627	\$ 4,458	\$ 3,659	\$ 3,441	\$ 3,068
Interest Expense-Loans	10,327	10,232	33,971	8,342	8,983	8,196	8,450
Subtotal	\$ 15,898	\$ 15,117	\$ 48,598	\$ 12,800	\$ 12,643	\$ 11,637	\$ 11,518
Financial Assistance-Cash Payments							
Planting Grants	\$ 9,000	\$ 26,000	\$ 70,000	\$ 7,000	\$ 6,000	\$ 12,000	\$ 45,000
Budget Support	388	-	449	-	-	-	449
Building Program Support	-	-	6,000	-	-	-	6,000
Priest Moving Expenses	-	-	12,028	-	7,362	4,666	-
Priest Seminary Debt	2,291	3,058	16,797	2,994	3,715	6,074	4,015
Clergy Assistance	1,721	1,147	-	-	-	-	-
Subtotal	\$ 13,400	\$ 30,205	\$ 105,274	\$ 9,994	\$ 17,077	\$ 22,740	\$ 55,463
Financial Assistance-Tithe Credits							
Building Program Support	\$ 13,899	\$ 15,418	\$ 47,324	\$ 15,428	\$ 10,685	\$ 10,901	\$ 10,310
Debt Support	29,258	27,651	91,898	24,398	21,168	24,893	21,439
Budget Support	750	1,037	8,231	3,643	3,648	940	-
Facilities Improvement Support	3,595	3,711	13,397	11,557	1,840	-	-
Priest Moving Expenses	5,415	627	-	-	-	-	-
Land Acquisition Support	-	-	12,704	-	2,422	4,903	5,379
Subtotal	\$ 52,916	\$ 48,443	\$ 173,554	\$ 55,026	\$ 39,764	\$ 41,636	\$ 37,129
Total Overhead & Financial Assistance	\$ 82,214	\$ 93,765	\$ 327,427	\$ 77,820	\$ 69,483	\$ 76,013	\$ 104,110
Less-25% Equalization Adjustment	(46,560)	(63,161)	(150,102)	(19,529)	(30,486)	(33,512)	(66,576)
TOTAL MISSIONS	\$ 35,654	\$ 30,604	\$ 177,324	\$ 58,291	\$ 38,997	\$ 42,501	\$ 37,534
TOTAL EXPENSES	\$ 143,676	\$ 148,740	\$ 673,311	\$ 167,225	\$ 176,034	\$ 160,553	\$ 169,499
NET INCOME	\$ (1,058)	\$ (26,322)	\$ 48,038	\$ 65,621	\$ (12,703)	\$ 17,094	\$ (21,973)

DIOCESE OF THE SOUTH							
<u>BALANCE SHEET</u>							
	<u>6/30/2010</u>	<u>3/31/2010</u>	<u>12/31/2009</u>	<u>9/30/2009</u>	<u>6/30/2009</u>	<u>3/31/2009</u>	<u>12/31/2008</u>
ASSETS							
Current Assets							
Cash	\$115,325	\$157,720	\$100,300	\$ 68,169	\$171,406	\$ 192,746	\$ 327,624
Income Earned, Not Collected	17,207	17,749	62,393	220	220	485	53,804
Prepaid Expense	251	551	2,956	1,785	2,121	6	6,006
Investments-Market Value	-	-	-	47,966	40,630	32,996	35,687
Total Current Assets	\$132,783	\$176,021	\$165,649	\$118,140	\$ 214,378	\$ 226,233	\$ 423,121
Loans & Advances							
Advances (Note 1)							
All Saints, Victoria	\$ 1,081	\$ 4,673	\$ 9,000	\$ -	\$ -	\$ -	\$ -
Holy New Martyrs, Georgetown	3,496	4,180	-	-	-	-	-
St Basil, Wilmington	26,099	17,568	18,690	-	-	-	-
St Cyril of Jerusalem	131	3,093	-	-	-	-	-
St Seraphim, Memphis	3,342	748	1,785	23,088	4,076	5,016	-
St Tikhon, Chattanooga	6,192	-	-	-	-	-	-
Subtotal	\$ 40,341	\$ 30,262	\$ 29,475	\$ 23,088	\$ 4,076	\$ 5,016	\$ -
Primary Loans (Note 2)							
St Maximus, Denton	\$ 94,107	\$ 97,882	\$ 99,833	\$ 102,567	\$ 103,911	\$ 107,991	\$ 111,634
St Paul, Denison	118,091	116,857	119,106	120,184	122,092	124,005	132,669
St Sava, Plano	49,366	51,214	56,124	26,819	2,526	7,429	12,808
St Seraphim, Dallas	386,022	403,182	428,900	459,210	406,092	431,289	-
Subtotal	\$ 647,585	\$ 669,134	\$ 703,963	\$ 708,779	\$ 634,621	\$ 670,714	\$ 257,110
Subordinated Loans (Note 3)							
All Saints, Albuquerque	\$ 161,231	\$ 143,687	\$ 146,054	\$ 118,741	\$ -	\$ -	\$ -
Auxiliary Bishop	42,798	42,798	42,798	42,798	42,798	42,798	42,798
Holy Apostles, Bixby	52,059	53,519	54,623	56,138	58,466	59,911	59,025
Holy Ascension, Charleston	23,448	24,090	-	-	-	-	-
Holy Trinity, Safety Harbor	196,990	185,553	173,125	66,265	59,065	51,750	47,350
St Barbara, Ft Worth	122,851	118,035	115,773	113,973	112,205	117,630	120,439
St Cyprian, Richmond	67,045	69,084	72,265	77,148	79,674	81,659	37,762
St Gregory, Moundville	7,304	7,001	7,325	7,298	9,244	891	1,069
St Innocent, Macon	109,828	112,891	116,168	119,673	123,024	127,328	9,575
St John Damascus, Tyler	(2,650)	(600)	-	-	-	-	-
St Mary Magdalene, Rincon	38,483	39,163	39,563	40,430	42,445	43,060	44,349
St Philip, Tampa	6,846	4,929	5,380	3,780	1,918	1,814	-
St Raphael, Inverness	21,763	22,467	15,173	6,548	8,673	11,311	-
Subtotal	\$ 847,997	\$ 822,615	\$ 788,247	\$ 652,792	\$ 537,513	\$ 538,153	\$ 362,367
Managed Loan Pool (Note 4)							
Holy Apostles, Bixby	\$ 272,814	\$ 279,608	\$ 286,354	\$ 292,363	\$ 298,442	\$ 305,765	\$ 319,010
Holy Ascension, Charleston	744,630	748,452	-	-	-	-	-
Holy Trinity, Safety Harbor	285,841	292,283	302,582	-	-	-	-
St Barbara, Ft Worth	665,283	670,430	675,716	680,813	-	-	-
St Gregory, Moundville (Guaranteed)	270,689	273,331	275,855	278,699	279,667	290,811	293,383
St John Damascus, Tyler (Pending)	-	-	-	-	-	-	-
St Mary Magdalene, Rincon	107,693	111,884	114,944	117,569	118,688	122,082	139,408
St Philip, Tampa	309,603	310,880	312,138	313,378	314,599	315,802	316,986
St Raphael, Inverness	65,886	68,790	79,464	-	-	-	-
Subtotal	\$2,722,438	\$2,755,659	\$2,047,053	\$1,682,822	\$1,011,395	\$1,034,458	\$1,068,787
Total Loans & Advances	\$4,258,362	\$4,277,671	\$3,568,738	\$3,067,481	\$2,187,606	\$2,248,341	\$1,688,264
Other Assets							
Chancery Office Property	\$ 210,000	\$ 210,000	\$ 210,000	\$ 210,000	\$ 210,000	\$ 210,000	\$ 210,000
Deferred Charge - Priest Service Book	4,368	4,519	4,722	5,005	5,005	5,005	5,005
TOTAL ASSETS	\$4,605,513	\$4,668,210	\$3,949,110	\$3,400,627	\$2,616,989	\$2,689,579	\$2,326,391

DIOCESE OF THE SOUTH
BALANCE SHEET(Continued)

<u>LIABILITIES</u>	<u>6/30/2010</u>	<u>3/31/2010</u>	<u>12/31/2009</u>	<u>9/30/2009</u>	<u>6/30/2009</u>	<u>3/31/2009</u>	<u>12/31/2008</u>
Accounts Payable	\$ 3,301	\$ 4,411	\$ 1,098	\$ 3,872	\$ 1,482	\$ 280	\$ 24,638
Church Deposits							
All Saints, Albuquerque	\$ 172,752	\$ 151,836	\$ 150,985	\$ 120,210	\$ -	\$ -	\$ -
Carolinas Deanery Missions Fund	11,588	15,219	13,341	16,605	16,326	15,216	14,266
Dormition, Norfolk	32,582	30,685	20,046	-	-	-	-
Holy Cross, Greensboro	11,605	11,476	11,348	8,087	8,003	-	-
Holy Resurrection, Aiken	10,065	9,936	9,841	8,310	8,217	8,125	8,035
St Anne, Oak Ridge	-	-	-	-	-	59,589	62,946
St Athanasius, Nicholasville	10,381	10,265	10,151	10,038	-	-	-
St George & Alexandra, Ft Smith	25,481	25,196	-	-	-	-	-
St Innocent, Macon	150,802	142,913	127,189	125,542	123,914	122,322	-
St John Damascus, Tyler	15,038	14,870	14,704	19,205	16,412	-	-
St John Ladder, Piedmont	20,150	-	(1,000)	2,000	-	500	4,000
St Jonah Mission Station, Alpine	1,106	1,094	1,082	1,070	1,058	1,046	1,034
St Maximus, Denton	48,140	47,603	47,071	46,546	46,026	45,512	45,500
St Philip, Tampa	16,017	15,838	15,662	15,487	15,314	7,671	5,094
St Raphael, Inverness	10,132	10,075	10,019	-	-	-	-
St Sava, Plano	15,395	15,223	25	17,989	17,788	-	-
St Seraphim, Dallas	-	(8,977)	(2,197)	5,764	24,216	30,705	44,306
St Seraphim, Memphis	4,215	4,168	4,122	4,076	4,030	-	-
St Tikhon, Chattanooga	1,127	432	-	-	-	-	-
St Timothy, Toccoa	40,978	45,483	44,975	44,473	43,977	43,486	43,000
Subtotal	\$ 597,554	\$ 543,336	\$ 477,362	\$ 445,400	\$ 325,279	\$ 334,171	\$ 228,181
Church-Friendly Loans (Note 5)	\$ 917,683	\$ 952,634	\$ 921,530	\$ 812,989	\$ 780,099	\$ 805,030	\$ 400,594
Managed Loan Pool Debt (Note 6)	\$2,722,438	\$2,755,659	\$2,047,053	\$1,682,822	\$1,011,395	\$1,034,458	\$1,068,787
Total Liabilities	\$4,240,977	\$4,256,041	\$3,447,044	\$2,945,082	\$2,118,255	\$2,173,939	\$1,722,201
RESERVES & EQUITY							
Missions Reserve (Note 7)	\$ 25,646	\$ 72,206	\$ 135,367	\$ 154,896	\$ 185,382	\$ 218,893	\$ 285,469
Income Collected Not Earned	-	-	430	-	-	-	-
Publications Fund Reserve (Note 8)	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Pastoral School Fund (Note 9)	310,018	310,018	310,018	310,341	308,571	300,936	303,606
General Fund Equity	23,871	24,945	51,251	(14,692)	(218)	(9,189)	10,115
TOTAL RESERVES & EQUITY	\$ 364,536	\$ 412,169	\$ 502,066	\$ 455,545	\$ 498,734	\$ 515,641	\$ 604,190
TOTAL LIABILITIES, EQUITY & RESERVES	\$4,605,513	\$4,668,210	\$3,949,110	\$3,400,627	\$2,616,989	\$2,689,579	\$2,326,391
CONTINGENT LIABILITIES							
Priest Seminary Debt(Note 10)	\$ 76,996	\$ 78,589	\$ 103,777	\$ 104,966	\$ 108,174	\$ 110,454	\$ 119,228

Note 1. Advances represent cash payments for purposes that can broadly be described as "Budget Support". They are noninterest bearing and the balance is reduced from the monthly Tithe payments received from Advancees. 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 monthly 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 payment 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 month preceding. The churches' 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 deducted therefrom, as is their monthly Tithe payment.

BALANCE SHEET(Continued)

Note 5. 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 debt of churches in the Managed Loan Pool. No formal repayment programs have been established but paydowns are being made to accommodate the needs of the lending 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 6. This is the offsetting credit to the Managed Loan Pool asset category. At present, only the debt of St. Gregory is guaranteed by the Diocese but several near term additions are anticipated.

Note 7. The Missions Reserve is credited in each calendar quarter where the Missions and Parish Development expense category total is less than 25% of the Tithes and Assessments received during that quarter, and is charged in each quarter that the 25% benchmark is exceeded. The quarterly entry is shown on the Income Statement as "25% Equalization Adjustment" under the Missions and Parish Development expense category. The Reserve balance reached a peak of \$406,516 in June 2007, and the remaining balance will likely be extinguished before year end.

Note 8. The Publications Reserve represents "seed money" donations for the printing of Archbishop Dmitri's "Priest Service Book". When the costs of the book are fully recovered the proceeds from additional book sales 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 is from 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 parish or mission until such time as the debt is paid in full, provided that the person continues to serve in said capacity. Three priests are currently receiving this benefit.

DIOCESE OF THE SOUTH CASH FLOW STATEMENT	Apr-Jun 2010	Jan-Mar 2010	Oct-Dec 2009	Jul-Sep 2009	Apr-Jun 2009	Jan-Mar 2009
CASH AT BEGINNING OF QUARTER	\$ 160,720	\$ 103,300	\$ 71,169	\$ 174,406	\$ 195,746	\$ 330,624
CASH INCREASE FROM EARNINGS						
Net Income	\$ (1,058)	\$ (26,322)	\$ 65,621	\$ (12,703)	\$ 17,094	\$ (21,973)
Noncash Income & Expenses						
Financial Assistance-Tithe Credits	52,916	48,443	55,758	39,764	41,636	37,129
25% Equalization Adjustment	(46,560)	(63,161)	(19,529)	(30,486)	(33,512)	(66,576)
Unrealized Investment Losses (Gains)	-	-	323	(7,336)	(9,624)	2,692
Subtotal	\$ 5,299	\$ (41,040)	\$ 102,172	\$ (10,762)	\$ 15,595	\$ (48,729)
CASH INCREASE FROM ACCRUALS						
Income Earned, Not Collected	\$ 542	\$ 44,214	\$ (62,173)	\$ -	\$ 265	\$ 53,319
Accounts Payable	(1,110)	3,313	(2,344)	2,390	1,202	(24,359)
Interest Expense Accrued	15,898	15,117	12,800	12,643	11,637	11,518
Prepaid Expense	300	2,404	(1,171)	337	(2,116)	6,000
Deferred Charge - Priest Service Book	150	203	284	-	-	-
Subtotal	\$ 15,781	\$ 65,251	\$ (52,604)	\$ 15,369	\$ 10,989	\$ 46,479
CASH INCREASE FROM INVESTMENTS SOLD	\$ -	\$ -	\$ 47,644	\$ -	\$ -	\$ -
CASH INCREASE FROM DEPOSITS						
Church Deposits	\$ 96,807	\$ 96,386	\$ 113,928	\$ 162,163	\$ 92,426	\$ 152,727
Deposit Withdrawals	(48,426)	(35,280)	(85,884)	(45,701)	(103,190)	(49,660)
Subtotal	\$ 48,381	\$ 61,106	\$ 28,044	\$ 116,462	\$ (10,764)	\$ 103,067
CASH INCREASE FROM CHURCH-FRIENDLY LOANS						
Money Borrowed	\$ 600	\$ 52,217	\$ 126,600	\$ 9,600	\$ 8,400	\$ 1,177
Debt Assumed	2,700	-	-	74,830	-	453,808
Debt Payments	(48,327)	(31,344)	(26,501)	(60,523)	(41,596)	(60,417)
Subtotal	\$ (45,027)	\$ 20,873	\$ 100,099	\$ 23,907	\$ (33,196)	\$ 394,568
CASH (DECREASE) FROM ADVANCES						
Money Advanced	\$ (21,832)	\$ (7,900)	\$ (15,000)	\$ (24,500)	\$ -	\$ (5,016)
Church Payments Received	251	167	-	-	-	-
Subtotal	\$ (21,582)	\$ (7,733)	\$ (15,000)	\$ (24,500)	\$ -	\$ (5,016)
CASH (DECREASE) FROM LOANS						
Direct Loans	\$ -	\$ -	\$ (7,500)	\$ (7,500)	\$ (7,500)	\$ (51,400)
Payments to Church Creditors	(97,894)	(101,999)	(231,001)	(183,480)	(37,258)	(167,354)
Debt Assumed	(2,700)	-	-	(74,830)	-	(453,808)
Church Payments Received	55,348	60,962	60,278	42,097	40,794	47,316
Subtotal	\$ (45,246)	\$ (41,037)	\$ (178,223)	\$ (223,713)	\$ (3,964)	\$ (625,247)
NET INCREASE (DECREASE) IN CASH	\$ (42,395)	\$ 57,420	\$ 32,131	\$ (103,237)	\$ (21,340)	\$ (134,878)
CASH AT END OF QUARTER	\$ 118,325	\$ 160,720	\$ 103,300	\$ 71,169	\$ 174,407	\$ 195,746

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

July 12, 2010

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 2009, as prepared by the treasurer. No material discrepancies between the Financial Statements and the underlying financial records were found.

The bank balances were reconciled to the bank statements. The Income Earned Not Collected Account was reviewed, and each balance owing has subsequently been collected in full or is being paid down on a regular basis.

Respectfully submitted,



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

DIOCESE OF THE SOUTH 2009 BUDGET REPORT & 2011 BUDGET	2009 Budget	2009 Actual	Proposed 2011 Budget
REVENUES			
Tithes	\$ 597,249	\$ 552,062	\$ 684,557
Church Membership Assessments	213,518	157,237	-
Missions	300	-	-
Interest & Investments	25,000	12,050	-
All Other	3,000	-	-
TOTAL REVENUES	\$ 839,067	\$ 721,349	\$ 684,557
EXPENSES			
DIOCESAN ADMINISTRATION			
Payroll			
Archbishop	\$ 20,288	\$ 20,288	\$ -
Locum Tenems	25,200	24,900	33,600
Archbishop Secretary	28,096	28,096	-
Chancellor	55,601	55,094	55,094
Administrator/Treasurer/Bookkeeper	18,000	18,000	18,000
Chancery Assistant	40,000	-	45,000
Dean Stipends	42,000	38,500	36,000
Subtotal	\$ 229,185	\$ 184,878	\$ 187,694
Travel			
Archbishop	\$ 10,000	\$ 1,923	\$ -
Locum Tenems	10,000	1,501	10,000
Chancellor	750	1,656	2,500
Administrator/Treasurer	750	3,584	5,000
Diocesan Council	2,000	6,573	7,500
Deans	-	4,654	6,000
Invitational	3,500	1,074	5,000
Subtotal	\$ 27,000	\$ 20,963	\$ 36,000
Building & Grounds			
Insurance	\$ 1,800	\$ 1,352	\$ 2,400
Landscaping	1,000	840	720
Pest Control	400	315	299
Maintenance & Repairs	3,000	607	3,000
Utilities	3,000	3,863	4,000
Chancery Office Reconfiguration	10,000	-	5,000
Subtotal	\$ 19,200	\$ 6,977	\$ 15,419
Office & Administrative Expense			
Equipment	\$ 2,500	\$ 2,778	\$ 3,000
Copying & Printing	1,500	2,710	2,500
Cleaning Service	-	-	2,340
Telephone	4,500	2,036	2,000
Web Site	-	900	-
Postage	1,500	712	1,500
Office Supplies	2,000	711	1,500
Legal	-	451	500
Audit	-	300	300
Other	1,000	1,005	-
Subtotal	\$ 10,500	\$ 11,603	\$ 13,640
Diocesan Sponsored Activities			
The Dawn	\$ 10,000	\$ 6,424	\$ -
Anglican Dialogue	-	962	1,500
Diocesan Assembly	5,000	2,827	5,000
Clergy Conference	7,000	4,677	5,000
Clergy Wives Programs	3,000	853	1,500
Hospitality	-	1,157	2,000
Youth Programs	5,000	995	2,500
Subtotal	\$ 30,000	\$ 17,895	\$ 17,500
Total	\$ 315,885	\$ 242,316	\$ 270,253
ORTHODOX CHURCH IN AMERICA			
Diocesan Assessment (2,438 @\$105)	\$ 257,250	\$ 252,105	\$ 255,990
Metropolitan Council	1,500	1,566	1,500
Personal Assistance Program	1,800	-	-
Total	\$ 260,550	\$ 253,671	\$ 257,490
NET INCOME BEFORE PARISH & MISSIONS DEVELOPMENT	\$ 262,632	\$ 225,363	\$ 156,814
MISSIONS & PARISH DEVELOPMENT (25% of Tithes)	\$ 202,692	\$ 327,426	\$ 171,139
BUDGET SURPLUS (DEFICIT)	\$ -59,940	\$ (102,064)	\$ (14,325)
Cash Flow Adjustments to M&PD			
Tithe Credits		\$ 173,554	
Interest Accrued		48,598	
Pro Rata 25% Equalization Adjustment		(72,051)	
NET INCOME		\$ 48,038	\$ (14,325)

DIocese of the South TITHES REPORT- By Church	Jul 09 2010	Year 2009	Year 2008	Year 2007	Year 2006	Year 2005
St Seraphim Orthodox Cathedral, Dallas	\$ 17,022	\$ 33,632	\$ 35,862	\$ 32,606	\$ 43,472	\$ 31,528
St Justin Martyr, Jacksonville	12,752	33,985	34,355	32,234	33,791	24,787
St Anne, Oak Ridge	9,072	15,549	12,436	14,816	14,465	10,092
St John of the Ladder, Piedmont	8,990	15,459	14,719	30,007	15,743	11,605
St Symeon the New Theologian, Birmingham	8,505	18,168	11,559	10,500	6,700	5,400
Holy Ascension, Mt Pleasant	8,439	15,411	11,464	10,184	9,237	6,919
Holy Spirit, Venice	8,069	9,548	8,467	7,565	1,005	1,500
Holy Apostles, Columbia	7,745	17,886	16,022	22,014	14,754	15,333
St Stephen the Protomartyr, Orlando	7,709	16,667	27,869	23,071	25,327	21,426
St John the Wonderworker, Atlanta	7,444	15,633	15,131	17,189	17,634	12,978
St Barbara, Ft Worth	7,331	16,411	16,557	20,447	18,636	14,331
St Innocent, Macon	7,161	13,485	13,790	10,727	1,000	-
Nativity of the Holy Virgin, Charlotte	6,741	12,825	12,226	12,283	13,130	11,862
Orthodox Church of St Herman of Alaska, Lake Worth	6,506	3,808	1,695	1,869	-	-
St Cyprian of Carthage, Richmond	6,415	11,325	13,234	26,727	24,664	9,026
Holy Apostles, Bixby	6,157	14,015	10,445	7,871	4,937	4,632
Orthodox Cathedral of Christ the Savior, Miami	5,855	16,616	23,329	21,052	9,749	8,266
St Mary of Egypt, Atlanta	5,807	14,428	14,554	11,914	15,509	10,734
St Athanasius, Nicholasville	5,454	9,640	8,148	5,297	2,834	4,904
Holy Resurrection, Clinton	5,276	11,205	9,656	9,056	9,582	5,782
St Sava, Plano	4,857	20,291	19,241	25,915	14,559	7,748
All Saints of North America, Albuquerque	4,823	8,333	8,137	6,714	6,805	4,553
St Raphael of Brooklyn, Inverness	4,571	7,425	4,646	4,436	3,821	1,609
St Cyril of Jerusalem, The Woodlands	4,323	8,367	8,454	1,884	3,127	1,184
St Maximus the Confessor, Denton	4,229	9,753	8,500	12,022	4,030	1,645
Christ the Savior, McComb	4,138	5,918	5,622	7,451	4,430	6,090
St George & Alexandra, Ft Smith	3,980	5,988	5,807	606	584	-
All Saints, Victoria	3,919	25,103	4,528	1,391	-	-
Holy Transfiguration, Raleigh	3,896	4,774	4,763	4,946	6,321	6,138
St Nicholas, Ft Lauderdale	3,886	5,142	4,958	7,143	2,457	3,034
St James, Port St Lucie	3,871	6,794	6,769	12,380	586	4,753
St Paul the Apostle, Denison	3,812	4,182	4,708	3,143	2,081	1,888
St Mary Magdalene, Rincon	3,785	5,635	3,821	1,228	609	2,954
St Jonah the Wonderworker of Moscow, Alpine	3,762	4,461	768	-	-	-
Exaltation of the Holy Cross, Greensboro	3,548	7,129	7,142	6,090	2,826	-
St Anthony the Great, San Antonio	3,473	12,646	6,446	9,792	10,912	11,404
St Philip The Apostle, Tampa	3,380	5,569	6,552	3,681	2,192	-
St Tikhon of Moscow, Chattanooga	3,220	3,786	4,122	3,035	3,592	-
St John of Damascus, Tyler	3,061	5,989	4,493	1,908	494	-
St Demetrius, Naples	2,885	4,483	903	4,256	-	-
St George the Great Martyr, Pharr	2,745	4,930	3,728	1,271	1,400	1,000
St Peter The Apostle, Jupiter	2,631	4,832	3,947	3,626	3,186	1,378
St Timothy, Toccoa	2,538	4,890	3,538	26,447	4,205	1,939
Dormition of the Holy Virgin Mary, Norfolk	2,373	4,399	4,102	4,696	4,776	2,419
St Andrew the First-Called, New Port Richey	2,225	6,582	5,466	5,615	5,902	4,652
St Seraphim, Memphis	2,052	4,181	3,775	2,600	2,297	2,853
St Basil the Great, Wilmington	2,017	2,913	1,245	-	-	-
St Matthew the Apostle, Baton Rouge	1,996	3,082	2,673	407	-	-
Holy New Martyrs of Russia, Georgetown	1,790	1,992	-	-	-	-
Orthodox Church of the Holy Trinity, Safety Harbor	1,541	1,145	2,650	2,663	576	-
Holy Resurrection, Aiken	1,517	4,659	4,194	3,035	-	-
St Simeon, Titusville	1,442	2,751	3,253	3,779	3,760	3,651
St Gregory the Theologian, Moundville	1,442	2,882	2,548	1,997	1,568	1,402
Protection of the Virgin Mary, Clarksville	1,415	3,469	2,761	-	-	-
Protecting Veil of the Most Holy Theotokos, Kerrville	1,311	2,473	841	-	-	-
St Alexis of Wilkes-Barre, Palm Coast	1,168	1,889	1,343	1,245	1,514	1,500
St Andrew, Ashland	1,157	3,966	4,782	4,409	6,805	5,271
Holy Cross, Ft Myers	770	2,943	2,813	2,740	2,429	2,690
St Dimitri of Rostov, Los Alamos	697	2,563	1,687	1,961	2,112	2,064
St Mark, Bradenton	600	1,346	-	1,514	5,875	1,510
St Nicholas, Fayetteville	503	1,681	1,203	415	-	-
St Constantine & Helen, Helena	428	916	827	266	821	-
St John Chrysostom, Columbus	100	-	150	-	-	-
St John the Theologian, Gainesville	-	1,638	-	-	-	-
St Luke, Anniston	-	2,478	1,400	2,200	-	-
St George's, Edenton	-	-	837	1,394	276	-
St Michael the Archangel, Houston	-	-	2,169	4,956	4,125	-
St Cyril & Methodius, Hartshorne	-	-	-	-	205	947
St Peter & Paul, Miami	-	-	-	-	900	1,200
Totals	\$270,328	\$552,062	\$493,833	\$522,686	\$404,328	\$ 298,580

DIOCESE OF THE SOUTH TITHES REPORT-By Deanery	Jul 9 2010	Year 2009	Year 2008	Year 2007	Year 2006	Year 2005
Appalachians Deanery						
St Anne, Oak Ridge	\$ 9,072	\$ 15,549	\$ 12,436	\$ 14,816	\$ 14,465	\$ 10,092
St Cyprian of Carthage, Richmond	6,415	11,325	13,234	26,727	24,664	9,026
St Athanasius, Nicholasville	5,454	9,640	8,148	5,297	2,834	4,904
St Tikhon of Moscow, Chattanooga	3,220	3,786	4,122	3,035	3,592	
Dormition of the Holy Virgin Mary, Norfolk	2,373	4,399	4,102	4,696	4,776	2,419
St Seraphim, Memphis	2,052	4,181	3,775	2,600	2,297	2,853
Protection of the Virgin Mary, Clarksville	1,415	3,469	2,761	-	-	-
St Andrew, Ashland	1,157	3,966	4,782	4,409	6,805	5,271
Subtotal	\$ 31,158	\$ 56,316	\$ 53,362	\$ 61,581	\$ 59,434	\$ 34,565
% Increase	9%	6%	-13%	4%	72%	2%
Atlanta Deanery						
St Symeon the New Theologian, Birmingham	\$ 8,505	\$ 18,168	\$ 11,559	\$ 10,500	\$ 6,700	\$ 5,400
St John the Wonderworker, Atlanta	7,444	15,633	15,131	17,189	17,634	12,978
St Innocent, Macon	7,161	13,485	13,790	10,727	1,000	-
St Mary of Egypt, Atlanta	5,807	14,428	14,554	11,914	15,509	10,734
St Mary Magdalene, Rincon	3,785	5,635	3,821	1,228	609	2,954
St Gregory the Theologian, Moundville	1,442	2,882	2,548	1,997	1,568	1,402
St Constantine & Helen, Helena	428	916	827	266	821	-
St John Chrysostom, Columbus	100	-	150	-	-	-
St Luke, Anniston	-	2,478	1,400	2,200	-	-
Subtotal	\$ 34,671	\$ 73,625	\$ 63,781	\$ 56,022	\$ 43,841	\$ 33,469
% Increase	12%	15%	14%	28%	31%	9%
Carolinas Deanery						
Holy Apostles, Columbia	\$ 7,745	\$ 17,886	\$ 16,022	\$ 22,014	\$ 14,754	\$ 15,333
St John of the Ladder, Piedmont	8,990	15,459	14,719	30,007	15,743	11,605
Holy Ascension, Mt Pleasant	8,439	15,411	11,464	10,184	9,237	6,919
Nativity of the Holy Virgin, Charlotte	6,741	12,825	12,226	12,283	13,130	11,862
Holy Transfiguration, Raleigh	3,896	4,774	4,763	4,946	6,321	6,138
Holy Cross, Greensboro	3,548	7,129	7,142	6,090	2,826	-
St Timothy, Toccoa	2,538	4,890	3,538	26,447	4,205	1,939
St Basil, Wilmington	2,017	2,913	1,245	-	-	-
Holy Resurrection, Aiken	1,517	4,659	4,194	3,035	-	-
St Nicholas, Fayetteville	503	1,681	1,203	415	-	-
St George's, Edenton	-	-	837	1,394	276	-
Subtotal	\$ 45,935	\$ 87,627	\$ 77,354	\$ 116,814	\$ 66,492	\$ 53,796
% Increase	10%	13%	-34%	76%	24%	35%
Dallas Deanery						
St Seraphim Orthodox Cathedral, Dallas	\$ 17,022	\$ 33,632	\$ 35,862	\$ 32,606	\$ 43,472	\$ 31,528
St Barbara, Ft Worth	7,331	16,411	16,557	20,447	18,636	14,331
Holy Apostles, Bixby	6,157	14,015	10,445	7,871	4,937	4,632
Holy Resurrection, Clinton	5,276	11,205	9,656	9,056	9,582	5,782
St Sava, Plano	4,857	20,291	19,241	25,915	14,559	7,748
All Saints of North America, Albuquerque	4,823	8,333	8,137	6,714	6,805	4,553
St Cyril of Jerusalem, The Woodlands	4,323	8,367	8,454	1,884	3,127	1,184
St Maximus the Confessor, Denton	4,229	9,753	8,500	12,022	4,030	1,645
Christ the Savior, McComb	4,138	5,918	5,622	7,451	4,430	6,090
St George & Alexandra, Ft Smith	3,980	5,988	5,807	606	584	-
All Saints, Victoria	3,919	25,103	4,528	1,391	-	-
St Paul the Apostle, Denison	3,812	4,182	4,708	3,143	2,081	1,888
St Jonah the Wonderworker of Moscow, Alpine	3,762	4,461	768	-	-	-
St Anthony the Great, San Antonio	3,473	12,646	6,446	9,792	10,912	11,404
St John of Damascus, Tyler	3,061	5,989	4,493	1,908	494	-
St George the Great Martyr, Pharr	2,745	4,930	3,728	1,271	1,400	1,000
St Matthew the Apostle, Baton Rouge	1,996	3,082	2,673	407	-	-
Holy New Martyrs of Russia, Georgetown	1,790	1,992	-	-	-	-
Protecting Veil of the Most Holy Theotokos, Kerrville	1,311	2,473	841	-	-	-
St Dimitri of Rostov, Los Alamos	697	2,563	1,687	1,961	2,112	2,064
St Michael the Archangel, Houston	-	-	2,169	4,956	4,125	-
St Cyril & Methodius, Hartshorne	-	-	-	-	205	947
Subtotal	\$ 88,703	\$ 201,333	\$ 160,322	\$ 149,399	\$ 131,491	\$ 94,795
% Increase	4%	26%	7%	14%	39%	4%

DIOCESE OF THE SOUTH TITHES REPORT-By Deanery (Continued)	Jul 9 2010	Year 2009	Year 2008	Year 2007	Year 2006	Year 2005
Miami Deanery						
Holy Spirit, Venice	\$ 8,069	\$ 9,548	\$ 8,467	\$ 7,565	\$ 1,005	\$ 1,500
Orthodox Church of St Herman of Alaska, Lake Worth	6,506	3,808	1,695	1,869	-	-
Orthodox Cathedral of Christ the Savior, Miami	5,855	16,616	23,329	21,052	9,749	8,266
St Nicholas, Ft Lauderdale	3,886	5,142	4,958	7,143	2,457	3,034
St James, Port St Lucie	3,871	6,794	6,769	12,380	586	4,753
St Demetrius, Naples	2,885	4,483	903	4,256	-	-
St Peter The Apostle, Jupiter	2,631	4,832	3,947	3,626	3,186	1,378
Holy Cross, Ft Myers	770	2,943	2,813	2,740	2,429	2,690
St Peter & Paul, Miami	-	-	-	-	900	1,200
Subtotal	\$ 34,474	\$ 54,164	\$ 52,881	\$ 60,632	\$ 20,312	\$ 22,820
% Increase	21%	2%	-13%	198%	-11%	10%
Orlando Deanery						
St Justin Martyr, Jacksonville	\$ 12,752	\$ 33,985	\$ 34,355	\$ 32,234	\$ 33,791	\$ 24,787
St Stephen the Protomartyr, Orlando	7,709	16,667	27,869	23,071	25,327	21,426
St Raphael of Brooklyn , Inverness	4,571	7,425	4,646	4,436	3,821	1,609
St Philip the Apostle, Tampa	3,380	5,569	6,552	3,681	2,192	-
St Andrew the First-Called, New Port Richey	2,225	6,582	5,466	5,615	5,902	4,652
Orthodox Church of the Holy Trinity, Safety Harbor	1,541	1,145	2,650	2,663	576	-
St Simeon, Titusville	1,442	2,751	3,253	3,779	3,760	3,651
St Alexis of Wilkes-Barre, Palm Coast	1,168	1,889	1,343	1,245	1,514	1,500
St Mark, Bradenton	600	1,346	-	1,514	5,875	1,510
St John the Theologian, Gainesville	-	1,638	-	-	-	-
Subtotal	\$ 35,388	\$ 78,996	\$ 86,133	\$ 78,238	\$ 82,757	\$ 59,135
% Increase	4%	-8%	10%	-5%	40%	0%
Total-All Deaneries	\$270,328	\$552,062	\$493,833	\$522,686	\$404,328	\$298,580
% Increase	12%	12%	-6%	29%	35%	9%

DIOCESE OF THE SOUTH
TITHES REPORT-By Year Established

	Year Established	Jul 9 2010	Year 2009	Year 2008	Year 2007	Year 2006
Pre 1980 Group						
St Cyril & Methodius, Hartshorne	1897	\$ -	\$ -	\$ -	-	\$ 205
St Peter & Paul, Miami	1951	-	-	-	-	900
St Seraphim Orthodox Cathedral, Dallas	1954	17,022	33,632	35,862	32,606	43,472
St Nicholas, Ft Lauderdale	1961	3,886	5,142	4,958	7,143	2,457
Orthodox Cathedral of Christ the Savior, Miami	1962	5,855	16,616	23,329	21,052	9,749
Orthodox Church of the Holy Trinity, Safety Harbor	1964	1,541	1,145	2,650	2,663	576
St Simeon, Titusville	1966	1,442	2,751	3,253	3,779	3,760
St Stephen the Protomartyr, Orlando	1969	7,709	16,667	27,869	23,071	25,327
St James, Port St Lucie	1973	3,871	6,794	6,769	12,380	586
Orthodox Church of St Herman of Alaska, Lake Worth	1973	6,506	3,808	1,695	1,869	-
St Cyprian of Carthage, Richmond	1974	6,415	11,325	13,234	26,727	24,664
Holy Cross, Ft Myers	1975	770	2,943	2,813	2,740	2,429
St Andrew the First-Called, New Port Richey	1976	2,225	6,582	5,466	5,615	5,902
St Symeon the New Theologian, Birmingham	1977	8,505	18,168	11,559	10,500	6,700
St Mary of Egypt, Atlanta	1977	5,807	14,428	14,554	11,914	15,509
Holy Resurrection, Clinton	1977	5,276	11,205	9,656	9,056	9,582
St Barbara, Ft Worth	1978	7,331	16,411	16,557	20,447	18,636
Dormition of the Holy Virgin Mary, Norfolk	1978	2,373	4,399	4,102	4,696	4,776
St Anthony the Great, San Antonio	1979	3,473	12,646	6,446	9,792	10,912
St George the Great Martyr, Pharr	1979	2,745	4,930	3,728	1,271	1,400
St Mark, Bradenton	1979	600	1,346	-	1,514	5,875
St Gregory the Great, Raleigh	1979	-	-	-	-	-
St Ambrose of Milan, Roanoke	1979	-	-	-	-	-
Subtotal		\$ 93,351	\$ 190,937	\$ 194,500	\$ 208,835	\$ 193,416
Percent of Total Tithes		35%	35%	39%	40%	48%

	Year Established	Jul 9 2010	Year 2009	Year 2008	Year 2007	Year 2006
1980's Group						
Nativity of the Holy Virgin, Charlotte	1981	\$ 6,741	\$ 12,825	\$ 12,226	\$ 12,283	\$ 13,130
Holy Apostles, Columbia	1982	7,745	17,886	16,022	22,014	14,754
St Demetrius, Naples	1982	2,885	4,483	903	4,256	-
St Michael the Archangel, Houston	1982	-	-	2,169	4,956	4,125
St John the Theologian, Gainesville	1983	-	1,638	-	-	-
St John of the Ladder, Piedmont	1985	8,990	15,459	14,719	30,007	15,743
Holy Spirit, Venice	1985	8,069	9,548	8,467	7,565	1,005
St Sava, Plano	1988	4,857	20,291	19,241	25,915	14,559
St Justin Martyr, Jacksonville	1989	12,752	33,985	34,355	32,234	33,791
St Mary Magdalene, Rincon	1989	3,785	5,635	3,821	1,228	609
St Gregory the Theologian, Moundville	1989	1,442	2,882	2,548	1,997	1,568
Subtotal		\$ 57,266	\$ 124,631	\$ 114,473	\$ 142,455	\$ 99,285
Percent of Total Tithes		21%	23%	23%	27%	25%

	Year Established	Jul 9 2010	Year 2009	Year 2008	Year 2007	Year 2006
1990's Group						
St Dimitri of Rostov, Los Alamos	1990	\$ 697	\$ 2,563	\$ 1,687	\$ 1,961	\$ 2,112
All Saints of North America, Albuquerque	1993	4,823	8,333	8,137	6,714	6,805
Holy Dormition, Santa Fe	1993	-	-	-	-	-
St Nicholas, Fayetteville	1994	503	1,681	1,203	415	-
St Alexis of Wilkes-Barre, Palm Coast	1995	1,168	1,889	1,343	1,245	1,514
St Innocent, Macon	1996	7,161	13,485	13,790	10,727	1,000
St George & Alexandra, Ft Smith	1996	3,980	5,988	5,807	606	584
St John the Evangelist, Lawrenceville	1997	-	-	-	-	-
St Anne, Oak Ridge	1998	9,072	15,549	12,436	14,816	14,465
Our Lady the Joy of All-Who Sorrow, Alpharetta	1998	-	-	-	-	-
St John Chrysostom, Columbus	1998	100	-	150	-	-
Subtotal		\$ 27,505	\$ 49,489	\$ 44,552	\$ 36,485	\$ 26,481
Percent of Total Tithes		10%	9%	9%	7%	7%

TITHES REPORT BY YEAR ESTABLISHED (Continued)

2000's Group	Year Established	Jul 9 2010	Year 2009	Year 2008	Year 2007	Year 2006
St John the Wonderworker, Atlanta	2000	\$ 7,444	\$ 15,633	\$ 15,131	\$ 17,189	\$ 17,634
Holy Transfiguration, Raleigh	2000	3,896	4,774	4,763	4,946	6,321
St Maximus the Confessor, Denton	2001	4,229	9,753	8,500	12,022	4,030
St Seraphim, Memphis	2001	2,052	4,181	3,775	2,600	2,297
St Andrew, Ashland	2001	1,157	3,966	4,782	4,409	6,805
St Herman, Charlottesville	2001	-	-	-	-	-
Holy Ascension, Mt Pleasant	2002	8,439	15,411	11,464	10,184	9,237
St Athanasius, Nicholasville	2002	5,454	9,640	8,148	5,297	2,834
St Raphael Of Brooklyn, Inverness	2002	4,571	7,425	4,646	4,436	3,821
St Timothy, Toccoa	2002	2,538	4,890	3,538	26,447	4,205
St Constantine & Helen, Helena	2002	428	916	827	266	821
St Gabriel, Oklahoma City	2002	-	-	-	-	-
St Paul the Apostle, Denison	2003	3,812	4,182	4,708	3,143	2,081
St Tikhon of Moscow, Chattanooga	2003	3,220	3,786	4,122	3,035	3,592
Holy Apostles, Bixby	2004	6,157	14,015	10,445	7,871	4,937
Christ the Savior, McComb	2004	4,138	5,918	5,622	7,451	4,430
St Cyril of Jerusalem, The Woodlands	2005	4,323	8,367	8,454	1,884	3,127
St Philip The Apostle, Tampa	2005	3,380	5,569	6,552	3,681	2,192
St Peter The Apostle, Jupiter	2005	2,631	4,832	3,947	3,626	3,186
Tallahassee Mission	2005	-	-	-	-	-
Exaltation of the Holy Cross, Greensboro	2006	3,548	7,129	7,142	6,090	2,826
St John of Damascus, Tyler	2006	3,061	5,989	4,493	1,908	494
Holy Resurrection, Aiken	2006	1,517	4,659	4,194	3,035	-
St George's, Edenton	2006	-	-	837	1,394	276
All Saints, Victoria	2007	3,919	25,103	4,528	1,391	-
St Luke, Anniston	2007	-	2,478	1,400	2,200	-
St Jonah the Wonderworker of Moscow, Alpine	2008	3,762	4,461	768	-	-
Protection Of The Virgin Mary, Clarksville	2008	1,415	3,469	2,761	-	-
St Basil the Great, Wilmington	2008	2,017	2,913	1,245	-	-
Protecting Veil of the Most Holy Theotokos, Kerrville	2008	1,311	2,473	841	-	-
Holy New Martyrs of Russia, Georgetown	2008	1,790	1,992	-	-	-
St Matthew The Apostle, Baton Rouge	2009	1,996	3,082	2,673	407	-
Subtotal		\$ 92,206	\$ 187,005	\$ 140,306	\$ 134,911	\$ 85,146
Percentage of Total Tithes		34%	34%	28%	28%	21%
Total Tithes		\$ 270,328	\$ 552,062	\$ 493,833	\$ 522,686	\$ 404,328

CHURCH LOAN & MANAGED DEBT POOL PERFORMANCE ANALYSIS

PRIMARY LOANS	Date Opened	Total Loaned	Interest*	Payments Received	Tithe Credits	30-Jun-10 Loan Balance	30-Jun-10 Deposit Balance
St Maximus, Denton	2-Aug-07	\$ 128,658	\$ 1,911	\$ (9,371)	\$ (27,091)	\$ 94,107	\$ 48,140
St Paul, Denison	2-Aug-07	152,278	1,413	(18,919)	(16,682)	118,090	-
St Sava, Plano	7-Aug-07	271,990	-	(166,715)	(55,909)	49,366	15,395
St Seraphim, Dallas	1-Jan-09	528,638	-	(91,962)	(50,654)	386,022	-
St Mary Magdalene, Rincon	22-Dec-08	71,294	-	(22,270)	(10,541)	-	-
Total		\$1,081,564	\$ 3,324	\$ (286,967)	\$ (150,336)	\$ 647,585	\$ 63,535

SUBORDINATED LOANS (Not in Managed Debt Pool)	Date Opened	Total Loaned	Interest*	Payments Received	Tithe Credits	30-Jun-10 Loan Balance	30-Jun-10 Deposit Balance
St Cyprian, Richmond	8-Feb-08	\$ 100,000	\$ -	\$ -	\$ (32,955)	\$ 67,045	\$ -
Auxiliary Bishop	28-Aug-08	46,564	-	(3,766)	-	42,798	-
St Innocent, Macon	20-Nov-08	133,355	-	-	(23,527)	109,828	150,802
All Saints, Albuquerque	26-Aug-09	170,000	-	-	(8,769)	161,231	172,752
Total		\$ 449,919	\$ -	\$ (3,766)	\$ (65,251)	\$ 380,902	\$ 323,554

SUBORDINATED LOANS (In Managed Debt Pool)	Date Opened	Total Loaned	Interest*	Payments Received	Tithe Credits	30-Jun-10 Loan Balance	30-Jun-10 Deposit Balance
St Barbara, Ft Worth	20-Dec-05	\$ 274,621	\$ 8,735	\$ (60,443)	\$ (100,062)	\$ 122,851	\$ -
Holy Apostles, Bixby	22-Dec-07	134,115	-	(51,438)	(30,617)	52,059	-
Holy Trinity, Safety Harbor	8-Feb-08	205,342	-	(3,224)	(5,128)	196,990	-
St Gregory, Moundville	1-Sep-08	60,941	-	(48,362)	(5,275)	7,304	-
St Mary Magdalene, Rincon	22-Dec-08	71,294	-	(22,270)	(10,541)	38,483	-
St Philip, Tampa	2-Jan-09	35,603	-	(20,216)	(8,541)	6,846	16,017
St Raphael, Inverness	17-Feb-09	40,885	-	(5,853)	(13,269)	21,763	10,132
Holy Ascension, Mt Pleasant	1-Jan-10	49,738	-	(17,851)	(8,439)	23,448	-
Total		\$ 872,539	\$ 8,735	\$ (229,657)	\$ (181,872)	\$ 469,745	\$ 26,149
Total-All Loans		\$2,404,021	\$12,059	\$ (520,390)	\$ (397,459)	\$1,498,231	\$ 413,238

*All loans were made interest-free in 2008.

MANAGED LOAN POOL	Starting Bank Debt	Monthly Payment	Starting APR	DOS Bank Payments	Bank Finance Charges	30-Jun-10 Loan Balance	Ending APR
St Barbara, Ft Worth	\$ 684,583	\$ 5,132	6.36%	\$ (56,455)	\$ 37,155	\$ 665,283	5.37%
St Gregory, Moundville	297,950	2,232	6.36%	(60,941)	33,680	270,689	6.19%
Holy Apostles, Bixby	325,873	2,867	3.50%	(70,115)	17,056	272,814	2.94%
St Mary Magdalene, Rincon	167,223	1,349	6.58%	(71,294)	11,764	107,693	5.12%
St Philip, Tampa	316,986	1,978	6.00%	(35,603)	28,220	309,603	5.87%
Holy Trinity, Safety Harbor	402,582	3,300	9.50%	(128,422)	11,681	285,841	5.62%
St Raphael, Inverness	90,506	961	6.59%	(27,885)	3,266	65,886	4.95%
Holy Ascension, Mt Pleasant	767,611	4,406	7.10%	(49,738)	26,756	744,630	6.88%
St John Damascus, Tyler-Pending	-	-	-	-	-	-	-
Totals	\$3,053,314	\$ 22,224	6.64%	\$ (500,453)	\$ 169,578	\$2,722,438	5.61%

LOANS PAID IN FULL (The Goal)	Date Opened	Total Loaned	Interest*	Payments Received	Tithe Credits	Date Closed
St Mary Egypt, Norcross	13-Nov-97	\$ 244,813	\$20,776	\$ (265,589)	\$ -	17-Sep-01
St Seraphim's, Dallas	20-Sep-01	93,000	11,654	(104,654)	-	30-Mar-04
St Anthony, San Antonio	1-Jul-02	15,001	899	(15,900)	-	6-Feb-04
St Symeon, Birmingham	19-Jul-03	40,000	1,401	(41,401)	-	20-Sep-04
St Justin Martyr, Jacksonville	13-Apr-04	100,000	15,012	(74,875)	(40,137)	10-Apr-08
St Seraphim's, Dallas	23-Mar-05	227,789	5,924	(233,713)	-	31-Dec-07
Totals		\$ 720,604	\$55,664	\$ (736,132)	\$ (40,137)	

FUNDING DEVELOPMENT TIMELINE 1996-2000 "Keeping It Together"						5 Years Total
	1996	1997	1998	1999	2000	
Financial Sources						
Tithes	\$ 127,791	\$ 134,885	\$ 143,357	\$ 177,040	\$ 180,668	\$ 763,741
OCA Assessments Collected from Churches	55,194	57,770	60,276	70,925	80,707	324,873
Other Income	14,963	13,820	13,955	19,664	18,308	80,710
Investments Sold (Purchased)	(35,000)	(38,004)	(7,018)	77,729	-	(2,293)
Church Loan Payments	-	-	4,000	1,265	-	5,265
Church Deposits	-	-	20,236	(17,632)	6,823	9,427
Church-Friendly Loans	-	-	39,303	(39,303)	-	-
Total	\$ 162,948	\$ 168,471	\$ 274,109	\$ 289,688	\$ 286,506	\$1,181,723
Financial Outlays						
Diocesan Administration	\$ 90,753	\$ 110,240	\$ 118,054	\$ 132,241	\$ 142,585	\$ 593,873
Orthodox Church in America	67,409	75,723	77,794	85,537	109,804	416,267
Missions Support	27,506	25,742	118,415	122,648	50,844	345,155
Less-OCA Assessments Collected	(55,194)	(57,770)	(60,276)	(70,925)	(80,707)	(324,873)
Total	\$ 130,474	\$ 153,935	\$ 253,987	\$ 269,501	\$ 222,525	\$1,030,422
Tithes Growth Percentage	2%	6%	6%	23%	2%	8%
Financial Outlays as % of Tithes						
Diocesan Administration	71%	82%	82%	75%	79%	78%
Orthodox Church in America	53%	56%	54%	48%	61%	55%
Missions Support	-22%	-24%	41%	29%	-17%	3%

Lingering financial pressure resulting from the Chancery move from Miami, where there was a staff-space sharing arrangement that helped contain overhead costs. Tithes income grew steadily, but only marginally exceeded combined DOS and OCA Financial Outlays. Prior to 1990 the OCA Financial Outlays were paid from Tithe income; however, that cost grew faster than Tithes, thus it became necessary to pass the per capita OCA Assessment cost to the churches in order to maintain financial viability. Increased Missions Support outlays were driven by funding needs of the litigation in Atlanta, and "Balance Sheet Funding" of Missions Support, in the form of Church-Friendly Loans, sale of investments, and Church Deposits, first began to be utilized here.. Six new churches were established during the period,

FUNDING DEVELOPMENT TIMELINE 2001-2005 "Picking Up the Pace"						5 Years Total
	2001	2002	2003	2004	2005	
Financial Sources						
Tithes	\$ 207,835	\$ 217,069	\$ 249,995	\$ 275,110	\$ 298,600	\$1,248,609
OCA Assessments Collected from Churches	90,889	114,761	138,340	143,147	155,894	643,031
Other Income	13,402	13,457	8,603	5,058	8,219	48,739
Investments Sold (Purchased)	(10,000)	(8,500)	-	3,167	-	(15,333)
Church Loan Payments	1,383	17,830	86,093	60,648	7,734	173,688
Church Deposits	(1,856)	(4,949)	2,611	6,407	71,028	73,241
#Chancery Office Property Donation	210,000	-	-	-	-	210,000
Litigation Settlement	427,500	-	-	-	-	427,500
Total	\$ 729,154	\$ 349,668	\$ 485,642	\$ 493,537	\$ 541,475	\$2,599,476
Financial Outlays						
Diocesan Administration	\$ 155,921	\$ 185,823	\$ 184,790	\$ 193,245	\$ 218,796	\$ 938,575
Orthodox Church in America	118,842	127,625	177,795	179,640	182,458	786,360
Missions Support	314,364	84,253	98,151	166,192	176,850	839,810
Less-OCA Assessments Collected	(90,889)	(114,761)	(138,340)	(143,147)	(155,894)	(643,031)
Total	\$ 498,238	\$ 282,940	\$ 322,396	\$ 395,930	\$ 422,210	\$1,921,714
#Not included in Total						
Tithes Growth Percentage	15%	4%	15%	10%	9%	11%
Financial Outlays as % of Tithes						
Diocesan Administration	75%	86%	74%	70%	73%	75%
Orthodox Church in America	57%	59%	71%	65%	61%	63%
Missions Support	108%	-14%	-16%	8%	7%	16%

Three 2001 occurrences: a successful conclusion to the Atlanta litigation; the consecration of the new cathedral in Dallas, and; the acquisition of the Chancery Office property established the tempo for this period. Tithes grew at an increasing rate, but did not match OCA Assessment increases. Still, Tithe growth, coupled with the latent potential for further cash flow enhancements from Church Loan Payments and Deposits, suggested the possibility that the Diocese was in a position to pursue an arrangement with the OCA whereby the per capita system would be replaced with a percentage-based system: this would enable a transition back to the pre 1990's era, when the 10% Tithe constituted the sole basis of church financial support to the Diocese. A Resolution authorizing this course of action was passed at the 2005 Diocesan Assembly. Preliminary discussions with OCA officials were reasonably positive; however, the deteriorating situation at headquarters made it highly unlikely that anything could be accomplished in the near-term, and the matter was not pursued. The small investment purchases was a "reflex" reaction to the heavy market selloff following "911". Twenty new churches were established.

FUNDING DEVELOPMENT TIMELINE						
2006-2010 "Setting the Pace"						
	2006	2007	2008	2009	30-Jun 2010	4 1/2 Years Total
Financial Sources						
Tithes	\$ 404,328	\$ 522,686	\$ 493,833	\$ 552,062	\$ 265,033	\$2,237,940
OCA Assessments Collected from Churches	195,818	195,539	208,047	157,237	-	756,641
Other Income	17,056	20,317	2,842	12,050	3	
Investments Sold (Purchased)	57,585	64,181	-	47,644	-	111,825
Church Loan Payments	61,025	242,997	235,323	193,657	116,310	788,287
Church Deposits	(5,433)	48,226	81,037	236,808	109,736	475,807
Church-Friendly Loans	-	333,728	56,960	483,383	(19,379)	854,692
Total	\$ 730,379	\$1,427,674	\$1,078,041	\$1,682,841	\$ 471,703	\$5,225,193
Financial Outlays						
Diocesan Administration	\$ 229,793	\$ 260,857	\$ 321,859	\$ 242,316	\$ 98,178	\$1,153,003
Orthodox Church in America	237,721	242,636	252,526	253,671	127,208	1,113,762
Missions Support	138,068	397,778	308,838	782,763	232,325	1,859,772
Less-OCA Assessments Collected	(195,818)	(195,539)	(208,047)	(157,237)	-	(756,641)
Total	\$ 605,582	\$ 901,271	\$ 883,223	\$1,278,750	\$ 457,711	\$4,126,537
Tithes Growth Percentage	35%	29%	-6%	12%	11%	16%
Financial Outlays as % of Tithes						
Diocesan Administration	57%	50%	65%	44%	37%	52%
Orthodox Church in America	59%	46%	51%	46%	48%	50%
Missions Support	-14%	39%	20%	113%	88%	49%

Tithes increased by \$105,727 in 2006 and by \$118,358 in 2007. This stunning surge put the Diocese at the top of the OCA in terms of disposable income generated from its church support base. More importantly, the Tithe support base reached a level that covered Diocesan Administration and OCA costs, which meant that financial viability was sustainable without taking per Assessment payments from the churches. The 2009 Diocesan Assembly ratified a measure to "cap" the combined Tithe/Assessment payment at 13% of church for 2009 and eliminate the Assessment portion entirely for 2010 and thereafter. Thus, the original financial model of the Diocese - a 10% Tithe of total church income - was restored. Substantial increases in Missions Support were enabled by funds provided by Church Deposits, Church-Friendly Loans, and the selloff of the investment portfolio. The 2008 Diocesan Assembly passed a Resolution authorizing the use of Church Deposits for Parish and Missions Development, and a Resolution passed at the 2009 Assembly authorized the Diocese to guarantee the debt of its churches and to borrow money on their behalf. These Resolutions essentially "codified" what had been developing over the preceding fifteen years, and established "Balance Sheet Funding" as a financial growth dynamic to supplement the strong earnings base provided by the Tithe in meeting the capital needs of this growing Diocese. Twelve new churches were established during this period.

MISSIONS SUPPORT DEVELOPMENT TIMELINE

<u>1996-2000</u>	1996	1997	1998	1999	2000	5 Year Total
Missions Support Rendered						
Litigation Support	\$ -	\$ 5,077	\$ 107,798	\$ 98,877	\$ 19,323	\$ 231,075
Seminarian Assistance	2,500	12,000	4,500	8,500	15,771	43,271
Church Planting Grants	6,996	3,498	4,167	9,167	10,000	33,827
Mission Priest Stipends	9,100	1,800	-	-	3,400	14,300
Priest Moving Expenses	500	1,666	296	4,794	2,300	9,556
Clergy Assistance	5,000	-	500	-	-	5,500
Unallocated Overhead Costs	3,410	2,222	2,166	2,376	2,121	12,295
Total	\$ 27,506	\$ 26,263	\$ 119,426	\$ 123,715	\$ 52,915	\$ 349,825
Per Capita Assessments Paid by Churches	(55,193)	(57,670)	(60,276)	(70,925)	(80,707)	(324,772)
Church Loan Payments Received	-	-	(4,000)	(1,265)	-	(5,265)
Net Missions Support	\$ (27,687)	\$ (31,407)	\$ 55,150	\$ 51,524	\$ (27,792)	\$ 19,788

The Atlanta litigation dominated spending during the period, but also ushered in an expanded concept of Missions Support and funding strategy. Substantial outlays were made for Seminarian Assistance, but this was discontinued in 2003 in the face of complaints that the standard per semester amount of \$500 was but a small drop in a very large bucket and the low rate of return in terms of the number of recipients who were ultimately assigned to a church in the Diocese. A substitute program was inaugurated in 2008 whereby the Diocese makes the payments on the seminary incurred debt of graduated priests that are assigned to a church in the Diocese. The Church Planting Grant approach to startup missions led to the phasing out of the longstanding Missions Priest Stipends program. Per capita Assessments paid by the churches are shown as offsets to Missions Support inasmuch as the passing on this cost to the churches in 1992 was "Missions Support in Reverse"

MISSIONS SUPPORT DEVELOPMENT TIMELINE

<u>2001-2005</u>	2001	2002	2003	2004	2005	5 Year Total
Missions Support Rendered						
Church Planting Grants	\$ 26,858	\$ 35,833	\$ 47,500	\$ 63,333	\$ 51,250	\$ 224,774
Debt Reduction	83,000	25,001	40,000	-	50,000	198,001
Building Program Support	-	-	-	100,000	65,000	165,000
Seminarian Assistance	17,740	12,475	-	-	-	30,215
Litigation Support	13,738	-	-	-	-	13,738
Priest Moving Expenses	-	3,430	2,049	-	7,481	12,960
Mission Priest Stipends	4,000	3,600	4,800	-	-	12,400
Budget Support	-	2,030	1,306	1,387	1,387	6,109
Clergy Assistance	-	-	-	1,000	-	1,000
Unallocated Overhead Costs	2,679	2,658	3,118	1,622	1,992	12,068
Total	\$ 148,015	\$ 85,026	\$ 98,773	\$ 167,341	\$ 177,110	\$ 676,265
Per Capita Assessments Paid by Churches	(90,889)	(114,761)	(138,340)	(143,147)	(155,894)	(643,031)
Litigation Settlement Proceeds	(427,500)	-	-	-	-	(427,500)
Church Loan Payments Received	(1,383)	(17,830)	(86,093)	(60,648)	(7,734)	(173,689)
Net Missions Support	\$ (371,757)	\$ (47,565)	\$ (125,660)	\$ (36,454)	\$ -13,481	\$ (567,955)

A successful conclusion to the Atlanta litigation ended the four-year legal cost run and restored cash reserves. New mission startups triggered a sevenfold increase for Church Planting Grants. Low-interest loans to churches to reduce/refinance bank debt and to fund building project cost overruns that exceeded the financing commitment of their primary lender were initiated. In 2008, the practice of charging interest on church loans was discontinued.

MISSIONS SUPPORT DEVELOPMENT TIMELINE

<u>2006-2010</u>	2006	2007	2008	2009	30-Jun 2010	4 1/2 Year Total
Missions Support Rendered						
Church Debt Assumed	\$ -	\$ 401,025	\$ -	\$ 528,638	\$ 2,700	\$ 932,364
Managed Debt Program Payments	-	-	129,581	257,465	179,893	566,939
Building Program Support	63,006	75,100	154,000	53,000	-	345,106
Debt Reduction	-	-	12,153	271,122	20,000	303,275
Church Planting Grants	36,417	19,833	60,000	70,000	39,000	225,250
Property Acquisition	-	191,716	-	-	-	191,716
Budget Support	20,374	39,195	98,550	20,016	9,344	187,479
Facilities Improvement	-	-	5,000	101,905	4,180	111,085
Priest Moving Expenses	14,436	-	16,884	12,028	12,208	55,557
Auxiliary Bishop Residence Acquisition	-	-	46,564	-	-	46,564
Priest Seminary Debt	-	-	8,923	16,797	5,348	31,068
Clergy Assistance	-	-	-	-	2,868	2,868
Unallocated Overhead Costs	3,806	4,637	7,940	449	388	17,220
Total	\$ 138,038	\$ 731,506	\$ 539,594	\$ 1,331,421	\$ 275,930	\$ 3,016,489
Per Capita Assessments Paid by Churches	(195,818)	(195,539)	(208,047)	(157,236)	-	(756,640)
Church Loan Payments Received	(61,025)	(242,997)	(235,323)	(193,657)	(116,728)	(849,730)
Net Missions Support	\$ (118,805)	\$ 292,971	\$ 96,224	\$ 980,528	\$ 159,202	\$ 1,410,119

The quantum leap in 2006 Tithes launched a new era that features increases in established Support measures and the formulation of new initiatives. Budget Support surged initially, and the reducing totals reflect the onset of the Managed Debt Program as the means of supporting churches with building program debt. Also, "capping" of the per capita assessment amount in 2009, and elimination altogether in 2010 reduced the expense side of the budget for every church in the Diocese, thus ushering out the "Missions Support in Reverse" era that began in 1992. The Managed Debt Program concept has two basic objectives: first, to eliminate the strangling effect that an oversized mortgage payment can have on church development; second to get the church out of debt as quickly as possible since lingering debt will also hinder church development.

CONDENSED BALANCE SHEET

1996-2000	1996	1997	1998	1999	2000
ASSETS					
Cash	\$ 133,405	\$ 99,211	\$ 65,118	\$ 17,786	\$ 18,562
Investments	82,786	130,856	164,745	130,730	115,708
Receivables & Prepaid Expense	10,046	8,564	7,616	4,094	9,346
Loans and Advances	-	5,077	109,690	213,422	240,836
TOTAL ASSETS	\$ 226,237	\$ 243,709	\$ 347,170	\$ 366,032	\$ 384,452
LIABILITIES					
Accounts Payable	\$ 2,086	\$ 2,882	\$ 326	\$ 1,221	\$ 11,898
Custodial Funds	17,986	3,175	263	340	1,228
Church Deposits	-	-	20,253	2,622	9,445
Church-Friendly Debt	-	-	39,303	-	-
Total Liabilities	\$ 20,072	\$ 6,057	\$ 60,145	\$ 4,182	\$ 22,571
RESERVES & EQUITY	\$ 206,165	\$ 237,652	\$ 287,025	\$ 361,602	\$ 360,632
TOTAL LIABILITIES, RESERVES & EQUITY	\$ 226,237	\$ 243,708	\$ 347,170	\$ 365,784	\$ 383,204

CONDENSED BALANCE SHEET

2001-2005	2001	2002	2003	2004	2005
ASSETS					
Cash	\$ 176,356	\$ 107,476	\$ 125,481	\$ 98,274	\$ 59,036
Investments	109,226	92,710	120,810	132,067	145,056
Receivables & Prepaid Expense	6,946	12,748	37,090	24,460	30,788
Loans and Advances	83,000	95,792	55,658	100,000	215,000
Chancery Office Property	210,000	210,000	210,000	210,000	210,000
TOTAL ASSETS	\$ 585,528	\$ 518,727	\$ 549,039	\$ 564,801	\$ 659,881
LIABILITIES					
Accounts Payable	\$ 24,261	\$ 3,261	\$ 6,023	\$ 4,325	\$ 3,128
Church Deposits	8,731	3,832	6,579	13,027	84,919
Total Liabilities	\$ 32,992	\$ 7,093	\$ 12,601	\$ 17,352	\$ 88,047
RESERVES & EQUITY	\$ 552,536	\$ 511,634	\$ 536,438	\$ 547,450	\$ 571,834
TOTAL LIABILITIES, RESERVES & EQUITY	\$ 585,528	\$ 518,727	\$ 549,039	\$ 564,801	\$ 659,881

CONDENSED BALANCE SHEET

2006-2010	2006	2007	2008	2009	June 30 2010
ASSETS					
Cash	\$ 158,160	\$ 308,636	\$ 330,624	\$ 103,300	\$ 118,316
Investments	110,243	61,370	35,687	-	-
Receivables & Prepaid Expense	64,271	107,911	64,796	70,071	21,826
Loans and Advances	201,766	570,432	619,497	1,521,685	1,535,923
Managed Loan Pool	-	-	1,068,787	2,047,053	2,722,438
Chancery Office Property	210,000	210,000	210,000	210,000	210,000
TOTAL ASSETS	\$ 744,441	\$1,258,349	\$2,329,391	\$3,952,109	\$4,608,503
LIABILITIES					
Accounts Payable	\$ 3,863	\$ 5,141	\$ 24,639	\$ 1,098	\$ 3,301
Church Deposits	83,859	135,965	228,181	477,362	597,554
Church-Friendly Debt	-	336,365	400,594	921,530	917,683
Managed Loan Pool Debt	-	-	1,068,787	2,047,053	2,722,438
Total Liabilities	\$ 87,722	\$ 477,471	\$1,722,202	\$3,447,043	\$4,240,976
RESERVES & EQUITY	\$ 656,719	\$ 780,879	\$ 607,190	\$ 505,066	\$ 367,527
TOTAL LIABILITIES, RESERVES & EQUITY	\$ 744,441	\$1,258,349	\$2,329,391	\$3,952,109	\$4,608,503