

Economia[©]

A periodic publication of the Diocese of the South, Orthodox Church in America-Spring 2023

2023 FIRST QUARTER FINANCIALS

With the ship analogy in mind, the operative expression is “steady as she goes.” Tithe Income in the first three months was on pace with forecast at \$315,044.99 versus the budgeted \$310,000 while expense totaled \$253,231.76, below budget by \$26,036.25.

However, an interpretive footnote here is in order. The Diocese has reported financial activities on a cash basis, primarily for ease of general understanding. On occasion, that can contribute to some aberrations that require explanation. A case in point is the triennial All American Conference Assessment, which amounted to nearly \$48,000 last year. Because that expense occurs only once every three years, skewing that year’s operating expenses, we are now recognizing one-third in each of three years.

The First Quarter statement shows a negative (i.e. credit) account balance of \$16,000 attributed to the All American Assembly. Reporting in this manner preserves conformance to cash basis accounting, but contributes to understating Total Expense and overstating Net Income. Correcting for that aberration would increase Total

Expense to \$269,231.76, which would be \$10,036.20 under budget while also decreasing Net Income to \$45,813.23. That’s a lengthy footnote that could be eliminated altogether by adopting a semi-accrual basis and accounting for the assessment charge as a prepaid Ex-

ated expenses, many of which will not be paid for several months. However, these are self-correcting within the current fiscal year. ☩

TRANSACTIONAL ACTIVITIES

First Quarter Parish and Missions support exceeded expectation principally due to transition support reimbursements to Sts. Peter and Paul parish in Miami related to the transfer of Fr. Oleksii to Annunciation Mission in Jacksonville.

With inflation giving rise to higher interest rates and the escalating cost of building materials, some planned building projects are on hold or deferred.

Nonetheless, several withdrawals from Parish Savings Accounts for strategic planning purposes reduced Current Assets (i.e. cash) to \$882,908.31 from the year-end peak of \$1,026,902.87. Chief

among these was St. Maximus in Denton, Texas, that withdrew \$198,172.81, initiating development of funding for its temple project. Thanks to the mix of withdrawals and additions, along with steady Tithe Revenue, Cash on Hand is already recovering the difference.

Despite the general perception of a financially challenging time, the Diocese was blessed with successfully

continued below



**Raising Holy Cross Orthodox Church
Kernersville, North Carolina**

pense. We have not made that change with this initial report but will do so in future reports.

Another cash basis “oddity” is the recording of insurance claim proceeds for repairs in the current year, while the bulk of expenses were incurred in the previous year or were not paid in the First Quarter. A similar effect results from recording Parish Assembly Assessment receipts prior to the associ-

initiated projects in the First Quarter:

St James Mission, Beaufort, SC. purchased a 3272 square foot building on 1.17 acres of land in Beaufort, with worship space capacity of 1,680 square feet, priced at \$571,200 and financed by First Federal Bank. Blessed by Archbishop Alexander March 3, 2023.

Archangel Gabriel Mission, Hickory, NC purchased a free-standing retail site in Hickory for \$255,000 on a 5.5 acre parcel with a 4,620 square foot structure, of which one-half was office space and the other half served as a warehouse. Financed by Peoples Bank of North Carolina. Blessed by Archbishop Alexander March 17, 2023.

Other than the Parish Savings Accounts affected by withdrawals, there were no appreciable differences in Liability Accounts from the Year-End totals.

The financial performance ratios are tracking well at or near desired levels. Liquidity at 10% is precisely at the objective and Equity to Assets at 19.60% is virtually at the 20% objective, while the Leverage ratio is little changed at 1.60 times, and Return on Equity at 14.40% is also nearing the objective. These metrics might glaze a few eyes, but as the frequently quoted saying goes, “You can’t improve what you don’t measure.” That’s not entirely true, but yardsticks and benchmarks help to contrast and compare outcomes from one period to another and serve as useful indicators of financial soundness.

The Personal Donations Portal at the DOS website continues to see periodic activity. Fourteen parishes and missions received donations totaling \$32,446.12 in the First Quarter. Peak usage occurred, not surprisingly, during peak Covid-19 in 2020 when 35 parishes benefitted from \$235,794.45 combined total donations via the portal. This convenient facility presumably continues to be of value to shut-ins, travelers and others.

As reported previously, the Chancery Office in Dallas incurred considerable damage from a tree felled by a windstorm. The cost of repairs escalated when outdated wiring and electrical panels were identified. We took advantage of the occasion to also replace a number of windows that had rotted sills, headers and jambs. With all invoices now having been paid the cost of all repairs was \$78,849.68 of which insurance will have covered \$42,010.28 once the depreciation allowance holdback check is received, and including a contractor payment of \$649.27 that was made after the end of the quarter.

You will note that the Building and Grounds Account also carries a negative (credit) balance of \$21,321.80 on the quarter-ending Operating Statement. This is due to a timing difference between the contractor payments and receipt of our insurance claim in the amount of \$30,378.77 for roof damage to the St. Nektarios property in Waxahachie, Texas (a diocesan-owned property).

Detailed financial statements and subsidiary reports have been uploaded to the diocesan website (dosoca.org/financial-dashboard), where you can refer to them for additional detail. Feel free to contact either me or Mary Warnky if you have questions or need additional information. ☩

DIOCESAN ASSEMBLY

The upcoming 46th Diocesan Assembly will take place in Greenville, SC, July 17 - 20, 2023, hosted by St. John of the Ladder Parish.

The Bishop’s Council will meet on Monday afternoon, July 17, Diocesan Council on Tuesday morning, July 18, and the Assembly registration opens Tuesday afternoon. Please plan your arrival in Greenville accordingly.

This year's theme focuses on

“That which was from the beginning, which we have heard, which we have seen with our eyes, which we have looked upon and touched with our hands, concerning the word of life — the life was made manifest, and we saw it, and testify to it, and proclaim to you the eternal life which was with the Father and was made manifest to us...” (1 John 1.1-2). All parishes, missions, cathedrals and monasteries have already received the announcement and sign-up forms.

Assembly assessments are due and payable as set by policy adopted in 2016 and which have not changed:

Parishes.....	\$350.00
Missions.....	\$250.00
Cathedrals.....	\$500.00
Monasteries.....	\$ -0-

Thus far, 55 parishes, missions and cathedral assessment fees have been received. If yours is among those remaining unpaid, please attend to payment promptly. The fees are mandatory, necessitating that the accounting office debit the respective Savings Account in the event of non-receipt.

There is a full week planned. In addition to the usual business of the assembly and the youth program, our host parish, St. John of the Ladder, plans to inspire and encourage all delegates, observers, and invited guests, with the beauty of the liturgical services, with opportunities for fellowship (“the liturgy after the liturgy”), and with spiritual engagement. The guest speaker will be Priest Bogdan Bucur, Professor of Patristics at St. Vladimir’s Theological Seminary, and protégé of Archbishop Alexander.

Please make your reservations soon, and come to Greenville ready to receive all that the city has to offer, as well as the hospitality of St. John of the Ladder Parish. ☩

