

Economia[©]

A periodic publication of the Diocese of the South, Orthodox Church in America-Winter 2019

2018 RESULTS

At the very heart of the DOS objectives is a cost-sharing strategy and equitable distribution of resources. Translating that understanding to assure that it is realized in practical terms requires both endorsement of diocesan financing functions at the parish level and prudent distribution by the diocese of the resources provided.

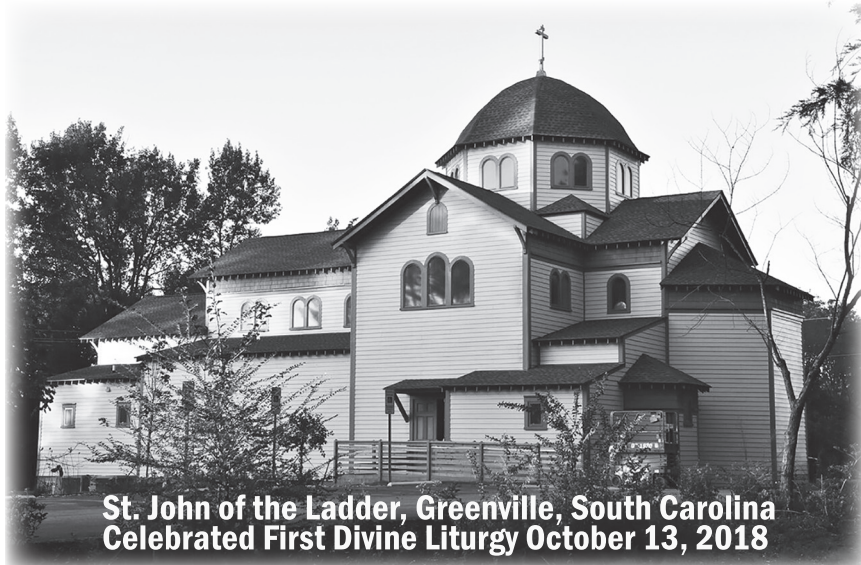
Meaningful progress was made in 2018 toward improved realization of that understanding, highlighted by the Income Statement reporting a deficit of \$30,746.54 in a year when the extraordinary OCA assessment (occurs every third year) of \$40,500 for the All American Conference was accommodated. In an ordinary year, the Income Statement would be reporting a surplus.

While it is not a diocesan objective to generate profits, barring such extraordinary expenses, the annual goal should be at least to break even. As a not-for-profit entity, 'profit and loss' are of little meaning, but 'surplus and deficit' relate meaningfully to the strength, endurance and capacity of the diocese into the future.

The capacity to satisfy diocesan obligations and commitments in the *short term* is determined largely by free cash flow and ready liquidity. Significant progress was made last year with doubling of available cash (\$703,558.84 vs. \$338,641.64) from 4.0% to 8.0 % of Total Current

Liabilities. The goal remains to realize a ratio of 10%, which is a level of practical significance given the prospect of projects on the near horizon.

The capacity to satisfy obligations and commitments in the *long term* is determined essentially by the additional capacity afforded by Par-



St. John of the Ladder, Greenville, South Carolina
Celebrated First Divine Liturgy October 13, 2018

ish Savings Accounts with DOS and Church Friendly Loans to the diocese by the dedicated faithful who make their personal funds available for the development of the church. Parish Savings Accounts were up nearly a quarter of a million at \$4,210,545.46 while Church Friendly Loans were off 5.61% at \$1,108,611.43, a difference that was completely offset by new Church Friendly Loan monies shortly after year-end.

A related indicator is the ratio of Assets to Investable Funds, otherwise known as leverage, which sits currently at 96%. In other words, there is \$104 available for every \$100 currently invested. This ratio will con-

tinue to improve as Savings Accounts and Church Friendly Loans increase and, of course, as Loans are paid down.

Most notably, Tithes increased from \$736,568.17 in 2017 to \$800,442.79 an increase of 9.0% and when Capital/Building Fund Tithes are added, the increase was a robust 13.0%, from \$785,756.94 to \$885,263.96, which is incidentally 99.36% of forecast. Total Assets increased just under 3% to \$10,499,972.12

All in all, these positive outcomes continue to enable support of parish building and renovation projects, to help with retiring our clergy's seminary debt, to provide for our Archbishop's living and travel expense, to sustain a funding structure with attractive rates of interest paid, to maintain the Chancery Office, to help fund deanery activities, to contribute additional compensation support where needed to retain a priest, to help provide for emergency needs, and to satisfy our OCA assessment which stands at 34% of Tithe Income.

NOTICES, ETC.

Effective the first of this year a Savings Account Interest Rate Policy went into effect. The policy objective is to set a maximum rate of interest paid on Parish Savings wherever there are no contractual or other obligations associated with the account. The rate for 2019 is 3.75%, which, compounded monthly, equals 3.82%. The rate is determined annually as

(over)

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1.00% over the average 52-week, ten-year U.S. Treasury Note Rate reported in December by the Wall Street Journal. The rate is a cap, not a minimum, to serve as a governor on interest expense while also pegging the rate to a third-party market-related index.

The first day of January also marked completion of the first round of the graduated Tithes Credit policy reductions reported in 2016 and implemented on a modified schedule effective July 1st of 2018. The policy objective reduces dependency on tithes credits over a defined period of time. Parishes enrolled in the Managed Debt Program receive credits applied to outstanding debt in the amount of 100% of their tithes to DOS the first two years, 66% for the next two years, and 33% for the following two years, then 0% in the seventh year.

NOTABLE QUOTES

Which of you, intending to build a tower, does not first sit down and estimate the cost, to see whether he has enough to complete it? (Lk. 14:28)

PARISH SURVEY

In the interest of improved understanding of the dimensions and needs of the Diocese of the South, your assistance with providing the following requested information will be greatly appreciated. When completed, please scan this page and email to: treasurer@dosoca.org. If it would be more convenient, mail a completed copy to: *Diocese of the South, Attention of Treasurer, PO Box 191109, Dallas, TX 75219.*

1. Parish or Mission

Name _____

City _____

2. Number of Households _____

3. Contributing Households _____

4. Contributing Individuals _____

5. Avg Sunday Attendance _____

of Children Included Above _____

6. Church Premises Leased
or Owned (Check One)

7. General Liability Insurance Provider _____

Annual Premium \$ _____

8. Property Insurance Provider _____

Annual Premium \$ _____

9. Current Treasurer's Name _____

Treasurer's Contact Information

Email: _____

Phone _____

10. Annual Priest Compensation

Stipend/Salary \$ _____

Housing Allowance \$ _____

Car Allowance \$ _____

Self Employment Compensation

Allowance \$ _____

Health Insurance \$ _____

OCA Pension Contribution \$ _____

OCA Life Insurance \$ _____

11. Is your priest employed outside the Church? Yes No

12. Do you plan to build or renovate within the next 12-24 months?
Yes No

13. Which facility?

Temple Fellowship Hall

Something Else

Explain: _____

14. Number of square feet _____

15. Estimate of cost \$ _____

Thank you for taking the time to complete this brief survey to help the diocese serve you better. With Annual Assemblies being held soon in many parishes, the accuracy and usefulness of the information provided will be enhanced by awaiting the outcome of your Annual Assembly before completing the survey.

*When surveys have been returned and your entries compiled, the results will be published in a consolidated format in a subsequent issue of *Economia*.*

Person completing the survey:

Email: _____

Phone: _____

Rector's Signature: _____