



**The Diocese of the West, The Orthodox Church in America  
Office of the Treasurer**

22 Dunraven Pl

Port Townsend, WA 98368-9500

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(360) 774-2778 Cell

[treasurer@dowoca.org](mailto:treasurer@dowoca.org)

## **March 2011 Financial Report Summary**

**Prepared by  
Mary L. Caetta  
Diocesan Treasurer  
13 April 2011**

### **I. Executive Summary**

I have not yet received parish financial reports from the parishes in Eureka and Redding.

The internal audit of the Diocesan financial records took place on March 12 and the results presented to the Diocesan Council at the March 29<sup>th</sup> meeting. I will schedule the external audit for June.

I have amended the 2011 budget as recommended by the Finance Committee and the Diocesan Council. The Finance Committee should note the 2011 budget status to date, (See Section IV) and decide what additional action, if any, needs to be taken at the June 2011 council meeting.

### **II. Statement of Financial Position (Consolidated Balance Sheet)**

This balance sheet reflects both unrestricted and restricted fund accounts. Savings and investment account names indicate the current interest rate on funds in those accounts.

Assets from the sale of the Point Reyes property now total \$1,187,711. Point Reyes sale funds are invested with Mesirow Financial and invested in short term bond funds and a government cash trust. The balance of the cash is in a Wells Fargo savings account, Chase Bank savings account, and in loans receivable. Approximately \$200,000 is still available for building expenses for the chapel at St Barbara Monastery. See Section IV for specific detail about these funds.

Mission Savings in the LCBA Annuity account is currently \$66,657 and is earning 4.5% interest. Deposits can no longer be made to this account. Mission Department restricted funds are also invested in an ING 1-year CD earning 1.00% interest (\$13,012), and in a Wells Fargo Savings Account (\$20,022). Two CDs were purchased in March with \$50,000 of the \$55,311 bequest of from the William H. Searles Fund.

### **III. Receivables and Loans Status**

- The balance sheet indicates that parish assessment receivables as of the end of March total \$ 2,053! The total amount of receivables on the balance sheet for Fair Share and DPA is more than that reflected in the table at the end of this report, since March invoices cannot yet be 30 days past due. That table in Section VIII shows parishes having open invoices more than 30 days past due.
- The Life Giving Spring Retreat Center now has outstanding debts to the Diocese of \$13,360 from an old debt and \$115,389 for operating expenses since March 2009. In addition, the Diocese has \$ 215,240 in equity in the Center for paying off the loan from

the Catholic sisters who formerly owned the property. A refund of 2011 property taxes was deposited into the Diocesan checking account, since the check was made payable to the Diocese. The Diocesan Council determined to return half of the refund to the Russian Womens Home of Mercy and the balance to the Point Reyes Sale Fund.

- The Monastery of St. John of Shanghai was given a 3-year no interest loan of \$20,000 in March 2009 which is due by 2012. The monastery pays faithfully each month. The current balance on the loan is \$ 5,556.
- Saint John the Evangelist Mission in Tempe received a loan in April 2009 from restricted mission funds in the amount of \$10,380. All Tempe payments deposited into the operating checking account have been moved to the Mission Department Funds in the Wells Fargo savings account.
- Joy of All Who Sorrow Mission in Culver City received a \$17,000 loan from Pt Reyes Fund money in February 2010. The current balance is \$16,148.
- The parish of St Mary Magdalene in Merced was given a loan of \$287,258 in August 2009. The loan is due when the parish property is sold. The loan has been accruing interest and now has a balance of \$331,076.

#### **IV. Unrestricted Funds P&L Year-to-Date, Actual versus Budget**

Net unrestricted income through the end of March was \$10,695.58. Income and expenses shown on the attached unrestricted P&L report include those through April 12 . Thus the percent of budget for each category should be between 25% and 33%. Unrestricted income year-to-date is 34% of budget and expenses are 27%. The income from appeals is 30% of the 2011 budget.

Individual major expense categories that are running 10% over the 2011 budget at this time are:

- Workmans Compensation payments are running at 49% of budget. We should still be within budget by the end of the year.
- Payroll taxes are running at 44% of budget. The budget was created without adjusting for the increase in salary for the administrative assistant.
- Deans travel is 50% of budget. Travel for Diocesan Business is 60% of budget. Travel for the internal audit is 94% of budget after transferring some of the cost to Diocesan Business. **Travel for the Chancellor's Advisory Committee and Chancellor's Travel is 75% and 71% of budget.**
- Property & Liability Insurance is at 94% of budget, but there will be no additional expenses for this category this year.
- Background checks are 54% of the revised budget, per the March Diocesan Council meeting.
- **Liturgical Supplies, i.e. bishop's candles, are at 276% of budget. Parishes needing to have bishop's candles on hand have been authorized, on a case by case basis, to be reimbursed for their cost. The budget should be adjusted accordingly.**
- Seminarian Financial Aid is at 80% of budget.

**V. Funds from Sale of Point Reyes Property**

In July, 2008, the Diocese received \$1,270,000 from the sale of the property. The following is the status of those funds as of the end of March 2011:

The balance sheet for funds:

Checking/Savings	\$ 16,705.86
Investments	\$ 411,629.29
Loans Outstanding	\$ 468,169.19
<u>Equity in Duboce &amp; LGS Property</u>	<u>\$ 261,206.92</u>
Total Remaining Sale Assets	\$1,187,711.26

Unrealized investment gains total \$2,603.81.

Current year Income/Expenses:

Investment/Savings Income	\$ 1,448.34
Expenses (St Barbara Chapel)	<u>\$ 15,390.65</u>
Net Fund Income	( \$ 13,942.31)

**VI. Mission Restricted Funds P&L**

As of the end of March 2011, the Mission Restricted Funds show a net income of \$60,693. A mission donation of \$55,311.11 was received in addition to funds from the closed mission in Spokane. The latter funds have been reserved in the Mission Fund for the AAC/Poulsbo mission iconostasis.

The LCBA Annuity account has generated \$ 719.53 in interest and the ING CD, \$31.88. At this point in time, no income has been recorded for the Mission Deanery Retreat held in mid February. Retreat expenses recorded so far are \$1,633.61, which includes a return of funds to those who were unable to attend but who sent in the registration fee.

**VII. Intern Stipend Fund**

Income received in June to launch the fund totaled \$29,000. As of the end of March, the balance in the fund is \$4832 which can cover the stipend for April and May.

**VIII. Parish Assessment Receivables**

The following parishes had open invoices that were **30 days or more** past due as of March 31, 2011. All assessments are due on the 15th of each month.

	> 90		DPA		Fair Share		Assembly		Total
Bend, OR	*	▲			\$1,050.00				\$1,050.00
Menlo, Park, CA			\$ 352.90		\$ 411.25				\$ 764.15
Pueblo, CO	*	▼	\$ 634.00						\$ 634.00
Santa Barbara, CA	*	▼			\$ 599.00				\$ 599.00
San Diego, CA			\$ 0.35						\$ 0.35
			<b>\$ 987.25</b>		<b>\$2,060.25</b>				<b>\$3,047.50</b>

▲ indicates an increase over previous month

▼ indicates a decrease over previous month

▶ indicates same as previous month

\* Parishes which have outstanding invoices more than 90 days past due

**Consolidated Balance Sheet - Restricted and Unrestri**

04/13/2011

As of March 31, 2011

Accrual Basis

	Mar 31, 11	Mar 31, 10
<b>ASSETS</b>		
<b>Current Assets</b>		
Total Checking/Savings	488,141.97	406,503.07
Total Accounts Receivable	487,634.04	428,101.18
Total Other Current Assets	510,291.98	533,155.20
<b>Total Current Assets</b>	<b>1,486,067.99</b>	<b>1,367,759.45</b>
<b>Total Fixed Assets</b>	<b>271,251.10</b>	<b>271,251.10</b>
<b>TOTAL ASSETS</b>	<b>1,757,319.09</b>	<b>1,639,010.55</b>
<b>LIABILITIES &amp; EQUITY</b>		
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Total Accounts Payable	0.00	3,286.56
Total Credit Cards	9,890.26	7,402.94
Total Other Current Liabilities	-8,720.20	-4,675.23
<b>Total Current Liabilities</b>	<b>1,170.06</b>	<b>6,014.27</b>
<b>Total Liabilities</b>	<b>1,170.06</b>	<b>6,014.27</b>
<b>Equity</b>		
Unrealized Merced Loan Interest	43,818.37	15,424.64
Unreal. Investment Gains/Losses	2,603.81	-176.56
Opening Bal Equity	313,536.26	313,536.26
Retained Operating Earnings	1,333,561.19	1,295,683.81
Net Income	62,629.40	8,528.13
<b>Total Equity</b>	<b>1,756,149.03</b>	<b>1,632,996.28</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>1,757,319.09</b>	<b>1,639,010.55</b>
<b>Contributions to Net Income Through March 31</b>	<b>62,629.40</b>	<b>8,528.13</b>
Unrestricted Funds	10,695.58	14,859.52
Point Reyes Fund	-14,556.06	-4,643.85
Missions Restricted Funds	60,692.91	-1,687.54
Intern Stipend Fund	-7,251.00	
Japan Earthquake Relief	3,412.00	
Refund of LGS Property Taxes	9,635.97	

**Unrestricted Funds Profit & Loss Budget vs. Actual**

04/13/2011

January through December 2011

Accrual Basis

	<u>Jan - Dec 11</u>	<u>Budget</u>	<u>% of Budget</u>
<b>Ordinary Income/Expense</b>			
<b>Income</b>			
Total Lights-on Income	115,192.69	331,000.00	34.8%
Total Pass Through Income	86,599.80	258,615.00	33.49%
Total Outreach (Stewards of the West)	11,793.67	40,000.00	29.48%
<b>Total Income</b>	<u>213,586.16</u>	<u>629,615.00</u>	<u>33.92%</u>
<b>Total COGS</b>	<u>8.52</u>		
<b>Gross Profit</b>	<u>213,577.64</u>	<u>629,615.00</u>	<u>33.92%</u>
<b>Expense</b>			
<b>Lights-on Expenses</b>			
<b>01_Payroll Expenses</b>			
Total Gross Wages	26,366.68	80,000.00	32.96%
Total Stipends	11,755.00	35,000.00	33.59%
Total Employee Benefits	4,379.25	13,237.00	33.08%
Workmans Comp	662.82	1,357.00	48.85%
Total Payroll Taxes	283.05	643.00	44.02%
Direct Deposit Fees	29.50	72.00	40.97%
<b>Total 01_Payroll Expenses</b>	<u>43,476.30</u>	<u>130,309.00</u>	<u>33.36%</u>
<b>Total 04_Travel</b>	<u>16,407.22</u>	<u>62,500.00</u>	<u>26.25%</u>
<b>Total 02_Professional Fees</b>	<u>6,900.00</u>	<u>28,640.00</u>	<u>24.09%</u>
<b>Total 05_Facilities and Equipment</b>	<u>3,093.00</u>	<u>4,800.00</u>	<u>64.44%</u>
<b>Total 03_Office Expenses</b>	<u>2,351.60</u>	<u>10,235.00</u>	<u>22.98%</u>
<b>Total 07_Department of Communications</b>	<u>500.02</u>	<u>2,925.00</u>	<u>17.1%</u>
<b>Total 06_Clergy and Parish Resources</b>	<u>414.03</u>	<u>3,650.00</u>	<u>11.34%</u>
<b>Pan Orthodox Activities</b>	<u>0.00</u>	<u>1,000.00</u>	<u>0.0%</u>
<b>Total Lights-on Expenses</b>	<u>73,142.17</u>	<u>244,059.00</u>	<u>29.97%</u>
<b>Total Pass Through Expenses</b>	<u>67,565.02</u>	<u>258,615.00</u>	<u>26.13%</u>
<b>Outreach Expenses</b>			
Total Department of Missions	21,903.72	88,434.00	24.77%
Seminarian Financial Aid	8,000.00	10,000.00	80.0%
Total Department of Charities	421.72	5,200.00	8.11%
Total Department of Stewardship	7.20	5,200.00	0.14%
Total Youth Department	0.00	5,100.00	0.0%
Music Dept	0.00	500.00	0.0%
Intern Program	0.00	10,000.00	0.0%
<b>Total Outreach Expenses</b>	<u>30,332.64</u>	<u>124,434.00</u>	<u>24.38%</u>
<b>Total Expense</b>	<u>171,039.83</u>	<u>627,108.00</u>	<u>27.27%</u>
<b>Net Ordinary Income</b>	<u>42,537.81</u>	<u>2,507.00</u>	<u>1,696.76%</u>
<b>Net Income</b>	<u>42,537.81</u>	<u>2,507.00</u>	<u>1,696.76%</u>