



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

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August 2012 Financial Report Summary

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I. Executive Summary

The property of the Merced parish is in escrow and a demand for full payoff of the loan to the parish from the diocese was filed with First American Title on May 24. Escrow is now scheduled to close on September 17.

The sale of The LifeGiving Spring Retreat Center property in Boulder City, NV was recorded on July 9, 2012. LGS is carrying the mortgage of \$1,288,000 for a drug counseling non-profit called I AM Free, Inc. LGS will receive the balance of the down payment (\$13,000) from the loan servicing company by October 9, 2012. The first monthly payment on the balance of the loan will be due September 9, 2012. The unpaid balance is due in full in June 2017. Interest rate is 2.58% per annum. The interest payments made to LGS will be distributed equally between the Russian Women's Home of Mercy and the Diocese of the West.

The external auditor has finished reviewing the 2011 Diocesan financial records. The audit report should be available later this week.

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.

As of the end of August, checking and savings accounts total \$ 567,714. Accounts Receivable total \$ 868,305. See Section III for a detailed status of the receivables. Investments and other current assets total \$ 384,384. The credit card liability is \$ 7,995. Other Current Liabilities are the direct deposit salary and stipend amounts payable in September.

Unrealized interest (simple interest) on the loan to Merced is \$77,849. Unrealized loss from investments is \$ 308.

See Section V for a detailed review of the restricted Point Reyes Fund assets.

See Section VI for a detailed review of the restricted Mission Funds assets.

III. Receivables and Loans Status

Parish assessment receivables as of the end of August total \$ 37,575. The 2012 Diocesan Assembly Assessment is included in that total. DPA and Fair Share assessments are still listed separately because a number of parishes still owed these 2011 assessments in 2012. In 2012, assessments are indicated under only one line item, i.e. Parish Monthly Assessments. The total

amount of assessment receivables on the balance sheet is more than that reflected in the table in Section VIII, since August invoices cannot yet be 30 days past due. That table shows parishes having open invoices more than 30 days past due.

- The Life Giving Spring Retreat Center has an outstanding debt of \$453,450 to the Diocese of the West.
- The Monastery of St. John of Shanghai was given a 3-year no interest loan of \$20,000 in March 2009 which was due in 2012. The loan was paid off in March 2012.
- Joy of All Who Sorrow Mission in Culver City received a \$17,000 loan from Point Reyes Fund money in February 2010. The current balance is \$11,320. Payments are being received on a monthly basis.
- The parish of St Mary Magdalene in Merced was given a loan of \$287,258 in August 2009. The loan and accrued interest is due when the parish property is sold. The loan has been accruing interest and, as of last month, principal and interest total \$365,107.

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

Net unrestricted income through the end of August was \$86,130. Half of that income was a result of a generous donation from Sarah Oftedal, housemother of Martha Mary House. The Diocesan Council has directed that those funds be set aside for a purpose to be decided at a later time. Income and expenses shown on the attached unrestricted P&L report include those through September 2. Thus the percent of budget for each category should be between 67% and 75%. Unrestricted income through September 2 is 81% of budget and expenses are 62%.

The following major operating expense category was 10% over the 2012 budget.

Facilities and Equipment >Property & Liability Insurance - paid for this year. The actual amount due was 112% above that budgeted.

V. Point Reyes Funds Balance Sheet & P&L

Assets from the sale of the Point Reyes property now total \$1,150,385. Some of the Point Reyes sale funds are invested with Infinity Financial Services but more than half of the funds are tied up in loans (Merced, Culver City, and LGS). Of the roughly \$299,000 in available cash, \$145,000 must be reserved for the construction of the chapel at St Barbara Monastery.

Infinity Financial funds are in short term bond funds and a government cash trust account. The balance of the restricted cash is in a Wells Fargo savings account.

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 August 2012:

The balance sheet for funds:

Checking/Savings	\$ 23,291.17
Investments	\$ 264,609.62
Loans Outstanding	\$ 816,517.10
<u>Equity in Duboce Property</u>	<u>\$ 45,966.92</u>
Total Remaining Sale Assets	\$1,150,384.81

Unrealized investment gains/losses total (\$95.82).

Current year-to-date Income/Expenses:

Investment/Savings Income	\$	3,084.27
Expenses (St Barbara Chapel)	\$	21,498.56
Realized Capital Loss	\$	1,541.63
Net Fund Income	(\$	19,955.92)

VI. Mission Restricted Funds Balance Sheet and P&L

Restricted Mission Funds currently total \$163,771. Mission Savings in the LCBA Annuity account is currently \$ 70,953 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 (\$13,163), in two Wells Fargo CDs (\$51,086), and in a Wells Fargo Savings Account (\$16,531). There is an additional \$12,037 set aside as a Mission Director Salary Reserve fund in the savings account.

As of the end of August, the Mission Restricted Funds show a net income of \$ 2,220. The LCBA Annuity account generated \$ 2,055 in interest and the CDs and savings account have generated \$608 in interest.

VII. Parish Assessment Receivables

The following parishes had open invoices that were **30 days or more** past due as of August 27. All assessments are due on the 15th of each month.

	> 90		DPA		Fair Share		2012 Assessments		Total
Livermore, CA	*	▲	\$3,841.75		\$322.25		\$6,707.05		\$10,871.05
Los Angeles, CA		▼					\$5,223.05		\$5,223.05
Las Vegas, NV		▲					\$3,852.70		\$3,852.70
Billings, MT		▲					\$2,143.00		\$2,143.00
San Francisco, CA (CS)	*	▶					\$1,043.25		\$1,043.25
Santa Barbara, CA	*	▶			\$406.50				\$406.50
			\$3,841.75		\$728.75		\$18,969.05		\$23,539.55

- ▲ 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 Unrestricted

09/02/2012

As of August 31, 2012

Accrual Basis

	<u>Aug 31, 12</u>	<u>Dec 31, 11</u>
ASSETS		
Current Assets		
Total Checking/Savings	567,713.97	549,907.98
Total Accounts Receivable	868,304.83	554,451.84
Total Other Current Assets	384,383.60	418,124.45
Total Current Assets	1,820,402.40	1,522,484.27
Total Fixed Assets	56,517.31	271,757.31
TOTAL ASSETS	<u>1,876,919.71</u>	<u>1,794,241.58</u>
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Total Accounts Payable	226.52	399.55
Total Credit Cards	6,069.47	10,746.44
Total Other Current Liabilities	-7,994.66	-7,937.01
Total Current Liabilities	-1,698.67	3,208.98
Total Liabilities	-1,698.67	3,208.98
Equity		
Unrealized Merced Loan Interest	77,848.91	66,848.33
Unreal. Investment Gains/Losses	-307.65	-6,049.89
Opening Bal Equity	313,536.26	313,536.26
Retained Operating Earnings	1,416,697.90	1,333,407.69
Net Income	70,842.96	83,290.21
Total Equity	1,878,618.38	1,791,032.60
TOTAL LIABILITIES & EQUITY	<u>1,876,919.71</u>	<u>1,794,241.58</u>
	<u>August 31, 2012</u>	<u>Dec 31, 2011</u>
Contributions to Net Income Through August 31	70,842.96	83,290.21
Unrestricted Funds	86,130.35	52,628.80
Point Reyes Fund	-19,955.92	-27,698.38
Missions Restricted Funds	2,220.49	57,359.60
Other Restricted Funds	2,448.04	1,000.19

Unrestricted Funds Profit & Loss Budget vs. Actual

09/02/2012

January through December 2012

Accrual Basis

	<u>Jan - Dec 12</u>	<u>Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense			
Income			
Total Lights-on Income	472,703.34	605,630.00	78.05%
Total Outreach (Stewards of the West)	49,630.67	40,000.00	124.08%
Total Pass Through Income	277.20		
Total Income	<u>522,611.21</u>	<u>645,630.00</u>	<u>80.95%</u>
Total Cost of "Portrait of American Saints"	89.46		
Gross Profit	<u>522,521.75</u>	<u>645,630.00</u>	<u>80.93%</u>
Expense			
Lights-on Expenses			
Total 09_OCA Expenses	167,720.00	251,580.00	66.67%
01_Payroll Expenses			
Total Gross Wages	61,833.31	82,000.00	75.41%
Total Stipends	29,438.00	37,356.00	78.8%
Total Employee Benefits	10,402.50	13,757.00	75.62%
Total Payroll Taxes	726.75	918.00	79.17%
Workmans Comp	517.08	1,000.00	51.71%
Direct Deposit Fees	104.45	100.00	104.45%
Total 01_Payroll Expenses	<u>103,022.09</u>	<u>135,131.00</u>	<u>76.24%</u>
Total 04_Travel	33,412.97	66,300.00	50.4%
Total 02_Professional Fees	14,400.00	28,640.00	50.28%
Total 03_Office Expenses	5,865.94	10,238.90	57.29%
Total 05_Facilities and Equipment	3,708.00	4,800.00	77.25%
Total Unbudgeted Expenses	925.20		
Total 08_Diocesan Assembly	229.48		
Total 06_Clergy and Parish Resources	157.02	4,100.00	3.83%
Total 07_Department of Communications	39.50	2,325.00	1.7%
Pan Orthodox Activities	0.00	1,000.00	0.0%
Total Lights-on Expenses	<u>329,480.20</u>	<u>504,114.90</u>	<u>65.36%</u>
Outreach Expenses			
Total Department of Missions	55,242.77	103,214.00	53.52%
Seminarian Financial Aid	5,000.00	10,000.00	50.0%
Total Youth Department	4,500.00	5,500.00	81.82%
Intern Program	1,000.00	3,000.00	33.33%
Patr. Athenogoras Inst. - Berke	1,000.00	1,000.00	100.0%
Total Department of Charities	800.00	5,700.00	14.04%
Total Department of Stewardship	1.40	5,225.00	0.03%
Music Dept	0.00	500.00	0.0%
Total Outreach Expenses	<u>67,544.17</u>	<u>134,139.00</u>	<u>50.35%</u>
Total Pass Through Expenses	277.20		
Total Expense	<u>397,301.57</u>	<u>638,253.90</u>	<u>62.25%</u>
Net Ordinary Income	<u>125,220.18</u>	<u>7,376.10</u>	<u>1,697.65%</u>
Net Income	<u>125,220.18</u>	<u>7,376.10</u>	<u>1,697.65%</u>