



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

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## **September 2012 Financial Report Summary**

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### **I. Executive Summary**

Assembly Assessments are past due for the parishes in: Livermore, Tacoma, Los Angeles, Santa Maria, Eureka, and Redding.

The report of the external review of the books is available on the Diocesan web site.

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 October 18.

The sale of The Life-Giving 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 was scheduled to 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 was due September 9, 2012. No payment has been received.

I Am Free, Inc. has requested a revision of their payment schedule with first payment to be received on October 15. The unpaid balance of the loan 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.

### **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 September, checking and savings accounts total \$ 565,917. Accounts Receivable total \$ 868,444. See Section III for a detailed status of the receivables. Investments and other current assets total \$ 386,718. The credit card liability is \$ 5,606. Other Current Liabilities are the direct deposit salary and stipend amounts payable in October.

Unrealized interest (simple interest) on the loan to Merced is \$80,003. Unrealized gains from investments are \$ 1,461.

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 September total \$ 35,879. 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. DPA and Fair Share Assessments due in 2012 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 September 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 \$11,036. 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 \$367,261.

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

Net unrestricted income through the end of September was \$88,083.53. Income and expenses shown on the attached unrestricted P&L report include those through October 8. Thus the percent of budget for each category should be between 75% and 83%. Unrestricted income through October 8 is 89% of budget and expenses are 71% of budget.

The only major operating expense category 10% over the 2012 budget is:

Facilities and Equipment >Property & Liability Insurance - paid in full 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 \$1,146,617. 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 September 2012:

The balance sheet for funds:

Checking/Savings	\$ 17,584.31
Investments	\$ 264,678.00
Loans Outstanding	\$ 818,387.54
<u>Equity in Duboce Property</u>	<u>\$ 45,966.92</u>
Total Remaining Sale Assets	\$1,149,616.77

Unrealized investment gains/losses total (\$327).

Current year-to-date Income/Expenses:

Investment/Savings Income	\$ 3,386.90
Expenses (St Barbara Chapel)	\$ 30,742.31
<u>Realized Capital Loss</u>	<u>\$ - 1,541.63</u>
Net Fund Income	(\$ 28,897.04)

**VI. Mission Restricted Funds Balance Sheet and P&L**

Restricted Mission Funds currently total \$164,116. Mission Savings in the LCBA Annuity account is currently \$ 71,219 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 (\$13,172), in two Wells Fargo CDs (\$51,151), and in a Wells Fargo Savings Account (\$16,534). There is an additional \$12,039 set aside as a Mission Director Salary Reserve fund in the savings account.

As of the end of September, the Mission Restricted Funds show a net income of \$ 2,565. The LCBA Annuity account generated \$ 2,320 in interest and the CDs and savings account have generated \$687 in interest.

**VII. Parish Assessment Receivables**

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

	> 90		DPA		Fair Share		2012 Assessments		Total
Livermore, CA	*	▲	\$3,841.75		\$322.25		\$7,665.20		\$11,829.20
Los Angeles, CA	*	▲					\$8,441.70		\$8,441.70
Billings, MT	*	▶					\$2,143.00		\$2,143.00
Las Vegas, NV		▼					\$1,926.35		\$1,926.35
Santa Maria, CA							\$1,001.05		\$1,001.05
Santa Barbara, CA	*	▶			\$406.50				\$406.50
West Sacramento, CA							\$0.64		\$0.64
			<b>\$3,841.75</b>		<b>\$728.75</b>		<b>\$21,177.94</b>		<b>\$25,748.44</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 Unre**

09/30/2012

As of September 30, 2012

Accrual Basis

	<u>Sep 30, 12</u>	<u>Dec 31, 11</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Total Checking/Savings	565,916.54	549,907.98
Total Accounts Receivable	868,444.13	554,451.84
Total Other Current Assets	<u>386,717.73</u>	<u>418,124.45</u>
<b>Total Current Assets</b>	<u>1,821,078.40</u>	<u>1,522,484.27</u>
Total Fixed Assets	<u>56,517.31</u>	<u>271,757.31</u>
<b>TOTAL ASSETS</b>	<u><u>1,877,595.71</u></u>	<u><u>1,794,241.58</u></u>
<b>LIABILITIES &amp; EQUITY</b>		
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Total Accounts Payable	4,086.00	399.55
Total Credit Cards	5,605.52	10,746.44
Total Other Current Liabilities	<u>-7,994.66</u>	<u>-7,937.01</u>
<b>Total Current Liabilities</b>	<u>1,696.86</u>	<u>3,208.98</u>
<b>Total Liabilities</b>	1,696.86	3,208.98
<b>Equity</b>		
Unrealized Merced Loan Interest	80,003.35	66,848.33
Unreal. Investment Gains/Losses	1,460.99	-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	<u>64,200.35</u>	<u>83,290.21</u>
<b>Total Equity</b>	<u>1,875,898.85</u>	<u>1,791,032.60</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>1,877,595.71</u></u>	<u><u>1,794,241.58</u></u>
	<u>Sept 30, 2012</u>	<u>Dec 31, 2011</u>
<b>Contributions to Net Income Through Sept 30</b>	<b>64,200.35</b>	<b>83,290.21</b>
Unrestricted Funds	88,083.53	52,628.80
Point Reyes Fund	-28,897.04	-27,698.38
Missions Restricted Funds	2,565.47	57,359.60
Other Restricted Funds	2,448.39	1,000.19

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

09/30/2012

January through December 2012 (Preliminary)

Accrual Basis

	<u>Jan - Dec 12</u>	<u>Budget</u>	<u>% of Budget</u>
<b>Ordinary Income/Expense</b>			
<b>Income</b>			
Total Lights-on Income	523,863.88	605,630.00	86.5%
Total Outreach (Stewards of the West)	50,025.67	40,000.00	125.06%
Total Pass Through Income	277.20		
<b>Total Income</b>	<u>574,166.75</u>	<u>645,630.00</u>	<u>88.93%</u>
<b>Total COGS</b>	<u>89.46</u>		
<b>Gross Profit</b>	<u>574,077.29</u>	<u>645,630.00</u>	<u>88.92%</u>
<b>Expense</b>			
<b>Lights-on Expenses</b>			
Total 09_OCA Expenses	193,685.00	251,580.00	76.99%
<b>01_Payroll Expenses</b>			
Total Gross Wages	68,666.64	82,000.00	83.74%
Total Stipends	33,020.00	37,356.00	88.39%
Total Employee Benefits	11,667.75	13,757.00	84.81%
Total Payroll Taxes	803.25	918.00	87.5%
<b>01_Payroll Expenses - Other</b>	<b>0.00</b>		
Workmans Comp	593.19	1,000.00	59.32%
Direct Deposit Fees	116.15	100.00	116.15%
<b>Total 01_Payroll Expenses</b>	<u>114,866.98</u>	<u>135,131.00</u>	<u>85.0%</u>
Total 04_Travel	37,914.85	66,300.00	57.19%
Total 02_Professional Fees	18,200.00	28,640.00	63.55%
Total 03_Office Expenses	6,806.72	10,238.90	66.48%
Total 05_Facilities and Equipment	3,708.00	4,800.00	77.25%
Total Unbudgeted Expenses	976.17		
Total 06_Clergy and Parish Resources	437.02	4,100.00	10.66%
Total 08_Diocesan Assembly	1,019.20		
Pan Orthodox Activities	355.79	1,000.00	35.58%
<b>Total 07_Department of Communications</b>	<u>39.50</u>	<u>2,325.00</u>	<u>1.7%</u>
<b>Total Lights-on Expenses</b>	<u>378,009.23</u>	<u>504,114.90</u>	<u>74.99%</u>
<b>Outreach Expenses</b>			
Total Department of Missions	63,002.20	103,214.00	61.04%
Seminarian Financial Aid	7,000.00	10,000.00	70.0%
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	900.00	5,700.00	15.79%
Total Department of Stewardship	1.40	5,225.00	0.03%
Music Dept	0.00	500.00	0.0%
<b>Total Outreach Expenses</b>	<u>77,403.60</u>	<u>134,139.00</u>	<u>57.7%</u>
<b>Total Pass Through Expenses</b>	<u>376.20</u>		
<b>Total Expense</b>	<u>455,789.03</u>	<u>638,253.90</u>	<u>71.41%</u>
<b>Net Ordinary Income</b>	<u>118,387.26</u>	<u>7,376.10</u>	<u>1,605.01%</u>
<b>Net Income</b>	<u>118,387.26</u>	<u>7,376.10</u>	<u>1,605.01%</u>