



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

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**2012 Financial Report Summary  
Revised**

**Prepared by  
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**I. Executive Summary 2012**

This revised report replaces the 2012 Financial Report Summary dated 09 January 2013. Donations and payments received the last day of December, credit card transactions after December 9, and a corrected statement from one financial institution required that the prior report be corrected.

The net operating income at the end of 2012 was \$83,104.36 versus the budgeted \$ 8,876. A single gift to the Diocese of the West made a big impact on net income.

In 2012 the Diocese was pleased to accept a generous donation of \$40,000 from Sara Oftedal, the former housemother of Martha Mary House. The Diocesan Council voted to keep the donation as a separate line item fund. The use of this fund has not yet been specified.

The loan to St Mary Magdalene parish in Merced, California was paid off. A loan of \$100,000 was authorized for the Monastery of St John of Shanghai. The LifeGiving Spring Retreat Center was sold and the Diocese is holding the mortgage. Interest payments are being split between the Diocese of the West and the Russian Women's Home of Mercy.

The treasurer upgraded the accounting software to QuickBooks Premium Plus 2013 in 2012. A number of software bugs in the new version were encountered. In late October, a payroll transmission error occurred which allowed for duplicate November salary checks for three people to be generated and submitted to Intuit for processing. Thus three people received two paychecks in November.

The resolution of the discrepancy was to consider the duplicate payment as the paycheck for December. The P&L report detail shows the total for paychecks from January 1, 2012 through December 31, 2012. The January 1, 2012 paycheck covered December 2011. The duplicate paycheck in November covered December 2012. Thus the year total for His Eminence, the Administrative Assistant, and the Mission Director consists of 13 paychecks and is over budget.

**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 December, checking and savings accounts total \$ 877,325. Accounts Receivable total \$ 549,357. See Section III for a detailed status of the receivables. Investments

and other current assets total \$ 400,313. The credit card liability is \$ 6,848. Other Current Liabilities are the direct deposit stipend amounts payable in January, 2013.

Unrealized gains from investments are \$ 6,788.

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 December total \$ 18,691. The total amount of assessment receivables on the balance sheet is more than that reflected in the table in Section VIII, since December 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 \$450,266 to the Diocese of the West. I have applied recent mortgage interest payments to the oldest loans made from operating funds.
- 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. That loan was paid off in March 2012. They have now been extended a no-interest loan of \$100,000. As of December 31, they have incurred \$70,000 of that amount.
- 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 \$10,184. 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 accrued \$81,530.36 interest over the life of the loan. The loan and accrued interest were paid off on in October.

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

Net unrestricted income through the end of December was \$83,104 or 936% over the budgeted amount of \$8,876. The percent of budget for each category should be 100%. Unrestricted income through December is 107% of budget and expenses are 96% of budget.

The only major operating expense category 10% over the 2012 budget was Pan Orthodox Activities. There was \$925 in unbudgeted expenses in 2012. The latter expenses were for gifts to a new and a retired bishop.

### **V. Point Reyes Funds Balance Sheet & P&L**

Assets from the sale of the Point Reyes property now total \$1,145,191. Some of the Point Reyes sale funds are invested with Infinity Financial Services but almost half of the funds are tied up in loans (Monastery of St John, Culver City, and LGS). \$132,000 is 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 December 2012:

The balance sheet for funds:

Checking/Savings	\$ 312,058.61
Investments	\$ 266,891.04
Loans Outstanding	\$ 520,274.14
Equity in Duboce Property	\$ 45,966.92
Total Remaining Sale Assets	\$1,145,190.71

Unrealized investment gains/losses total 608.98

Current year-to-date Income/Expenses:

Investment/Savings Income	\$ 4,756.34
Loan Interest	\$ 81,530.36
Expenses (St Barbara Chapel)	\$ -32,767.31
Realized Capital Loss	\$ - 1,541.63
Net Fund Income	\$ 51,977.76

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

Restricted Mission Funds currently total \$165,131. Mission Savings in the LCBA Annuity account is currently \$ 72,005 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 (\$13,198), in two Wells Fargo CDs (\$51,345), and in a Wells Fargo Savings Account (\$16,540). There is an additional \$12,043 set aside as a Mission Director Salary Reserve fund in the savings account.

As of the end of December, the Mission Restricted Funds show a net income of \$ 3,656. The LCBA Annuity account generated \$ 3,106 in interest and the CDs and savings account have generated \$907 in interest. A distribution from the OCA St Andrew fund of \$243.00 was received.

## VII. Parish Assessment Receivables

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

	> 90		DPA		Fair Share		2012 Assessments	Assembly	Total
Livermore, CA	*	▲	\$3,841.75		\$322.25		\$10,539.65	\$190.00	\$14,893.65
Menlo Park, CA							\$773.75		\$773.75
San Diego, CA							\$739.00		\$739.00
Santa Barbara, CA	*	▶			\$406.50				\$406.50
Los Angeles, CA	*	▼						\$371.40	\$371.40
Redding, CA							\$78.75		\$78.75
			<b>\$3,841.75</b>		<b>\$728.75</b>		<b>\$12,131.15</b>	<b>\$561.40</b>	<b>\$17,263.05</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**

01/27/2013

As of December 31, 2012

Accrual Basis

	<u>Dec 31, 12</u>	<u>Dec 31, 11</u>
<b>ASSETS</b>		
Current Assets		
Total Checking/Savings	877,325.08	549,907.98
Total Accounts Receivable	549,356.67	554,451.84
Total Other Current Assets	400,312.84	418,125.01
<b>Total Current Assets</b>	<b>1,826,994.59</b>	<b>1,522,484.83</b>
Total Fixed Assets	56,517.31	271,757.31
<b>TOTAL ASSETS</b>	<b>1,883,511.90</b>	<b>1,794,242.14</b>
<b>LIABILITIES &amp; EQUITY</b>		
Liabilities		
Current Liabilities		
Total Accounts Payable	0.00	399.55
Total Credit Cards	6,847.67	10,746.44
Total Other Current Liabilities	-1,121.30	-7,937.01
<b>Total Current Liabilities</b>	<b>5,726.37</b>	<b>3,208.98</b>
<b>Total Liabilities</b>	<b>5,726.37</b>	<b>3,208.98</b>
Equity		
Unrealized Merced Loan Interest	0.00	66,848.33
Unreal. Investment Gains/Losses	6,788.48	-6,049.89
Opening Bal Equity	313,536.26	313,536.26
Retained Operating Earnings	1,416,698.46	1,333,408.36
Net Income	140,762.33	83,290.10
<b>Total Equity</b>	<b>1,877,785.53</b>	<b>1,791,033.16</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>1,883,511.90</b>	<b>1,794,242.14</b>

	<u>Dec 31, 2012</u>	<u>Dec 31, 2011</u>
<b>Contributions to Net Income Through Dec 31</b>	<b>140,762.33</b>	<b>83,290.21</b>
Unrestricted Funds	83,104.36	52,628.80
Point Reyes Fund	51,977.76	-27,698.38
Missions Restricted Funds	3,656.32	57,359.60
Other Restricted Funds	2,023.89	1,000.19

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

01/27/2013

January through December 2012

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	626,499.43	605,630.00	103.45%
Total Outreach (Stewards of the West)	66,620.72	40,000.00	166.55%
Total Pass Through Income	376.20		
<b>Total Income</b>	<b>693,496.35</b>	<b>645,630.00</b>	<b>107.41%</b>
Total Cost of Saints of America	98.07		
<b>Gross Profit</b>	<b>693,398.28</b>	<b>645,630.00</b>	<b>107.4%</b>
<b>Expense</b>			
<b>Lights-on Expenses</b>			
Total 09_OCA Expenses	256,580.00	251,580.00	101.99%
<b>01_Payroll Expenses</b>			
Total Gross Wages	89,166.63	82,000.00	108.74%
Total Stipends	40,242.00	37,356.00	107.73%
Total Employee Benefits	14,456.00	13,757.00	105.08%
Total Payroll Taxes	1,032.75	918.00	112.5%
Workmans Comp	593.19	1,000.00	59.32%
Moving Expenses (Qualified)	355.04		
Direct Deposit Fees	158.70	100.00	158.7%
01_Payroll Expenses - Other	0.00		
<b>Total 01_Payroll Expenses</b>	<b>146,004.31</b>	<b>135,131.00</b>	<b>108.05%</b>
Total 04_Travel	55,893.58	64,800.00	86.26%
Total 02_Professional Fees	23,600.00	28,640.00	82.4%
Total 03_Office Expenses	9,540.13	10,238.90	93.18%
Total 05_Facilities and Equipment	4,084.03	4,800.00	85.08%
Total 06_Clergy and Parish Resources	2,210.75	4,100.00	53.92%
Total 08_Diocesan Assembly	1,787.29		
Pan Orthodox Activities	1,104.43	1,000.00	110.44%
Total Unbudgeted Expenses	925.20		
Total 07_Department of Communications	39.50	2,325.00	1.7%
<b>Total Lights-on Expenses</b>	<b>501,769.22</b>	<b>502,614.90</b>	<b>99.83%</b>
<b>Outreach Expenses</b>			
Total Department of Missions	81,840.69	103,214.00	79.29%
Seminarian Financial Aid	10,000.00	10,000.00	100.0%
Total Department of Charities	5,600.00	5,700.00	98.25%
Total Youth Department	5,500.00	5,500.00	100.0%
Total Department of Stewardship	2,707.81	5,225.00	51.82%
Intern Program	1,000.00	3,000.00	33.33%
Patr. Athenogoras Inst. - Berke	1,000.00	1,000.00	100.0%
Uncollectable Pledges	500.00		
Music Dept	0.00	500.00	0.0%
<b>Total Outreach Expenses</b>	<b>108,148.50</b>	<b>134,139.00</b>	<b>80.62%</b>
Total Pass Through Expenses	376.20		
<b>Total Expense</b>	<b>610,293.92</b>	<b>636,753.90</b>	<b>95.85%</b>
<b>Net Ordinary Income</b>	<b>83,104.36</b>	<b>8,876.10</b>	<b>936.27%</b>
<b>Net Income</b>	<b>83,104.36</b>	<b>8,876.10</b>	<b>936.27%</b>