



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

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August 2013 Financial Report Summary

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03 September 2013**

I. Executive Summary

The Diocese's commitment to support the building of the new chapel for St Barbara Monastery has been fulfilled. The large payout this month from the Point Reyes fund created the negative net income shown on the consolidated balance sheet. The total paid out to the monastery since 2009 was \$300,000.

Two new CD account are being set up with Pacific Capital Bank. Some of the funds currently in the Wells Fargo Savings account will be put into those CDs in September.

Stewardship donations are 55% of budget.

The Budget/Finance Committee should address the 2013 budget problems in Section IV.

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 \$695,694. Accounts Receivable total \$ 511,830. See Section III for a detailed status of the receivables. Investments and other current assets total \$ 488,340. The credit card liability through August 31 is \$ 9,957. Other Current Liabilities include direct deposit salary checks dated August 30th and not yet cashed and payroll liabilities due in September.

Unrealized losses from Point Reyes Fund investments this year are \$ 23,785. See Section V for a detailed review of the restricted Point Reyes Fund assets and an explanation for the unrealized loss in one bond in particular.

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 \$ 8,043. The total amount of assessment receivables on the balance sheet is different 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 from Point Reyes Funds of \$437,062. Until last month, we had been receiving interest payments on that debt. We

cannot expect to receive any additional interest because the purchaser of the LGS property is defaulting on the loan.

- The Monastery of St. John of Shanghai was given a 5 year no interest loan of \$70,000 at the end of 2012. The current balance on that loan is \$58,333.
- 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 \$7,912.

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

Net unrestricted income through the end of August was \$23,693. Income and expenses shown on the attached unrestricted P&L report include those through September 2.

The percent of budget for each category should be between 67% and 75%. Unrestricted income through September 2 is 75 % of budget and expenses are 67% of budget.

The only major operating expense categories 10% over the latest revision of the 2013 budget are:

- 03_Office Expenses as a whole are 97% of budget because
 - Background Checks are 125% of budget
 - Books & Publications are 265 % of budget. A one-year online subscription to Church & Clergy Tax.com was purchased to facilitate searches for information.
 - Fort Ross Registration expenses were 253% of budget
 - Office supplies and expenses are 111% of budget
- 04_Travel Expenses are 81% of budget
 - Travel for Diocesan Business is 265% of budget
 - Council Meeting Travel is 85% of budget
- 05_Facilities and Equipment is 93% of budget
 - Property & Liability Insurance is 96% of budget. The annual amount due was paid in full in February.
 - Office Equipment is 86% of budget. No other major purchases are expected.

V. Point Reyes Funds Balance Sheet & P&L

Assets from the sale of the Point Reyes property now total \$1,076,176. 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).

Infinity Financial funds are invested 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 2013:

The distribution of Point Reyes Funds Assets:

Checking/Savings	\$ 70,076.46
Investments	\$ 456,825.20
Loans Outstanding	\$ 503,307.51
<u>Equity in Duboce Property</u>	<u>\$ 45,966.92</u>

Total Remaining Sale Assets \$1,076,176.09

Unrealized investment losses total \$23,418.

Although the Point Reyes Fund investments have been steadily earning income, the market value of the securities has fluctuated quite a bit over the last several months. One security in particular, a bond with Corporation GEO SA, shows an unrealized loss of \$23,408. This bond is with a Mexican homebuilder group. The bond was guaranteed by the Mexican government. Since the purchase of the bond, the government began funneling funds into apartment development instead. The result is that, although all homebuilder companies have plenty of assets, they are in the process of restructuring their debt so they are no longer dependent on the government. During the restructuring process, the market value of all homebuilding bonds will suffer. Corporation GEO still continues to pay dividends. We received a dividend of \$ 1,331 in March and should receive another dividend shortly.

Current year-to-date Income/Expenses:

Investment/Savings Income	\$ 13,368.11
Investment Fees and Expenses	\$ 1,664.58
<u>Expenses (St Barbara Chapel)</u>	<u>\$ 128,481.33</u>
Net Fund Income	- \$ 116,777.80

VI. Mission Restricted Funds Balance Sheet and P&L

Restricted Mission Funds assets currently total \$ 167,889. Mission Savings in the LCBA Annuity account is currently \$ 74,146 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 (\$13,269), in two Wells Fargo CDs (\$51,864), and in a Wells Fargo Savings Account (\$16,555). There is an additional \$12,054 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 \$1,862. The LCBA Annuity account generated \$ 2,141 in interest and the CDs and savings account have generated \$599 in interest.

VII. Parish Assessment Receivables

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

	> 90			2013 Assessments	Assembly	Total
Las Vegas, NV				\$2,025.87		\$2,025.87
Milwaukie, OR	*	▶		\$1,659.60		\$1,659.60
Kirkland, WA				\$1,040.78		\$1,040.78
Lake Havasu, AZ	*	▶		\$380.53		\$380.53
				\$5,106.78	\$0.00	\$5,106.78

- ▲ 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

The Diocese of the West
Consolidated Balance Sheet
As of August 31, 2013

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Accrual Basis

	Aug 31, 13	Dec 31, 12
ASSETS		
Current Assets		
Total Checking/Savings	695,694.48	877,494.11
Total Accounts Receivable	511,829.89	549,193.04
Other Current Assets		
Paypal	0.00	1,245.75
Saints of America' Inventory	562.79	562.79
Infinity Financial	488,340.20	321,459.00
LCBA Missions Savings 4.5% - R	74,146.00	72,004.77
Undeposited Funds	0.00	4,983.49
Total Other Current Assets	563,048.99	400,255.80
Total Current Assets	1,770,573.36	1,826,942.95
Fixed Assets		
720 Duboce House	45,966.92	45,966.92
Office Furniture and Equipment	10,550.39	10,550.39
Total Fixed Assets	56,517.31	56,517.31
TOTAL ASSETS	1,827,090.67	1,883,460.26
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Total Accounts Payable	63,481.33	0.00
Total Credit Cards	9,957.19	6,847.67
Other Current Liabilities		
Direct Deposit Liabilities	-1,584.30	-3,034.30
Payroll Liabilities	3,429.11	1,913.00
Total Other Current Liabilities	1,844.81	-1,121.30
Total Current Liabilities	75,283.33	5,726.37
Total Liabilities	75,283.33	5,726.37
Equity		
Unreal. Investment Gains/Losses	-27,932.29	6,772.15
Opening Bal Equity	313,536.26	313,536.26
Retained Operating Earnings	1,557,425.48	1,416,197.31
Net Income	-91,222.11	141,228.17
Total Equity	1,751,807.34	1,877,733.89
TOTAL LIABILITIES & EQUITY	1,827,090.67	1,883,460.26
	August 31, 2013	Dec 31, 2012
Contributions to Net Income Through August 31	-91,222.11	141,228.17
Unrestricted Funds	23,692.70	83,109.76
Point Reyes Fund	-116,777.80	52,438.20
Missions Restricted Funds	1,862.13	3,656.32
Other Restricted Funds	0.86	2,023.89

Unrestricted Funds Profit & Loss Budget vs. Actual

09/02/2013

January through December 2013

Accrual Basis

	<u>Jan - Dec 13</u>	<u>Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense			
Income			
Total Lights-on Income	481,654.07	633,161.00	76.07%
Total Pass Through Income	297.00		
Total Outreach (Stewards of the West)	22,202.04	40,000.00	55.51%
Total Income	504,153.11	673,161.00	74.89%
Gross Profit	504,153.11	673,161.00	74.89%
Expense			
Lights-on Expenses			
01_Payroll Expenses			
Direct Deposit Fees	133.55	150.00	89.03%
Total Employee Benefits	13,995.50	17,200.00	81.37%
Total Gross Wages	59,180.61	85,847.33	68.94%
Moving Expenses (Qualified)	130.19		
Total Payroll Taxes	957.32	2,707.20	35.36%
Total Stipends	32,760.00	48,000.00	68.25%
Workmans Comp	596.49	1,000.00	59.65%
01_Payroll Expenses - Other	0.00		
Total 01_Payroll Expenses	107,753.66	154,904.53	69.56%
Total 02_Professional Fees	9,000.00	23,240.00	38.73%
Total 03_Office Expenses	9,368.59	9,669.00	96.89%
Total 04_Travel	47,298.15	58,500.00	80.85%
Total 05_Facilities and Equipment	5,186.60	5,600.00	92.62%
Total 06_Clergy and Parish Resources	10,072.99	12,600.00	79.94%
Total 07_Department of Communications	0.00	525.00	0.0%
Total 08_Diocesan Assembly	35.70		
Total 09_OCA Expenses	155,800.00	233,700.00	66.67%
Pan Orthodox Activities	0.00	500.00	0.0%
Total Lights-on Expenses	344,515.69	499,238.53	69.01%
Total Pass Through Expenses	297.00		
Outreach Expenses			
Patr. Athenagoras Inst. - Berke	0.00	1,000.00	0.0%
Total Department of Charities	500.00	5,000.00	10.0%
Total Department of Missions	72,805.69	114,000.00	63.87%
Total Department of Stewardship	2,559.30	5,225.00	48.98%
Intern Program	2,500.00	3,000.00	83.33%
Music Dept	0.00	500.00	0.0%
Seminarian Financial Aid	2,000.00	8,000.00	25.0%
Total Youth Department	5,500.00	6,500.00	84.62%
Total Outreach Expenses	85,864.99	143,225.00	59.95%
Total Expense	430,677.68	642,463.53	67.04%
Net Ordinary Income	73,475.43	30,697.47	239.35%
Net Income	73,475.43	30,697.47	239.35%