



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

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## **June 2012 Financial Report Summary**

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07 July 2012**

### **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. I was told that escrow is scheduled to close at the end of June, however I have not yet heard whether it actually closed or not.

The LifeGiving Spring Retreat Center property in Boulder City, NV is in escrow and is scheduled to close on Monday, July 9. Total selling price is \$1,300,000. 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. **Direction must be given to the treasurer of LGS as to how to distribute the income from the loan after covering some basic LGS corporate expenses, such as Directors & Officers Liability insurance.**

### **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 June, checking and savings accounts total \$ 575,126. Accounts Receivable total \$ 624,658.86. See Section III for a detailed status of the receivables. Investments and other current assets total \$ 394,963. The credit card liability is \$ 5,978.64. Other Current Liabilities are the direct deposit salary and stipend amounts payable in July.

Recomputed unrealized interest (simple interest) on the loan to Merced is \$73,540.03.  
Unrealized loss from investments is \$ 1,678.

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 June total \$ 29,142. 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 June 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 now has outstanding debts to the Diocese of \$13,360 from an old debt and \$208,553.48 for operating expenses since March 2009.
- 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 \$11,888. 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 \$360,798.

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

Net unrestricted income through the end of June was \$80,868. Half of that income was a result of a generous donation from Sarah Oftedal, housemother of Martha Mary House. Income and expenses shown on the attached unrestricted P&L report include those through July 7. Thus the percent of budget for each category should be between 50% and 58%. Unrestricted income through July 7 is 63% of budget and expenses are 50%.

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.

Outreach Expenses>Youth Department funds is at 62% of budget. Only the Pacific Northwest and Mission Deaneries have not yet requested their funds for 2012.

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

Assets from the sale of the Point Reyes property now total \$1,188,363. 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 \$324,000 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 June 2012:

The balance sheet for funds:

Checking/Savings	\$ 21,983.50
Investments	\$ 323,933.45
Loans Outstanding	\$ 581,239.56
<u>Equity in Duboce &amp; LGS Property</u>	<u>\$ 261,206.92</u>
Total Remaining Sale Assets	\$1,188,363.43

Unrealized investment gains/losses total (\$1,678.03).

Current year-to-date Income/Expenses:

Investment/Savings Income	\$	2,522.15
Expenses (St Barbara Chapel)	\$	19,426.06
Realized Capital Loss	\$	1,541.63
Net Fund Income	(\$	18,445.54)

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

Restricted Mission Funds currently total \$1633,098. Mission Savings in the LCBA Annuity account is currently \$ 70,433 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 (\$13,146), in two Wells Fargo CDs (\$50,957), and in a Wells Fargo Savings Account (\$16,527). There is an additional \$12,034 set aside as a Mission Director Salary Reserve fund in the savings account.

As of the end of June, the Mission Restricted Funds show a net income of \$ 1,555.48. The LCBA Annuity account generated \$ 1,535 in interest and the CDs and savings account have generated \$463 in interest.

**VII. Parish Assessment Receivables**

The following parishes had open invoices that were **30 days or more** past due as of June 30. All assessments are due on the 15th of each month. Tarzana does not seem to have a treasurer at this time. The previous one resigned and I have not been informed as to who the successor may be.

	> 90		DPA		Fair Share		2012 Assessments		Total
Livermore, CA	*	▲	\$3,841.75		\$322.25		\$4,790.75		\$8,954.75
Los Angeles, CA							\$6,203.25		\$6,203.25
Tarzana, CA		▲					\$1,234.25		\$1,234.25
San Francisco, CA (CSC)		▲					\$1,043.25		\$1,043.25
Port Townsend, WA							\$637.55		\$637.55
Santa Barbara, CA	*	▶			\$406.50				\$406.50
Santa Maria, CA		▶					\$93.55		\$93.55
Hesperia, CA							\$10.10		\$10.10
			<b>\$3,841.75</b>		<b>\$728.75</b>		<b>\$14,012.70</b>		<b>\$18,583.20</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**

07/07/2012

As of June 30, 2012

Accrual Basis

	<u>Jun 30, 12</u>	<u>Dec 31, 11</u>
<b>ASSETS</b>		
Current Assets		
Total Checking/Savings	575,126.16	549,907.98
Total Accounts Receivable	624,658.86	554,451.84
Total Other Current Assets	<u>394,962.97</u>	<u>418,124.45</u>
Total Current Assets	<u>1,594,747.99</u>	<u>1,522,484.27</u>
Total Fixed Assets	<u>271,757.31</u>	<u>271,757.31</u>
<b>TOTAL ASSETS</b>	<u><u>1,866,505.30</u></u>	<u><u>1,794,241.58</u></u>
<b>LIABILITIES &amp; EQUITY</b>		
Liabilities		
Current Liabilities		
Total Accounts Payable	0.00	399.55
Total Credit Cards	5,978.64	10,746.44
Total Other Current Liabilities	<u>-7,994.66</u>	<u>-7,937.01</u>
Total Current Liabilities	<u>-2,016.02</u>	<u>3,208.98</u>
Total Liabilities	<u>-2,016.02</u>	<u>3,208.98</u>
Equity		
Unrealized Merced Loan Interest	73,540.03	66,848.33
Unreal. Investment Gains/Losses	-1,678.03	-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	66,425.16	83,290.21
Total Equity	<u>1,868,521.32</u>	<u>1,791,032.60</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>1,866,505.30</u></u>	<u><u>1,794,241.58</u></u>
	<u>June 30, 2012</u>	<u>Dec 31, 2011</u>
Contributions to Net Income Through June 30	66,425.16	83,290.21
Unrestricted Funds	80,867.77	52,628.80
Point Reyes Fund	-18,445.54	-27,698.38
Missions Restricted Funds	1,555.48	57,359.60
Other Restricted Funds	2,447.45	1,000.19

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

07/07/2012

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	358,255.49	605,630.00	59.15%
Total Outreach (Stewards of the West)	48,620.67	40,000.00	121.55%
Total Pass Through Income	178.20		
<b>Total Income</b>	<u>407,054.36</u>	<u>645,630.00</u>	<u>63.05%</u>
Total Cost of "Saints of America"	63.90		
<b>Gross Profit</b>	<u>406,990.46</u>	<u>645,630.00</u>	<u>63.04%</u>
<b>Expense</b>			
<b>Lights-on Expenses</b>			
Total 09_OCA Expenses	140,407.61	251,580.00	55.81%
<b>01_Payroll Expenses</b>			
Total Gross Wages	48,166.65	82,000.00	58.74%
Total Stipends	22,774.00	37,356.00	60.97%
Total Employee Benefits	8,150.50	13,757.00	59.25%
Total Payroll Taxes	573.75	918.00	62.5%
Workmans Comp	517.08	1,000.00	51.71%
Direct Deposit Fees	78.05	100.00	78.05%
Total 01_Payroll Expenses	<u>80,260.03</u>	<u>135,131.00</u>	<u>59.39%</u>
Total 04_Travel	27,112.50	66,300.00	40.89%
Total 02_Professional Fees	10,800.00	28,640.00	37.71%
Total 05_Facilities and Equipment	3,751.20	4,800.00	78.15%
Total 03_Office Expenses	3,569.53	10,238.90	34.86%
Total Unbudgeted Expenses	420.20		
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%
<b>Total Lights-on Expenses</b>	<u>266,517.59</u>	<u>504,114.90</u>	<u>52.87%</u>
<b>Outreach Expenses</b>			
Total Department of Missions	41,720.85	103,214.00	40.42%
Seminarian Financial Aid	4,000.00	10,000.00	40.0%
Total Youth Department	3,400.00	5,500.00	61.82%
Patr. Athenogoras Inst. - Berke	1,000.00	1,000.00	100.0%
Total Department of Charities	700.00	5,700.00	12.28%
Total Department of Stewardship	1.40	5,225.00	0.03%
Music Dept	0.00	500.00	0.0%
Intern Program	0.00	3,000.00	0.0%
<b>Total Outreach Expenses</b>	<u>50,822.25</u>	<u>134,139.00</u>	<u>37.89%</u>
Total Pass Through Expenses	178.20		
<b>Total Expense</b>	<u>317,518.04</u>	<u>638,253.90</u>	<u>49.75%</u>
<b>Net Ordinary Income</b>	<u>89,472.42</u>	<u>7,376.10</u>	<u>1,213.0%</u>
<b>Net Income</b>	<u>89,472.42</u>	<u>7,376.10</u>	<u>1,213.0%</u>