



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

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## **September 2013 Financial Report Summary**

**Prepared by  
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04 October 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 last 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.

The Sarah Elisabet Oftedal funds have been moved from a savings account into a Capital Pacific Bank CD. Some of the funds currently in the Wells Fargo Savings account will be put into a separate CD at Capital Pacific Bank.

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 September, checking and savings accounts total \$643,695. Accounts Receivable total \$ 508,303. See Section III for a detailed status of the receivables. Investments and other current assets total \$ 566,182. The credit card liability through September 30<sup>th</sup> is \$ 7,617. Other Current Liabilities include direct deposit salary checks dated September 30<sup>th</sup> and not yet cashed and payroll liabilities due in October.

Unrealized losses from Point Reyes Fund investments this year are \$ 29,101. 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 September total 6,667. The total amount of assessment receivables on the balance sheet is different 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 from Point Reyes Funds of \$437,062. Through July, 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 \$57,167.
- 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 \$7,628.

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

Net unrestricted income through the end of September was \$43,340. Income and expenses shown on the attached unrestricted P&L report include those through October 4.

The percent of budget for each category should be between 75% and 83%. Unrestricted income through October 4 is 83 % of budget and expenses are 74% 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 102% 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 119% of budget
- 04\_Travel Expenses are 90% of budget
  - Travel for Diocesan Business is 282% of budget
  - Diocesan Hierarch Travel is 96% 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 \$1,047,066. 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 September 2013:

The distribution of Point Reyes Funds Assets:

Checking/Savings	\$ 8,046.56
Investments	\$ 491,195.45

Loans Outstanding	\$ 501,856.84
<u>Equity in Duboce Property</u>	<u>\$ 45,966.92</u>
Total Remaining Sale Assets	\$1,047,065.77

Unrealized investment losses total \$27,534.

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 suffered. The bond was sold in early October even though dividends of \$ 1,331 were received in March.

Current year-to-date Income/Expenses:

Investment/Savings Income	\$ 17,393.17
Investment Fees and Expenses	\$ 1,664.58
<u>Expenses (St Barbara Chapel)</u>	<u>\$ 128,481.33</u>
Net Fund Income	- \$ 112,752.74

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

Restricted Mission Funds assets currently total \$ 168,245. Mission Savings in the LCBA Annuity account is currently \$ 74,424 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 (\$13,278), in two Wells Fargo CDs (\$51,931), and in a Wells Fargo Savings Account (\$16,557). There is an additional \$12,056 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 \$2,236. The LCBA Annuity account generated \$ 2,419 in interest and the CDs and savings account have generated \$695 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			2013 Assessments	Assembly	Total
Las Vegas, NV		▲		\$4,051.74		\$4,051.74
				<b>\$4,051.74</b>	<b>\$0.00</b>	<b>\$4,051.74</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

The Diocese of the West  
**Consolidated Balance Sheet**  
As of September 30, 2013

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10/04/2013  
Accrual Basis

	Sep 30, 13	Dec 31, 12
<b>ASSETS</b>		
<b>Current Assets</b>		
Total Checking/Savings	643,694.93	877,494.11
Total Accounts Receivable	508,903.29	549,193.04
<b>Other Current Assets</b>		
Paypal	0.00	1,245.75
Saints of America' Inventory	562.79	562.79
Infinity Financial	491,195.45	321,459.00
LCBA Missions Savings 4.5% - R	74,423.70	72,004.77
Undeposited Funds	0.00	4,983.49
<b>Total Other Current Assets</b>	<b>566,181.94</b>	<b>400,255.80</b>
<b>Total Current Assets</b>	<b>1,718,780.16</b>	<b>1,826,942.95</b>
<b>Fixed Assets</b>		
720 Duboce House	45,966.92	45,966.92
Office Furniture and Equipment	10,550.39	10,550.39
<b>Total Fixed Assets</b>	<b>56,517.31</b>	<b>56,517.31</b>
<b>TOTAL ASSETS</b>	<b>1,775,297.47</b>	<b>1,883,460.26</b>
<b>LIABILITIES &amp; EQUITY</b>		
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Total Accounts Payable	1,800.00	0.00
Total Credit Cards	7,617.36	6,847.67
Total Other Current Liabilities	-8,803.93	-1,121.30
<b>Total Current Liabilities</b>	<b>613.43</b>	<b>5,726.37</b>
<b>Total Liabilities</b>	<b>613.43</b>	<b>5,726.37</b>
<b>Equity</b>		
Unreal. Investment Gains/Losses	-29,101.34	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	-67,176.36	141,228.17
<b>Total Equity</b>	<b>1,774,684.04</b>	<b>1,877,733.89</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>1,775,297.47</b>	<b>1,883,460.26</b>
	<b>September 30, 2013</b>	<b>Dec 31, 2012</b>
<b>Contributions to Net Income Through September 30</b>	<b>-67,176.36</b>	<b>141,228.17</b>
Unrestricted Funds	43,339.65	83,109.76
Point Reyes Fund	-112,752.74	52,438.20
Missions Restricted Funds	2,235.87	3,656.32
Other Restricted Funds	0.86	2,023.89

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

10/04/2013

January through December 2013

Accrual Basis

	<u>Jan - Dec 13</u>	<u>Budget</u>	<u>% of Budget</u>
<b>Ordinary Income/Expense</b>			
<b>Income</b>			
Total Lights-on Income	533,770.22	633,161.00	84.3%
Total Pass Through Income	297.00		
Total Outreach (Stewards of the West)	22,332.06	40,000.00	55.83%
<b>Total Income</b>	<u>556,399.28</u>	<u>673,161.00</u>	<u>82.66%</u>
<b>Gross Profit</b>	556,399.28	673,161.00	82.66%
<b>Expense</b>			
<b>Lights-on Expenses</b>			
<b>01_Payroll Expenses</b>			
Direct Deposit Fees	151.15	150.00	100.77%
Total Employee Benefits	15,658.75	17,200.00	91.04%
Total Gross Wages	65,847.27	85,847.33	76.7%
Moving Expenses (Qualified)	130.19		
Total Payroll Taxes	1,021.07	2,707.20	37.72%
Total Stipends	36,400.00	48,000.00	75.83%
Workmans Comp	1,154.24	1,000.00	115.42%
01_Payroll Expenses - Other	0.00		
<b>Total 01_Payroll Expenses</b>	<u>120,362.67</u>	<u>154,904.53</u>	<u>77.7%</u>
Total 02_Professional Fees	10,800.00	23,240.00	46.47%
Total 03_Office Expenses	9,851.20	9,669.00	101.88%
Total 04_Travel	52,766.30	58,500.00	90.2%
Total 05_Facilities and Equipment	5,186.60	5,600.00	92.62%
Total 06_Clergy and Parish Resources	10,254.78	12,600.00	81.39%
Total 07_Department of Communications	0.00	525.00	0.0%
Total 08_Diocesan Assembly	35.70		
Total 09_OCA Expenses	175,275.00	233,700.00	75.0%
Pan Orthodox Activities	0.00	500.00	0.0%
<b>Total Lights-on Expenses</b>	<u>384,532.25</u>	<u>499,238.53</u>	<u>77.02%</u>
<b>Total Pass Through Expenses</b>	297.00		
<b>Outreach Expenses</b>			
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	78,522.59	114,000.00	68.88%
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	4,000.00	8,000.00	50.0%
Total Youth Department	<u>5,500.00</u>	<u>6,500.00</u>	<u>84.62%</u>
<b>Total Outreach Expenses</b>	<u>93,581.89</u>	<u>143,225.00</u>	<u>65.34%</u>
<b>Total Expense</b>	<u>478,411.14</u>	<u>642,463.53</u>	<u>74.47%</u>
<b>Net Ordinary Income</b>	<u>77,988.14</u>	<u>30,697.47</u>	<u>254.05%</u>
<b>Net Income</b>	<u>77,988.14</u>	<u>30,697.47</u>	<u>254.05%</u>