

# Delegate Handbook

## Volume 4

Ver October 3<sup>rd</sup>, 2017

# Treasurer's/Financial Reports



**Diocese of the West  
Orthodox Church in America  
2017 Diocesan Assembly  
October 10-12, 2017**

**Meeting at**

**St Nicholas Orthodox Church  
2210 SW Dolph Ct  
Portland, OR 97219**

Version October 3<sup>rd</sup>, 2017

This is the final version of the document.

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# TREASURER'S REPORT TO THE 2017 DIOCESAN ASSEMBLY

Prepared by  
Mary L. Caetta  
Diocesan Treasurer

All detailed and summary monthly Diocesan financial reports are regularly posted on the Diocesan web site. I will present in this report only **summaries** of 2016 financials, audit results, and 2017 financial activities through August 31, 2017.

## 2016 Financial Report

### I. Executive Summary

#### Percentage Assessment Program Status:

- 2016 assessments from parishes were 108% of budget.
- 2016 payments made to the OCA were 100% of budget.

#### Stewards of the West 2016 Appeals

- 2016 Donations total \$38,127. This is 95% of what was budgeted.

#### Unbudgeted and Extraordinary Expenses

There was one unbudgeted expense in 2017. The expense covered a diocesan contribution to the Canonical Assembly of Bishops. The settlement of a lawsuit was recorded as an extraordinary expense.

#### Receivables

Three parishes had unpaid invoices for background checks in 2016. See section VI.

### II. Statement of Financial Position (Accrual Basis - Consolidated Balance Sheet)

The Consolidated Balance Sheet reflects both **unrestricted** and **restricted** fund accounts. Savings and investment account names on the detailed balance sheet report indicate the current interest rate on funds in those accounts. The following tables summarize the balance sheets for operating and restricted funds for 2016 (subtotals rounded to the nearest dollar).

<b>Operating Funds</b>	<b>Beginning 2016</b>	<b>Ending 2016</b>
Checking & Savings	\$ 676,247	\$ 277,337
Accounts Receivable	\$ 9,857	\$ 300,099
Investments & Other Current Assets	\$ 10,721	\$ 8,573
Fixed Assets	\$ 2,745	-0-
<b>Total Operating Assets</b>		<b>\$ 586,009</b>
<b>YTD Net Operating Income</b>		<b>-\$62,271</b>

<b>Restricted Funds</b>	<b>Beginning 2016</b>	<b>Ending 2016</b>
Pt Reyes Loan Fund Restricted Assets	\$ 756,239	\$ 836,327
Mission Funds Restricted Assets	\$ 167,934	\$ 203,767
Scholarship Fund Restricted Assets	\$ 43,663	\$ 43,760
Other Restricted Funds	\$ 14,657	\$ 3,053
<b>Total Restricted Assets</b>		<b>\$1,086,908</b>
<b>YTD Net Restricted Income</b>		<b>\$ 33,170</b>
<b>Total Assets</b>		<b>\$1,672,918</b>

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

Net unrestricted income at the end of 2016 is (\$62,271).

The percent of budget for each major category should be 100%. Unrestricted Ordinary Income is 109% of budget and Ordinary Expenses were 98% of budget. An extraordinary expense of \$140,000 and was not considered in the budget process.

No major expense categories were over budget; however, Workers' Compensation was 129% of budget for the year.

### IV. Point Reyes Funds Extracted Balance Sheet & P&L

The following are the beginning and ending rounded balances for 2016:

<b>Account</b>	<b>Beginning 2016</b>	<b>Ending 2016</b>
Checking & Savings	\$ 77,595	\$ 78,880
Investment Holdings Balance (Infinity Financial)	\$ 457,010	\$ 556,810
Loans Outstanding	\$ 25,667	\$ 11,667
Bonds – St Paul the Apostle	\$ 150,000	\$ 143,004
Duboce St House Investment	\$ 45,967	\$ 45,967
<b>Total Assets</b>	<b>\$ 756,239</b>	<b>\$ 836,327</b>

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. **Unrealized** Infinity Financial losses as of the end of 2016 total \$19,454.

<b>Loans Outstanding</b>	<b>Original Amount</b>	<b>Current Balance</b>
Monastery of St John of Shanghai (2012)	\$ 70,000	\$ 11,667

Current year-to-date fund Income/Expenses:

<b>Account</b>	<b>2016 YTD</b>
Investment/Savings Income	\$ 12,750
Expenses	\$ 225
<b>Net Income</b>	<b>\$ 12,524</b>

**V. Mission Restricted Funds Extracted Balance Sheet and P&L**

<b>Account</b>	<b>Beginning 2016</b>	<b>Ending 2016</b>
LCBA Savings (4.5%)	\$ 82,163	\$ 85,867
CDs	\$ 66,868	\$ 67,121
Wells Fargo Savings	\$ 18,903	\$ 50,779
<b>Total Assets</b>	<b>\$ 167,934</b>	<b>\$ 203,767</b>

Current year-to-date Income/Expenses:

<b>Account</b>	<b>2016 YTD</b>
Investment/Savings Interest/St Andrew Dist.	\$ 35,834
Expenses	\$ 1,081
<b>Net Income</b>	<b>\$ 34,753</b>

**VI. Parish Receivables**

The following parishes had open invoices for background checks that were **90 days or more** past due as of the end of 2016.

	<b>&gt; 90</b>	<b>Background Check</b>
Los Angeles, CA	*	\$713.00
Eureka, CA	*	\$23.00
Menlo Park, CA	*	\$23.00

**VII. Internal Audit Report Follows:**

Report of the Diocesan Audit Committee  
The Diocese of the West  
DIOCESAN INTERNAL AUDIT FY2016

The Diocesan Audit Committee of the Diocese of the West consisting of Fr. Andre Paez, Michael Wagner and Maha Adranly met on Saturday, May 20, 2017, at Saints Peter & Paul Orthodox Church in Phoenix, Arizona, to perform the internal audit of the diocesan financial records for the Fiscal Year 2016. Mary Caetta, Diocesan Treasurer, was also present to provide assistance and to respond to any questions that arose during the course of the audit.

The Audit Committee followed the documented procedures which include a review and comparison of randomly-selected months of diocesan financial records. The audit included a review of statements of income, expenditures, and financial assets and liabilities as well as monthly bank statements, monthly executive summaries, and the end of the year financial summary.

The audit included the review of the diocesan financial records, the records of St. Peter the Aleut Orthodox Church and the records of Synaxis Corporation.

The Audit Committee is again pleased to report that the audited financial records are in good order and that the Diocesan Treasurer has maintained these records so that they are easily accessible and in an accurate, uniform, and consistent order. Mary performs her functions in a professional, timely, and efficient manner and adeptly and expertly fulfills all duties and tasks assigned by the Diocesan Council and Diocesan Finance Committee.

Summary Findings:

- All financial records have been maintained in an organized and consistent manner.
- All payments match their corresponding receipts/invoices.
- All bank statement balances match the corresponding statement of asset report.
- The 2016 Financial Report summary prepared by the Diocesan Treasurer accurately reflects the financial status of the Diocese of the West as of December 31, 2016.

The Diocesan Audit Committee recommends the following:

- As the diocese has significant funds in various bank accounts with no withdrawal limits on any account, we recommend that the Diocese Finance Committee consider these items to further protect the assets:
  - Adding alerts for transactions which are larger than \$5,000. This will provide early warning of fraudulent activity on the bank accounts.
  - Adding a verbal password can be added to the bank accounts to prevent withdrawal of funds from within a branch. The teller will use this password to further authenticate the validity of the transaction.
  - Adding a Treasurer Surety bond to further protect the bank account balances.

- Perform a quarterly audit to compare the bank statements to the balance sheet report provided to the diocese.
- Due to the volume of travel reimbursements and paperwork that is currently being mailed, we recommend that all people requesting reimbursement for travel provide soft copy receipts (photos or scans) to the diocesan treasurer. This will also protect the records in case of fire or other damage to paper records.

The Diocesan Audit Committee is pleased to once again commend Mary Caetta, Diocesan Treasurer, for her efficiency and expertise in fulfilling her responsibilities and for her longstanding commitment to the fiscal wellbeing of the Diocese of the West. We also express our thanks to Andrew Smith, Diocesan Administrative Assistant, for his continued assistance in this area of diocesan administration.

Fr. Andre X Paez 6-6-17  
Fr. Andre Paez

Michael P Wagner 6-6-17  
Michael Wagner

Maha Adranly 6-15-17  
Maha Adranly





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

1520 Green St San Francisco, CA 94123-5102

Web Site for links to prior month Monthly Reports:  
[http://dowoca.org/reports\\_financial.html](http://dowoca.org/reports_financial.html)  
(360) 774-2778 Cell [treasurer@dowoca.org](mailto:treasurer@dowoca.org)

**August 2017 Financial Report Summary**

Prepared by  
**Mary L. Caetta**  
Diocesan Treasurer  
04 September 2017

**I. Executive Summary**

- Finance Committee, please review section III for budget concerns.
- Net operating income is \$149,016.
- Parish remittances are 86% of budget. Central Church Support from the Diocese of the West is 79% of budget.

**II. Statement of Financial Position (Accrual Basis - Consolidated Balance Sheet)**

The Consolidated Balance Sheet reflects both **unrestricted** and **restricted** fund accounts. Savings and investment account names on the detailed balance sheet report indicate the current interest rate on funds in those accounts. The following tables summarize the balances for operating and restricted funds as of August 31, 2017, rounded to the nearest dollar.

<b>Operating Funds</b>	<b>Beginning 1/1/2017</b>	<b>Ending 8/31/2017</b>
Checking & Savings	\$ 277,337	\$ 429,852
Accounts Receivable (Loans, Pledges, misc.)	\$ 211	\$ 297,522
Other Current Assets	\$ 298,516	\$ 503
<b>Total Operating Assets</b>		<b>\$ 727,877</b>
<b>YTD Net Operating Income</b>		<b>\$ 149,016</b>

<b>Restricted Funds</b>	<b>Beginning 1/1/2017</b>	<b>Ending 8/31/2017</b>
Pt Reyes Loan Fund Restricted Assets	\$ 828,604	\$ 859,686
Mission Funds Restricted Assets	\$ 205,567	\$ 210,212
Scholarship Fund Restricted Assets	\$ 43,760	\$ 43,824
Other Restricted Funds	\$ 3,053	\$ 3,089
<b>Total Restricted Assets</b>		<b>\$1,116,811</b>
<b>YTD Net Restricted Income</b>		<b>\$ 13,402</b>
<b>Total Assets</b>		<b>\$1,844,688</b>

**III. Operating P&L Year-to-Date, Actual versus Annual Budget**

Net unrestricted income at the end of August was \$ 149,016.

The percent of budget for each major category should be between 67% and 75%. Operating Income was 83% of budget and Operating Expenses were 64% of budget.

Background checks are 198% of budget. Deans' Meeting travel is 240% of budget, probably due to hotel costs in San Francisco. Overall, travel expenses are now 66% of budget.

**IV. Point Reyes Funds Extracted Balance Sheet & P&L**

The following are the beginning and ending rounded balances for August, rounded to the nearest dollar.

Account	Beginning 1/1/2017	Ending 8/31/2017
Checking & Savings	\$ 78,880	\$ 56,567
Investment Holdings Balance (Infinity Financial)	\$ 549,087	\$ 754,819
Loans Outstanding (St John's Monastery)	\$ 11,667	\$ 2,333
Bonds – St Paul the Apostle (Bonds redeemed 7/27)	\$ 143,004	\$ 0.00
Duboce St House Investment	\$ 45,967	\$ 45,967
<b>Total Assets</b>	<b>\$ 828,604</b>	<b>\$ 859,686</b>

Infinity Financial funds are invested in short term bond funds and a money market account. The balance of the restricted cash is in a Wells Fargo savings account.

**Unrealized** Infinity Financial gains as of the end of August total \$2,521.

Loans Outstanding	Original Amount	Current Balance
Monastery of St John of Shanghai (2012)	\$ 70,000	\$ 2,333

Current year-to-date fund Income/Expenses:

Account	2017 YTD
Investment/Savings Income	\$ 9,615
Expenses	\$ -0-
<b>Net Income</b>	<b>\$ 9,615</b>

**V. Mission Restricted Funds Extracted Balance Sheet and P&L**

<b>Account</b>	<b>Beginning 1/1/2017</b>	<b>Ending 8/31/2017</b>
LCBA Savings (4.5%)	\$ 85,867	\$ 88,420
CDs	\$ 67,121	\$ 67,265
Wells Fargo Savings	\$ 50,779	\$ 22,727
Other Current Assets (Loans direct)	\$ 1,800	\$ 1,800
Other Current Assets (Loans through OCCIF)	\$ - 0 -	\$ 30,000
<b>Total Assets</b>	<b>\$ 205,567</b>	<b>\$ 210,212</b>

Current year-to-date Income/Expenses:

<b>Account</b>	<b>2017 YTD</b>
Investment/Savings Interest/St Andrew Dist.	\$ 5,082
Expenses	\$ 1,244
<b>Net Income</b>	<b>\$ 3,838</b>

**VI. Parish Receivables/Remittances**

No parishes had invoices that were **30 days or more** past due as of the end of August.

Diocese of the West, OCA  
**Consolidated Balance Sheet**  
As of August 31, 2017

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09/04/2017  
Accrual Basis

	<u>Aug 31, 17</u>	<u>Dec 31, 16</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Total Checking/Savings	623,323.75	533,128.26
Total Accounts Receivable	329,321.96	200,211.49
Total Other Current Assets	846,075.78	885,888.04
<b>Total Current Assets</b>	<b>1,798,721.49</b>	<b>1,619,227.79</b>
<b>Other Assets</b>		
720 Duboce House Investment	45,966.92	45,966.92
<b>Total Other Assets</b>	<b>45,966.92</b>	<b>45,966.92</b>
<b>TOTAL ASSETS</b>	<b>1,844,688.41</b>	<b>1,665,194.71</b>
<b>LIABILITIES &amp; EQUITY</b>		
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Total Accounts Payable	2,233.63	0.00
Total Credit Cards	9,541.64	8,153.41
Total Other Current Liabilities	-6,465.93	2,714.40
<b>Total Current Liabilities</b>	<b>5,309.34</b>	<b>10,867.81</b>
<b>Total Liabilities</b>	<b>5,309.34</b>	<b>10,867.81</b>
<b>Equity</b>		
Infinity Unreal. Gains/Losses	1,415.43	-19,454.38
LV Bonds Unreal. Gains/Losses	0.00	5,177.95
Opening Bal Equity	0.00	-6,942.18
Operating Net Assets	1,380,954.99	1,380,954.99
Restricted Net Assets	294,590.52	294,590.52
Retained Earnings	0.00	-633.79
Net Income	162,418.13	633.79
<b>Total Equity</b>	<b>1,839,379.07</b>	<b>1,654,326.90</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>1,844,688.41</b>	<b>1,665,194.71</b>
	<u>Aug 31, 2017</u>	<u>Dec 31, 2016</u>
<b>Contributions to Net Income</b>	<b>162,418.13</b>	<b>-29,101.08</b>
<b>Unrestricted Funds</b>	<b>149,015.75</b>	<b>-62,271.41</b>
<b>Restricted Funds</b>		
Point Reyes Fund	9,614.62	12,524.39
Missions Restricted Funds	3,838.48	34,753.05
Scholarship Fund	64.20	96.68
Kaiser Funds	10.49	-12,280.11
Direct Charities	0.00	0.00
Pass Through	699.64	-3,198.71
Diaconal Training	-825.05	1,275.03
<b>Total Restricted Funds Contribution</b>	<b>13,402.38</b>	<b>33,170.33</b>

**Diocese of the West, OCA**  
**Operating Profit & Loss Budget vs. Actual**  
 January through December 2017

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 09/04/2017  
 Accrual Basis

	<u>Jan - Dec 17</u>	<u>Budget</u>	<u>% of Budget</u>
<b>Ordinary Income/Expense</b>			
<b>Income</b>			
Total Lights-on Income	551,610.11	644,595.00	85.58%
Total Outreach (Stewards of the West)	19,926.14	40,000.00	49.82%
<b>Total Income</b>	<u>571,536.25</u>	<u>684,595.00</u>	<u>83.49%</u>
Total Cost of "Portraits of Saints"	23.10		
<b>Gross Profit</b>	<u>571,513.15</u>	<u>684,595.00</u>	<u>83.48%</u>
<b>Expense</b>			
<b>Lights-on Expenses</b>			
<b>01_Payroll Expenses</b>			
Total Employee Benefits	18,000.80	25,366.20	70.96%
Total Gross Wages	83,033.36	124,550.00	66.67%
Total Payroll Taxes	4,795.86	7,359.12	65.17%
Total Stipends	39,833.36	55,700.00	71.51%
<b>Total 01_Payroll Expenses</b>	<u>145,663.38</u>	<u>212,975.32</u>	<u>68.39%</u>
Total 02_Professional Fees	0.00	12,040.00	0.0%
Total 03_Office Expenses	10,769.50	13,992.00	76.97%
Total 04_Travel	46,701.60	71,000.00	65.78%
Total 05_Facilities and Equipment	5,389.86	6,600.00	81.67%
Total 06_Clergy and Parish Resources	-2,915.51	13,000.00	-22.43%
Total 07_Department of Communications	-6.73		
08_Diocesan Assembly	0.00	5,000.00	0.0%
Total 09_OCA Expenses	178,833.42	225,180.00	79.42%
Total 10_Special Events	2,385.00	2,500.00	95.4%
<b>Total Lights-on Expenses</b>	<u>386,820.52</u>	<u>562,287.32</u>	<u>68.79%</u>
<b>Outreach Expenses</b>			
Total Department of Charities	1,400.00	6,200.00	22.58%
Total Department of Missions	37,961.12	88,080.00	43.1%
Total Department of Stewardship	1,986.88	5,230.00	37.99%
Intern Program (Rolled over)	3,500.00	7,000.00	50.0%
Matushki Activities	300.00		
Music Dept	0.00	1,000.00	0.0%
Seminarian Financial Aid	4,000.00	9,000.00	44.44%
Total Youth Department	3,675.64	6,500.00	56.55%
<b>Total Outreach Expenses</b>	<u>52,823.64</u>	<u>123,010.00</u>	<u>42.94%</u>
<b>Total Expense</b>	<u>439,644.16</u>	<u>685,297.32</u>	<u>64.15%</u>
<b>Net Ordinary Income</b>	<u>131,868.99</u>	<u>-702.32</u>	<u>-18,776.2%</u>
<b>Net Income</b>	<u>131,868.99</u>	<u>-702.32</u>	<u>-18,776.2%</u>