



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

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August 2009 Financial Report Summary

**Prepared by
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Diocesan Treasurer
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I. Executive Summary

- The External Review of the 2008 financial records of the Diocese has been completed and the management report distributed to the Internal Audit Committee, the Chairman of the Audit Committee, the Finance Committee, the Chancellor, and His Grace Bishop Benjamin. Father David Brum, the Chairman of the Audit Committee will present the report to the Diocesan Council at the October meeting. The only action item is to update the Financial Policy and Procedures Manual to reflect current password for the Diocesan QuickBooks data file. The manual will be presented for acceptance at the next meeting of the Diocesan Council.
- The Kelso and Redding parishes have not yet submitted their 2008 financial report.
- **Two budgeted item have already surpassed their budget. See Section III.**
- Stewardship appeals have brought in \$ 26,350 through the end of August 2009. This is 78% of the total budgeted for the year.

II. Statement of Financial Position (Balance Sheet)

Unrestricted funds invested in ING CDs are earning 4.2% and less.

Assets from the sale of the Point Reyes property total \$ 1,212,748. Point Reyes sale funds invested with Mesirow Financial and invested in CDs from various banks are earning 3.8% and less. As CDs are redeemed, the funds are put into a Cash Trust Account. Currently \$207,265 remains in the latter account until new CDs are purchased. In September, \$50,000 will be transferred from this account into the Wells Fargo Savings account, which is now at \$16,513. See Section IV for a summary of income and expenses for these funds.

Temporarily restricted assets of \$62,176 are Mission Department funds held in an LCBA Annuity account and earning 4.5% interest. Deposits can no longer be made to this account. The balance of Mission Department funds are in a Chase savings account.

Receivables and Loans Status

- Parish assessment receivables as of the end of August total \$19,493.
- The Life Giving Spring Retreat Center now has the following outstanding debts to the Diocese; \$ 51,810 for 2009 operating expenses; \$10,000 for tree removal expenses in

2008; a \$3,360 from a 2002 loan. In addition, the Diocese has \$215,240 in equity in the Center for paying off the loan from the Catholic sisters who formerly owned the property.

- The Monastery of St. John of Shanghai has a 3-year no interest loan of \$20,000 due by 2012. The current balance is \$ 16,111.
- Saint John the Evangelist Mission in Tempe has a loan from restricted mission funds in the amount of \$10,380. Payment on the loan begins in September 2009.
- Holy Assumption Monastery in Calistoga has a \$17,956 loan payable when its property in Petrolia is sold.
- The outstanding \$ 3,810 in stewardship pledges are expected to be completed in 2009.

III. Statement of Unrestricted Activities (P&L Year-to-Date, Actual vs. Budget)

Net operating income through the end of August is \$ 74,259. Income and expenses shown on the attached report include those through September 11. Thus the percent of budget for each category should be between 67% and 75%. Unrestricted income is 78% of budget and expenses are 68% of budget.

Major expense categories that are running at 10% over budget are:

- Travel expenses for the line item Travel for Auditing Function are at 365% of budget, however this travel now includes the Treasurer attending meetings at Holy Assumption Monastery in Calistoga and additional travel as needed to support the Chancellor. **This travel will continue through the year. Perhaps the finance committee should recommend a new line item in the 2010 budget called Treasurer Travel and set a budget amount of \$4,000.**
- **Chancellor's travel is already over 100% of budget.**
- Fort Ross registration fees increased substantially this year. The State park system now charges an Events Fee of \$350.00 in addition to a registration fee of \$25. Thus this expense is considerably over budget. This one-time expense was paid without calling a special Diocesan Council meeting.
- CPA Fees are 100% of budget. No additional expenses are expected for this line item.
- Moving expenses for the Department of Missions is at 112% of budget, but the overall budget for the department is at 65% of budget.
- Charity Department/Assistance with Kaiser Premiums is at 100% of budget. No additional expenses are expected for this line item.
- Charity Department/Discretionary Fund had its budget increased to \$2000 at the June 30th Diocesan Council meeting. It is currently at 50% of budget.
- Both the Pacific Central and Rocky Mountain Deaneries have requested the full amount allocated to Youth in their Deaneries this year.

IV. Funds from Sale of Point Reyes Property

In July, 2008, the Diocese received \$1,270,000 from the sale of the property. At the end of 2008, income from interest minus bank charges produced a balance of \$1,290,027 in CDs and savings accounts. That balance included transfer from the property sale funds to the operating checking account to cover a check for the new chapel in Manton written in 2009.

The balance sheet for funds as of the end of August 2009:

Checking/Savings	\$ 19,291
Investments	\$ 559,116
Loans Outstanding	\$ 373,135
<u>Equity in Duboce & LGS Property</u>	<u>\$ 261,207</u>
 Total Remaining Sale Assets	 \$1,212,749

Income/Expenses for the fund through the end of July 2009:

Interest Income	\$ 6,796
Expenses	<u>\$ 146,204</u>
Net Income from fund	- \$ 139,408

V. Mission Restricted Funds

The Mission Deanery Retreat had a net loss of \$2,257. Funds from the closed mission in Olympia were deposited into Mission Restricted funds as directed by the Missions Director. St Andrew distributions of \$920.46 were received. As of the end of August, net income is \$13,337. Saint John the Evangelist Mission in Tempe has a loan from mission restricted funds in the amount of \$10,380. Payment on the loan begins in September 2009.

VI. Parish Assessment Receivables

The following parishes had open invoices that were **30 days or more** past due as of August 31, 2009. All assessments are due on the 15th of each month. Merced's past due assessments have been rolled into a larger loan. **The parish in Culver City has made no assessment payments in 2009.**

	>90		DPA	Fair Share	Assembly	Total
Corvallis, OR	*	▼	\$3,656.30	\$1,137.50		\$4,793.80
Palms, CA (Culver City)	*	▲	\$2,588.20	\$1,474.68	\$70.00	\$4,132.88
Billings, MT	*	▶	\$1,037.05			\$1,037.05
Tempe, AZ	*	▼	\$427.27	\$525.00		\$952.27
Poulsbo, WA	*	▶	\$775.50			\$775.50
Los Angeles, CA		▶		\$656.25		\$656.25
Livermore, CA				\$236.25		\$236.25
Santa Barbara, CA	*	▶		\$205.25		\$205.25
Pueblo, CO	*	▶	\$144.65			\$144.65
Eureka, CA	*	▶		\$131.50		\$131.50
Redding, CA				\$96.25		\$96.25
Tarzana	*	▼	\$91.20			\$91.20
Santa Maria, CA			\$86.95			\$86.95
Kona, HI		▼	\$82.15			\$82.15
Total			\$8,720.17	\$4,462.68	\$70.00	\$13,252.85
▼ = decrease from previous month						
▲ = increase over previous month						
▶ = no change from 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, 2009

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 09/11/2009
 Accrual Basis

	<u>Aug 31, 09</u>	<u>Aug 31, 08</u>
ASSETS		
Current Assets		
Total Checking/Savings	311,344.34	300,270.30
Total Accounts Receivable	420,203.95	57,950.54
Total Other Current Assets	<u>623,079.07</u>	<u>1,364,852.69</u>
Total Current Assets	<u>1,354,627.36</u>	<u>1,723,073.53</u>
Total Fixed Assets	<u>271,251.10</u>	<u>8,526.93</u>
TOTAL ASSETS	<u><u>1,625,878.46</u></u>	<u><u>1,731,600.46</u></u>
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Total Accounts Payable	0.00	962.63
Total Credit Cards	5,581.06	13,386.80
Total Other Current Liabilities	<u>-4,712.10</u>	<u>2,263.85</u>
Total Current Liabilities	<u>868.96</u>	<u>16,613.28</u>
Total Liabilities	868.96	16,613.28
Equity		
Opening Bal Equity	313,536.26	313,536.26
Retained Operating Earnings	1,391,098.23	314,913.54
Net Income	<u>-79,624.99</u>	<u>1,086,537.38</u>
Total Equity	<u>1,625,009.50</u>	<u>1,714,987.18</u>
TOTAL LIABILITIES & EQUITY	<u><u>1,625,878.46</u></u>	<u><u>1,731,600.46</u></u>

Unrestricted Funds Profit & Loss Budget vs. Actual

09/11/2009

January through December 2009

Accrual Basis

	<u>Jan - Dec 09</u>	<u>Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense			
Income			
Total Lights-on Income	457,289.12	581,505.00	78.64%
Total Outreach (Stewards of the West)	26,350.25	35,000.00	75.29%
Total Income	<u>483,639.37</u>	<u>616,505.00</u>	<u>78.45%</u>
Total Cost of Portraits of American Saints	66.03		
Gross Profit	<u>483,573.34</u>	<u>616,505.00</u>	<u>78.44%</u>
Expense			
Lights-on Expenses			
Fair Share Paid to OCA	173,425.00	256,830.00	67.53%
01_Payroll Expenses			
Total Gross Wages	57,171.86	76,400.00	74.83%
Total Stipends	41,942.00	56,256.00	74.56%
Total Employee Benefits	8,323.81	10,921.00	76.22%
Workmans Comp	506.44	1,357.00	37.32%
Total Payroll Taxes	481.95	642.60	75.0%
Direct Deposit Fees	47.76	50.00	95.52%
Total 01_Payroll Expenses	<u>108,473.82</u>	<u>145,626.60</u>	<u>74.49%</u>
Total 04_Travel	33,320.28	46,500.00	71.66%
Total 05_Insurance and Property	9,225.81	10,149.00	90.9%
Total 03_Office Expenses	6,971.37	11,715.05	59.51%
Total 07_Department of Communications	2,651.96	7,273.00	36.46%
Total 02_Professional Fees	2,040.00	2,300.00	88.7%
Total 06_Clergy and Parish Resources	1,435.25	9,910.00	14.48%
Pass Through Expense Misc	1,390.00		
Pan Orthodox Activities	511.33	2,000.00	25.57%
Total 08_Diocesan Assembly	<u>22.00</u>		
Total Lights-on Expenses	<u>339,466.82</u>	<u>492,303.65</u>	<u>68.96%</u>
Outreach Expenses			
Total Department of Missions	45,205.07	70,034.00	64.55%
Intern Program	13,500.00	18,000.00	75.0%
Total Department of Charities	3,750.00	7,150.00	52.45%
Seminarian Financial Aid	3,000.00	5,000.00	60.0%
Total Youth Department	2,400.00	4,200.00	57.14%
Total Department of Stewardship	1,819.93	3,900.00	46.67%
Music Dept	152.43	1,000.00	15.24%
Total Outreach Expenses	<u>69,827.43</u>	<u>109,284.00</u>	<u>63.9%</u>
Total Expense	<u>409,294.25</u>	<u>601,587.65</u>	<u>68.04%</u>
Net Ordinary Income	<u>74,279.09</u>	<u>14,917.35</u>	<u>497.94%</u>
Net Income	<u>74,279.09</u>	<u>14,917.35</u>	<u>497.94%</u>