



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

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## **2010 Financial Report Summary**

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### **I. Executive Summary**

This summary covers fiscal year 2010 (January 1, 2010 through December 31, 2010). The major change from prior 2010 monthly financial reports is the removal of unrealized investment gains and losses as income from the P&L statement. In addition, the unrealized Merced loan interest has been removed as a P&L line item. New equity account lines have been added to reflect unrealized income. I have been uncomfortable with prior reports that report unrealized gains as income and finally came up with a solution to track fluctuations in investments that can be supported in QuickBooks.

Stewardship income in 2010 has been record-setting. Stewards of the West has received \$62,707 in donations and fulfilled pledges. The previous high was in 2008 with donations of \$44,929. I think success in this area can be credited to both Barry Migyanko, Administrative Assistant, who has been diligent in keeping up the address list, and the Carole Shumaik, our Stewardship Chairman. We have not yet received the donation from Kitty Vitko, so that donation is not counted in this past year's record setting amount.

### **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. Equity accounts are now used to track unrealized investment gains/losses as well as the unrealized interest from the loan to the parish in Merced. The purchase price and additions/subtractions from market value of investments can be found by looking at the detailed balance sheet.

Assets from the sale of the Point Reyes property now total \$1,190,802, less unrealized gains and interest of \$37,357. Loans receivable total \$456,765. Point Reyes sale funds are invested with Mesirow Financial and invested in short term bond funds and a government cash trust. The balance of the cash is in a Wells Fargo savings account and Chase Bank savings account. Approximately \$240,000 is reserved for building expenses for the chapel at St Barbara Monastery. See Section IV for specific detail about these funds.

Mission Savings in the LCBA Annuity account is currently \$65,937 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 (\$12,979), and in a Wells Fargo Savings Account (\$4,050).

### **III. Receivables and Loans Status**

- The balance sheet indicates that parish assessment receivables as of the end of December total \$ 3,652. All assembly assessments have been paid. The total amount of receivables on the balance sheet for Fair Share and DPA is more than that reflected in the table at the end of this report, since December 2010 invoices cannot yet be 30 days past due. That table in Section VIII 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 \$109,089 for operating expenses since March 2009. 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 was given a 3-year no interest loan of \$20,000 in March 2009 which is due by 2012. The monastery pays faithfully each month. The current balance on the loan is \$ 7,222.
- Saint John the Evangelist Mission in Tempe received a loan in April 2009 from restricted mission funds in the amount of \$10,380. They have been making payments since March of 2010. The current balance on the loan is \$1,380.
- Joy of All Who Sorrow Mission in Culver City received a \$17,000 loan from Pt Reyes Fund money in February 2010 with a first payment due in January 2011.
- The parish of St Mary Magdalene in Merced was given a loan of \$287,258 in August 2009. The loan is due when the parish property is sold. The loan has been accruing interest and now has a balance of \$323,738.

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

Net unrestricted income through the end of December was \$91,204. Unrestricted income for the year was 108% of budget and expenses were 94% of budget. The income from appeals is 157% of budget.

Individual major expense categories that ran 10% over the 2010 budget were:

- Office Expenses ran 132% of budget. Background checks were added as a category of Office Expenses but were not included in the budget. All other subcategories are within the expected range.
- Facilities and Equipment ran 114% of budget due to the increased cost of property and liability insurance.

### **V. 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 December 2010:

Checking/Savings	\$ 35,333.46
Investments	\$ 437,577.14
Loans Outstanding	\$ 456,764.98
<u>Equity in Duboce &amp; LGS Property</u>	<u>\$ 261,206.92</u>
Total Remaining Sale Assets	\$1,190,882.50

Current year Income/Expenses for the fund through December 2010:

Investment/Savings Income	\$ 6,547.21
Expenses (St Barbara Chapel/OCCIF Grant)	\$ 72,599.68
Net Fund Income	(\$ 66,052.47)

#### VI. Mission Restricted Funds P&L

As of the end of December 2010, the Mission Restricted Funds show a net income of \$ 642. The LCBA Annuity account has generated \$ 2,839 in interest and the ING CD, \$43. The St Andrews quarterly distributions for the current year total \$136. Mission Deanery Retreat expenses exceeded income by \$108.

#### VII. Intern Stipend Fund

Income received in June to launch the fund totaled \$29,000. \$16,917 in payments were made from the fund in 2010, leaving a balance of \$12,083 in the fund.

#### VIII. Parish Assessment Receivables

The following parishes had open invoices that were **30 days or more** past due as of December 31, 2010. All assessments are due on the 15th of each month.

	>90		DPA	Fair Share	Assembly	Total
San Francisco, CA (CSC)	*	▲	\$2,316.80	\$1,509.58		\$3,826.38
Pueblo, CO	*	▲	\$778.70	\$245.00		\$1,023.70
Bend, OR	*	▲		\$875.00		\$875.00
Santa Barbara, CA	*	▲		\$572.75		\$572.75
<b>Total</b>			<b>\$3,095.50</b>	<b>\$3,202.33</b>	<b>\$0.00</b>	<b>\$6,297.83</b>
▼ = decrease from previous month						
▲ = increase over previous month						
▶ = no change from previous month						

\* Parishes which have outstanding invoices more than 90 days past due

**Consolidated Balance Sheet - Restricted and Unrestr**

01/09/2011

As of December 31, 2010

Accrual Basis

Corrects all prior 2010 Balance sheets \*

	Dec 31, 10	Dec 31, 09
<b>ASSETS</b>		
<b>Current Assets</b>		
Total Checking/Savings	428,032.41	329,597.13
Total Accounts Receivable	475,204.47	441,879.94
Total Other Current Assets	507,372.96	576,582.65
<b>Total Current Assets</b>	<b>1,410,609.84</b>	<b>1,348,059.72</b>
<b>Total Fixed Assets</b>	<b>271,251.10</b>	<b>271,251.10</b>
<b>TOTAL ASSETS</b>	<b>1,681,860.94</b>	<b>1,619,310.82</b>
<b>LIABILITIES &amp; EQUITY</b>		
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Total Accounts Payable	311.28	1,825.60
Total Credit Cards	2,128.01	4,225.21
Total Other Current Liabilities	-5,033.15	-4,675.23
<b>Total Current Liabilities</b>	<b>-2,593.86</b>	<b>1,375.58</b>
<b>Total Liabilities</b>	<b>-2,593.86</b>	<b>1,375.58</b>
<b>Equity</b>		
Unrealized Merced Loan Interest	36,479.51	8,715.17
Unreal. Investment Gains/Losses	877.84	0.00
Opening Bal Equity	313,536.26	313,536.26
Retained Operating Earnings	1,295,683.81	1,391,098.23
Net Income	37,877.38	-95,414.42
<b>Total Equity</b>	<b>1,684,454.80</b>	<b>1,617,935.24</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>1,681,860.94</b>	<b>1,619,310.82</b>
<b>Contributions to Net Income</b>	<b>37,877.38</b>	
Unrestricted Funds Through Dec 31	91,204.36	
Point Reyes Fund	-66,052.47	
Missions Restricted Funds	642.49	
Intern Stipend Fund	12,083.00	

\* Unrealized Gains/Losses/Loan Interest are now reported on Balance Sheet

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

01/09/2011

January through December 2010

Accrual Basis

Corrects previous 2010 P&amp;L Statements \*

	<b>Jan - Dec 10</b>	<b>Budget</b>	<b>% of Budget</b>
<b>Ordinary Income/Expense</b>			
<b>Income</b>			
Total Lights-on Income	358,157.30	331,136.00	108.16%
Total Pass Through Income	260,578.04	259,455.00	100.43%
Total Outreach (Stewards of the West)	62,706.75	40,000.00	156.77%
<b>Total Income</b>	<b>681,442.09</b>	<b>630,591.00</b>	<b>108.06%</b>
Total Cost of Portrait of American Saints	74.55		
<b>Gross Profit</b>	<b>681,367.54</b>	<b>630,591.00</b>	<b>108.05%</b>
<b>Expense</b>			
Total Pass Through Expenses	260,663.60	259,455.00	100.47%
<b>Lights-on Expenses</b>			
Total 01_Payroll Expenses	146,632.44	147,261.00	99.57%
Total 04_Travel	46,351.77	61,500.00	75.37%
Total 03_Office Expenses	12,742.68	9,634.00	132.27%
Total 08_Diocesan Assembly	9,467.00		
Total 05_Facilities and Equipment	4,862.71	4,250.00	114.42%
Total 07_Department of Communications	2,160.18	6,525.00	33.11%
Total 02_Professional Fees	2,005.38	7,040.00	28.49%
Pan Orthodox Activities	301.67	1,000.00	30.17%
Total 06_Clergy and Parish Resources	132.57	9,760.00	1.36%
Total Unbudgeted Expenses	83.73		
<b>Total Lights-on Expenses</b>	<b>224,740.13</b>	<b>246,970.00</b>	<b>91.0%</b>
<b>Outreach Expenses</b>			
Total Department of Missions	73,638.11	91,034.00	80.89%
Intern Program	9,000.00	9,000.00	100.0%
Seminarian Financial Aid	7,000.00	7,000.00	100.0%
Total Department of Stewardship	5,371.55	5,200.00	103.3%
Total Youth Department	5,100.00	5,100.00	100.0%
Total Department of Charities	3,200.00	4,700.00	68.09%
Uncollectable Pledges	1,330.00		
Music Dept	119.79	1,000.00	11.98%
<b>Total Outreach Expenses</b>	<b>104,759.45</b>	<b>123,034.00</b>	<b>85.15%</b>
<b>Total Expense</b>	<b>590,163.18</b>	<b>629,459.00</b>	<b>93.76%</b>
<b>Net Ordinary Income</b>	<b>91,204.36</b>	<b>1,132.00</b>	<b>8,056.92%</b>
<b>Net Income</b>	<b>91,204.36</b>	<b>1,132.00</b>	<b>8,056.92%</b>

\* Unrealized Merced Loan Interest &amp; Investment Gains/Losses and have been removed from the P&amp;L