



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

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April 2011 Financial Report Summary

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I. Executive Summary

As of the end of April, diocesan parishes contributed \$31,781.92 to the relief efforts of the Orthodox Church in Japan. Of that amount, \$ 26,934.92 has already been wired to the Church in Japan. The balance will be wired by the end of the second week in May.

I have changed the balance sheet to show a comparison with the end of the previous year rather than with the previous year-to-date. I believe this new format will provide more useful information.

I have added a Mission Funds extracted balance sheet to the detailed reports. This report will make it easier to see the total amount of those funds and how they are distributed among accounts.

I have not yet received parish financial reports from the parishes in Eureka and Redding.

The external audit will be scheduled for June.

The Finance Committee should note the 2011 budget status to date, (See Section IV) and decide what additional action, if any, needs to be taken at the June 2011 council meeting.

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.

Assets from the sale of the Point Reyes property now total \$1,190,164. 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 restricted cash is in a Wells Fargo savings account, Chase Bank savings account, and in loans receivable. Approximately \$200,000 is still available for building expenses for the chapel at St Barbara Monastery. See Section IV for specific detail about these funds.

Restricted Mission Funds currently total \$149,548. Mission Savings in the LCBA Annuity account is currently \$66,906 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 (\$13,022), and in two Wells Fargo CDs, purchased in March with \$50,000 of the \$55,311 bequest of from the William H. Searles Fund.

III. Receivables and Loans Status

- Parish assessment receivables as of the end of April total \$ 5,374. 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 April 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 \$112,571 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 is due by 2012. The monastery pays faithfully each month. The current balance on the loan is \$ 5,000.
- Saint John the Evangelist Mission in Tempe received a loan in April 2009 from restricted mission funds in the amount of \$10,380. That loan was paid off in full in February, 2011.
- Joy of All Who Sorrow Mission in Culver City received a \$17,000 loan from Pt Reyes Fund money in February 2010. The current balance is \$15,864.
- 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 \$333,559.

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

Net unrestricted income through the end of April was \$15,255.72. Income and expenses shown on the attached unrestricted P&L report include those through May 9 . Thus the percent of budget for each category should be between 33% and 42%. Unrestricted income year-to-date is 43% of budget and expenses are 34%. The income from appeals is 35% of the 2011 budget.

Individual major expense categories that are running 10% over the 2011 budget at this time are:

- Workmans Compensation payments are running at 49% of budget. We should still be within budget by the end of the year.
- Payroll taxes are running at 56% of budget. The budget was created without adjusting for the increase in salary for the administrative assistant.
- **Deans travel is 58% of budget.**
- **Chancellor's Travel is 71% of budget.**
- **Travel for the Chancellor's Advisory Committee is 105% of budget.** I have been careful to split charges for individuals attending both the Chancellor's Advisory Committee and Diocesan Council meetings. Council Meeting travel is thus running at only 23% of budget.
- Travel for Diocesan Business is 69% of budget. Travel for the internal audit is 94% of budget after transferring some of the cost to Diocesan Business. There should be no additional charges to this line item.
- Property & Liability Insurance is at 94% of budget, but there will be no additional expenses for this category this year.
- Background checks are 54% of the revised budget, per the March Diocesan Council meeting.

- Liturgical Supplies, i.e. bishop's candles, are at 276% of budget. Parishes needing to have bishop's candles on hand have been authorized, on a case by case basis, to be reimbursed for their cost. The budget should be adjusted accordingly at the June Diocesan Council meeting.
- Seminarian Financial Aid is at 80% of budget.

V. Funds from Sale of Point Reyes Property

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 April 2011:

The balance sheet for funds:

| | |
|--|----------------------|
| Checking/Savings | \$ 21,545.15 |
| Investments | \$ 442,900.74 |
| Loans Outstanding | \$ 464,511.65 |
| <u>Equity in Duboce & LGS Property</u> | <u>\$ 261,206.92</u> |
| Total Remaining Sale Assets | \$1,190,164.46 |

Unrealized investment gains total \$3,539.99.

Current year Income/Expenses:

| | |
|------------------------------|---------------------|
| Investment/Savings Income | \$ 1,783.61 |
| Expenses (St Barbara Chapel) | <u>\$ 15,390.65</u> |
| Net Fund Income | (\$ 13,607.04) |

VI. Mission Restricted Funds P&L

As of the end of April 2011, the Mission Restricted Funds show a net income of \$61,017.57. A mission donation of \$55,311.11 was received in addition to funds from the closed mission in Spokane. The latter funds have been reserved in the Mission Fund for the AAC/Poulsbo mission iconostasis.

The LCBA Annuity account has generated \$ 969 in interest and the ING CD, \$107. No income has been recorded for the Mission Deanery Retreat held in mid February. Retreat expenses were \$1,633.61, which includes a return of funds to those who were unable to attend but who sent in the registration fee.

VII. Intern Stipend Fund

Income received in June to launch the fund totaled \$29,000. As of the end of April, the balance in the fund is \$2415 which will cover the stipend for May.

VIII. Parish Assessment Receivables

The following parishes had open invoices that were **30 days or more** past due as of April 30, 2011. All assessments are due on the 15th of each month.

| | > 90 | | DPA | | Fair Share | | Assembly | | Total |
|-------------------|------|---|-------------------|--|-------------------|--|----------|--|-------------------|
| Bend, OR | * | ▲ | | | \$1,093.75 | | | | \$1,093.75 |
| Las Vegas, NV | | | \$1,003.90 | | | | | | \$1,003.90 |
| Santa Barbara, CA | | ▼ | | | 572.75 | | | | \$572.75 |
| San Anselmo, CA | | | | | \$542.50 | | | | \$542.50 |
| Tarzana, CA | | | \$382.80 | | | | | | \$382.80 |
| Pueblo, CO | | ▼ | | | \$227.50 | | | | 227.5 |
| Poway, CA | | | \$167.70 | | | | | | \$167.70 |
| Chico, CA | | | | | \$14.55 | | | | \$14.55 |
| San Diego, CA | | ▶ | \$0.35 | | | | | | \$0.35 |
| | | | | | | | | | |
| | | | \$1,554.75 | | \$2,451.05 | | | | \$4,005.80 |

- ▲ 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 Unrestr

05/09/2011

As of April 30, 2011

Accrual Basis

| | <u>Apr 30, 11</u> | <u>Dec 31, 10</u> |
|--|-----------------------|-----------------------|
| ASSETS | | |
| Current Assets | | |
| Total Checking/Savings | 469,122.25 | 428,032.41 |
| Total Accounts Receivable | 489,876.29 | 475,204.47 |
| Total Other Current Assets | 523,524.19 | 507,372.96 |
| Total Current Assets | 1,482,522.73 | 1,410,609.84 |
| Total Fixed Assets | 271,251.10 | 271,251.10 |
| TOTAL ASSETS | 1,753,773.83 | 1,681,860.94 |
| LIABILITIES & EQUITY | | |
| Liabilities | | |
| Current Liabilities | | |
| Total Accounts Payable | 656.96 | 311.28 |
| Total Credit Cards | 7,154.44 | 2,128.01 |
| Total Other Current Liabilities | -8,668.20 | -5,033.15 |
| Total Current Liabilities | -856.80 | -2,593.86 |
| Total Liabilities | -856.80 | -2,593.86 |
| Equity | | |
| Unrealized Merced Loan Interest | 43,818.37 | 36,479.51 |
| Unreal. Investment Gains/Losses | 3,539.99 | 877.84 |
| Opening Bal Equity | 313,536.26 | 313,536.26 |
| Retained Operating Earnings | 1,333,561.19 | 1,295,683.81 |
| Net Income | 57,845.25 | 37,877.38 |
| Total Equity | 1,752,301.06 | 1,684,454.80 |
| TOTAL LIABILITIES & EQUITY | 1,751,444.26 | 1,681,860.94 |
| | <u>April 30, 2011</u> | <u>April 30, 2010</u> |
| Contributions to Net Income Through April 30 | 57,845.25 | 18,101.20 |
| Unrestricted Funds | 15,255.72 | 23,543.25 |
| Point Reyes Fund | -13,607.04 | -4,032.23 |
| Missions Restricted Funds | 61,017.57 | -1,409.82 |
| Intern Stipend Fund | -9,668.00 | 0.00 |
| Japan Earthquake Relief | 4,847.00 | 0.00 |

Unrestricted Funds Profit & Loss Budget vs. Actual

05/09/2011

January through December 2011

Accrual Basis

| | <u>Jan - Dec 11</u> | <u>Budget</u> | <u>% of Budget</u> |
|--|---------------------|-------------------|--------------------|
| Ordinary Income/Expense | | | |
| Income | | | |
| Total Lights-on Income | 146,852.84 | 331,000.00 | 44.37% |
| Total Pass Through Income | 108,124.80 | 258,615.00 | 41.81% |
| Total Outreach (Stewards of the West) | 14,177.67 | 40,000.00 | 35.44% |
| Total Income | <u>269,155.31</u> | <u>629,615.00</u> | <u>42.75%</u> |
| Total COGS | <u>8.52</u> | | |
| Gross Profit | <u>269,146.79</u> | <u>629,615.00</u> | <u>42.75%</u> |
| Expense | | | |
| Total Pass Through Expenses | 89,620.30 | 258,615.00 | 34.65% |
| Lights-on Expenses | | | |
| 01_Payroll Expenses | | | |
| Total Gross Wages | 33,033.35 | 80,000.00 | 41.29% |
| Total Stipends | 13,980.00 | 35,000.00 | 39.94% |
| Total Employee Benefits | 4,719.25 | 13,237.00 | 35.65% |
| Workmans Comp | 662.82 | 1,357.00 | 48.85% |
| Total Payroll Taxes | 359.55 | 643.00 | 55.92% |
| Direct Deposit Fees | 41.75 | 72.00 | 57.99% |
| Total 01_Payroll Expenses | <u>52,796.72</u> | <u>130,309.00</u> | <u>40.52%</u> |
| Total 04_Travel | <u>19,350.71</u> | <u>62,500.00</u> | <u>30.96%</u> |
| Total 02_Professional Fees | <u>8,700.00</u> | <u>28,640.00</u> | <u>30.38%</u> |
| Total 05_Facilities and Equipment | <u>3,093.00</u> | <u>4,800.00</u> | <u>64.44%</u> |
| Total 03_Office Expenses | <u>3,037.06</u> | <u>10,235.00</u> | <u>29.67%</u> |
| Total 07_Department of Communications | <u>500.02</u> | <u>2,925.00</u> | <u>17.1%</u> |
| Total 06_Clergy and Parish Resources | <u>414.03</u> | <u>3,650.00</u> | <u>11.34%</u> |
| Pan Orthodox Activities | <u>0.00</u> | <u>1,000.00</u> | <u>0.0%</u> |
| Total Lights-on Expenses | <u>87,891.54</u> | <u>244,059.00</u> | <u>36.01%</u> |
| Outreach Expenses | | | |
| Total Department of Missions | 29,437.07 | 88,434.00 | 33.29% |
| Seminarian Financial Aid | 8,000.00 | 10,000.00 | 80.0% |
| Total Department of Charities | 521.72 | 5,200.00 | 10.03% |
| Total Department of Stewardship | 7.20 | 5,200.00 | 0.14% |
| Music Dept | 0.00 | 500.00 | 0.0% |
| Total Youth Department | 0.00 | 5,100.00 | 0.0% |
| Intern Program | 0.00 | 10,000.00 | 0.0% |
| Total Outreach Expenses | <u>37,965.99</u> | <u>124,434.00</u> | <u>30.51%</u> |
| Total Expense | <u>215,477.83</u> | <u>627,108.00</u> | <u>34.36%</u> |
| Net Ordinary Income | <u>53,668.96</u> | <u>2,507.00</u> | <u>2,140.76%</u> |
| Net Income | <u>53,668.96</u> | <u>2,507.00</u> | <u>2,140.76%</u> |