



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

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July 2012 Financial Report Summary

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I. Executive Summary

The property of the Merced parish is in escrow and a demand for full payoff of the loan to the parish from the diocese was filed with First American Title on May 24. The sale has not yet been closed and the status of escrow is unknown at this time.

The sale of The LifeGiving Spring Retreat Center property in Boulder City, NV was recorded on July 9, 2012. LGS is carrying the mortgage of \$1,288,000 for a drug counseling non-profit called I AM Free, Inc. LGS will receive the balance of the down payment (\$13,000) from the loan servicing company by October 9, 2012. The first monthly payment on the balance of the loan will be due September 9, 2012. The unpaid balance is due in full in June 2017. Interest rate is 2.58% per annum. The interest payments made to LGS will be distributed equally between the Russian Women's Home of Mercy and the Diocese of the West.

The excess funds collected for the 2011 All American Council and returned to the Diocese of the West have been distributed to the parishes which paid their All American Council Assessment.

The Diocesan financial records are being reviewed by the external auditor.

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 July, checking and savings accounts total \$ 556,845. Accounts Receivable total \$ 866,474. See Section III for a detailed status of the receivables. Investments and other current assets total \$ 392,849. The credit card liability is \$ 5,949. Other Current Liabilities are the direct deposit salary and stipend amounts payable in August.

Unrealized interest (simple interest) on the loan to Merced is \$75,694. Unrealized loss from investments is \$ 1,964.

See Section V for a detailed review of the restricted Point Reyes Fund assets.

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 July total \$ 37,613. The 2012 Diocesan Assembly Assessment is included in that total. DPA and Fair Share assessments are still listed separately

because a number of parishes still owed these 2011 assessments in 2012. In 2012, assessments are indicated under only one line item, i.e. Parish Monthly Assessments. The total amount of assessment receivables on the balance sheet is more than that reflected in the table in Section VIII, since June 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 of \$440,090 to the Diocese of the West.
- The Monastery of St. John of Shanghai was given a 3-year no interest loan of \$20,000 in March 2009 which was due in 2012. The loan was paid off in March 2012.
- 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 \$11,604. Payments are being received on a monthly basis.
- The parish of St Mary Magdalene in Merced was given a loan of \$287,258 in August 2009. The loan and accrued interest is due when the parish property is sold. The loan has been accruing interest and, as of last month, principal and interest total \$362,953.

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

Net unrestricted income through the end of July was \$86,661. Half of that income was a result of a generous donation from Sarah Oftedal, housemother of Martha Mary House. The Diocesan Council has directed that those funds be set aside for a purpose to be decided at a later time. Income and expenses shown on the attached unrestricted P&L report include those through August 4. Thus the percent of budget for each category should be between 58% and 67%. Unrestricted income through August 4 is 73% of budget and expenses are 59%.

The following major operating expense category was 10% over the 2012 budget.

Facilities and Equipment >Property & Liability Insurance - paid for this year. The actual amount due was 112% above that budgeted.

Outreach Expenses>Youth Department funds is at 82% of budget. Only the Pacific Northwest Deanery has not yet requested their funds for 2012.

V. Point Reyes Funds Balance Sheet & P&L

Assets from the sale of the Point Reyes property now total \$1,147,539. Some of the Point Reyes sale funds are invested with Infinity Financial Services but more than half of the funds are tied up in loans (Merced, Culver City, and LGS). Of the roughly \$299,000 in available cash, \$145,000 must be reserved for the construction of the chapel at St Barbara Monastery.

Infinity Financial funds are 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 July 2012:

The balance sheet for funds:

Checking/Savings	\$ 23,003.59
Investments	\$ 263,921.33
Loans Outstanding	\$ 814,646.66

<u>Equity in Duboce Property</u>	\$ 45,966.92
Total Remaining Sale Assets	\$1,147,538.50

Unrealized investment gains/losses total (\$520.43).

Current year-to-date Income/Expenses:

Investment/Savings Income	\$ 2,817.01
Expenses (St Barbara Chapel)	\$ 21,498.56
<u>Realized Capital Loss</u>	<u>\$ 1,541.63</u>
Net Fund Income	(\$ 20,223.18)

VI. Mission Restricted Funds Balance Sheet and P&L

Restricted Mission Funds currently total \$163,428. Mission Savings in the LCBA Annuity account is currently \$ 70,688 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 (\$13,155), in two Wells Fargo CDs (\$51,020), and in a Wells Fargo Savings Account (\$16,529. There is an additional \$12,035 set aside as a Mission Director Salary Reserve fund in the savings account.

As of the end of July, the Mission Restricted Funds show a net income of \$ 1,886. The LCBA Annuity account generated \$ 1,790 in interest and the CDs and savings account have generated \$538 in interest.

VII. Parish Assessment Receivables

The following parishes had open invoices that were **30 days or more** past due as of August 1. All assessments are due on the 15th of each month.

	> 90		DPA		Fair Share		2012 Assessments		Total
Livermore, CA	*	▲	\$3,841.75		\$322.25		\$5,748.90		\$9,912.90
Los Angeles, CA		▲					\$9,421.90		\$9,421.90
Las Vegas, NV							\$1,926.35		\$1,926.35
Billings, MT							\$1,071.50		\$1,071.50
San Francisco, CA (CS)	*	▲					\$1,043.25		\$1,043.25
Santa Barbara, CA	*	▶			\$406.50				\$406.50
Hesperia, CA		▶					\$10.10		\$10.10
			\$3,841.75		\$728.75		\$19,222.00		\$23,792.50

▲ 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 Unre

08/04/2012

As of July 31, 2012

Accrual Basis

	<u>Jul 31, 12</u>	<u>Dec 31, 11</u>
ASSETS		
Current Assets		
Total Checking/Savings	556,854.29	549,907.98
Total Accounts Receivable	866,473.51	554,451.84
Total Other Current Assets	<u>392,848.97</u>	<u>418,124.45</u>
Total Current Assets	<u>1,816,176.77</u>	<u>1,522,484.27</u>
Total Fixed Assets	<u>56,517.31</u>	<u>271,757.31</u>
TOTAL ASSETS	<u><u>1,872,694.08</u></u>	<u><u>1,794,241.58</u></u>
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Total Accounts Payable	3.60	399.55
Total Credit Cards	5,949.41	10,746.44
Total Other Current Liabilities	<u>-7,994.66</u>	<u>-7,937.01</u>
Total Current Liabilities	<u>-2,041.65</u>	<u>3,208.98</u>
Total Liabilities	<u>-2,041.65</u>	<u>3,208.98</u>
Equity		
Unrealized Merced Loan Interest	75,694.47	66,848.33
Unreal. Investment Gains/Losses	-1,963.76	-6,049.89
Opening Bal Equity	313,536.26	313,536.26
Retained Operating Earnings	1,416,697.90	1,333,407.69
Net Income	<u>70,770.86</u>	<u>83,290.21</u>
Total Equity	<u>1,874,735.73</u>	<u>1,791,032.60</u>
TOTAL LIABILITIES & EQUITY	<u><u>1,872,694.08</u></u>	<u><u>1,794,241.58</u></u>
	<u>July 31, 2012</u>	<u>Dec 31, 2011</u>
Contributions to Net Income Through July 31	70,770.86	83,290.21
Unrestricted Funds	86,660.79	52,628.80
Point Reyes Fund	-20,223.18	-27,698.38
Missions Restricted Funds	1,885.80	57,359.60
Other Restricted Funds	2,447.45	1,000.19

Unrestricted Funds Profit & Loss Budget vs. Actual

08/04/2012

January through December 2012

Accrual Basis

	Jan - Dec 12	Budget	% of Budget
Ordinary Income/Expense			
Income			
Total Lights-on Income	421,509.89	605,630.00	69.6%
Total Outreach (Stewards of the West)	48,965.67	40,000.00	122.41%
Total Pass Through Income	277.20		
Total Income	470,752.76	645,630.00	72.91%
Total Cost of "Saints of America"	89.46		
Gross Profit	470,663.30	645,630.00	72.9%
Expense			
Lights-on Expenses			
Total 09_OCA Expenses	167,720.00	251,580.00	66.67%
01_Payroll Expenses			
Total Gross Wages	54,999.98	82,000.00	67.07%
Total Stipends	25,856.00	37,356.00	69.22%
Total Employee Benefits	9,276.50	13,757.00	67.43%
Total Payroll Taxes	650.25	918.00	70.83%
Workmans Comp	517.08	1,000.00	51.71%
Direct Deposit Fees	92.75	100.00	92.75%
Total 01_Payroll Expenses	91,392.56	135,131.00	67.63%
Total 04_Travel	31,424.43	66,300.00	47.4%
Total 02_Professional Fees	12,600.00	28,640.00	43.99%
Total 03_Office Expenses	5,313.74	10,238.90	51.9%
Total 05_Facilities and Equipment	3,708.00	4,800.00	77.25%
Total Unbudgeted Expenses	925.20		
Total 06_Clergy and Parish Resources	157.02	4,100.00	3.83%
Total 07_Department of Communications	30.87	2,325.00	1.33%
Pan Orthodox Activities	0.00	1,000.00	0.0%
Total Lights-on Expenses	313,271.82	504,114.90	62.14%
Outreach Expenses			
Total Department of Missions	49,488.13	103,214.00	47.95%
Seminarian Financial Aid	5,000.00	10,000.00	50.0%
Total Youth Department	4,500.00	5,500.00	81.82%
Intern Program	1,000.00	3,000.00	33.33%
Patr. Athenogoras Inst. - Berke	1,000.00	1,000.00	100.0%
Total Department of Charities	800.00	5,700.00	14.04%
Total Department of Stewardship	1.40	5,225.00	0.03%
Music Dept	0.00	500.00	0.0%
Total Outreach Expenses	61,789.53	134,139.00	46.06%
Total Pass Through Expenses	277.20		
Total Expense	375,338.55	638,253.90	58.81%
Net Ordinary Income	95,324.75	7,376.10	1,292.35%
Net Income	95,324.75	7,376.10	1,292.35%