

Delegate Handbook

Volume 4

Ver October 7th, 2019

Treasurer's/Financial Reports



**Diocese of the West
Orthodox Church in America
2019 Diocesan Assembly
October 15-17, 2019**

Meeting at

**Glen Eyrie Conference Center
3820 North 30th Street
Colorado Springs, CO 80904**

Version October 7th, 2019

This is the FINAL version of the document.

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TREASURER'S REPORT TO THE 2019 DIOCESAN ASSEMBLY

Prepared by
Theodora Blom
Diocesan Treasurer

All Diocesan Financial Reports are posted monthly on the Diocesan website. I will present in this report only the summaries of the 2018 and YTD 2019 financial statements and the internal audit results letter.

2018 Financial Report

I. Executive Summary

Percentage Assessment Program:

- 2018 assessments from parishes were 104% of budget
- 2018 payments made to the OCA were 98% of budget

Stewards of the West 2018

- Stewards of the West donations for 2018 totaled \$39,356. This is 98% of what was budgeted.

Highlights for 2018

- New accounting and payroll systems
- Renovation of the house on Duboce Street in San Francisco
- Worker's Compensation
- Challenge of the Housing Allowance

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 December 2018, rounded to the nearest dollar.

Operating Funds	Beginning 12/31/2017	Ending 12/31/2018
Checking, Savings & Short Term Assets	\$ 467,764	\$ 480,578
Accounts Receivable (Loans, Pledges, misc.)	\$ 295,383	\$ 293,493
Other Current Assets	\$ 14,165	\$ 393
Prepaid Expenses	\$ 0	\$ 19,834
Total Operating Assets		\$ 794,298
YTD Net Operating Income		\$ 69,452

Restricted Funds	Beginning 12/31/2017	Ending 12/31/2018
Pt Reyes Loan Fund Restricted Assets	\$ 868,190	\$ 503,861
Mission Funds Restricted Assets	\$ 211,597	\$ 215,103
Scholarship Fund Restricted Assets	\$ 43,856	\$ 40,697
Charity Restricted Funds	\$ 13,094	\$ 4,978
Total Restricted Assets		\$ 764,639
YTD Net Restricted Income		\$ (273,458)
Total Assets		\$1,558,937

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

Net unrestricted income at the end of December was \$ 69,452.

The percent of budget for each major category should be between 95% and 100%. YTD Operating Income is 104% of budget and Operating Expenses are 97% of budget.

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

The following are the beginning and ending rounded balances, rounded to the nearest dollar, for December. The Duboce House Investment was correctly reclassified as an expense.

Account	Beginning 12/31/2017	Ending 12/31/2018
Checking & Savings	\$ 7,672	\$ 9,125
Investment Holdings Balance (National Securities)	\$ 664,120	\$ 344,736
Long Term Asset (Interest Only OCCIF Loan)	\$ 150,000	\$ 150,000
Duboce St House Investment	\$ 45,967	\$ -0-
Total Assets	\$ 868,191	\$ 503,861

National Securities 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** National Securities gain/loss as of the end of December is \$ (28,595). \$295,000 has been transferred from the National Securities Account to the Synaxis account for remodel expenses.

Current year-to-date fund Income/Expenses:

Account	2018 YTD
Investment/Savings Income	\$ 11,324
Duboce House Remodel Expenses	\$ 295,145
Net Income	\$(283,821)

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

Account	Beginning 12/31/2017	Ending 12/31/2018
LCBA Savings (4.5%)	\$ 89,731	\$ 93,430
CDs	\$ 67,337	\$ 67,554
Wells Fargo Savings	\$ 22,729	\$ 22,743
Wells Fargo Cash	\$ 0	\$ 1,375
Long Term Assets (Loan to Mission Priest)	\$ 1,800	\$ 0
Long Term Assets (Interest only OCCIF Loan)	\$ 30,000	\$ 30,000
Total Assets	\$ 211,597	\$ 215,102

Current year-to-date Income/Expenses:

Account	2018 YTD
Investment/Savings Interest/St Andrew Dist.	\$ 5,291
Expenses	\$ 0
Net Income	\$ 5,291

VI. Parish Receivables/Remittances

Currently 8 parishes have invoices that are **30 days or more** past due.

**Report of the Diocesan Audit Committee
The Diocese of the West
DIOCESAN INTERNAL AUDIT FY2018**

The Diocesan Audit Committee of the Diocese of the West consisting of Fr. Andre Paez, Michael Wagner and Maha Adranly met on Saturday, May 11, 2019, at Saints Peter & Paul Orthodox Church in Phoenix, Arizona, to perform the internal audit of the diocesan financial records for the Fiscal Year 2018.

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. We randomly selected 6 months during the audit.

The Audit Committee is again pleased to report that the audited financial records are in good order and that the Diocesan Treasurer, Matushka Theodora Blom has maintained these records so that they are easily accessible and in an accurate, uniform, and consistent order.

Summary Findings:

- The 2018 Financial Report summary prepared by the Diocesan Treasurer accurately reflects the financial status of the Diocese of the West as of December 31, 2018.
- Financial records have been maintained in an organized and consistent manner.
- Payments match their corresponding receipts/invoices.

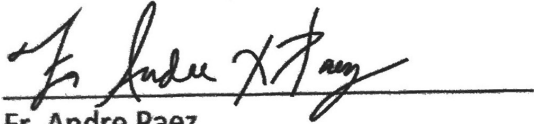
The Diocesan Audit Committee recommends the following:

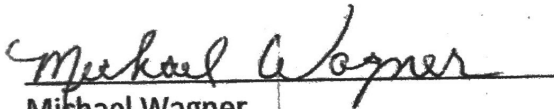
- The Treasurer should follow up with Aplos Software to understand if there is a way to create the bank reconciliation bank as of the end of the month instead of as of the run date of the report. This is causing a small difference in the reconciliation.
- Adding a Treasurer Surety bond to further protect the bank account balances.
- 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 adding alerts for transactions which are larger than \$5,000. This will provide early warning of fraudulent activity on the bank accounts.
- The audit committee should be provided with online view access to the financial data. In some cases, it was not possible to drill into accounts to confirm details.
- While a policy for Travel & Expense (T&E) exists at the Diocesan level, people aren't always adhering to the policy. For example, the policy states that people submitting receipts are to list the people they are dining with in order to be reimbursed but that was not always the case. We also recommend the policy be changed to make it mandatory (when possible) to include the detailed bill (showing items ordered) with the

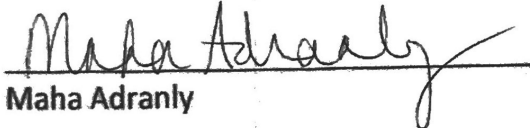
expense/reimbursement document and not just the summary credit card charge slip. This will allow a confirmation of the attendees and ensure expenses are valid for business travel.

- Follow up with OCCIF to obtain a report of to confirm agreement of the loan balance with the Diocese of the West.
- Follow up on the personal loan with the Sonora priest as it should have been settled by now.

The Diocesan Audit Committee is pleased to once again commend the good bookkeeping of Matushka Theodora Blom. We also express our thanks to Andrew Smith, Diocesan Administrative Assistant, for his continued assistance in this area of diocesan


Fr. Andre Paez


Michael Wagner


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
 (541) 690-6013 Cell treasurer@dowoca.org

September 2019 Financial Report Summary

Prepared by

**Theodora Blom
4 October 2019**

I. Executive Summary

- Parish remittances are 71% of budget.
- Central Church Support from the Diocese of the West is 65% of budget.
- Stewards of the West income is 67% 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 September 2019, rounded to the nearest dollar.

Operating Funds	Beginning 12/31/2018	Ending 09/30/2019
Checking, Savings & Short Term Assets	\$ 480,078	\$ 558,070
Accounts Receivable (Loans, Pledges, misc.)	\$ 291,463	\$ 288,323
Other Current Assets	\$ 393	\$ 393
Prepaid Assets	\$ 19,834	\$ 1,650
Total Operating Assets		\$ 848,436
YTD Net Operating Income		\$ 62,283

Restricted Funds	Beginning 12/31/2018	Ending 09/30/2019
Pt. Reyes Loan Fund Restricted Assets	\$ 503,861	\$ 538,304
Mission Funds Restricted Assets	\$ 215,793	\$ 259,890
Scholarship Fund Restricted Assets	\$ 40,697	\$ 40,768
Charity Restricted Funds	\$ 4,978	\$ 3,119
Total Restricted Assets		\$ 842,081
YTD Net Restricted Income		\$ 44,020
Total Assets		\$1,690,517

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

Net unrestricted income at the end of September was \$ 62,283.

The percent of budget for each major category should be between 70% and 80%. YTD Operating Income is 71% of budget and Operating Expenses are 64% of budget.

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

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

Account	Beginning 12/31/2018	Ending 09/30/2019
Checking & Savings	\$ 9,125	\$ 3,586
Investment Holdings Balance (National Securities)	\$ 344,736	\$ 384,718
Long Term Asset (Interest Only OCCIF Loan)	\$ 150,000	\$ 150,000
Total Assets	\$ 503,861	\$ 536,555

National Securities 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 National Securities gain/loss as of the end of September is \$ 4,686.

Current year-to-date fund Income/Expenses:

Account	2019 YTD
Investment/Savings Income	\$ 3,586
Duboce House Remodel Expenses	\$ -0-
Net Income	\$ 3,586

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

Account	Beginning 12/31/2018	Ending 09/30/2019
LCBA Savings (4.5%)	\$ 94,120	\$ 96,914
CDs	\$ 67,554	\$ 67,718
Wells Fargo Savings	\$ 22,743	\$ 64,130
Wells Fargo Cash	\$ 1,375	\$ 1,128
Long Term Assets (Loan to Mission Priest)	\$ 1,800	\$ - 0-
Long Term Assets (Interest only OCCIF Loan)	\$ 30,000	\$ 30,000
Total Assets	\$ 217,592	\$ 259,890

Current year-to-date Income/Expenses:

Account	2019 YTD
Investment/Savings Interest/St Andrew Dist.	\$ 42,298
Expenses	\$ -0-
Net Income	\$ 42,298

VI. Parish Receivables/Remittances

Currently 6 parishes have invoices (background checks) that are **30 days or more** past due.

Elevation of the Holy Cross Orthodox Church
 Holy Virgin Mary Cathedral
 Ss. Cyril & Methodius Orthodox Church
 St. Innocent of Alaska Orthodox Church, Pleasanton, CA
 Ss. Peter & Paul Orthodox Church
 St. Seraphim Cathedral

Diocese of the West, OCA
Consolidated Balance Sheet as of 09/30/2019

Generated by treasurer@dowoca.org on 2019-10-04 16:42

Account Name	Amount
<u>Assets</u>	
Cash and Cash Equivalents	
Unrestricted Cash and Cash Equivalents	336,769.06
Board Designated Cash and Cash Equivalents	498,664.66
Accounts Receivable	
Total Accounts Receivable	1,947.35
Other Current Assets	
Total Other Current Assets	2,042.78
Long Term Assets	
Total Operating Long Term Assets	286,375.62
Total Board Designated Long Term Assets	564,718.23
Total Assets	1,690,517.70
<u>Liabilities</u>	
Current Liabilities	
Total Current Liabilities	1,698.66
<u>Equity</u>	
Total Equity	1,688,819.04
Total Liabilities and Equity	1,690,517.70

Diocese of the West, OCA Operating Profit and Loss YTD 2019

Generated by treasurer@dowoca.org on 2019-10-04 16:57

Account Name	Actual	YTD Budget	% of Budget
<u>Income</u>			
Operating Income			
Total Operating Income	590,666.59	835,000.00	71%
Operating Investment Income			
Total Operating Investment Income	4,585.88	4,000.00	115%
Total Income	595,252.47	839,000.00	71%
<u>Expense</u>			
Operating Expenses			
Total Payroll Expenses	159,697.45	226,185.00	71%
Total Professional Fees	140.00	12,040.00	1%
Total Travel	59,716.43	78,500.00	76%
Total Office Expenses	7,179.66	15,250.00	47%
Total Insurance	5,764.90	4,000.00	144%
Total Department of Missions	56,875.51	91,000.00	63%
Total Department of Clergy and Parish Resources	14,120.49	19,500.00	72%
Total Department of Stewardship	2,660.61	4,600.00	58%
Total Misc. Departments	26,714.55	38,500.00	69%
Total OCA Expenses	194,451.41	312,000.00	62%
Total Special Events	616.40	5,000.00	12%
Total Church of the Synaxis Expenses	5,032.80	24,000.00	21%
Total Expense	532,970.21	830,575.00	64%
Net Income (Loss)	62,282.26	8,425.00	739%

Diocese of the West, OCA
2020 Operating Budget

Account Number	Account Name	2019 Budget	2019 Year to Date	% of 2019 YTD Budget	2020 Budget
Income					
<u>Unrestricted Income</u>					
4010	Parish Remittances	800,000.00	472,230.61	59%	801,446.00
4030	Stewards of the West	35,000.00	22,531.94	64%	35,000.00
	Total Unrestricted Income	835,000.00	494,762.55	59%	836,446.00
<u>Operating Investment Income</u>					
4110	Savings, Short-term CD Interest	1,000.00	578.64	58%	1,000.00
4120	OCCIF Operating Loan Interest	3,000.00	2,737.69	91%	3,000.00
	Total Operating Investment Income	4,000.00	3,316.33	83%	4,000.00
	Total Income	839,000.00	498,078.88	59%	840,446.00
<u>Expense</u>					
<u>Payroll Expenses</u>					
6010	Compensation				
6011	Salaries	102,000.00	58,916.69	58%	104,030.00
6012	Housing Allowance	59,000.00	37,216.62	63%	65,570.00
	Total 6010 - Compensation	161,000.00	96,133.31	60%	169,600.00
6020	Employee Benefits				
6021	OCA Pension Plan Contributions	14,025.00	6,794.62	48%	16,366.00
6022	Health Insurance	17,100.00	3,883.70	23%	6,000.00
6023	Life Insurance	900.00	996.89	111%	1,600.00
	Total 6020 - Employee Benefits	32,025.00	11,675.21	36%	23,966.00
6025	Deans' Stipend	19,200.00	8,800.00	46%	19,200.00
6030	Deans' Housing Allowance	4,800.00	2,800.00	58%	4,800.00
6035	Payroll Taxes	8,110.00	4,867.60	60%	8,350.00
6040	Payroll Fees	1,050.00	577.04	55%	1,050.00
	Total Payroll Expenses	226,185.00	124,853.16	55%	226,966.00

Account Number	Account Name	2019 Budget	2019 Year to Date	% of 2019 YTD Budget	2020 Budget
Professional Fees					
6110	Accounting Fees	2,000.00	120.00	6%	2,000.00
6120	Legal Fees	10,000.00	0.00	0%	10,000.00
6130	Misc. Professional Fees	40.00	20.00	50%	500.00
	Total Professional Fees	12,040.00	140.00	1%	12,500.00
Travel					
6210	Bishop Travel	15,500.00	5,925.60	38%	12,000.00
6230	Diocesan Council Meeting	15,000.00	11,373.40	76%	15,000.00
6235	Dean's Meeting Travel	1,000.00	0.00	0%	1,000.00
6240	Diocesan Hierarch Travel	35,000.00	19,573.84	56%	35,000.00
6245	Met Council Travel	3,000.00	426.00	14%	3,000.00
6250	Seminary Visit	3,000.00	2,439.18	81%	3,000.00
6255	Travel for Financial Audits	2,000.00	963.22	48%	2,000.00
6260	Travel for Other Business	3,000.00	207.96	7%	3,000.00
6265	Visiting Clergy Travel	1,000.00	1,828.17	183%	9,000.00
	Total Travel	78,500.00	42,737.37	54%	83,000.00
Office Expenses					
6310	Office Expenses & Supplies	3,400.00	1,378.17	41%	3,400.00
6315	Office Equipment	2,000.00	674.47	34%	2,000.00
6320	Diocesan Hierarch Cell Phone	1,200.00	821.31	68%	1,400.00
6325	Office Cell Phone	1,200.00	292.23	24%	1,200.00
6330	Internet	1,200.00	306.54	26%	1,200.00
6335	Accounting Software	2,400.00	2,400.00	100%	2,400.00
6345	Website Hosting	0.00	0.00	0%	2,400.00
6350	Website Design	0.00	0.00	0%	1,400.00
6360	Background Checks	2,000.00	-258.80	-13%	2,000.00
6370	Bank Charges	500.00	50.00	10%	500.00
6380	Postage	1,000.00	409.66	41%	1,000.00
6390	Books and Publications	350.00	59.45	17%	350.00
	Total Office Expenses	15,250.00	6,133.03	40%	19,250.00
Insurance					
6420	Property & Liability Insurance	4,000.00	4,509.00	113%	5,000.00
6430	Workers' Comp Insurance	0.00	1,255.90	0%	1,300.00
	Total Insurance	4,000.00	5,764.90	144%	6,300.00

Account Number	Account Name	2019 Budget	2019 Year to Date	% of 2019 YTD Budget	2020 Budget
Department of Missions					
6510	Mission Priest Stipend	19,700.00	11,150.00	57%	19,700.00
6515	Mission Priest Housing Allowance	12,000.00	7,000.00	58%	12,000.00
6520	Mission Parish Support	6,000.00	3,500.00	58%	6,000.00
6530	Mission Director Expenses	13,000.00	4,969.95	38%	13,000.00
6540	Mission Board Meeting Expenses	1,500.00	171.96	11%	1,500.00
6560	Mission Development	19,300.00	16,515.14	86%	19,300.00
6570	Mission Priest Travel	0.00	1,187.90	0%	2,000.00
6580	Supply Priest Travel	4,000.00	679.43	17%	4,000.00
6585	Mission Director's Parish Expense	3,500.00	1,750.00	50%	3,500.00
6590	Clergy Moving Expenses	12,000.00	1,695.76	14%	9,000.00
Total Department of Missions		91,000.00	48,620.14	53%	90,000.00
Department of Clergy and Parish Resources					
6610	Deanery Activities				
6611	Desert Deanery	1,000.00	0.00	0%	1,000.00
6613	Pacific C Deanery	1,000.00	1,104.38	110%	1,000.00
6614	Pacific NW Deanery	1,000.00	1,000.00	100%	1,000.00
6615	Pacific SW Deanery	1,500.00	1,500.00	100%	1,500.00
6616	Rocky Mountain Deanery	1,500.00	1,500.00	100%	1,500.00
Total 6610 - Deanery Activities		6,000.00	5,104.38	85%	6,000.00
6620	Youth Activities				
6622	Discretionary	1,000.00	0.00	0%	1,000.00
6623	Mission Deanery - Youth Activities	1,000.00	1,000.00	100%	1,000.00
6624	PCD - Youth Activities	1,500.00	710.70	47%	1,000.00
6625	PND - Youth Activities	2,000.00	1,000.00	50%	2,000.00
6626	PSD - Youth Activities	1,000.00	0.00	0%	1,000.00
6627	RMD - Youth Activities	1,000.00	1,000.00	100%	1,000.00
Total 6620 - Youth Activities		7,500.00	3,710.70	49%	7,000.00
6630	Liturgical Education and Training	1,000.00	0.00	0%	2,000.00
6640	OCA Clergy Assistance Program	2,000.00	0.00	0%	2,000.00
6650	Liturgical Supplies	600.00	0.00	0%	600.00
6660	Clergy Retreat	0.00	2,819.53	0%	0.00
6670	Clergy Pre-Assignment Assessment	2,400.00	1,000.00	42%	2,400.00
Total Clergy & Parish Resources		19,500.00	12,634.61	65%	20,000.00

Account Number	Account Name	2019 Budget	2019 Year to Date	% of 2019 YTD Budget	2020 Budget
Department of Stewardship					
6710	Appeal Preparation and Mailing	2,000.00	1,065.89	53%	2,000.00
6720	Postage for Appeals	2,500.00	1,287.42	52%	2,500.00
6730	Online Donation Fees	100.00	297.00	297%	500.00
	Total Department of Stewardship	4,600.00	2,650.31	58%	5,000.00
Misc. Departments					
6810	Department of Charities				
6811	Gobezie Goshu Home in Ethiopia	1,000.00	0.00	0%	1,000.00
6812	St Petersburg Hospice	500.00	0.00	0%	500.00
6813	Project Mexico	1,000.00	0.00	0%	1,000.00
6814	Raphael House (Portland)	1,000.00	0.00	0%	1,000.00
6815	Gifts	0.00	500.00	0%	500.00
6816	Discretionary Fund	3,000.00	800.00	27%	3,000.00
	Total 6810 - Department of Charities	6,500.00	1,300.00	20%	7,000.00
6820	Seminarian Financial Aid	12,000.00	5,000.00	42%	12,000.00
6830	Intern Program	14,000.00	8,000.00	57%	14,000.00
6840	Music Department	1,000.00	465.20	47%	1,000.00
6860	Refundable Disbursements	5,000.00	4,949.35	99%	5,000.00
	Total Misc. Departments	38,500.00	19,714.55	51%	39,000.00
OCA Expenses					
6910	Central Church Support	300,000.00	175,160.12	58%	275,000.00
6920	OCA Liturgical Donation	1,000.00	0.00	0%	1,000.00
6930	AAC Expenses	11,000.00	0.00	0%	11,000.00
	Total OCA Expenses	312,000.00	175,160.12	56%	287,000.00
Special Events					
7010	Diocesan Assembly	2,000.00	5,513.45	276%	2,000.00
7020	Fort Ross Event	1,000.00	579.00	58%	1,000.00
7030	Pan Orthodox Activities	2,000.00	0.00	0%	2,000.00
7040	Extraordinary Events	0.00	0.00	0%	10,000.00
	Total Special Events	5,000.00	6,092.45	122%	15,000.00
Church of the Synaxis Expenses					
7110	Duboce House Expenses	24,000.00	5,032.80	21%	24,000.00
	Total Church of the Synaxis Expenses	24,000.00	5,032.80	21%	24,000.00
	Total Expense	830,575.00	449,533.44	54%	828,016.00
	Net Income (Loss)	8,425.00	48,545.44	576%	12,430.00