The Orthodox Church in America

Financial Statements
and
Auditor's Report

Year Ended December 31, 2009

The Orthodox Church in America

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Lambrides
LAMOS, TAYLOR LLP
Certified Public Accountants and Consultants

To the Metropolitan Council
The Orthodox Church in America

Independent Auditor's Report

We have audited the accompanying statement of financial position of The Orthodox Church in America (the Church) December 31, 2009, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the management of the Church. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the organization's December 31, 2008 combined financial statements and, in our report dated March 4, 2010, we expressed a qualified opinion on those financial statements.

Except as discussed in the following paragraphs, we conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Because of the inadequacy of accounting records regarding the utilization of temporarily restricted net assets for the years prior to 2009, we were unable to form an opinion regarding the beginning and ending balances of unrestricted, temporarily restricted, and permanently restricted net assets at December 31, 2009. We were unable to satisfy ourselves regarding the balances of net assets in each classification at that date by means of other auditing procedures.

As discussed in Note 15 to the financial statements, net assets have not been classified in accordance with SFAS 117 as unrestricted, temporarily restricted, or permanently restricted net assets based on the absence or existence and type of donor-imposed restrictions. In our opinion, net assets should be classified by donor restriction to conform with accounting principles generally accepted in the United States of America. The effects on the financial statements of that departure are not reasonably determinable.

We were also unable to obtain documentation verifying ownership of Alaskan properties which may be held by the Church, and we were, therefore, unable to form an opinion regarding the amounts at which fixed assets and accumulated depreciation are recorded at December 31, 2009.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to apply adequate procedures to beginning and ending net assets as discussed in the third paragraph, and except for the effects of the matter discussed in the fourth paragraph, and except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to apply adequate procedures to fixed assets as discussed in the fifth paragraph, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position Orthodox Church in America as of December 31, 2009, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedule 1 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Lambrides, Lamos, Taylor LLP

September 23, 2010

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The Orthodox Church in America
Statement of Financial Position
December 31, 2009
With Comparative Figures at December 31, 2008

	2009	2008
ASSETS		
Cash and cash equivalents	$ 360,761	$ 430,904
Assessments and other accounts receivable	88,868	50,600
Note receivable	18,633	27,876
Bequest receivable	10,000	10,000
Prepaids	6,677	
Inventory		23,708
Capitalized mortgage closing costs	73,434	77,818
Investments:		
Endowment fund pool	462,098	559,422
St. Andrew endowment fund	100,832	100,102
FOS endowment fund	67,662	67,235
Annuity and unitrust agreements	815,790	913,810
Land, buildings and equipment (net of accumulated depreciation)	271,057	319,224
Total assets	$2,275,812	$2,580,699
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	$ 355,380	$ 193,360
Loans payable	912,168	1,015,761
Annuity and unitrust agreements	537,758	624,254
Total liabilities	1,805,306	1,833,375
Net assets:		
Total net assets	470,506	747,324
Total liabilities and net assets	$2,275,812	$2,580,699

See notes to financial statements.

The Orthodox Church in America
Statement of Activities
Year Ended December 31, 2009
With Summarized Comparative Figures for the Year Ended December 31, 2008

	Unrestricted	Temporarily Restricted	Permanently Restricted	2009 Totals	2008 Totals
Support and revenue:					
Contributions:					
Fellowship of Orthodox Stewards	$ 75,274	$ 60,430		$ 135,704	$ 23,221
Charity		10,567		10,567	44,044
Missions		38,975		38,975	50,703
Seminary		2,239		2,239	53,101
General contributions	45,815			45,815	40,473
Other restricted		560		560	6,050
Total contributions	121,089	112,771		233,860	217,592
Revenue:					
Assessments	2,447,061	6,649		2,453,710	2,781,247
Publications (net of cost of goods sold)	12,053			12,053	37,343
Miscellaneous	31,354			31,354	63,032
Total revenue	2,490,468	6,649		2,497,117	2,881,622
Total support and revenue before net assets released from restrictions	2,611,557	119,420		2,730,977	3,099,214
Net assets released from restrictions	174,258	(174,258)			
Total support, revenue and releases	2,785,815	(54,838)		2,730,977	3,099,214
Expenses:					
Program services	1,067,108			1,067,108	1,686,421
Supporting services:					
General administrative	1,002,357			1,002,357	1,491,128
Development	175,727			175,727	234,779
Total supporting services	1,178,084			1,178,084	1,725,907
Total expenses	2,245,192			2,245,192	3,412,328
Change in net assets from operations	540,623	(54,838)		485,785	(313,114)
Other changes:					
Depreciation	(48,166)			(48,166)	(54,698)
Amortization of closing costs	(4,384)			(4,384)	(4,384)
Net investment income	3,731	2,267		5,998	(474,565)
Change in actuarial value of unitrusts		(2,563)	$ (9,861)	(12,424)	(192,937)
Settlement of litigation	(250,000)			(250,000)	
Professional fees - legal	(453,627)			(453,627)	(220,017)
Change in net assets after other changes	(211,823)	(55,134)	(9,861)	(276,818)	(1,259,715)
Net assets at beginning of year				747,324	2,007,039
Net assets at end of year				$ 470,506	$ 747,324

See notes to financial statements.

The Orthodox Church in America
Statement of Cash Flows
Year Ended December 31, 2009
With Comparative Figures for the Year Ended December 31, 2008

	2009	2008
Cash flows from operating activities:		
Change in net assets	$ (276,818)	$ (1,259,715)
Adjustments to reconcile change in net assets		
to net cash used by operating activities:		
Depreciation	48,166	54,698
Amortization of mortgage closing costs	4,384	4,384
Net realized and unrealized loss on investments	923	503,223
Change in actuarial valuation of annuities and unitrusts	12,424	192,937
(Increase) decrease in:		
Assessments and other accounts receivable	(38,268)	220,674
Note receivable	9,243	9,494
Prepaids	(6,677)	5,169
Inventory	23,708	
Bequest receivable		(10,000)
Decrease in:		
Accounts payable and accrued expenses	162,020	(24,659)
Deferred compensation		(66,158)
Net cash used by operating activities	(60,895)	(369,953)
Cash flows from investing activities:		
Purchase of vehicle		(5,167)
Purchase of equipment		(3,000)
Purchase of investments	(590,012)	(1,433,212)
Proceeds from sale of investments	684,357	1,674,989
Net cash provided by investing activities	94,345	233,610
Cash flows from financing activities:		
Repayment of principal	(103,593)	(112,450)
Net cash used by financing activities	(103,593)	(112,450)
Net decrease in cash	(70,143)	(248,793)
Cash at beginning of year	430,904	679,697
Cash at end of year	$ 360,761	$ 430,904
Supplemental disclosure of cash flow information:		
Cash paid for interest expense	$ 76,773	$ 84,978
Acquisition of vehicle		
Cost of vehicle		$ 36,485
Vehicle loan		(31,318)
Cash down payment for vehicle		$ 5,167

See notes to financial statements.

The Orthodox Church in America
Notes to the Financial Statements
December 31, 2009

1. Organization and Purpose:

The Orthodox Church in America (the "Church") was originally founded as a mission and later became a diocese in the Orthodox Church of Russia, uniting in its fold Orthodox Christians of various national backgrounds and traditions. It subsequently developed into a self-governing Metropolitanate, the Russian Orthodox Greek Catholic Church of America. Confirmation as an Autocephalous Church was accomplished by the action of the Patriarch and Holy Synod of Russia on April 10, 1970. The Orthodox Church in America was proclaimed an Autocephalous Church on October 19, 1970, at the sessions of the All-American Council held at St. Tikhon's Monastery in South Canaan, Pennsylvania.

The Orthodox Church in America is an Autocephalous Church with territorial jurisdiction in the United States of America and the Commonwealth of Canada. Its doctrine, discipline, and worship are those of the One, Holy, Catholic, and Apostolic Church as taught by the Holy Scriptures, Holy Tradition, the Ecumenical and Provincial Councils, and the Holy Fathers.

The Orthodox Church in America is exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code and comparable state law, and contributions to it are tax deductible within the limitations prescribed by the Code. The Church has been classified as a publicly supported organization which is not a private foundation under Section 509(a) of the Code.

2. Summary of Significant Accounting Policies:

The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

a. Accrual Basis Financial Statements

The accompanying financial statements have been prepared on the accrual basis and conform to accounting principles generally accepted in the United States of America and in accordance with the principles of not-for-profit accounting.

b. Net Assets

The net assets of the Church and changes therein are classified and reported as follows:

- Unrestricted net assets include all resources which are not subject to donor-imposed restrictions of a more specific nature than those which only obligate the organization to utilize funds in furtherance of its mission.

- Temporarily restricted net assets carry specific, donor-imposed restrictions on the expenditure or other use of contributed funds. Temporary restrictions may expire either because certain actions are taken by the Church which fulfill the restrictions or because of the passage of time. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

2. Summary of Significant Accounting Policies: (Continued)

- Permanently restricted net assets are those that are subject to donor-imposed restrictions which will never lapse, thus requiring that the funds be permanently retained. Generally, the donors of these funds permit the organization to use all or part of the income earned on related investments, and the net capital appreciation thereon, for general or specific purposes.

c. Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. At December 31, 2009, there is no allowance.

d. Contributions

Contributions are recorded as revenue upon receipt of cash or unconditional promises to give (pledges). Contributions are considered available for unrestricted use unless specifically restricted by the donor.

Contributions of property, buildings and equipment without donor stipulation concerning the use of such long-lived assets are reported as revenues of the unrestricted net assets. Contributions of cash or other assets to be used to acquire property, plant and equipment are reported as revenue of the temporarily restricted net assets; the restrictions are considered to be released at the time of acquisition of such long-lived assets.

e. Cash and Cash Equivalents

Cash and cash equivalents include all cash on hand and in banks. The Church also considers all highly liquid investments with a maturity of three months or less when purchased to be cash and cash equivalents.

f. Inventory

Inventory consists of church related books and literature held for future distribution. They are valued at cost. Cost is determined by the first-in first-out method.

g. Investments

Investments in equity securities with readily determinable fair market values and all investments in debt securities are reported at fair market value, with gains and losses included in the statement of activities. Donated investments are reflected as contributions at their fair market values at date of receipt. In addition, the Church considers certain cash, money market, and highly liquid investments to be either temporarily or permanently restricted as long-term investments.

2. Summary of Significant Accounting Policies: (Continued)

h. Land, Buildings and Equipment

Land, buildings and equipment are stated at cost, or, if donated, at the estimated fair market value at the date of donation. Depreciation is recorded using the straight-line method at various rates calculated to allocate the cost of the respective items over their estimated useful lives.

Estimated useful lives are:

Buildings and improvements	40 years
Furniture and equipment	3-10 years
Software	3 years

Donations of land buildings and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use are reported as restricted support.

If there are no donor stipulations regarding how long those donated assets must be maintained, the Church reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Church reclassifies temporarily restricted net assets to unrestricted net assets at that time.

i. Accounting for Uncertainty in Income Taxes

The Church's current accounting policy is to disclose liabilities for uncertain tax positions when a liability is probable and estimable. Management is not aware of any violation of its tax status as an organization exempt from income taxes, nor is it aware of any exposure to unrelated business income tax.

j. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from their estimates.

k. Reclassification

Certain amounts previously reported in the financial statements for December 31, 2008 have been reclassified to facilitate comparability with the December 31, 2009 amounts with no effect on the change in net assets as previously reported.

l. Prior Year Summarized Comparative Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Church's financial statements for the year ended December 31, 2008, from which the summarized information was derived.

2. Summary of Significant Accounting Policies: (Continued)

m. Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

3. Cash and Cash Equivalents:

Cash and cash equivalents at December 31, 2009 consist of the following:

Unrestricted operating funds	$ 87,703
St. Sergius Chapel account	22,428
Reserve account	14,298
Honesdale – checking	15,701
Honesdale – restricted money market	220,631
	$360,761

4. Assessments and Accounts Receivable:

Assessments and accounts receivable at December 31, 2009 are comprised of the following:

Accounts receivable	$ 21,960
Assessments receivable	66,908
	$ 88,868

Accounts and assessments receivables are expected to be collected in the subsequent year.

5. Note Receivable:

A note receivable that originally totaled $55,000 is repayable in monthly installments of $250 and matures in August 2017. The loan was made to a priest who had significant medical expenses. The balance of the note as of December 31, 2009 is $18,633.

6. Capitalized Mortgage Closing Costs:

Costs pertaining to a $1,700,000 refinance have been capitalized and are being amortized over the life of the loan (twenty years). As of December 31, 2009, closing cost amortization was $4,384, leaving a net balance of $73,434.

7. Investments:

Investments are reported at market value as of December 31, 2009 and consist of:

Money market funds	$ 41,660
Certificates of deposit	180,000
Federated cash obligations	369,000
U.S. government agency obligations	39,932
Other (gift annuities held by third party)	815,790
	$1,446,382

8. Fair Value Measurements:

In determining fair value, the Church uses various valuation approaches within the *Fair Value Measurements and Disclosures Topic of the FASB Accounting Standards Codification* fair value measurement framework. Fair value measurements are determined based on the assumptions that market participants would use in pricing an asset or liability.

The *Fair Value Measurements and Disclosures Topic of the FASB Accounting Standards Codification* established a fair value hierarchy for valuation inputs that gives the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The fair value hierarchy is as follows:

Level 1 inputs: In general, fair values determined by Level 1 inputs use quoted prices in active markets for identical assets or liabilities that the Church has the ability to access.

Level 2 inputs: Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and other inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

Level 3 inputs: Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related assets or liability.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in the entirety are categorized based on the lowest level input that is significant to the valuation. The Church's assessment of the significance of the particular inputs to these fair value measurements requires judgment and considers factors of each asset or liability.

Disclosures concerning assets and liabilities measured at fair value on a recurring basis are as follows:

Assets:	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Endowment fund pool	$ 462,098	$ 462,098	
St. Andrew endowment	100,832	100,832	
FOS endowment fund	67,662	67,662	
Annuity and unitrusts	815,790	708,687	$ 107,103
	$ 1,446,382	$ 1,339,279	$ 107,103
Liabilities:			
Annuity and unitrusts	$ 537,758		$ 537,758
	$ 537,758		$ 537,758

9. Permanently Restricted Net Assets:

The Church's endowments include donor-restricted funds and consist of eight (8) individual funds established for a variety of purposes. As required by generally accepted accounting principles (GAAP), net assets associated with endowment funds, including funds designated by the Metropolitan Council to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions as specified in the *Summary of Significant Accounting Policies* outlined in these notes.

<u>Interpretation of Relevant Law</u>

The Metropolitan Council of the Church has interpreted the *Uniform Management of Institutional Funds Act* (UMIFA) as requiring the preservation of the historic dollar value of endowment funds at the time of the original contribution to the fund, absent donor stipulations to the contrary. As a result of this interpretation, the Church classifies as permanently restricted net assets:

a. the original value of gifts donated to the permanent endowment,
b. the original value of subsequent gifts to the permanent endowment; and
c. accumulations to the permanent endowment if directed by the applicable donor gift instrument.

The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as unrestricted net assets, unless such appreciation and income has been restricted by the original donor gift instrument for specific purposes. In the latter case, all appreciation and income would be classified as temporarily restricted net assets.

<u>Return Objectives and Risk Parameters</u>

The Church follows investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Church must hold in perpetuity, or for donor-specified periods. Under this policy, the endowment assets are invested in a manner that is intended to maximize returns while assuming a conservative level of investment risk. Actual returns in any given year may vary.

<u>Strategies Employed for Achieving Objectives</u>

To satisfy its long-term rate-of-return objectives, the Church relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Church targets a well-diversified and balanced asset allocation that places a greater emphasis on cash and fixed income investments (over 60%) to achieve its long-term return and growth objectives within prudent risk constraints.

<u>Spending Policy and How the Investment Objectives Relate to Spending Policy</u>

The Church has a policy of appropriating funds for distribution only to fund specific projects and programs, when needed. This spending policy allows the endowment funds to grow annually. This is consistent with the Church objective to maintain the purchasing power of the endowment assets held in perpetuity, as well as to provide additional real growth through new gifts and investment return.

9. Permanently Restricted Net Assets: (Continued)

Changes in endowment funds for the fiscal year ended December 31, 2008, consisted of the following:

	Net Assets			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals
Interest and dividends, net of fees	$ 1,392	$ 3,190		$ 4,582
Unrealized gains (losses)		(923)		(923)
Change in value of unitrusts			$ (9,861)	(9,861)
Change in endowment net assets	$ 1,392	$ 2,267	$ (9,861)	$ (6,202)

10. Investment Income:

Investment income is reported net of related expenses as follows:

Interest and dividend income	$10,278
Unrealized losses	(923)
Investment fees	(3,357)
Total	$ 5,998

11. Land, Buildings and Equipment:

A summary of land, buildings and equipment at December 31, 2009 follows:

Land, buildings and improvements	$531,783
Furniture, fixtures and equipment	446,892
Software	3,000
	981,675
Less: Accumulated depreciation	(710,618)
Total	$271,057

12. Long-term Debt:

Long-term debt at December 31, 2009 consisted of the following:

$1,700,000 mortgage loan payable bearing interest at an initial rate of 7.97% for the first 48 months (through September 2010). This mortgage is payable in monthly installments of principal and interest of $14,300 until September 2010, when the interest rate will adjust to the New York prime rate plus .25%, at which time the corresponding monthly payment amount will be re-amortized over the remaining term of the loan. The interest rate and corresponding monthly payment will readjust every 12th month thereafter until the maturity date in October 2026 when the loan is due and payable in full. This mortgage is collateralized by property in Oyster Bay, New York.	$ 892,621

12. Long-term Debt: (Continued)

The Church has an automobile loan payable, with interest at a fixed rate of 3.90%. The loan is payable in monthly installments of principal of $575 and is due and payable in full in January 2013. The balance of the loan as of December 31, 2009 is:	19,547
	$912,168

Estimated principal payments for the succeeding five years and thereafter are as follows:

Year Ending December 31,	
2010	$109,499
2011	118,405
2012	127,893
2013	131,490
2014	142,475
After 2014	282,406
	$912,168

13. Commitments:

The Church leases office equipment under non-cancellable operating leases. Estimated future minimum lease payments by year and in the aggregate under the lease consists of the following as of December 31, 2009:

Year Ending December 31,	
2010	$24,420
2011	24,420
2012	20,457
2013	8,568
	$77,865

14. Annuity and Unitrust Agreements:

Annuity agreements

The Church established gift annuities whereby donors may contribute assets in exchange for the right to receive an annual return during their lifetime. This transaction provides for a portion of the transfer to be considered a charitable contribution for income tax purposes. The difference between the amount of the annuity and the liability for future payments, determined on an actuarial basis, is recognized as income at the date of gift. The actuarial liability for annuities payable is evaluated annually (giving effect to investment income and payments to annuitants) and any surplus or deficiency is recognized as investment income. Assets held for annuities payable totaled $107,103 at December 31, 2009. The present value of the remaining future liability to be distributed by the Church at December 31, 2009 is	$ 98,990

14. Annuity and Unitrust Agreements: (Continued)

Unitrust agreements

The Church is named as beneficiary of several charitable remainder unitrusts. A unitrust provides for the payment of distributions to the grantor or other designated beneficiaries over the trust's term (usually the designated beneficiary's lifetime). At the end of the trust's term, the remaining assets are available for the Church's use. The portion of the trust attributable to the present value of the future benefits to be received by the Church is recorded in the Statement of Activities as a temporarily restricted contribution in the period the trust is established. On an annual basis, the Church revalues the present value of the remaining future liability based upon actuarial assumptions. Assets held in the charitable remainder unitrusts totaled $708,687 at December 31, 2009. The present value of the remaining future liability to be distributed by the Church is calculated using various rates and applicable mortality tables and at December 31, 2009 totals	438,768
	$537,758

15. Generally Accepted Accounting Principles (GAAP) Departure:

Because of the inadequacy of accounting records regarding the utilization of restricted net assets for the years prior to 2009, net assets have not been classified in accordance with SFAS 117 as unrestricted, temporarily restricted, or permanently restricted net assets based on the absence or existence and type of donor-imposed restrictions. We were further unable to satisfy ourselves regarding the balances of net assets in each classification by means of other auditing procedures.

16. Retirement Plan:

The Church participates in the Orthodox Church in America pension plan, which is a multi-employer plan. The plan provides defined benefits with participation available to all full-time employees. The retirement benefit costs charged to expense in 2009 amounted to $51,065.

17. Settlement of litigation:

Three lawsuits relating to events occurring before the financial statement date were settled after December 31, 2009. The settlement amount of $250,000 was recognized as a liability and expense in the accompanying financial statements and was paid in full in May of 2010.

18. Subsequent Events:

Management of the Church has evaluated subsequent events through September 23, 2010, which is the date the financial statements were available to be issued. On September 17, 2010, New York State enacted the New York Prudent Management of Institutional Funds Act ("NYPMIFA"). Based upon the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"), a model state law drafted in 2006, NYPMIFA updates and broadens standards governing the management and investment of charitable gifts by New York nonprofit institutions. Management of the Church intends to review NYPMIFA in its entirety to fully understand the extent of the law's new requirements and to determine the appropriate accounting treatment and application to future periods. Management discovered no other subsequent events requiring disclosure.

The Orthodox Church in America
Supplemental Statement of Expenses
Year Ended December 31, 2009
With Summarized Comparative Figures for the Year Ended December 31, 2008

	Program	General and Administrative	Development	2009 Totals	2008 Totals
Program services, including related salaries:					
Website and public relations	$ 144,501			$ 144,501	$ 141,990
Newspaper, Sourcebook/Calendar	100,823			100,823	171,876
History and archives	91,330			91,330	100,734
Publication and press	46,937			46,937	47,989
External affairs	136,242			136,242	107,004
Charity	43,323		$ 3,675	46,998	367,784
Missions and stewardship	101,915		12,930	114,845	120,544
Humanitarian aid	1,046			1,046	1,772
Seminaries	6,000			6,000	114,386
Education and community life	14,566			14,566	25,873
Fellowship of Orthodox Stewards	34,426			34,426	
Youth ministry	8,473			8,473	9,480
Pastoral life	20,531			20,531	28,670
Supporting services:					
Salaries and stipends	27,470	$ 439,514	82,409	549,393	696,201
Payroll taxes and employee benefits	52,013	104,027	17,338	173,378	270,228
Supplies and other office expenses	25,989	32,487	6,497	64,973	122,416
Telephone	16,295	20,370	4,074	40,739	50,382
Printing	3,436	4,295	859	8,590	27,317
Professional fees - accounting and other		161,918		161,918	336,243
Travel	72,134	90,170	18,033	180,337	396,951
Meetings and conferences	6,003	7,504	1,500	15,007	14,227
Interest expense	30,709	38,387	7,677	76,773	84,978
Property taxes and town fees	14,016	17,521	3,504	35,041	14,327
Repairs and maintenance/building and grounds	22,955	28,694	5,738	57,387	50,855
Building utilities	11,015	13,769	2,753	27,537	34,692
Postage and shipping	11,938	14,923	2,985	29,846	37,548
Publications	630	788	158	1,576	491
Insurance	10,010	12,512	2,502	25,024	26,175
Bank and credit card fees	1,315	1,644	328	3,287	11,071
Miscellaneous	11,067	13,834	2,767	27,668	124
Operating expenses before depreciation, amortization and professional fees	1,067,108	1,002,357	175,727	2,245,192	3,412,328
Depreciation	19,267	24,083	4,816	48,166	54,698
Amortization of closing costs	1,756	2,192	436	4,384	4,384
Settlement of litigation		250,000		250,000	
Professional fees - legal		453,627		453,627	220,017
Total expenses	$ 1,088,131	$ 1,732,259	$180,979	$ 3,001,369	$ 3,691,427

See auditor’s report on supplementary information.

Schedule 1