The Orthodox Church in America

Financial Statements
and
Auditor’s Report

Year Ended December 31, 2008

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, 2008, 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.

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 2008, 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, 2008. 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 unable to obtain documentation verifying ownership of certain 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, 2008.

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, 2008, 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.

As discussed in Note 13 to the financial statements, The Orthodox Church in America adopted the provisions of the *Fair Value Measurements and Disclosures Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification*, effective January 1, 2008.

Lambrides, Lamos, Taylor LLP

March 4, 2010

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The Orthodox Church in America
Statement of Financial Position
December 31, 2008

ASSETS

Cash and cash equivalents	$ 430,904
Assessments and other accounts receivable	50,600
Note receivable	27,876
Bequest receivable	10,000
Inventory	23,708
Mortgage closing costs	77,818
Investments:	
Endowment fund pool	559,422
St. Andrew endowment fund	100,102
FOS endowment fund	67,235
Annuity and unitrust agreements	913,810
Land, buildings and equipment (net of accumulated depreciation)	319,224
Total assets	$ 2,580,699

LIABILITIES AND NET ASSETS

Liabilities:	
Accounts payable and accrued expenses	$ 193,360
Loans payable	1,015,761
Annuity and unitrust agreements	624,254
Total liabilities	1,833,375
Net assets:	
Total net assets	747,324
Total liabilities and net assets	$ 2,580,699

See notes to financial statements.

The Orthodox Church in America
Statement of Activities
Year Ended December 31, 2008

	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals
Support and revenue:				
Contributions:				
Fellowship of Orthodox Stewards	$ 23,221			$ 23,221
Charity		$ 44,044		44,044
Missions		50,703		50,703
Seminary		53,101		53,101
General contributions	40,473			40,473
Other restricted		6,050		6,050
Total contributions	63,694	153,898		217,592
Revenue:				
Assessments	2,538,076	243,171		2,781,247
Publications	36,152			36,152
Yearbook and calendar	171			171
Newspaper	1,020			1,020
Miscellaneous	63,032			63,032
Total revenue	2,638,451	243,171		2,881,622
Total support and revenue before net assets released from restrictions	2,702,145	397,069		3,099,214
Net assets released from restrictions	479,896	(479,896)		
Total support, revenue and releases	3,182,041	(82,827)		3,099,214
Expenses:				
Program services	1,686,421			1,686,421
Supporting services:				
General administrative	1,154,885			1,154,885
Development	234,779			234,779
Total supporting services	1,389,664			1,389,664
Total expenses	3,076,085			3,076,085
Change in net assets from operations	105,956	(82,827)		23,129
Other changes:				
Depreciation	(54,698)			(54,698)
Amortization of closing costs	(4,384)			(4,384)
Net investment income	(216,629)	(257,936)		(474,565)
Change in actuarial value of unitrusts	(22,283)	(170,654)		(192,937)
Professional fees - legal	(220,017)			(220,017)
Professional fees - audit	(116,504)			(116,504)
Professional fees - other	(219,739)			(219,739)
Change in net assets after other changes	(748,298)	(511,417)		(1,259,715)
Net assets at beginning of year	(427,779)	992,518	$ 1,442,300	2,007,039
Net assets at end of year	$ (1,176,077)	$ 481,101	$ 1,442,300	$ 747,324

See notes to financial statements.

The Orthodox Church in America
Statement of Cash Flows
Year Ended December 31, 2008

Cash flows from operating activities:	
Change in net assets	$ (1,259,715)
Adjustments to reconcile change in net assets to net cash used by operating activities:	
Depreciation	54,698
Amortization of mortgage closing costs	4,384
Net realized and unrealized loss on investments	503,223
Change in actuarial valuation of annuities and unitrusts	192,937
(Increase) decrease in:	
Assessments and other accounts receivable	220,674
Notes receivable	9,494
Bequest receivable	(10,000)
Prepaid expenses	5,169
Decrease in:	
Accounts payable and accrued expenses	(24,659)
Deferred compensation	(66,158)
Net cash used by operating activities	(369,953)
Cash flows from investing activities:	
Purchase of vehicle	(5,167)
Purchase of equipment	(3,000)
Purchase of investments	(1,433,212)
Proceeds from sale of investments	1,674,989
Net cash provided by investing activities	233,610
Cash flows from financing activities:	
Repayment of principal	(112,450)
Net cash used by financing activities	(112,450)
Net decrease in cash	(248,793)
Cash at beginning of year	679,697
Cash at end of year	$ 430,904
Supplemental disclosure of cash flow information:	
Cash paid for interest expense	$ 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, 2008

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

Changes in the net assets of the church are classified and reported as follows:

In August 2008, The Financial Accounting Standards Board (FASB) issued the *Not-for-Profit Entities Endowment Fund Reporting and Disclosure Topic of the FASB Accounting Standards Codification.* This topic provides guidance on the net asset classification of donor-restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA). This topic also requires additional disclosures about an organization's endowment funds (both donor-restricted endowment funds and board-designated endowment funds) whether or not the organization is subject to UPMIFA.

The State of New York has not yet adopted UPMIFA. The Church has adopted the provisions of *Not-for-Profit Entities Endowment Fund Reporting and Disclosure Topic of the FASB Accounting Standards Codification* for the year ending December 31, 2008.

- 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.

2. Summary of Significant Accounting Policies: (Continued)

- 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.

- 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, 2008, 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 highly liquid investments with a maturity of three months or less when purchased to be cash and cash equivalents, unless such investments carry a temporary or permanent restriction.

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.

2. Summary of Significant Accounting Policies: (Continued)

g. 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, 2008, closing cost amortization was $4,384, leaving a net balance of $77,818.

h. 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.

i. Adoption of New Accounting Standards

In September 2006, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards No. 157, *Fair Value Measurements* (FAS 157), now known as the *Fair Value Measurements and Disclosures Topic of the FASB Accounting Standards Codification*. This topic provides a new definition of fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. The Church adopted the provisions of this topic as of January 1, 2008. In accordance with the provisions of the topic, the Church will delay application for nonfinancial assets and nonfinancial liabilities. The adoption of the *Fair Value Measurements and Disclosures Topic* did not have a material effect on the Church's financial position as of December 31, 2008 or on the statements of operations and changes in net assets or cash flows for the year ended December 31, 2008. See Note 13 for related fair value disclosures**.**

j. Property, Plant and Equipment

Property, plant 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 property, plant 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.

2. Summary of Significant Accounting Policies: (Continued)

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.

k. 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.

l. 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, 2008 consist of the following:

Unrestricted operating funds	$ 161,377
St. Sergius Chapel account	4,233
Reserve account	31,679
Honesdale – checking	15,701
Honesdale – restricted money market	217,914
Total	$ 430,904

4. Assessments and Accounts Receivable:

Assessments and accounts receivable at December 31, 2008 are comprised of the following:

Accounts receivable	$ 31,350
Assessments receivable	19,250
Total	$ 50,600

Accounts and assessments receivables of $50,600 were received in the subsequent year.

5. Note Receivable:

A note receivable that originally totaled $55,000 is repayable in monthly installments of $300 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, 2008 is $27,876.

6. Investments:

Investments are reported at market value as of December 31, 2008 and consist of:

Money market funds	$ 277,632
Common stock	530,860
Fixed income	779,894
Mutual funds	52,183
Total	$1,640,569

7. Land, Buildings and Equipment:

A summary of land, buildings and equipment at December 31, 2008 follows:

Land, buildings and improvements	$531,783
Furniture, fixtures and equipment	446,892
Software	3,000
	981,675
Less: Accumulated depreciation	(662,451)
Total	$319,224

8. Long-term Debt:

Long-term debt at December 31, 2008 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 Syosset, New York.	$ 987,877
The Church has two automobile notes payable, with interest at a fixed rate of 3.90% and 0% respectively. The notes are payable in monthly installments of principal of $575 and $466 respectively. The notes are due and payable in full as of January 2013 and April 2009 respectively. The balance of the note as of December 31, 2008 is:	27,884
	$1,015,761

(Continued)

8. Long-term Debt: (Continued)

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

Year Ending December 31,

2009	$ 103,111
2010	109,480
2011	118,386
2012	127,876
2013	132,026
After 2013	424,882
Total	$1,015,761

9. 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 $107,105 at December 31, 2008. The present value of the remaining future liability to be distributed by the Church at December 31, 2008 is	$ 98,990
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 $806,705 at December 31, 2008. 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, 2008 totals	525,264
	$624,254

10. Investment Income:

Investment income is reported net of related expenses as follows:

Interest and dividend income	$ 45,085
Realized losses	(438,475)
Unrealized losses	(64,748)
Investment fees	(16,427)
Total	$(474,565)

11. 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 2008 amounted to $106,063.

12. Commitments:

The Church leases office equipment under a non-cancellable operating lease. Estimated future minimum lease payments by year and in the aggregate under the lease consists of the following as of December 31, 2008:

2009	$15,852
2010	15,852
2011	11,889
Total	$43,593

13. 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.

(Continued)

13. Fair Value Measurements: (Continued)

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:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Endowment fund pool	$ 559,422	$ 559,422		
St. Andrew endowment	100,102	100,102		
FOS endowment fund	67,235	67,235		
Annuity and unitrusts	913,810	913,810		
	$ 1,640,569	$ 1,640,569		

14. Permanently Restricted Net Assets:

The Church's endowments include donor-restricted funds and consist of eight (8) individuals 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.

Interpretation of Relevant Law

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 later case, all appreciation and income would be classified as temporarily restricted net assets.

(Continued)

14. Permanently Restricted Net Assets: (Continued)

Return Objectives and Risk Parameters

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.

Strategies Employed for Achieving Objectives

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.

Spending Policy and How the Investment Objectives Relate to Spending Policy

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.

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

	Net Assets			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals
Realized gains (losses)	$ (565,777)			$ (565,777)
Interest and dividends, net of fees	18,745			18,745
Unrealized gains (losses)	(346,737)			(346,737)
Amounts appropriated for expenditure	(14,420)			(14,420)
Change in endowment net assets	$ (908,189)			$ (908,189)

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 2008, 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. Contingent Liabilities and Assets:

The Church believes a former employee owes the Church for personal credit card charges paid by the Church totaling approximately $137,000. Conversely, the employee alleges that they are due reimbursement for certain improvements to Church-owned fixed assets paid for by them during their employment. These improvements totaled $109,523, plus estimated accrued interest, for a total estimated claim of $400,000. No amounts have been accrued in the financial statements for the estimated receivable or the claim due to uncertainties as to the collectability of the receivable and the validity of the claim.

On May 22, 2009, a new lawsuit was filed by a former employee, alleging wrongful termination and defamation. The lawsuit seeks $26 million in damages and is currently dormant.

In January 2009, a lawsuit was filed by a retired bishop, suiting for wrongful termination relating to retirement and seeking at least $10 million; intentional infliction of emotional distress ($10 million); tortuous interference ($10 million); deceptive business practices ($10 million); and punitive damages of $1 million, plus legal fees and interest. This lawsuit is currently dormant.

The Orthodox Church in America
Supplemental Statement of Expenses
Year Ended December 31, 2008

	Program	General and Administrative	Development	Totals
Program services, including related salaries:				
Website and public relations	$ 141,990			$ 141,990
Newspaper, Sourcebook/Calendar	171,876			171,876
History and archives	100,734			100,734
Publication and press	47,989			47,989
External affairs	107,004			107,004
Charity	365,431		$ 2,353	367,784
Missions and stewardship	117,048		3,496	120,544
Humanitarian aid	1,772			1,772
Seminaries	104,056		10,330	114,386
Education and community life	25,873			25,873
Youth ministry	9,480			9,480
Pastoral life	28,670			28,670
Supporting services:				
Salaries and stipends	34,810	$ 556,961	104,430	696,201
Payroll taxes and employee benefits	81,068	162,137	27,023	270,228
Supplies and other office expenses	48,966	61,209	12,241	122,416
Telephone	20,153	25,192	5,037	50,382
Printing	10,927	13,659	2,731	27,317
Travel	158,779	198,479	39,693	396,951
Meetings and conferences	5,691	7,114	1,422	14,227
Interest expense	33,991	42,490	8,497	84,978
Property taxes and town fees	5,731	7,164	1,432	14,327
Repairs and maintenance/building and grounds	20,342	25,428	5,085	50,855
Building utilities	13,877	17,346	3,469	34,692
Postage and shipping	15,019	18,774	3,755	37,548
Publications	196	246	49	491
Insurance	10,470	13,088	2,617	26,175
Bank and credit card fees	4,428	5,536	1,107	11,071
Miscellaneous	50	62	12	124
Operating expenses before depreciation, amortization and professional fees	1,686,421	1,154,885	234,779	3,076,085
Depreciation	21,879	27,349	5,470	54,698
Amortization of closing costs	1,756	2,192	436	4,384
Professional fees - legal		220,017		220,017
Professional fees - audit		116,504		116,504
Professional fees - other		219,739		219,739
Total expenses	$ 1,710,056	$ 1,740,686	$240,685	$3,691,427

See auditor’s report on supplementary information.

Schedule 1