

15th All-American Council of the
Orthodox Church in America
November 10-13, 2008
Pittsburgh, PA

FINANCIAL REPORT OF THE ORTHODOX CHURCH IN AMERICA AND STAVROPEGIAL INSTITUTIONS

**Bring this report to the AAC and place
it in the notebook provided at registration**



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This report has been prepared by the Financial Office of The Orthodox Church in America for the Fifteenth All-American Council to be held in Pittsburgh, PA from November 10-13, 2008.

This report contains numerous sections dealing with the finances of the Church as well as associated institutions. The financial report for 2008 is enclosed in the Treasurer's report in the Officers Report. Enclosed here are four budget scenarios for 2009 based on differing assessments levels. Assessments are established at the All-American Council whereas budgets are prepared between the Treasurer and the Metropolitan Council with approval by the Holy Synod of Bishops. While the budget scenarios are not by any means final or even specifically categorized, they do allow for a greater understanding of the budgetary needs of the Church. The final budget will be discussed, debated and passed after the All-American Council by the Metropolitan Council integrating the discussions and emphasis discussed at this Council.

The other reports are the financial reports for the stavropegial institutions of the Orthodox Church in America. Each of the institutions are under the spiritual care of the Metropolitan but are under their own Board of Trustees and are separately incorporated. However, the information contained for the three-year period are public and presented here for informational purposes. Members of these institutions will be present at the Council and available for discussion and questions. This report should be read in its entirety prior to the beginning of the Council.

Thank you for your participation in this year's Council, and may the blessings of the All-Holy Trinity be with you during your time in Pittsburgh!

1. *Complete 2007 Financial Report and Six Month 2008 Financial Report*
2. *OCA Budget Considerations for 2009*
3. *St. Tikhon's Monastery and Bookstore*
4. *St. Tikhon's Orthodox Theological Seminary*
5. *St. Vladimir's Orthodox Theological Seminary*
6. *The Monasteries of New Skete*
7. *Holy Myrrhbearers Monastery*
8. *St. Catherine the Great Martyr Representation Church*

Orthodox Church in America

Financial Statements

1. Six month 2008 Financial Report given to Metropolitan Council
2. Audited 2008 Year to date with letter from Weiser, LLP to be completed by time of Council
3. 2007 Financial Report
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 - Temporarily Restricted Funds and Appeals
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Orthodox Church in America
Treasurer's Report
For the period January 1, 2008 through June 30, 2008

Your Eminences, Your Graces, Reverend Fathers, and members of the Metropolitan Council:

I would like to provide you with an update on various financial matters through June 30, 2008. Attached are the following reports for your review:

1. Detailed Balance sheet – 12/31/07 and 6/30/08
2. Statement of Activities through 6/30/08
3. Statement of Cash Flows as of 6/30/08
4. Statement of Unrestricted Net assets – Actual vs. Budget through 6/30/08
5. Schedule of all Temporarily Restricted Net Assets as of 6/30/08
6. Reconciliation of Weiser, LLP adjustments to the balance sheet as of 12/31/07
7. Schedule of the Central Administration – Actual vs. Budget through 6/30/08.

Some of these reports were revised or expanded upon based on questions and suggestions from several members of the Metropolitan Council at our meeting just a few weeks ago. I do not believe that there were any material changes from what I reported to you recently. Since some of the members of the Holy Synod were not present for my report I would like highlight just a few items from my earlier presentation.

I am pleased to say that we continue to operate with a surplus of \$77,925 for the six month period ending June 30, 2008, despite overages in Legal, Accounting, and Outside Contractors. As of June 30th, our operating checking account had a balance of \$94,646.39, there was \$177,984 in checking set aside for the 15th All American Council, the accounts payable and accrued expenses were \$79,265, compared with a balance of \$276,529 a year ago, and in the first week of July, 2008 we were able to distribute \$25,000 NYDIS for the victims of 9/11. Following are specific highlights of what has transpired since our last meeting.

Weiser, LLP audit of the year 2007

The accounting firm of Weiser, LLP began field work for the 2007 audit approximately one month ago and they are at the tail end of their initial testing. In examining the books and records there were two significant adjustments that they have proposed and that I concur with:

- (1) adjustment of the gain on the sale of the Martin Drive property,
- (2) reclass of \$20,000 paid to Proskauer Rose in March 2008 back to 2007.

The first adjustment will effectively reduce the gain on the sale of the property to approximately \$158,000. This adjustment is due to the fact that we did not have complete fixed asset records when the books were closed for 2007. We were able to obtain some additional information from the Lambrides accounting firm which resulted in additional writeoffs of fixed assets related to the property.

The second adjustment is related to one of the final payments to Proskauer Rose in March 2008. While the payment was made in 2008, it was actually for services rendered in 2007 and thus must be reclassified back to 2007.

Despite these adjustments, the Orthodox Church in America still maintained a surplus in 2007.

Two additional items remain to be resolved: (1) the presentation of the pension plan in the financial report of the Orthodox Church in America. Despite statements by a number of individuals that the pension plan is separate from the OCA, the pension plan is a part of the OCA and no other church. I am sympathetic to not consolidating the figures within the OCA's financial report and we are currently working to simply add additional language in the footnotes of the report to better explain the relationship of the pension plan to the OCA. (2) the complete accounting for all of the past permanently restricted net assets.

The second issue is simply not something we can resolve prior to the All American Council. The task of tracking down each and every fund with a name on it, researching its history, and making sure that we have accounted for it properly is something we simply can not accomplish at this time due to the condition of the books and records. It is something that we are working towards but it will not be completed for the year 2007 report.

Department Expenses

I am pleased to report that almost all of the departments were under budget through June 30th. The work of the preconiliar commission has been moving well and it appears that they will be within their budget of \$50,000 even with the additional town hall meetings.

Staff changes at the chancery

After a rather considerable search, it is a pleasure to announce that we were fortunate to retain the services of the Very Reverend Dennis Swencki. Fr. Dennis comes with a considerable amount of financial experience Ceasars Resorts. Due to the fact that I am still in California and the work of the chancery must continue, Fr. Dennis has agreed to accept the position of Comptroller and will be assisting me Monday through Thursday. Additionally, we were able to hire Ms. Jessica Linke. Ms. Linke is studying accounting and finance and has been hired to assist the chancery staff with a variety of duties, including assisting with accounting, maintaining the Orthodox Church magazine database, receptionist, and choir director for the chapel.

15th All American Council

While not all of the parishes have paid for the council, we are rapidly moving forward to covering our budget of \$198,000. Through June 30th we had received approx. \$178,000. Through August this figure has risen to approx. \$186,656 or 94% of the budgeted amount. The members of the preconiliar commission have been working to get more hard numbers for the council and it appears that our initial budget of \$198,000 is still reasonable.

9/11 and Bibles for Russia

As reported at the last meeting of the Metropolitan Council, the council voted to send an additional \$25,000 per year until the issues surrounding the missing 9/11 funds were resolved. I am pleased to say that a check went to NYDIS in the amount of \$25,000 in the first week of July. As to the \$65,000 allotted for the Bibles for Russia, we have been in contact with Archimandrite Zacchaeus Wood in Moscow and it looks like we will be able to transfer the funds in the coming week.

2009 budget

It is no secret that there are a number of very strong opinions regarding the budget for 2009 and beyond. Some individuals have advocated a \$50.00 per head assessments; others have advocated that the amounts remain frozen at their current levels. I have been working with the chancery staff as well as Fr. Matthew Tate, chair of the Metropolitan Council Finance Committee to offer up several proposals. Those proposals are attached with this report.

I would, however, like to make just a couple of general remarks. No matter how the budget plays out, it is incumbent upon everyone who is a stakeholder in this to understand that there are some amounts which I would characterize as “non-negotiable.” These include repayment of debt obligations to OCA creditors, obligations to the city of Oyster Bay, payroll and health insurance obligations, prior commitments for events such as the All American Council and other obligations which we have already previously committed to such payments for legal and accounting fees already provided.

The second large issue that must be considered is what will be the long-lasting result of cuts to the current infrastructure? Another way to phrase this is, what does the OCA actually need on a archdiocesan level? Clearly, if the majority feel that an archdiocesan structure is not worth very much, then there is no need to support such a structure. However, as the expression goes “you can’t have your cake and eat it too.” It is simply unrealistic to think that if budget cuts are severe that anyone worth anything will want to continue or that the OCA will ever be able to effectively recruit individuals to take on leadership roles. While much still needs to improve, it is clear that we are moving forward however a lack of funding could lead to other unanticipated problems or issues.

Chancery Estate

Fr. Eric Tosi and Dn. John Zarras have been instrumental in examining the chancery estate as mandated by the last Metropolitan Council meeting. We have each reviewed the information which will be presented shortly. I simply wish to echo their sentiments that for the foreseeable future it would seem to be the best use of money if the chancery were

to remain in its present location and that the Metropolitan Council and the Holy Synod consider selling some of the acreage in the rear of the estate and use the proceeds from the sale to retire the existing debt to Honesdale National Bank.

Additional Goals and Objectives for 2008

As I mentioned in my report back in March, things are still fragile however they are improving. There are still a number of moving parts that we must continue to work on:

- Examining each and every endowment back to its original sources,
- Continue to make payments on the 9/11 obligation,
- Move forward with a transfer of the securities portfolio where it can be managed more effectively,
- Seriously examine the overall OCA operating budget in anticipation of the 15th All American Council,
- Move forward with an effective strategic plan for the Fellowship of Orthodox Stewards
- Move forward with training on Blackbaud and begin to prepare to properly utilize the software beginning in January, 2009.

Once again, I wish to thank all of you for your patience and understanding, especially my brother clergy at the chancery who have worked very hard to help make this work.

Respectfully submitted in Christ,

Priest Michael Tassos

The Orthodox Church in America
Statement of Activities
(Accrual Basis)
For the period January 1, 2008 through June 30, 2008

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Support and revenue:				
Contributions:				
Fellowship of Orthodox Stewards	\$10,694			\$10,694
Charity		6,306		6,306
Charity - Christmas stocking program		3,561		3,561
Missions		48,679		48,679
Seminary		19,387		19,387
General contributions	16,125			16,125
Other	1,491	675		2,166
	<u>28,310</u>	<u>78,608</u>	<u>-</u>	<u>106,918</u>
Total contributions				
Revenue:				
Assessments - Diocesan	1,273,865			1,273,865
Assessments - AAC		210,160		210,160
OCPC	4,397			4,397
Newspaper	330			330
Programs	1,000			1,000
	<u>1,279,592</u>	<u>210,160</u>	<u>-</u>	<u>1,489,752</u>
Total revenue				
Total support and revenue before net assets released from restrictions	1,307,902	288,768	-	1,596,670
Net assets released from restrictions:			-	-
9/11 fund (a)	-			-
Charity		(39,669)		(39,669)
Christmas stocking		(143)		(143)
Missions		(45,000)		(45,000)
Seminary		(36,754)		(36,754)
Total net assets release from restrictions	-	(121,566)	-	(121,566)
Total support, revenue and releases	<u>1,307,902</u>	<u>167,202</u>	<u>-</u>	<u>1,475,103</u>
Expenses:				
Program services				
All American Council	24,764			24,764
Canons and statutes	3,000			3,000
Chapel	106			106
Chaplains	565			565
Christian Witness	4,925			4,925
Christian Education	10,374			10,374
Communications	68,630			68,630
External affairs	31,108			31,108
Missions and Evangelism	10,357			10,357
History and archives	48,851			48,851
Holy Synod	55,855			55,855
Humanitarian aid	4,925			4,925
Liturgical Music and translations	5,100			5,100
Medical ethics	3,962			3,962
Metropolitan Council	48,457			48,457

The Orthodox Church in America
Statement of Activities
(Accrual Basis)
For the period January 1, 2008 through June 30, 2008

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
OCPC	6,000			6,000
Pastoral Life	2,698			2,698
Seminary internship	189			189
St. Catherine representation church	20,105			20,105
The Orthodox Church magazine	96,828			96,828
Youth ministry	6,146			6,146
Total program services	<u>452,945</u>	<u>-</u>	<u>-</u>	<u>452,945</u>
Supporting services:				
General administrative	785,470	23,329	(405)	808,394
Development	<u>(2,842)</u>	<u>-</u>	<u>-</u>	<u>(2,842)</u>
Total supporting services	<u>782,628</u>	<u>23,329</u>	<u>(405)</u>	<u>805,552</u>
Total expenses	<u>1,235,573</u>	<u>23,329</u>	<u>(405)</u>	<u>1,258,497</u>
Change in net assets from operations	72,329	143,873	405	216,607
Other changes:				
Net investment income	5,596		30,174	35,770
Realized and unrealized gains and losses			(238,833)	(238,833)
Distributions - Deferred Comp		(34,566)	(6,799)	(41,365)
Change in actuarial value of unitrusts			(2,081)	(2,081)
Total Other changes	<u>5,596</u>	<u>(34,566)</u>	<u>(217,539)</u>	<u>(246,509)</u>
Change in net assets	\$ 77,925	\$ 109,308	\$ (217,134)	\$ (29,902)
Beginning net assets	<u>(388,268)</u>	<u>559,264</u>	<u>2,154,817</u>	<u>2,325,813</u>
Ending net assets	<u>(310,343)</u>	<u>668,572</u>	<u>1,937,682</u>	<u>2,295,911</u>

(a) Note: The distribution of \$25,000 was made for 9/11 on July 14, 2008

ORTHODOX CHURCH IN AMERICA
DETAILED BALANCE SHEET
December 31, 2007 and June 30, 2008

		With prelim audit Adjustments Dec 31, 07	6/30/08
ASSETS			
Current Assets			
Checking/Savings			
Unrestricted			
Commerce Checking- Operating	126,931.05	94,646.39	
Commerce Bank- Payroll	7,541.71	11,608.28	
Astoria Bank- St.Sergius Chapel	2,403.44	2,403.44	
Honesdale Bank Checking	15,700.71	15,700.71	
Keybank OCPC	14,995.61	14,995.61	
Royal Bank of Canada Checking	7.18	7.18	
Petty Cash- Chancery Office	2,000.00	450.26	
	169,579.70	139,811.87	
Temporarily Restricted			
Commerce Bank- 15th All American Council	0.00	177,984.00	
Commerce Bank - Restricted	85,574.61	59,778.34	
Commerce Bank- Money Market	72,904.79	72,995.49	
Honesdale Bank Money Market	351,637.03	357,142.81	
	510,116.43	667,900.64	
Total Checking/Savings	679,696.13	807,712.51	
Accounts Receivable			
Assessments Receivable			
Albanian	3,600.00	0.00	
Midwest	202,230.00	1,902.50	
New England	0.00	19,326.67	
Romanian	2,000.00	2,000.00	
Western PA	21,122.50	20,562.50	
Stavropegiai	0.00	-1,680.00	
Total Assessments Receivable	228,952.50	42,111.67	
Pledges Receivable			
All American Council	19,474.29	19,498.29	
	0.00	36,776.00	
Total Accounts Receivable	248,426.79	98,385.96	
Other Current Assets			
OCPC Stock Inventory	23,707.79	23,707.79	
Due from OCA Pension Dept			
Notes Receivable	3,611.36	12,757.39	
Notes Receivable	37,369.13	31,529.12	
Prepaid Expense	5,168.50	5,168.50	
A/R Employee Assistance Program	19,236.00	23,895.72	
Other	2,043.85	8,838.72	
Total Other Current Assets	91,136.63	105,897.24	
Total Current Assets	1,019,259.55	1,011,995.71	
Fixed Assets			
Plant Fund Building & Improve	531,783.27	531,783.27	
Plant Fund Furniture & Equip	50,847.18	50,847.18	
Plant Fund Auto & Garden Equip	71,874.50	71,874.50	
Plant Fund Computer Equip	306,620.20	316,340.20	

ORTHODOX CHURCH IN AMERICA
DETAILED BALANCE SHEET
December 31, 2007 and June 30, 2008

	<i>With prelim audit Adjustments</i>	
	Dec 31, 07	6/30/08
Plant Fund Software	0.00	3,000.00
Plant Fund Chapel Equip & Furn	25,000.00	25,000.00
Plant Fund Real Estate	-3.14	-3.14
Plant Fund Capitalized Closing	87,681.59	87,681.59
Accum Deprec Bld & Improvements	-248,527.07	-248,527.07
Accum Deprec Furn & Equip	-45,346.11	-45,346.11
Accum Deprec Auto & Garden Equi	-71,875.33	-71,875.33
Accum Deprec Computer Equip	-266,192.91	-266,192.91
Accum Deprec Chapel Equip & Fur	-19,750.00	-19,750.00
Accum Deprec Real Estate	-0.33	-0.33
Accum Amort Capital Close Cost	-5,480.00	-5,480.00
Total Fixed Assets	416,631.85	429,351.85
Restricted Investments and Trusts		
Wachovia Metro Deferred Comp. Cash	11,092.13	-370.05
Wachovia Metro DC Investments	102,507.32	72,750.32
Wachovia Metro DC Allow for MV	-904.31	3,056.03
Total Wachovia Metropolitan Deferred Compensation	112,695.14	75,436.30
Fellowship of Orthodox Stewards Cash/Cash Equiv	542.66	436.17
FOS Investments	126,255.61	118,064.61
FOS Allowance for F. M. V.	-8,147.86	-11,832.65
Total Wachovia Fellowship of Orthodox Stewards Endowment	118,650.41	106,668.13
A & B York Trust Cash/Cash Equiv	51,661.97	45,460.13
A & B York Investments	519,341.23	570,915.23
A & B Allowance for F. M. V.	67,264.81	-55,898.34
Total Wachovia A & B York Trust	638,268.01	560,477.02
J McGuire trust Cash/Cash Equiv	21,791.02	14,803.40
J McGuire Investment	241,922.33	244,937.33
J McGuire Allow for F. M. V.	19,115.03	5,542.23
Total Wachovia J. McGuire Nimcrut	282,828.38	265,282.96
Kavalenko Nimcrut Cash/Cash Equiv	1,410.90	-283.10
Kavalenko Nimcrut Investments	73,670.96	73,671.96
Kavalenko Nimcrut Allow for M. V.	840.97	-1,489.14
Total Wachovia L. Kavalenko Trust	75,922.83	71,899.72
St. Andrew Cash/Cash Equiv	1,778.41	1,125.22
St. Andrews Investments	160,005.47	158,085.47
St. Andrews Allowance for M. V.	-8,559.46	-18,001.94
Wachovia St. Andrews Endowment	153,224.42	141,208.75
Antonia Rotko Cash/ash Equiv	16,180.06	9,604.30
Antonia Rotko Investments	173,824.40	176,602.40
Antonia Rotko Allow for M.V.	17,745.55	6,328.18
Total Wachovia A Rotko Nimcrut Trust	207,750.01	192,534.88
Wachovia Main Endow Cash/Cash Equiv	75,290.73	28,488.63
Wachovia Main Endow Investments	930,231.70	1,040,347.70

ORTHODOX CHURCH IN AMERICA
DETAILED BALANCE SHEET
December 31, 2007 and June 30, 2008

	<i>With prelim audit Adjustments</i>	
	Dec 31, 07	6/30/08
Wachovia Main Endow Allowance for F.M.V.	82,866.45	-49,338.98
Total Wachovia Main Endowment	1,088,388.88	1,019,497.35
 HVIZD Annuity	 110,994.10	 110,994.10
Wachovia Other Investments	-0.20	-0.20
 Total Restricted Investments and Trusts	 2,788,721.98	 2,543,999.01
 TOTAL ASSETS	 <u>4,224,613.38</u>	 <u>3,985,346.57</u>
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts payable and accrued Expenses	212,499.41	59,855.57
Employer taxes	0.00	1,880.46
Pension and other benefits	0.00	2,256.22
Auto loan - Ford Motor Credit	21,360.33	15,224.59
Deferred Revenue	2,043.85	4,087.85
Other		47.76
Current portion of Long term debt	87,666.15	87,666.15
Total Current Liabilities	323,569.74	171,018.80
Long Term Liabilities		
Deferred Compensation and annuities		
Deferred Compensation liability	59,797.92	57,104.90
Deferred Compensation liability	6,359.71	6,359.71
Hvizd Annuity liability	104,534.76	104,534.76
Unitrust liability	220,285.14	220,285.14
York trust liability	196,390.44	196,390.44
Total Deferred compensation and annuities	587,367.97	584,674.95
Honesdal National Bank, Long term portion	987,862.82	933,742.41
Total Liabilities	1,898,800.53	1,689,435.96
Equity		
Unrestricted Net Assets	-688,083.04	-388,267.67
Current Year Income	299,815.37	77,924.57
Total Unrestricted Net Assets	-388,267.67	-310,343.10
Temporarily Restricted Net Assets		
Temporarily restricted - charity	512,726.51	446,439.83
Temporarily restricted - 15th AAC	0.00	210,160.00
Temporarily restricted - Life income/deferred comp	46,537.51	11,971.69
Temporarily Restricted Net Assets - total	559,264.02	668,571.52
Permanently Restricted Net Assets	2,154,816.50	1,937,682.19
Total Equity	2,325,812.85	2,295,910.61
TOTAL LIABILITIES & EQUITY	<u>4,224,613.38</u>	<u>3,985,346.57</u>

The Orthodox Church in America
Statement of Cash Flows
For the six month period ended
June 30, 2008

June 30, 2008

Cash flows from operating activities:

Increase/(decrease) in net assets	\$ (29,902)
Adjustments to reconcile change in net assets to net cash used by operating activities:	
Realized and unrealized gains on investments	244,724
Decrease in assessments and other accounts receivable	186,841
Increase in accounts receivable	(36,801)
Decrease in notes receivable	5,840
Increase in prepaid expenses	(20,600)
Decrease in accounts payable and accrued expenses	(152,644)
Decrease in deferred compensation	(2,693)
Increase in deferred revenue	2,044

Net cash provided by/(used by) operating activities	\$ 196,809
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Cash flows from investing activities:

Purchase of computer equipment and software	(12,720)
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Net cash used by investing activities	\$ (12,720)
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Cash flows from financing activities:

Repayments of long-term debt	(56,072)
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Net cash (used by) financing activities	\$ (56,072)
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Net increase in cash	\$ 128,017
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Cash at beginning of year	\$ 679,696
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Cash at end of year	\$ 807,713
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Supplemental disclosure of cash flow information:

Cash paid for interest expense	\$ 45,980
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The Orthodox Church in America
Statement of Activities - Unrestricted
Accrual Basis
Actual versus Budget
For the period January 1, 2008 through June 30, 2008

	<u>Unrestricted Net Assets</u>	<u>Budget Jan - June</u>	<u>Annual Budget</u>	<u>Variance to Budget Jan - June</u>	<u>% of Budget</u>
Support and revenue:					
Contributions:					
Fellowship of Orthodox Stewards	\$10,694	\$35,000	\$70,000	(\$24,306)	30.55%
St. Sergius Chapel		\$2,500	5,000	(2,500)	0.00%
General contributions	16,125	\$5,500	11,000	10,625	293.17%
Other	7,087	\$1,000	2,000	6,087	708.66%
Total contributions	\$33,905	\$44,000	\$88,000	(\$10,095)	77.06%
Revenue:					
Assessments	1,273,865	\$1,305,000	2,610,000	(31,135)	97.61%
Late vocations	1,000	\$0	-	1,000	100.00%
Yearbook and calendar	-	\$2,000	4,000	(2,000)	0.00%
TOC Newspaper	330	\$5,000	10,000	(4,670)	6.60%
OCPC	4,397	\$5,000	10,000	(603)	87.93%
Total revenue	1,279,592	1,317,000	2,634,000	(37,408)	97.16%
Total support and revenue	1,313,497	1,361,000	2,722,000	(47,503)	96.51%
Expenses:					
Program services:					
Canons and statutes	3,000	\$0	-	3,000	100.00%
Chaplains	565	\$3,150	6,300	(2,586)	17.92%
Christian Education	10,374	\$14,500	29,000	(4,126)	71.55%
Christian Witness and Humanitarian Aid	4,925	\$6,500	13,000	(1,575)	75.76%
Evangelization	10,357	\$12,200	24,400	(1,844)	84.89%
Liturgical Music and translations	5,100	\$7,550	15,100	(2,450)	67.55%
Medical ethics	3,962	\$0	-	3,962	100.00%
Pastoral Life	2,698	\$13,800	27,600	(11,102)	19.55%
Seminary internship	189	\$0	-	189	#DIV/0!
Youth ministry	6,146	\$6,000	12,000	146	102.44%
Total program services	47,315	63,700	127,400	(16,385)	74.28%
Supporting services:					
Executive offices	265,482	\$240,500	481,000	24,982	110.39%
Administrative offices	269,704	\$169,500	339,000	100,204	159.12%
Interest paid out	45,980	\$44,972	89,944	1,008	102.24%
Benefits	123,608	\$198,888	397,775	(75,279)	62.15%
Property support	79,921	\$120,500	241,000	(40,579)	66.32%
Holy Synod	55,855	\$41,500	83,000	14,355	134.59%
Metropolitan Council	30,430	\$22,000	44,000	8,430	138.32%
Metropolitan Council - Special Investigation	18,027	\$10,000	20,000	8,027	180.27%
OCPC	6,000	\$0	-	6,000	100.00%
Dept. of communications	68,630	\$39,300	78,600	29,330	174.63%
Dept. of communications- TOC	96,828	\$86,000	172,000	10,828	112.59%
Dept. of external affairs	31,108	\$38,500	77,000	(7,392)	80.80%
Dept. of history and archives	48,851	\$29,250	58,500	19,601	167.01%
St. Catherine representation church	20,105	\$13,000	26,000	7,105	154.66%
All-American Council	24,764	\$25,000	50,000	(236)	99.05%
Special retirement	5,700	\$5,750	11,500	(50)	99.13%
St. Sergius chapel	106	\$0	-	106	0.00%
Bibles for Russia	-	\$33,750	67,500	(33,750)	0.00%
Development	(2,842)	\$6,000	12,000	(8,842)	-47.37%
Total supporting services	1,188,257	1,124,410	2,248,819	63,847	105.68%
Total expenses	1,235,572	1,188,110	2,376,219	47,462	103.99%
Income/(loss) - Unrestricted	\$ 77,925	172,891	345,781	(94,965)	45.07%

Other items:					
All-American Council Assessments	\$ 210,160	\$198,000	\$198,000	\$12,160	106.14%

Balance Sheet Items:					
Capital expenditures	54,127	\$27,500	55,000	26,627	96.83%
Debt reduction	46,723	\$43,828	87,656	2,895	6.61%

Orthodox Church in America
Schedule of Temporarily Restricted Funds and Appeals
Through June 30, 2008

	2007 Information				2008 Activity - Through June 30, 2008			
	Balance 12/31/06	Contributions	Distributions	Expenses	Balance 12/31/2007	Contributions	Distributions	Expenses
Mission Appeal	\$ 56,748.57	\$ 108,085.56	\$ (58,750.00)	\$ (315.03)	\$ 105,769.10	\$ 48,678.58	\$ (45,000.00)	\$ (3,496.47)
Seminary Appeal	\$ 3,495.03	\$ 53,524.75	\$ (13,365.39)	\$ (6,900.00)	\$ 36,754.39	\$ 19,387.00	\$ (36,754.38)	\$ (10,353.89)
Publication Reserve Fund	\$ 20,162.66				\$ 20,162.66			
Theological Education								
Academic Fellowship	\$ 65,300.00				\$ 65,300.00			
Seminarian Internship Fund	\$ 8,962.00				\$ 8,962.00			
St. Herman's Seminary	\$ 3,876.23				\$ 3,876.23			
St. Tikhon's Seminary	\$ 5,471.16				\$ 5,471.16			
St. Vladimir's Seminary	\$ 5,346.16				\$ 5,346.16			
Sub-total - Theological Education Funds	\$ 88,955.55	\$ -	\$ -	\$ -	\$ 88,955.55	\$ -	\$ -	\$ -
Chaplain Reserve	\$ 1,895.69				\$ 1,895.69			
Charity								
Charity Appeal	\$ 74,572.56	\$ 32,124.22	\$ (7,100.00)	\$ (34.44)	\$ 99,562.34	\$ 6,306.00	\$ (22,000.00)	\$ (161.00)
Christmas Stocking Appeal	\$ 19,790.28	\$ 47,198.25	\$ (24,462.35)		\$ 42,526.18	\$ 3,561.48	\$ (2,732.78)	\$ (9,317.22)
Beslan Relief	\$ 30,102.75		\$ (30,117.75)		\$ (15.00)	\$ 675.00		\$ -
Archbishop Gregory Memorial fund	\$ 461.00				\$ 461.00			\$ 675.00
Suskut Memorial	\$ 90,588.78		\$ (90,000.00)		\$ 588.78			\$ 461.00
9/11 Emergency Fund	\$ 10,000.00				\$ 10,000.00			\$ 588.78
Alaska Children's Medical Ass.	\$ 3,000.00				\$ 3,000.00			\$ 10,000.00
Alaskan Clergy/Parishes	\$ 30,000.00				\$ 30,000.00			\$ 3,000.00
Chechan Humanitarian Relief	\$ 340.00				\$ 340.00	\$ (14,420.00)		\$ (14,420.00)
Kursk Submarine Disaster	\$ 644.67				\$ 644.67			\$ 340.00
Medical Assistance for Russia	\$ 659.00				\$ 659.00	\$ (659.00)		\$ 644.67
Project Mexico	\$ 30,600.00	\$ 525.00	\$ (25,000.00)		\$ 6,125.00			\$ -
Russian Orphanages	\$ 713.00				\$ 713.00			\$ 6,125.00
Eastern European Orphanages	\$ 500.00				\$ 500.00			\$ 713.00
Sosnovka Orphanage	\$ 1,091.48				\$ 1,091.48			\$ 500.00
St. Catherine Representation Church	\$ 125.00				\$ 125.00			\$ 1,091.48
SS Martha and Mary Monastery	\$ 62,838.58				\$ 62,838.58			\$ 125.00
Russian Bible Printing	\$ 29.09				\$ 29.09			\$ 62,838.58
Georgian Books	\$ 355,056.19	\$ 79,847.47	\$ (176,680.10)	\$ (34.44)	\$ 259,189.12	\$ 10,542.48	\$ (39,811.78)	\$ (9,478.22)
Sub-total Charity						\$ (38,747.52)		\$ 29.09
Total of all activity before All American Council	\$ 527,313.69	\$ 241,457.78	\$ (248,795.49)	\$ (7,249.47)	\$ 512,726.51	\$ 78,608.06	\$ (121,566.16)	\$ (23,328.58)
15th All-American Council	\$ -				\$ -	\$ 210,160.00	\$ -	\$ -
Temporarily Restricted Funds and Appeals	\$ 527,313.69	\$ 241,457.78	\$ (248,795.49)	\$ (7,249.47)	\$ 512,726.51	\$ 288,768.06	\$ (121,566.16)	\$ (23,328.58)
Other Temporarily Restricted Net Assets:								
Metropolitan Theodosius deferred compensation	\$ 527,313.69	\$ 241,457.78	\$ (248,795.49)	\$ (7,249.47)	\$ 559,264.02	\$ -	\$ (34,565.82)	\$ -
Total Temporarily Restricted Net Assets	\$ 527,313.69	\$ 241,457.78	\$ (248,795.49)	\$ (7,249.47)	\$ 559,264.02	\$ 288,768.06	\$ (156,131.98)	\$ (23,328.58)
Balance at 6/30/2008								
						\$ 446,439.83		\$ 446,439.83
						\$ 210,160.00		\$ 210,160.00
						\$ 656,599.83		\$ 656,599.83
						\$ 11,971.69		\$ 11,971.69
						\$ 668,571.52		\$ 668,571.52

Orthodox Church in America
Reconciliation of Balance Sheet
Before and After Preliminary Audit Adjustments
For the period ending December 31, 2007

	Without prelim audit Adjustments Dec 31, 07	With prelim Adjustments Dec 31, 07	Changes
ASSETS			
Current Assets			
Checking/Savings			
Unrestricted			
Commerce Checking- Operating	126,931.05	126,931.05	-
Commerce Bank- Payroll	7,541.71	7,541.71	-
Astoria Bank- St.Sergius Chapel	2,403.44	2,403.44	-
Honesdale Bank Checking	15,700.71	15,700.71	-
Keybank OCPC	14,995.61	14,995.61	-
Royal Bank of Canada Checking	7.18	7.18	-
Petty Cash- Chancery Office	2,000.00	2,000.00	-
	169,579.70	169,579.70	-
Temporarily Restricted			
Commerce Bank - Restricted	85,574.61	85,574.61	-
Commerce Bank- Money Market	72,904.79	72,904.79	-
Honesdale Bank Money Market	351,637.03	351,637.03	-
	510,116.43	510,116.43	-
Total Checking/Savings	679,696.13	679,696.13	-
Accounts Receivable			
Assessments Receivable			
Albanian	0.00	3,600.00	3,600
Midwest	202,230.00	202,230.00	-
Romanian	2,000.00	2,000.00	-
Western PA	21,122.50	21,122.50	-
Total Assessments Receivable	225,352.50	228,952.50	3,600
Pledges Receivable	19,474.29	19,474.29	-
Total Accounts Receivable	244,826.79	248,426.79	3,600
Other Current Assets			
OCPC Stock Inventory	23,707.79	23,707.79	-
Due from OCA Pension Dept	3,611.36	3,611.36	-
Notes Receivable	33,269.13	37,369.13	4,100
Prepaid Expense	5,168.50	5,168.50	-
A/R Employee Assistance Program	19,236.00	19,236.00	-
Other	0.00	2,043.85	2,044
Total Other Current Assets	84,992.78	91,136.63	6,144
Total Current Assets	1,009,515.70	1,019,259.55	9,744
Fixed Assets			
Plant Fund Building & Improve	519,186.27	531,783.27	12,597
Plant Fund Furniture & Equip	48,495.18	50,847.18	2,352
Plant Fund Auto & Garden Equip	47,916.50	71,874.50	23,958
Plant Fund Computer Equip	240,108.20	306,620.20	66,512
Plant Fund Chapel Equip & Furn	22,500.00	25,000.00	2,500
Plant Fund Real Estate	315,443.86	-3.14	(315,447)
Plant Fund Capitalized Closing	87,681.59	87,681.59	-
Accum Deprec Bld & Improvements	-222,635.07	-248,627.07	(25,892)
Accum Deprec Furn & Equip	-40,642.11	-45,346.11	(4,704)
Accum Deprec Auto & Garden Equip	-35,937.33	-71,875.33	(35,938)
Accum Deprec Computer Equip	-147,763.91	-266,192.91	(118,429)
Accum Deprec Chapel Equip & Fur	-14,750.00	-19,750.00	(5,000)
Accum Deprec Real Estate	-91,259.33	-0.33	91,259
Accum Amort Capital Close Cost	-1,096.00	-5,480.00	(4,384)
Total Fixed Assets	727,247.85	416,631.85	(310,616)

Note: audit adjustments are still not final

Orthodox Church in America
Reconciliation of Balance Sheet
Before and After Preliminary Audit Adjustments
For the period ending December 31, 2007

	Without prelim audit Adjustments Dec 31, 07	With prelim Adjustments Dec 31, 07	Changes
Restricted Investments and Trusts			-
Wachovia Metro Deferred Comp. Cash	11,092.13	11,092.13	-
Wachovia Metro DC Investments	72,750.32	102,507.32	29,757
Wachovia Metro DC Allow for MV	28,852.69	-904.31	(29,757)
Total Wachovia Metropolitan Deferred Compensation	112,695.14	112,695.14	-
Fellowship of Orthodox Stewards Cash/Cash Equiv	542.66	542.66	-
FOS Investments	118,064.61	126,255.61	8,191
FOS Allowance for F. M. V.	43.14	-8,147.86	(8,191)
Total Wachovia Fellowship of Orthodox Stewards Endowment	118,650.41	118,650.41	-
A & B York Trust Cash/Cash Equiv	51,661.97	51,661.97	-
A & B York Investments	570,915.23	519,341.23	(51,574)
A & B Allowance for F. M. V.	15,690.81	67,264.81	51,574
Total Wachovia A & B York Trust	638,268.01	638,268.01	-
J McGuire trust Cash/Cash Equiv	21,791.02	21,791.02	-
J McGuire Investment	244,937.33	241,922.33	(3,015)
J McGuire Allow for F. M. V.	16,100.03	19,115.03	3,015
Total Wachovia J. McGuire Nimcrut	282,828.38	282,828.38	-
Kavalenko Nimcrut Cash/Cash Equiv	1,410.90	1,410.90	-
Kavalenko Nimcrut Investments	73,671.96	73,670.96	(1)
Kavalenko Nimcrut Allow for M. V.	839.97	840.97	1
Total Wachovia L. Kavalenko Trust	75,922.83	75,922.83	-
St. Andrew Cash/Cash Equiv	1,778.41	1,778.41	-
St. Andrews investments	158,085.47	160,005.47	1,920
St. Andrews Allowance for M. V.	-6,639.46	-8,559.46	(1,920)
Wachovia St. Andrews Endowment	153,224.42	153,224.42	-
Antonia Rotko Cash/Cash Equiv	16,180.06	16,180.06	-
Antonia Rotko Investments	176,602.40	173,824.40	(2,778)
Antonia Rotko Allow for M.V.	14,967.55	17,745.55	2,778
Total Wachovia A Rotko Nimcrut Trust	207,750.01	207,750.01	-
Wachovia Main Endow Cash/Cash Equiv	75,290.73	75,290.73	-
Wachovia Main Endow Investments	1,040,347.70	930,231.70	(110,116)
Wachovia Main Endow Allowance for F.M.V.	-27,249.55	82,866.45	110,116
Total Wachovia Main Endowment	1,088,388.88	1,088,388.88	-
HVIZD Annuity	110,994.10	110,994.10	-
Wachovia Other Investments	-0.20	-0.20	-
Total Restricted Investments and Trusts	2,788,721.98	2,788,721.98	-
TOTAL ASSETS	4,525,485.53	4,224,613.38	(300,872)
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Accrued Expenses	192,499.41	212,499.41	20,000
Auto loan - Ford Motor Credit	21,360.33	21,360.33	-
Deferred Revenue	2,043.85	2,043.85	-
Current portion of Long term debt	87,666.15	87,666.15	10

Note: audit adjustments are still not final

Orthodox Church in America
Reconciliation of Balance Sheet
Before and After Preliminary Audit Adjustments
For the period ending December 31, 2007

	Without prelim audit Adjustments Dec 31, 07	With prelim Adjustments Dec 31, 07	Changes
Total Current Liabilities	303,559.74	323,569.74	20,010
Long Term Liabilities			
Deferred Compensation and annuities			
Deferred Compensation liability	56,409.92	59,797.92	3,388
Deferred Compensation liability	10,459.71	6,359.71	(4,100)
Hvizr Annuity liability	104,534.76	104,534.76	-
Unitrust liability	220,285.14	220,285.14	-
York trust liability	196,390.44	196,390.44	-
Total Deferred compensation and annuities	588,079.97	587,367.97	(712)
Honesdal National Bank, Long term portion	987,877.82	987,862.82	(15)
Total Liabilities	1,879,517.53	1,898,800.53	19,283
Equity			
Unrestricted Net Assets	-653,995.35	-653,995.35	-
Current Year Income	662,109.70	341,954.55	(320,155)
Total Unrestricted Net Assets	8,114.35	-312,040.80	(320,155)
Temporarily Restricted Net Assets	483,037.15	483,037.15	-
Permanently Restricted Net Assets	2,154,816.50	2,154,816.50	-
Total Equity	2,645,968.00	2,325,812.85	(320,155)
TOTAL LIABILITIES & EQUITY	4,525,485.53	4,224,613.38	(300,872)

The Orthodox Church in America
Statement of Expenses Central Administration
Accrual Basis
Actual versus Budget
For the period January 1, 2008 through June 30, 2008

	<u>Actual</u> <u>Jan - June</u>	<u>Budget</u> <u>Jan - June</u>	<u>Annual</u> <u>Budget</u>	<u>Variance to Budget</u> <u>Jan - June</u>	<u>% of Budget</u>
Expenses:					
Salaries	265,482	318,000	636,000	(52,518) ***	83%
<u>Benefits:</u>					
Health insurance	88,023	75,600	151,200	12,423	116%
Workers compensation	(7,936)	3,815	7,630	(11,751)	-208%
Life insurance	3,128	3,815	7,630	(687)	82%
Pension expense	28,264	32,910	65,820	(4,646)	86%
Total benefits	111,478	116,140	232,279 *	(4,661)	76%
Bank fees, registration fees	2,880	2,000	4,000	880	144%
Office expense	323	3,000	6,000	(2,677)	11%
Accounting	32,427	7,500	15,000	24,927 ***	432%
Legal	72,961	12,500	25,000	60,461 ***	584%
Outside contractors	66,852	12,500	25,000	54,352 ***	535%
Travel	16,200	12,500	25,000	3,700	130%
Meetings	288	2,000	4,000	(1,712)	14%
Mortgage interest	45,980	44,972	89,944	1,008	102%
Parking	145	-	-	145	100%
Repairs	2,200	-	-	2,200	100%
Books, subscriptions	10	-	-	10	100%
Printing, copying & mailing	19,021	5,000	10,000	14,021	380%
Supplies	4,923	2,500	5,000	2,423	197%
Telephone	22,483	18,000	36,000	4,483	125%
Equipment Leasing	10,047	-	-	10,047	100%
Payroll taxes	11,313	-	-	11,313	1000%
Payroll processing fees	818	-	-	818	100%
Stipend	5,700	-	-	5,700	100%
Computer expense	8,438	5,000	10,000	3,438	169%
Cable	158	-	-	158	100%
Electricity	1,220	-	-	1,220	100%
Website	1,163	-	-	1,163	100%
Insurance	17,463	2,000	4,000	15,463	873%
Staff training	70	-	-	70	100%
Auto insurance	(12,085) ****	-	-	(12,085)	100%
Auto repairs	2,514	-	-	2,514	100%
Transition hiring funds	-	2,500	5,000	(2,500)	0%
Relocation funds	-	5,000	10,000	(5,000)	0%
Total expenses	710,473	571,112	1,142,223	139,361 **	124%

* - The budgeted benefits amounts were prorated from the overall Benefits budget

** - Legal, Accounting and Outside Contractors constitute approx. 100% of the variance to budget

**** - The credit relates to the auto insurance settlement for the accident in December.

The Orthodox Church in America
Balance Sheet
For the Years Ending December 31, 2006 and 2007

	(Audited) Dec. 31, 2006	(Unaudited) Dec. 31, 2007
Assets		
Cash and Cash Equivalents	\$ 680,637	\$ 679,696
Accounts Receivable	2,039	22,847
Assessments Receivable	53,467	244,827
Notes Receivable	39,550	33,269
Prepaid Expenses	2,001	5,169
Inventory	24,600	23,708
Investments	2,941,212	2,788,722
Fixed Assets	848,201	727,248
Total Assets	<u>\$4,591,707</u>	<u>\$4,525,486</u>
Liabilities and Net Assets		
Accounts Payable & Accrued Exp	\$207,352	\$192,499
Loans Payable	1,727,026	1,096,894
Deferred compensation	151,862	66,870
Deferred revenue	0	2,044
Annuity and Unitrust Agreements	521,210	521,210
Total Liabilities	<u>\$2,607,450</u>	<u>\$1,879,518</u>
Unrestricted Net Assets		
Undesignated	(\$1,370,685)	(\$794,648)
Plant Fund	584,490	727,248
Total unrestricted net assets	<u>(786,195)</u>	<u>(67,400)</u>
Temporarily Restricted Net Assets		
Temporarily Restricted	1,008,264	512,726
Life Income Funds/Deferred Comp.	186,599	45,826
Total temporarily restricted net assets	<u>1,194,863</u>	<u>558,552</u>
Permanently Restricted Net Assets		
Endowment Funds	1,575,589	2,154,817
Total permanently restricted net assets	<u>1,575,589</u>	<u>2,154,817</u>
Total Net Assets	<u>1,984,257</u>	<u>2,645,968</u>
Total Liabilities and Net Assets	<u>4,591,707</u>	<u>4,525,485</u>

Orthodox Church in America
Balance Sheet
As of December 31, 2007

	Dec 31, 07
Current Assets	
Checking/Savings	
<i>Unrestricted</i>	
Commerce Checking- Operating	126,931.05
Commerce Bank- Payroll	7,541.71
Astoria Bank- St.Sergius Chapel	2,403.44
Honesdale Bank Checking	15,700.71
Keybank OCPC	14,995.61
Royal Bank of Canada Checking	7.18
Petty Cash- Chancery Office	2,000.00
	<u>169,579.70</u>
<i>Temporarily Restricted</i>	
Commerce Bank - Restricted	85,574.61
Commerce Bank- Money Market	72,904.79
Honesdale Bank Money Market	351,637.03
	<u>510,116.43</u>
Total Checking/Savings	<u>679,696.13</u>
Accounts Receivable	
Assessments Receivable	
Midwest	202,230.00
Romanian	2,000.00
Western PA	21,122.50
Total Assessments Receivable	<u>225,352.50</u>
Pledges Receivable	<u>19,474.29</u>
Total Accounts Receivable	<u>244,826.79</u>
Other Current Assets	
OCPC Stock Inventory	23,707.79
Due from OCA Pension Dept	3,611.36
Notes Receivable	33,269.13
Prepaid Expense	5,168.50
A/R Employee Assistance Program	19,236.00
Total Other Current Assets	<u>84,992.78</u>
Total Current Assets	<u>1,009,515.70</u>
Fixed Assets	
Plant Fund Building & Improve	519,186.27
Plant Fund Furniture & Equip	48,495.18
Plant Fund Auto & Garden Equip	47,916.50
Plant Fund Computer Equip	240,108.20
Plant Fund Chapel Equip & Furn	22,500.00
Plant Fund Real Estate	315,443.86
Plant Fund Capitalized Closing	87,681.59
Accum Deprec Bld & Improvements	-222,635.07
Accum Deprec Furn & Equip	-40,642.11
Accum Deprec Auto & Garden Equi	-35,937.33
Accum Deprec Computer Equip	-147,763.91
Accum Deprec Chapel Equip & Fur	-14,750.00
Accum Deprec Real Estate	-91,259.33
Accum Amort Capital Close Cost	-1,096.00
Total Fixed Assets	<u>727,247.85</u>
Restricted Investments and Trusts	
Wachovia Metro Deferred Comp. Cash	11,092.13
Wachovia Metro DC Investments	72,750.32
Wachovia Metro DC Allow for MV	28,852.69
Total Wachovia Metropolitan Deferred Compensation	<u>112,695.14</u>
Fellowship of Orthodox Stewards Cash/Cash Equiv	542.66
FOS Investments	118,064.61
FOS Allowance for F. M. V.	43.14
Total Wachovia Fellowship of Orthodox Stewards Endowment	<u>118,650.41</u>
A & B York Trust Cash/Cash Equiv	51,661.97
A & B York Investments	570,915.23
A & B Allowance for F. M. V.	15,690.81
Total Wachovia A & B York Trust	<u>638,268.01</u>
J McGuire trust Cash/Cash Equiv	21,791.02

Orthodox Church in America
Balance Sheet
As of December 31, 2007

	Dec 31, 07
J McGuire Investment	244,937.33
J McGuire Allow for F. M. V.	16,100.03
Total Wachovia J. McGuire Nimcrut	282,828.38
Kavalenko Nimcrut Cash/Cash Equiv	1,410.90
Kavalenko Nimcrut Investments	73,671.96
Kavalenko Nimcrut Allow for M. V.	839.97
Total Wachovia L. Kavalenko Trust	75,922.83
St. Andrew Cash/Cash Equiv	1,778.41
St. Andrews Investments	158,085.47
St. Andrews Allowance for M. V.	-6,639.46
Wachovia St. Andrews Endowment	153,224.42
Antonia Rotko Cash/Cash Equiv	16,180.06
Antonia Rotko Investments	176,602.40
Antonia Rotko Allow for M.V.	14,967.55
Total Wachovia A Rotko Nimcrut Trust	207,750.01
Wachovia Main Endow Cash/Cash Equiv	75,290.73
Wachovia Main Endow Investments	1,040,347.70
Wachovia Main Endow Allowance for F.M.V.	-27,249.55
Total Wachovia Main Endowment	1,088,388.88
HVZD Annuity	110,994.10
Wachovia Other Investments	-0.20
Total Restricted Investments and Trusts	2,788,721.98
TOTAL ASSETS	4,525,485.53
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accrued Expenses	192,499.41
Auto loan - Ford Motor Credit	21,360.33
Deferred Revenue	2,043.85
Current portion of Long term debt	87,656.15
Total Current Liabilities	303,559.74
Long Term Liabilities	
Deferred Compensation and annuities	
Deferred Compensation liability	58,409.92
Deferred Compensation liability	10,459.71
Hvzid Annuity liability	104,534.76
Unitrust liability	220,285.14
York trust liability	196,390.44
Total Deferred compensation and annuities	588,079.97
Honesdal National Bank, Long term portion	987,877.82
Total Liabilities	1,879,517.53
Equity	
Unrestricted Net Assets	-653,995.35
Current Year Income	662,109.70
Total Unrestricted Net Assets	8,114.35
Temporarily Restricted Net Assets	483,037.15
Permanently Restricted Net Assets	2,154,816.50
Total Equity	2,645,968.00
TOTAL LIABILITIES & EQUITY	4,525,485.53

The Orthodox Church in America
Statement of Activities
For the period January 1, 2007 through December 31, 2007

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Support and revenue:				
Contributions:				
Fellowship of Orthodox Stewards	\$127,625			\$127,625
Charity		29,724		29,724
Charity - Christmas stocking program		47,198		47,198
Charity - Orphanages		525		525
Missions		108,086		108,086
Seminary		53,525		53,525
General contributions	67,531			67,531
Other		130		130
Total contributions	195,155	239,188	-	434,343
Revenue:				
Assessments - Diocesan	2,626,454			2,626,454
Assessments - AAC	476			
OCPC	41,401			
Publications	3,730			3,730
Yearbook and calendar	1,855			1,855
Newspaper	7,144			7,144
Programs	17,071			
Gain on sale of residence	384,496			384,496
Other				-
Total revenue	3,082,627	-	-	3,023,679
Total support and revenue before net assets released from restrictions	3,277,783	239,188	-	3,458,022
Net assets released from restrictions:				
9/11 fund		(90,000)		(90,000)
Charity		(7,100)		(7,100)
Christmas stocking		(24,462)		(24,462)
Beslan		(30,118)		(30,118)
Orphanages		(25,000)		(25,000)
Missions		(58,750)		(58,750)
Seminary		(13,365)		(13,365)
Total net assets release from restrictions	-	(248,795)	-	(248,795)
Total support, revenue and releases	3,277,783	(9,608)	-	3,209,227
Expenses:				
Program services				
All American Council	6,406			6,406
Canons and statutes	9,200			9,200
Chapel	5,715			5,715
Chaplains	1,710			1,710
Christian Witness	1,522			1,522
Christian Education	54,231			54,231
Communications	230,696			230,696
External affairs	56,064			56,064
Missions and Evangelism	10,931			10,931
History and archives	88,763			88,763
Holy Synod	203,258			203,258
Humanitarian aid	15,133			15,133
Liturgical Music and translations	4,532			4,532

The Orthodox Church in America
Statement of Activities
For the period January 1, 2007 through December 31, 2007

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Medical ethics	7,494			7,494
Metropolitan Council	56,012			56,012
OCPC	37,455			37,455
Pastoral Life	14,295			14,295
Seminary internship	32,738			32,738
St. Catherine representation church	41,763			41,763
Theological education	5,314			5,314
The Orthodox Church magazine	93,151			93,151
Youth ministry	10,354			10,354
Other misc. programs	20			20
Total program services	<u>986,758</u>	<u>-</u>	<u>-</u>	<u>986,758</u>
Supporting services:				
General administrative	1,584,540	7,949		1,592,489
Development	107,039			107,039
Total supporting services	<u>1,691,579</u>	<u>7,949</u>	<u>-</u>	<u>1,699,528</u>
Total expenses	<u>2,678,337</u>	<u>7,949</u>	<u>-</u>	<u>2,686,286</u>
Change in net assets from operations	599,446	(17,557)	-	522,940
Other changes:				
Net investment income	17,237	2,400	68,543	88,179
Realized and unrealized gains and losses	(4,036)		10,853	6,817
Distributions			(14,775)	(14,775)
Change in actuarial value of unitrusts				
Total Other changes	<u>13,201</u>	<u>2,400</u>	<u>64,620</u>	<u>80,221</u>
Change in net assets	<u>\$ 612,647</u>	<u>\$ (15,157)</u>	<u>\$ 64,620</u>	<u>\$ 662,109</u>
Beginning net assets	<u>(604,533)</u>	<u>498,194</u>	<u>2,090,197</u>	<u>1,983,858</u>
Ending net assets	<u>8,114</u>	<u>483,037</u>	<u>2,154,817</u>	<u>2,645,967</u>

The Orthodox Church In America
Statement of Activities
Unrestricted Net Assets Only
Actual versus Budget
For the period January 1, 2007 through December 31, 2007

	Unrestricted Net Assets	Annual Budget	Variance to Budget Jan - Dec	%
Support and revenue:				
Contributions:				
Fellowship of Orthodox Stewards	\$127,625	\$87,000	\$40,625	46.70%
St. Sergius Chapel	\$6,062	5,000	\$1,062	21.24%
General contributions	61,469	21,000	\$40,469	192.71%
Other		10,000	(\$10,000)	-100.00%
Total contributions	195,156	123,000	72,156	58.66%
Revenue:				
Assessment - Diocesan	2,626,454	2,610,000	16,454	0.63%
Assessment - AAC	478		476	
OCPC	41,401		41,401	
Publications	3,730		3,730	
Yearbook and calendar	1,855	1,000	855	85.50%
Newspaper	7,144	10,000	(2,856)	-28.56%
Programs	17,071	4,500	12,571	279.36%
Gain on sale of residence	384,496		384,496	
Other		11,000	(11,000)	-100.00%
Total revenue	3,082,627	2,636,500	446,127	16.92%
Total support and revenue before net assets released from restrictions	3,277,783	2,759,500	518,283	18.78%
Net assets released from restrictions				
Total support and revenue	3,277,783	2,759,500	518,283	18.78%
Expenses:				
Program services				
All American Council	8,406	-	8,406	100.00%
Canons and statutes	9,200	-	9,200	100.00%
Chapel	5,715	-	5,715	100.00%
Chaplain	1,710	6,300	(4,590)	-268.42%
Christian Witness	1,522	1,000	522	34.30%
Christian Education	54,231	53,000	1,231	
Communications	230,686	245,500	(14,814)	-6.42%
Department coordination		14,000	(14,000)	
Diaconal vocations		6,750	(6,750)	
External affairs	56,064	115,000	(58,936)	-105.12%
History and archives	88,763	62,700	26,063	29.36%
Holy Synod	203,258	-	203,258	100.00%
Humanitarian aid	15,133	5,000	10,133	66.96%
Liturgical Music and translations	4,532	15,100	(10,568)	-233.19%
Medical ethics	7,494	3,000	4,494	59.97%
Metropolitan Council	56,012	-	56,012	100.00%
Missions and Evangelism	10,831	32,000	(21,069)	-192.75%
OCPC	37,455	-	37,455	100.00%
Pastoral Life	14,285	60,500	(46,205)	-323.22%
Seminary internship	32,738	-	32,738	100.00%
St. Catherine representation	41,763	-	41,763	100.00%
Theological education	5,314	-	5,314	100.00%
The Orthodox Church magazine	93,151	-	93,151	100.00%
Youth ministry	10,354	21,100	(10,746)	-103.79%
Other misc. programs	20	-	20	100.00%
Total program services	986,757	640,950	345,807	35.04%
Supporting services:				
General administrative	1,584,540	2,095,600	(511,060)	-32.25%
Development	107,039	91,000	16,039	14.98%
Total supporting services	1,691,579	2,186,600	(495,021)	-29.26%
Total expenses	2,678,336	2,827,550	(149,214)	-5.28%
Change in net assets from operations	599,447	(68,050)	667,497	-980.89%
Other changes:				
Net investment income	17,237	-	17,237	100.00%
Realized and unrealized gains and losses	(4,036)	-	(4,036)	
Total Other changes	13,201	-	13,201	100.00%
Change in net assets	\$ 612,648	\$ (68,050)	\$ 680,698	111.11%

Orthodox Church in America
Schedule of Temporarily Restricted Funds and Appeals
For the year 2007.

	Balance 12/31/06	Contributions	Distributions	Expenses	Balance 12/31/2007
Mission Appeal	\$ 56,748.57	\$ 108,085.56	\$ (58,750.00)	\$ (315.03)	\$ 105,769.10
Seminary Appeal	3,495.03	53,524.75	(13,365.39)	(6,900.00)	36,754.39
Publication Reserve Fund	20,162.66				20,162.66
Theological Education					
Academic Fellowship	65,300.00				65,300.00
Seminarian Internship Fund	8,962.00				8,962.00
St. Herman's Seminary	3,876.23				3,876.23
St. Tikhon's Seminary	5,471.16				5,471.16
St. Vladimir's Seminary	5,346.16				5,346.16
Sub-total - Theological Education Funds	88,955.55				88,955.55
Chaplain Reserve	1,895.69				1,895.69
Charity					
Charity Appeal	74,572.56	32,124.22	(7,100.00)	(34.44)	99,562.34
Christmas Stocking Appeal	19,790.28	47,198.25	(24,462.35)		42,526.18
Beslan Relief	30,102.75		(30,117.75)		(15.00)
Suskuk Memorial	461.00				461.00
9/11 Emergency Fund	90,588.78		(90,000.00)		588.78
Alaska Children's Medical Ass.	10,000.00				10,000.00
Alaskan Clergy/Parishes	3,000.00				3,000.00
Chechan Humanitarian Relief	30,000.00				30,000.00
Kursk Submarine Disaster	340.00				340.00
Medical Assistance for Russia	644.67				644.67
Project Mexico	659.00				659.00
Russian Orphanages	30,600.00	525.00	(25,000.00)		6,125.00
Eastern European Orphanages	713.00				713.00
Sosnovka Orphanage	500.00				500.00
St. Catherine Representation Church	1,091.48				1,091.48
SS Martha and Mary Monastery	125.00				125.00
Russian Bible Printing	62,838.58				62,838.58
Georgian Books	29.09				29.09
Sub-total Charity	356,056.19	79,847.47	(176,680.10)	(34.44)	259,189.12
Temporarily Restricted Funds and Appeals	\$ 527,313.69	\$ 241,457.78	\$ (248,795.49)	\$ (7,249.47)	\$ 512,726.51

Orthodox Church in America
Schedule of Temporarily Restricted Net Asset
Activity for the year 2007

	211	212	213	214	210	220	230	200	Total
	Christmas Stocking	Beslan	Orphanages	9/11	Charity - other	Missions	Seminary	Other - Misc	
Indiv	\$ (135.00)		\$ 525.00		\$ -	\$ 1,823.56	\$ 208.00		\$ 2,421.56
Appeals	\$ 47,333.25	0			\$ 29,724.22	\$ 106,262.00	\$ 53,316.75	\$ 130.00	\$ 236,766.22
Investments					\$ 2,400.00				\$ 2,400.00
Total revenue	\$ 47,198.25	\$ -	\$ 525.00		\$ 32,124.22	\$ 108,065.56	\$ 53,524.75	\$ 130.00	\$ 241,587.78
Charity distrib	\$ 7,000.00	30,117.75	25,000.00		\$ 7,100.00				\$ 69,217.75
Christmas stocking distrib	\$ 8,049.22					\$ 58,750.00			\$ 66,799.22
Mission distrib									\$ 58,750.00
Seminaries							13,365.39		\$ 13,365.39
9/11 distrib				90,000.00					\$ 90,000.00
Postage	\$ 1,200.00								\$ 1,200.00
Printing						315.03			\$ 315.03
Supplies	\$ 9,559.65						6,900.00		\$ 16,459.65
Telephone	\$ (1,346.52)								\$ (1,346.52)
Other					34.44				\$ 34.44
Total expense	\$ 24,482.35	\$ 30,117.75	\$ 25,000.00	\$ 90,000.00	\$ 7,134.44	\$ 59,065.03	\$ 20,265.39	\$ 700.00	\$ 256,744.96
Net income/(loss)	\$ 22,735.90	\$ (30,117.75)	\$ (24,475.00)	\$ (90,000.00)	\$ 24,989.78	\$ 49,020.53	\$ 33,259.36	\$ (570.00)	\$ (15,157.18)

Orthodox Church in America
Schedule of Permanently Restricted Net Assets
Activity for the year 2007

	251	252	253	254	310	311	312	313	
	Kavalenko	McGuire	Rotko	York	St. Andrews	Kharitonoff	Main	FOS	Total
Dividend									
Total revenue	\$ 4,041.80	\$ 7,059.04	\$ 3,561.86	\$ 11,460.96	\$ 12,096.56	\$ -	\$ 20,897.75	\$ 9,424.64	\$ 68,542.61
Distribution	\$ 4,041.80	\$ 7,059.04	\$ 3,561.86	\$ 11,460.96	\$ 12,096.56	\$ -	\$ 20,897.75	\$ 9,424.64	\$ 68,542.61
Total expense	\$ 3,850.40	\$ -	\$ -	\$ -	\$ 6,349.61	\$ 4,575.40	\$ -	\$ -	\$ 14,775.41
Gains/losses	\$ (1,460.61)	\$ 2,236.41	\$ 5,380.99	\$ (41,066.14)	\$ (11,538.80)	\$ -	\$ 66,459.06	\$ (9,157.83)	\$ 10,853.08
Total gains/losses	\$ (1,460.61)	\$ 2,236.41	\$ 5,380.99	\$ (41,066.14)	\$ (11,538.80)	\$ -	\$ 66,459.06	\$ (9,157.83)	\$ 10,853.08
Net income/(loss)	\$ (1,269.21)	\$ 9,295.45	\$ 8,942.85	\$ (29,605.18)	\$ (5,791.85)	\$ (4,575.40)	\$ 87,356.81	\$ 266.81	\$ 64,620.28

Orthodox Church in America
Statement of Activities
For the period January to December 31, 2007

	105 - Central Administration (100 - Unrestricted)
Ordinary Income/Expense	
Income	
Worship Income	425.00
Direct Public Support	
Individ, Business Contributions	27,171.16
Legacies and Bequests	29,000.00
Total Direct Public Support	56,171.16
Appeals	725.00
Investments	
Dividend, Interest (Securities)	1,058.22
Interest-Savings, Short-term CD	16,178.30
Total Investments	17,236.52
Other Types of Income	
Advertising Sales	1,500.00
Miscellaneous Revenue	244.00
Total Other Types of Income	1,744.00
Program Income	
Member Assessments	2,626,454.20
Total Program Income	2,626,454.20
Gain on sale of property	384,496.00
Total Income	3,087,251.88
Gross Profit	3,087,251.88
Expense	
Bank Fees	2,442.38
Total Business Expenses	2,442.38
Office expense	
Food	11,727.15
Flowers/Candles	594.60
Office expense - Other	3,955.91
Total Office expense	16,277.66
Contract Services	
Accounting Fees	80,078.30
Legal Fees	80,225.02
Outside Contract Services	106,982.94
Moving/ Relocation	19,017.71
Total Contract Services	286,303.97
Program Expense	

Orthodox Church in America
Statement of Activities
For the period January to December 31, 2007

	105 - Central Administration (100 - Unrestricted)
Travel	276.48
Total Program Expense	276.48
Facility Expense	
Mortgage Interest	112,403.61
Total Facility Expense	112,403.61
Repairs expense	40.43
Operations	
Books, Subscriptions, Reference	84.00
Postage, Mailing Service	18,075.58
Printing and Copying	33,836.74
Supplies	7,484.40
Telephone, Telecommunications	
Telephone, Telecommunications - Other	4,056.48
Total Telephone, Telecommunications	4,056.48
Total Operations	63,537.20
Equipment leasing	18,801.00
Salaries	515,035.65
Payroll Expense	
FICA/Medicare	14,908.71
Unemployment Ins	2,927.29
Other payroll taxes	-4,584.54
Payroll Expense - Other	3,293.15
Total Payroll Expense	16,544.61
Health Insurance	136,119.50
Life Insurance	6,218.07
Workers Compensation/Disability	19,848.14
Stipends	
Computer expense	30,106.00
Pension expense	48,232.78
Other administrative expenses	-12,587.78
Telephone	
Mobil Phones	9,055.44
Equipment Lease	362.61
Telecommunications	25,882.89
Telephone - Other	1,501.67
Total Telephone	36,802.61
Insurance	30,904.37
Internal Services	
Honorarium	250.00
Total Internal Services	250.00

Orthodox Church in America
Statement of Activities
For the period January to December 31, 2007

	105 - Central Administration (100 - Unrestricted)
Travel and Meetings	
Conference, Convention, Meeting	1,994.13
Travel	37,315.21
Lodging	3,113.86
Travel and Meetings - Other	2,129.40
Total Travel and Meetings	<u>44,552.60</u>
Project Expense	5,885.07
Automobile	
Auto insurance	14,340.39
Auto repairs	4,768.45
Auto gasoline	1,141.45
Automobile - Other	112.02
Total Automobile	<u>20,362.31</u>
Other administrative expense	6,061.77
Total Expense	<u><u>1,404,418.43</u></u>
Net Ordinary Income	1,682,833.45
Other Income/Expense	
Other Income	
Realized and Unrealized Gains and Losses	-4,035.84
Total Other Income	<u>-4,035.84</u>
Net Other Income	<u>-4,035.84</u>
Net Income	<u><u>1,678,797.61</u></u>

Orthodox Church in America
Statement of Activities
For the period January 1 to December 31, 2007

	110 - FOS <u>(100 - Unrestricted)</u>
Ordinary Income/Expense	
Income	
Individ, Business Contributions	126,179.67
Total Direct Public Support	126,179.67
Appeals	1,445.00
Total Income	<u>127,624.67</u>
Gross Profit	127,624.67
Expense	
Printing and Copying	2,487.94
Total Operations	2,487.94
Salaries	72,065.76
Payroll Expense	
FICA/Medicare	2,147.77
Unemployment Ins	391.22
Total Payroll Expense	2,538.99
Health Insurance	9,304.00
Life Insurance	2,495.20
Pension expense	9,633.57
Total Expense	<u>107,039.30</u>
Net Income	<u><u>20,585.37</u></u>

Orthodox Church in America
Statement of Activities
For the period January 1 to December 31, 2007

	115 -History & Archives
	(100 - Unrestricted)
Ordinary Income/Expense	
Income	
Individ, Business Contributions	20.00
Total Income	<u>20.00</u>
Gross Profit	20.00
Expense	
Postage, Mailing Service	82.56
Total Operations	82.56
Salaries	51,578.67
Payroll Expense	
FICA/Medicare	1,750.37
Unemployment Ins	332.67
Health Insurance	27,612.00
Life Insurance	752.10
Pension expense	6,788.97
Conference, Convention, Meeting	-173.88
Auto gasoline	60.00
Total Expense	<u>88,783.46</u>
Net Income	<u><u>-88,763.46</u></u>

Orthodox Church in America
Statement of Activities
For the period January 1 to December 31, 2007

	<u>116 - Pastoral Life</u> <u>(100 - Unrestricted)</u>
Ordinary Income/Expense	
Income	
Program Service Fees	16,188.00
Total Program Income	<u>16,188.00</u>
Total Income	<u>16,188.00</u>
Gross Profit	16,188.00
Expense	
Outside Contract Services	-395.00
Conferences/Space Rental	6,650.50
Travel	144.68
Total Program Expense	<u>6,795.18</u>
Postage, Mailing Service	21.45
Pastoral Life stipend	4,460.38
Conference, Convention, Meeting	2,885.48
Travel	527.41
Total Expense	<u>14,294.90</u>
Net Income	<u><u>1,893.10</u></u>

Orthodox Church in America
Statement of Activities
For the period January 1 to December 31, 2007

	<u>118 - Christian Educ.</u> <u>(100 - Unrestricted)</u>
Ordinary Income/Expense	
Income	
Individ, Business Contributions	560.00
Total Direct Public Support	<u>560.00</u>
Total Income	<u>560.00</u>
Gross Profit	560.00
Expense	
Outside Contract Services	150.00
Travel	<u>204.48</u>
Total Program Expense	204.48
Postage, Mailing Service	36.81
Christian Ed. stipend	48,000.00
Honorarium	<u>300.00</u>
Total Internal Services	300.00
Travel and Meetings	
Conference, Convention, Meeting	2,255.68
Travel	1,323.75
Lodging	0.00
Travel and Meetings - Other	<u>1,959.90</u>
Total Travel and Meetings	<u>5,539.33</u>
Total Expense	<u>54,230.62</u>
Net Income	<u><u>-53,670.62</u></u>

Orthodox Church in America
Statement of Activities
For the period January 1 to December 31, 2007

	119 - Missions and Evangelism (100 - Unrestricted)
Ordinary Income/Expense	
Program Service Fees	125.00
Total Program Income	125.00
Expense	
Outside Contract Services	65.00
Postage, Mailing Service	-36.55
Printing and Copying	4,273.13
Missions and Evang. stipend	6,000.00
Conference, Convention, Meeting	-212.20
Travel	393.30
Travel and Meetings - Other	448.70
Total Travel and Meetings	629.80
Total Expense	10,931.38
Net Income	-10,806.38

Orthodox Church in America
Statement of Activities
For the period January 1 to December 31, 2007

	120 -External Affairs (100 - Unrestricted)
Ordinary Income/Expense	
Total Income	0.00
Expense	
Dues	3,300.00
Total Business Expenses	3,300.00
Postage, Mailing Service	426.53
Telephone, Telecommunications - Other	-281.97
Salaries	34,265.04
Payroll Expense	
FICA/Medicare	1,030.52
Unemployment Ins	191.18
Total Payroll Expense	1,221.70
Ext. Affairs stipend	4,900.00
Computer expense	-2,822.50
Pension expense	3,400.12
Telecommunications	277.35
Telephone - Other	7.70
Conference, Convention, Meeting	905.14
Travel	10,244.48
Travel and Meetings - Other	220.81
Total Travel and Meetings	11,370.43
Total Expense	56,064.40
Net Income	-56,064.40

Orthodox Church in America
Statement of Activities
For the period January 1 to December 31, 2007

	121 - Lit. worship (100 - Unrestricted)
Ordinary Income/Expense	
Income	
Total Income	0.00
Expense	
Office expense - Other	2,410.00
Total Office expense	2,410.00
Outside Contract Services	490.00
Lit. Worship stipend	1,632.00
Total Expense	4,532.00
Net Income	-4,532.00

Orthodox Church in America
Statement of Activities
For the period January 1 to December 31, 2007

		122 - Theol. Ed. (100 - Unrestricted)
Ordinary Income/Expense		
Total Income		0.00
Expense		
Board of Theol. Ed. stipends		4,712.50
Travel and Meetings - Other		601.94
Total Expense		5,314.44
Net Income		-5,314.44

Orthodox Church in America
Statement of Activities
For the period January 1 to December 31, 2007

	<u>124 - Chapel</u> <u>(100 - Unrestricted)</u>
Ordinary Income/Expense	
Income	
Individ, Business Contributions	6,061.75
Total Direct Public Support	<u>6,061.75</u>
Total Income	<u>6,061.75</u>
Gross Profit	6,061.75
Expense	
Food	575.00
Flowers/Candles	4,751.60
Accounting Fees	20.00
Project Expense	<u>368.00</u>
Total Expense	<u>5,714.60</u>
Net Income	<u><u>347.15</u></u>

Orthodox Church in America
Statement of Activities
For the period January 1 to December 31, 2007

	125 -Humanitarian Aid (100 - Unrestricted)
Ordinary Income/Expense	
Income	
Total Income	0.00
Expense	
Distrib. - Humanitarian Aid	422.00
Contract Services - Other	3,808.00
Telephone, Telecommunications - Other	-11.21
Salaries	13,699.54
FICA/Medicare	419.04
Unemployment Ins	83.74
Pension expense	519.47
Total Expense	18,940.58
Net Income	-18,940.58

Orthodox Church in America
Statement of Activities
For the period January 1 to December 31, 2007

	<u>130 -Medical Ethics</u> <u>(100 - Unrestricted)</u>
Ordinary Income/Expense	
Salaries	6,781.92
FICA/Medicare	203.97
Unemployment Ins	37.84
Pension expense	470.00
Total Expense	<u>7,493.73</u>
Net Income	<u><u>-7,493.73</u></u>

Orthodox Church in America
Statement of Activities
For the period January 1 to December 31, 2007

Ordinary Income/Expense	135 -Property Support (100 - Unrestricted)
Total Income	0.00
Expense	
Taxes	5,500.10
Food	38.16
Outside Contract Services	172.85
Real Estate, Personal Prop Tax	14,187.51
Equip Rental and Maintenance	1,997.37
Lawn	23,780.00
Exterminating	2,645.00
Garbage Removal	2,494.32
Repairs expense	3,231.79
Supplies	4,419.07
Salaries	72,390.85
FICA/Medicare	2,179.12
Unemployment Ins	423.60
Pension expense	9,869.88
Heating oil	16,313.83
Cable	442.65
Water	717.80
Gas	1,118.33
Electricity	14,071.64
Cable	319.25
Total Expense	176,313.12
Net Income	-176,313.12

Orthodox Church in America
Statement of Activities
For the period January 1, 2007 to December 31, 2007

	142 - Publications (140 -TOC/ Church News Magazine)
Ordinary Income/Expense	
Income	
Individ, Business Contributions	2,750.00
Total Income	2,750.00
Gross Profit	2,750.00
Total Expense	0.00
Net Income	2,750.00

Orthodox Church in America
Statement of Activities
For the period January 1 to December 31, 2007

	140 -TOC/ Church News Magazine - Other (140 -TOC/ Church News Magazine)
Ordinary Income/Expense	
Income	
Publication Subscription	7,144.00
Total Income	<u>7,144.00</u>
Gross Profit	7,144.00
Expense	
Outside Contract Services	2,365.00
Books, Subscriptions, Reference	3,135.00
Postage, Mailing Service	-6,127.56
Printing and Copying	35,072.07
Salaries	51,730.32
FICA/Medicare	1,555.78
Unemployment Ins	288.57
Pension expense	5,132.16
Total Expense	<u>93,151.34</u>
Net Income	<u><u>-86,007.34</u></u>

Orthodox Church in America
Statement of Activities
For the period January 1 to December 31, 2007

	145 -Youth Ministry
	(100 - Unrestricted)
Ordinary Income/Expense	
Total Income	<u>0.00</u>
Expense	
Books, Subscriptions, Reference	6.90
Salaries	9,204.10
FICA/Medicare	302.82
Unemployment Ins	45.89
Travel	794.74
Total Expense	<u>10,354.45</u>
Net Income	<u><u>-10,354.45</u></u>

Orthodox Church in America
Statement of Activities
For the period January 1 to December 31, 2007

	150 -Holy Synod (100 - Unrestricted)
Ordinary Income/Expense	
Total Income	0.00
Expense	
Flowers/Candles	250.00
Office expense - Other	37.43
Books, Subscriptions, Reference	658.03
Postage, Mailing Service	294.13
Printing and Copying	1,023.90
Supplies	771.59
Life Insurance	96.52
Holy Synod stipends	156,309.81
Conference, Convention, Meeting	1,207.82
Travel	34,063.05
Lodging	7,875.49
Travel and Meetings - Other	515.19
Auto gasoline	155.51
Total Expense	203,258.47
Net Income	-203,258.47

Orthodox Church in America
Statement of Activities
For the period January 1 to December 31, 2007

	155 - Communications
	(100 - Unrestricted)
Ordinary Income/Expense	
Income	
Total Income	0.00
Expense	
Dues	295.00
Office expense - Other	181.79
Outside Contract Services	26,317.58
Printing and Copying	55,011.01
Supplies	-376.78
Internet	4,944.74
Telephone, Telecommunications - Other	-207.32
Salaries	103,083.45
FICA/Medicare	3,139.24
Unemployment Ins	598.83
Health Insurance	15,946.00
Life Insurance	172.94
Communication stipends	7,086.00
Computer expense	2,290.00
Pension expense	8,476.38
Conference, Convention, Meeting	895.00
Travel	2,578.29
Travel and Meetings - Other	263.60
Total Expense	230,695.75
Net Income	-230,695.75

Orthodox Church in America
Statement of Activities
For the period January 1 to December 31, 2007

	160 -OCPC
	(100 - Unrestricted)
Ordinary Income/Expense	
Income	
Inventory Sales	41,251.23
Publication Subscription	150.00
Total Income	<u>41,401.23</u>
Expense	
Bank Fees	17.00
Rent, Parking, Utilities	11,657.25
Books, Subscriptions, Reference	1,332.26
Postage, Mailing Service	3,572.89
OCPC stipend	12,325.96
Computer expense	150.00
Telecommunications	8,400.00
Total Expense	<u>37,455.36</u>
Net Income	<u><u>3,945.87</u></u>

Orthodox Church in America
Statement of Activities
For the period January 1 to December 31, 2007

	165 -Metropolitan Council
	(100 - Unrestricted)
Ordinary Income/Expense	
Income	
Publication Subscription	980.00
Total Income	<u>980.00</u>
Expense	
Office expense - Other	44.89
Postage, Mailing Service	910.68
Printing and Copying	1,369.80
Supplies	424.24
Telephone - Other	7.05
Conference, Convention, Meeting	3,829.95
Travel	22,604.24
Lodging	23,210.39
Travel and Meetings - Other	3,610.60
Total Expense	<u>56,011.84</u>
Net Income	<u><u>-55,031.84</u></u>

Orthodox Church in America
Statement of Activities
For the period January 1 to December 31, 2007

	170 - CatherinesRepresentation (100 - Unrestricted)
Ordinary Income/Expense	
Income	
Total Income	0.00
Expense	
Salaries	27,612.24
FICA/Medicare	830.41
Unemployment Ins	154.03
Health Insurance	10,089.00
Pension expense	3,077.50
Total Expense	41,763.18
Net Income	-41,763.18

Orthodox Church in America
Statement of Activities
For the period January 1 to December 31, 2007

		175 - All-American Council
		(100 - Unrestricted)
Ordinary Income/Expense		
Income		
	Individ, Business Contributions	500.00
	Member Assessments	-24.00
	Total Income	476.00
Expense		
	AAC stipend	3,600.00
	Travel	2,738.66
	Travel and Meetings - Other	67.50
	Total Expense	6,406.16
Net Income		-5,930.16

Orthodox Church in America
Statement of Activities
For the period January 1, 2007 to December 31, 2007

	<u>176 - Seminary internship</u> <u>(100 - Unrestricted)</u>
Ordinary Income/Expense	
Income	
Program Service Fees	8.00
Total Income	<u>8.00</u>
Expense	
Office expense - Other	39.00
Supplies	0.35
Seminary internship stipend	30,689.40
Honorarium	1,000.00
Travel	448.81
Travel and Meetings - Other	560.10
Total Expense	<u>32,737.66</u>
Net Income	<u><u>-32,729.66</u></u>

Orthodox Church in America
Statement of Activities
For the period January 1 to December 31, 2007

	<u>177 - Chaplaincy</u> <u>(100 - Unrestricted)</u>
Ordinary Income/Expense	
Income	
Individ, Business Contributions	1,573.74
Total Income	<u>1,573.74</u>
Expense	
Conference, Convention, Meeting	624.15
Travel	1,085.74
Total Expense	<u>1,709.89</u>
Net Income	<u><u>-136.15</u></u>

Orthodox Church in America
Statement of Activities
For the period January 1 to December 31, 2007

	178- Yearbook/Calendar (100 - Unrestricted)
Other Types of Income	
Advertising Sales	825.00
Inventory Sales	1,030.00
Total Income	1,855.00
Gross Profit	1,855.00
Net Income	1,855.00

Orthodox Church in America
Statement of Activities
For the period January 1 to December 31, 2007

	<u>180 -Late Vocation</u> <u>(100 - Unrestricted)</u>
Ordinary Income/Expense	
Income	
Individ, Business Contributions	250.00
Total Direct Public Support	250.00
Program Service Fees	750.00
Total Program Income	<u>750.00</u>
Total Income	<u>1,000.00</u>
Expense	
Total Expense	<u>0.00</u>
Net Income	<u><u>1,000.00</u></u>

Orthodox Church in America
Statement of Activities
For the period January 1 to December 31, 2007

	181-Christian Witness Services (100 - Unrestricted)
Ordinary Income/Expense	
Total Income	0.00
Gross Profit	0.00
Expense	
Travel	1,521.77
Net Ordinary Income	-1,521.77
Other Income/Expense	
Net Income	-1,521.77

Orthodox Church in America
Statement of Activities
For the period January 1 to December 31, 2007

	182- Canons and Statutes Comm. (100 - Unrestricted)
Ordinary Income/Expense	
Income	
Total Income	0.00
Expense	
Statute Comm. stipends	4,600.00
Canonical comm. stipends	3,525.00
Ext. Affairs stipend	1,075.00
Total Expense	9,200.00
Net Income	-9,200.00

Orthodox Church in America
Statement of Activities
For the period January 1 to December 31, 2007

	<u>Total 100 - Unrestricted</u>
Ordinary Income/Expense	
Income	
Worship Income	425.00
Direct Public Support	
Individ, Business Contributions	165,066.32
Legacies and Bequests	29,000.00
Total Direct Public Support	<u>194,066.32</u>
Appeals	2,170.00
Investments	
Dividend, Interest (Securities)	1,058.22
Interest-Savings, Short-term CD	16,178.30
Total Investments	<u>17,236.52</u>
Other Types of Income	
Advertising Sales	2,325.00
Inventory Sales	42,281.23
Miscellaneous Revenue	244.00
Total Other Types of Income	<u>44,850.23</u>
Program Income	
Member Assessments	2,626,430.20
Publication Subscription	8,274.00
Program Service Fees	17,071.00
Total Program Income	<u>2,651,775.20</u>
Gain on sale of property	384,496.00
Total Income	<u>3,295,019.27</u>
Gross Profit	3,295,019.27
Expense	
Distrib. - Humanitarian Aid	422.00
Business Expenses	
Taxes	5,500.10
Bank Fees	2,459.38
Dues	3,595.00
Total Business Expenses	<u>11,554.48</u>
Office expense	
Food	12,340.31
Flowers/Candles	5,596.20
Office expense - Other	6,669.02
Total Office expense	<u>24,605.53</u>
Contract Services	
Accounting Fees	80,098.30
Legal Fees	80,225.02
Outside Contract Services	136,148.37
Moving/ Relocation	19,017.71
Contract Services - Other	3,808.00
Total Contract Services	<u>319,297.40</u>
Program Expense	
Conferences/Space Rental	6,650.50
Travel	930.43

Orthodox Church in America
Statement of Activities
For the period January 1 to December 31, 2007.

	Total 100 - Unrestricted
Total Program Expense	7,580.93
Facility Expense	
Mortgage Interest	112,403.61
Real Estate, Personal Prop Tax	14,187.51
Rent, Parking, Utilities	11,657.25
Total Facility Expense	138,248.37
Facilities and Equipment	
Equip Rental and Maintenance	1,997.37
Lawn	23,780.00
Exterminating	2,645.00
Garbage Removal	2,494.32
Total Facilities and Equipment	30,916.69
Repairs expense	3,272.22
Operations	
Books, Subscriptions, Reference	5,216.19
Postage, Mailing Service	17,256.52
Printing and Copying	133,074.59
Supplies	12,722.87
Telephone, Telecommunications	
Internet	4,944.74
Telephone, Telecommunications - Other	3,555.98
Total Telephone, Telecommunications	8,500.72
Operations - Other	0.00
Total Operations	176,770.89
Equipment leasing	18,801.00
Salaries	957,447.54
Payroll Expense	
FICA/Medicare	28,467.75
Unemployment Ins	5,474.86
Other payroll taxes	4,584.54
Payroll Expense - Other	3,293.15
Total Payroll Expense	32,651.22
Health Insurance	199,070.50
Life Insurance	9,734.83
Workers Compensation/Disability	19,848.14
Stipends	
Holy Synod stipends	156,309.81
Statute Comm. stipends	4,600.00
Canonical comm. stipends	3,525.00
OCPC stipend	12,325.96
Christian Ed. stipend	48,000.00
Missions and Evang. stipend	6,000.00
Pastoral Life stipend	4,460.38
Lit. Worship stipend	1,632.00
Board of Theol. Ed. stipends	4,712.50
Communication stipends	7,086.00
Ext. Affairs stipend	5,975.00
Seminary Internship stipend	30,689.40
AAC stipend	3,600.00
Total Stipends	288,916.05
Computer expense	29,723.50

Orthodox Church in America
Statement of Activities
For the period January 1 to December 31, 2007

	<u>Total 100 - Unrestricted</u>
Pension expense	95,600.83
Other administrative expenses	-12,587.78
Utilities	
Heating oil	16,313.83
Cable	442.65
Water	717.80
Gas	1,118.33
Electricity	14,071.64
Total Utilities	<u>32,664.25</u>
Telephone	
Mobil Phones	9,055.44
Equipment Lease	362.61
Telecommunications	34,560.24
Telephone - Other	1,516.42
Total Telephone	<u>45,494.71</u>
Network/Computing	
Cable	319.25
Total Network/Computing	<u>319.25</u>
Insurance	30,904.37
Internal Services	
Honorarium	1,550.00
Total Internal Services	<u>1,550.00</u>
Travel and Meetings	
Conference, Convention, Meeting	14,211.27
Travel	123,671.29
Lodging	34,199.74
Travel and Meetings - Other	10,554.95
Total Travel and Meetings	<u>182,637.25</u>
Project Expense	6,253.07
Automobile	
Auto insurance	14,340.39
Auto repairs	4,768.45
Auto gasoline	1,356.96
Automobile - Other	112.02
Total Automobile	<u>20,577.82</u>
Other administrative expense	6,061.77
Total Expense	<u>2,678,336.83</u>
Net Ordinary Income	616,682.44
Other Income/Expense	
Other Income	
Realized and Unrealized Gains and Losses	-4,035.84
Total Other Income	<u>-4,035.84</u>
Net Other Income	<u>-4,035.84</u>
Net Income	<u>612,646.60</u>

Orthodox Church in America
Statement of Activities
For the period January 1 to December 31, 2007

	211 -Christmas Stockings
	(210 -Charity)
Ordinary Income/Expense	
Individ, Business Contributions	-135.00
Appeals	47,333.25
Total Income	<u>47,198.25</u>
Expense	
Charity distribution	7,000.00
Christmas stocking distrib.	8,049.22
Postage, Mailing Service	1,200.00
Supplies	9,559.65
Telephone - Other	-1,346.52
Total Expense	<u>24,462.35</u>
Net Income	<u><u>22,735.90</u></u>

Orthodox Church in America
Statement of Activities
For the period January 1 to December 31, 2007

	212- Besian (210 -Charity)
Ordinary Income/Expense	
Total Income	<u>0.00</u>
Gross Profit	0.00
Expense	
Distributions	
Charity distribution	30,117.75
Total Expense	<u>30,117.75</u>
Net Income	<u><u>-30,117.75</u></u>

Orthodox Church in America
Statement of Activities
For the period January 1 to December 31, 2007

	213- Orphanage (210 -Charity)
Ordinary Income/Expense	
Individ, Business Contributions	525.00
Total Income	<u>525.00</u>
Gross Profit	525.00
Expense	
Distributions	
Charity distribution	25,000.00
Total Expense	<u>25,000.00</u>
Net Ordinary Income	<u>-24,475.00</u>
Net Income	<u><u>-24,475.00</u></u>

Orthodox Church in America
Statement of Activities
For the period January 1 to December 31, 2007

	<u>214 - 9/11</u> <u>(210 -Charity)</u>
Ordinary Income/Expense	
Income	
Gross Profit	0.00
Expense	
Charity distribution	<u>90,000.00</u>
Total Expense	<u>90,000.00</u>
Net Ordinary Income	<u>-90,000.00</u>
Net Income	<u><u>-90,000.00</u></u>

Orthodox Church in America
Statement of Activities
For the period January 1 to December 31, 2007

	210 -Charity - Other (210 -Charity)
Ordinary Income/Expense	
Total Direct Public Support	0.00
Appeals	29,724.22
Investments	
Dividend, Interest (Securities)	2,400.00
Total Income	<u>32,124.22</u>
Charity distribution	7,100.00
Telephone - Other	34.44
Total Expense	<u>7,134.44</u>
Net Income	<u><u>24,989.78</u></u>

Orthodox Church in America
Statement of Activities
For the period January 1 to December 31, 2007

	220 -Missions (200 - Temp- Restricted)
Ordinary Income/Expense	
Individ, Business Contributions	1,823.56
Appeals	106,262.00
Gross Profit	108,085.56
Expense	
Mission distribution	58,750.00
Postage, Mailing Service	315.03
Total Expense	<u>59,065.03</u>
Net Income	<u><u>49,020.53</u></u>

Orthodox Church in America
Statement of Activities
For the period January 1 to December 31, 2007

	230 -Seminary (200 - Temp- Restricted)
Ordinary Income/Expense	
Individ, Business Contributions	208.00
Appeals	53,316.75
Total Income	<u>53,524.75</u>
Gross Profit	53,524.75
Expense	
Distrib. - Seminaries	13,365.39
Printing and Copying	6,900.00
Total Expense	<u>20,265.39</u>
Net Income	<u><u>33,259.36</u></u>

Orthodox Church in America
Statement of Activities
For the period January 1 to December 31, 2007

	200 - Temp- Restricted - Other (200 - Temp- Restricted)
Ordinary Income/Expense	
Income	
Appeals	130.00
Total Income	130.00
Gross Profit	130.00
Expense	
Operations - Other	700.00
Total Expense	700.00
Net Income	-570.00

Orthodox Church in America
Statement of Activities
For the period January 1 to December 31, 2007

	<u>251 - L. Kavalenko trust</u> <u>(250 - Life Income Trusts)</u>
Ordinary Income/Expense	
Dividend, Interest (Securities)	4,041.80
Total Income	<u>4,041.80</u>
Gross Profit	4,041.80
Expense	
Distrib. - L. Kavalenko	<u>3,850.40</u>
Net Ordinary Income	191.40
Realized and Unrealized Gains and Losses	<u>-1,460.61</u>
Net Other Income	<u>-1,460.61</u>
Net Income	<u><u>-1,269.21</u></u>

Orthodox Church in America
Statement of Activities
For the period January 1 to December 31, 2007

	<u>252 - John McGuire Trust</u> <u>(250 - Life Income Trusts)</u>
Ordinary Income/Expense	
Dividend, Interest (Securities)	7,059.04
Total Income	<u>7,059.04</u>
 Gross Profit	 7,059.04
 Expense	
Realized and Unrealized Gains and Losses	<u>2,236.41</u>
 Net Other Income	 <u>2,236.41</u>
 Net Income	 <u><u>9,295.45</u></u>

Orthodox Church in America
Statement of Activities
For the period January 1 to December 31, 2007

	253 - Antonio Rotko Trust
	(250 - Life Income Trusts)
Ordinary Income/Expense	
Dividend, Interest (Securities)	3,561.86
Total Income	3,561.86
Gross Profit	3,561.86
Expense	
Net Ordinary Income	3,561.86
Other Income/Expense	
Realized and Unrealized Gains and Losses	5,380.99
Net Other Income	5,380.99
Net Income	8,942.85

Orthodox Church in America
Statement of Activities
For the period January 1 to December 31, 2007

	<u>254 - A & B York Trust</u> <u>(250 - Life Income Trusts)</u>
Ordinary Income/Expense	
Dividend, Interest (Securities)	11,460.96
Gross Profit	11,460.96
Expense	
Net Ordinary Income	11,460.96
Realized and Unrealized Gains and Losses	<u>-41,066.14</u>
Net Other Income	<u>-41,066.14</u>
Net Income	<u><u>-29,605.18</u></u>

Orthodox Church in America
Statement of Activities
For the period January 1 to December 31, 2007

	310 - St. Andrews (300 - Perm. Restricted)
Ordinary Income/Expense	
Dividend, Interest (Securities)	12,096.56
Total Income	<u>12,096.56</u>
Gross Profit	12,096.56
Expense	
Distributions - St. Andrews	6,349.61
Total Expense	<u>6,349.61</u>
Net Ordinary Income	5,746.95
Realized and Unrealized Gains and Losses	<u>-11,538.80</u>
Total Other Income	<u>-11,538.80</u>
Net Other Income	<u>-11,538.80</u>
Net Income	<u><u>-5,791.85</u></u>

Orthodox Church in America
Statement of Activities
For the period January 1 to December 31, 2007

	311 - Kharitonoff
	(300 - Perm. Restricted)
Ordinary Income/Expense	
Total Income	0.00
Gross Profit	0.00
Expense	
Distrib. - Kharitonoff	4,575.40
Net Ordinary Income	-4,575.40
Net Income	-4,575.40

Orthodox Church in America
Statement of Activities
For the period January 1 to December 31, 2007

	<u>312 - Main Endowment</u> <u>(300 - Perm. Restricted)</u>
Ordinary Income/Expense	
Dividend, Interest (Securities)	20,897.75
Total Income	<u>20,897.75</u>
 Gross Profit	 20,897.75
 Expense	
Other Income/Expense	
Other Income	
Realized and Unrealized Gains and Losses	<u>66,459.06</u>
 Net Income	 <u><u>87,356.81</u></u>

Orthodox Church in America
Statement of Activities
For the period January 1 to December 31, 2007

	313 -Fellowship of Orth Steward (300 - Perm. Restricted)
Ordinary Income/Expense	
Income	
Dividend, Interest (Securities)	9,424.64
Total Investments	9,424.64
Total Income	<u>9,424.64</u>
Gross Profit	9,424.64
Expense	
Total Expense	<u>0.00</u>
Net Ordinary Income	9,424.64
Other Income/Expense	
Other Income	
Realized and Unrealized Gains and Losses	-9,157.83
Total Other Income	<u>-9,157.83</u>
Net Other Income	<u>-9,157.83</u>
Net Income	<u><u>266.81</u></u>

OCA Budget Considerations for 2009

As of the publishing of this report, the 2009 Budget Considerations is still being discussed within the Metropolitan Council. As soon as an accurate methodology and consensus within the Metropolitan Council, it will be released online prior to the All-American Council. Printed copies will be available at the All-American Council

St. Tikhon's Monastery and Bookstore

1. Profit and Loss for 2005 for Bookstore
2. Profit and Loss for 2006 for Bookstore
3. Profit and Loss for 2007 for Bookstore
4. Profit and Loss for 2005 for Monastery
5. Profit and Loss for 2006 for Monastery
6. Profit and Loss for 2007 for Monastery

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07/11/08
Cash Basis

St. Tikhon's Bookstore
Profit & Loss
January through December 2005

	Jan - Dec 05
Income	
INVESTMENTS	
Interest Checking Acct.	52.36
Total INVESTMENTS	52.36
SALES	
Appeals Reimb.	1,865.00
Check/Cash	284,491.31
Credit Cards	209,459.03
Mon. Centennial Book	495.00
STTJ Subscription	80.00
Tuition CC Pay	230.00
Total SALES	496,620.34
Total Income	496,672.70
Expense	
BANK SERVICES	
Credit Card Processing Fee	7,716.14
Interest	11,991.02
Late Charges	244.51
Transfer Money Fees	70.00
BANK SERVICES - Other	3.00
Total BANK SERVICES	20,024.67
BUILDING & GROUNDS	
Equipment and Furniture	11,533.33
Maintenance	1,048.83
Office Supplies	705.20
Total BUILDING & GROUNDS	13,287.36
EMPLOYEE SERVICES	
Employee Bonus	1,502.50
Health Insurance	27,467.75
Housing	6,000.00
Payroll Expenses	18,816.00
Total EMPLOYEE SERVICES	53,786.25
MAINTENANCE	
Auto	784.37
Electric	12,328.02
Equipment	1,049.14
Gas	8,851.25
Grounds	9,330.00
Oil	6,693.95
Propane	95.95
Storage	580.00
Telephone	4,368.11
Vehicles	166.50
Total MAINTENANCE	44,247.29
Misc.	-204.12
PROJECTS	
Audio Production	6,520.00
Author Royalties	2,500.00
Book Translation	4,231.00
Contract Work	1,535.00
Iconography	6,407.72
Project Supplies	26,812.35
Promotion	
Conference	1,600.00
Promotion - Other	150.00
Total Promotion	1,750.00
Total PROJECTS	49,756.07

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Cash Basis

St. Tikhon's Bookstore
Profit & Loss
January through December 2005

	Jan - Dec 05
SHIPPING/RECEIVING	
Postage	
Supplies	848.00
Postage - Other	12,384.97
Total Postage	13,232.97
Shipping	14,625.93
Supplies	
Packaging Material	2,018.51
Supplies - Other	3,636.92
Total Supplies	5,655.43
Total SHIPPING/RECEIVING	33,514.33
STOCK	
Book Publishing	77,553.41
Bookstore - Consignment Stock	5,549.36
Foreign Stock	
Crafts	1,034.00
Shipping	1,583.05
Foreign Stock - Other	79,602.66
Total Foreign Stock	82,219.71
Main Stock	71,744.54
Total STOCK	237,067.02
TRAVEL	
Air	7,780.72
Hotel & Car	10,525.15
Total TRAVEL	18,305.87
Total Expense	469,784.74
Net Income	26,887.96

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Cash Basis

St. Tikhon's Bookstore
Profit & Loss
January through December 2006

	Jan - Dec 06
Income	
INVESTMENTS	
Interest Checking Acct.	21.61
Total INVESTMENTS	21.61
SALES	
Appeals Reimb.	3,690.00
Check/Cash	246,454.06
Credit Cards	191,932.09
Projects	215,000.00
Tuition CC Pay	6,000.00
Total SALES	663,076.15
Total Income	663,097.76
Expense	
Attorney	1,375.00
BANK SERVICES	
Credit Card Processing Fee	7,225.33
Interest	23,130.99
Late Charges	207.27
Transfer Money Fees	115.90
Total BANK SERVICES	30,679.49
BUILDING & GROUNDS	
Equipment and Furniture	4,421.30
Maintenance	225.00
Office Supplies	2,804.08
Total BUILDING & GROUNDS	7,450.38
CUSTOMER SERVICES	
Donations	186.27
Total CUSTOMER SERVICES	186.27
EMPLOYEE SERVICES	
Employee Bonus	1,150.00
Health Insurance	23,914.51
Housing	6,000.00
Payroll Expenses	10,125.15
Total EMPLOYEE SERVICES	41,189.66
MAINTENANCE	
Auto	1,893.84
Electric	9,743.47
Equipment	843.81
Gas	9,624.35
Grounds	5,200.00
Oil	4,114.37
Propane	946.12
Telephone	5,594.72
Vehicles	256.50
Total MAINTENANCE	38,217.18
Misc.	245.01
PROJECTS	
Book Translation	3,000.00
Contract Work	1,000.00
Iconography	7,262.04
Project Supplies	11,780.71
Promotion	
Conference	40.00
Promotion - Other	2,710.00
Total Promotion	2,750.00
Total PROJECTS	25,792.75

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Cash Basis

St. Tikhon's Bookstore
Profit & Loss
January through December 2006

	Jan - Dec 06
SHIPPING/RECEIVING	
Postage	
Supplies	881.00
Postage - Other	14,964.36
Total Postage	15,845.36
Shipping	16,004.43
Supplies	
Packaging Material	1,425.40
Total Supplies	1,425.40
Total SHIPPING/RECEIVING	33,275.19
STOCK	
Book Publishing	14,347.21
Bookstore - Consignment Stock	459.90
Foreign Stock	
Broker Fees	822.00
Shipping	217.23
Foreign Stock - Other	100,614.53
Total Foreign Stock	101,653.76
Main Stock	95,977.86
Total STOCK	212,438.73
TRAVEL	
Air	12,075.55
Hotel & Car	30,399.66
Total TRAVEL	42,475.21
Total Expense	433,324.87
Net Income	229,772.89

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Cash Basis

St. Tikhon's Bookstore **Profit & Loss** January through December 2007

	Jan - Dec 07
Ordinary Income/Expense	
Income	
Sales	
Discounts Given	100.00
Merchandise	421,166.19
Total Sales	421,266.19
Total Income	421,266.19
Gross Profit	421,266.19
Expense	
Automobile Expense	
Auto	11,448.43
Fuel	11,580.93
Total Automobile Expense	23,029.36
Bank Service Charges	425.16
Bank Services	
Fees	424.00
Interest Expense	14,521.02
Bank Services - Other	200.11
Total Bank Services	15,145.13
Building	
Maintenance	1,816.87
Total Building	1,816.87
Charitable Contributions	-2,710.00
Insurance	
Health Insurance	15,272.00
Liability Insurance	12,787.00
Total Insurance	28,059.00
Marketing & Advertising	
St - Advertising	407.00
Marketing & Advertising - Other	2,487.45
Total Marketing & Advertising	2,894.45
Merchant Fees	9,848.81
Office Expenses	
Office Supplies	20,640.97
Postage and Delivery	26,865.77
Printing and Reproduction	6,413.63
Total Office Expenses	53,920.37
Payroll Expenses	
Bonus	1,050.00
Short Term Staff	31,258.38
Total Payroll Expenses	32,308.38
Professional Fees	
Legal Fees	931.25
Total Professional Fees	931.25
Projects	
Audio & Video	6,458.84
Beekeeping	97.60
Iconography	79,125.22
Publishing	69,279.78
Total Projects	154,961.44
Rent	7,000.00

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Cash Basis

St. Tikhon's Bookstore
Profit & Loss
January through December 2007

	Jan - Dec 07
Stock	
Food & Beverage	1,209.77
Foreign Merchandise	61,889.91
Returns	105.00
US Stock	80,007.51
Total Stock	143,212.19
Travel	
Meals	2,702.66
Travel	12,908.77
Travel Insurance	54.89
Total Travel	15,666.32
Utilities	
Electric	
ST- Electric	5,610.86
Electric - Other	7,870.95
Total Electric	13,481.81
Heat	6,928.83
Internet	425.05
Telephone	
ST-Telephone	3,500.85
Telephone - Other	3,803.82
Total Telephone	7,304.67
Total Utilities	28,140.36
Total Expense	514,649.09
Net Ordinary Income	-93,382.90
Other Income/Expense	
Other Income	
Interest Income	41.98
Total Other Income	41.98
Other Expense	
Other Expenses	995.00
Total Other Expense	995.00
Net Other Income	-953.02
Net Income	-94,335.92

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Cash Basis

St. Tikhon's Monastery
Profit & Loss
January through December 2005

	Jan - Dec 05
Ordinary Income/Expense	
Income	
4000 · Contributed support	
4010 · Indiv/business contribution	
4010.01 · Gen/Misc Contribution	462,826.28
4010.02 · Memorial Services	650.00
4010.03 · Candles	15,319.17
4010.04 · Offering	36,985.60
4010.05 · Candle Box	20,730.83
4010.07 · Christmas Appeal	25,226.00
4010.08 · Cemetery	15,500.00
Total 4010 · Indiv/business contribution	577,237.88
4070 · Legacies & bequests	
4070.01 · Estate Bequests	47,593.75
Total 4070 · Legacies & bequests	47,593.75
Total 4000 · Contributed support	624,831.63
5000 · Earned revenues	
5220 · Assessments & dues - OCA	-2,572.84
5320 · Dividends & Interest	
5320.01 · Dividends	1,618.55
5320.03 · Other Checking Accts. Interest	111.64
5320.04 · Building Fund Interest	186.40
5320.05 · CD Interest	20,558.48
5320 · Dividends & Interest - Other	68.37
Total 5320 · Dividends & Interest	22,543.44
Total 5000 · Earned revenues	19,970.60
Total Income	644,802.23
Expense	
7200 · Individual related expenses	
7240 · Individual benefits	
7240.01 · Health Insurance	42,530.04
7240.02 · Life Insurance	-13,014.36
Total 7240 · Individual benefits	29,515.68
7260 · Medical Expenses	1,054.00
Total 7200 · Individual related expenses	30,569.68
8100 · Non-personnel expenses	
8110 · Office Supplies	8,684.94
8130 · Telephone & telecommunications	1,422.52
8140 · Postage, shipping, delivery	2,272.97
8150 · Mailing services	21,927.49
8160 · Equip rental & maintenance	5,375.70
8170 · Printing & copying	9,344.29
Total 8100 · Non-personnel expenses	49,027.91
8200 · Occupancy expenses	
8210 · Food and Food Services	31,763.53
8220 · Utilities	
8220.01 · Electricity	23,391.59
8220.02 · Heating	14,888.78
8220.03 · Waste	1,845.67
Total 8220 · Utilities	40,126.04
8250 · Mortgage interest	58,175.59

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Cash Basis

St. Tikhon's Monastery
Profit & Loss
January through December 2005

	Jan - Dec 05
8290 - Building and Grounds	
8290.01 - Building Maintenance	3,991.94
8290.02 - Equipment Bldg & Grd	40,150.48
8290.03 - Auto	25,449.45
8290.04 - Fire Insurance	36,752.50
8290.06 - Cemetery	9,675.75
8290.07 - Improvements	161,890.47
8290.08 - Hardware	6,481.66
8290.09 - Property Tax	1,077.41
Total 8290 - Building and Grounds	285,469.66
Total 8200 - Occupancy expenses	415,534.82
8300 - Travel & meetings expenses	
8320 - Conference, convention, meeting	4,847.40
Total 8300 - Travel & meetings expenses	4,847.40
8500 - Misc expenses	
8510 - Interest expense - loans	36,606.64
8590 - Other expenses	
8590.01 - Candles	10,228.70
8590.02 - Church Supplies	-86.00
8590.03 - Misc. Expenses	65,397.01
8590.04 - Flowers	558.59
Total 8590 - Other expenses	76,098.30
Total 8500 - Misc expenses	112,704.94
Total Expense	612,684.75
Net Ordinary Income	32,117.48
Other Income/Expense	
Other Income	
6800 - Unrealized gain (loss)	
6810 - Unrealized gain(loss) - investm	0.00
Total 6800 - Unrealized gain (loss)	0.00
Total Other Income	0.00
Net Other Income	0.00
Net Income	32,117.48

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Cash Basis

St. Tikhon's Monastery **Profit & Loss** January through December 2006

	Jan - Dec 06
Ordinary Income/Expense	
Income	
4000 • Contributed support	
4010 • Indiv/business contribution	
4010.01 • Gen/Misc Contribution	164,276.24
4010.03 • Candles	16,601.54
4010.04 • Offering	26,423.38
4010.05 • Candle Box	19,916.78
4010.07 • Christmas Appeal	23,235.00
4010.08 • Cemetery	22,000.00
Total 4010 • Indiv/business contribution	272,452.94
4070 • Legacies & bequests	
4070.01 • Estate Bequests	31,824.51
Total 4070 • Legacies & bequests	31,824.51
Total 4000 • Contributed support	304,277.45
5000 • Earned revenues	
5220 • Assessments & dues - OCA	-489.00
5320 • Dividends & Interest	
5320.01 • Dividends	369.31
5320.03 • Other Checking Accts. Interest	2.21
5320.04 • Building Fund Interest	65.24
5320.05 • CD Interest	13,325.15
Total 5320 • Dividends & Interest	13,761.91
Total 5000 • Earned revenues	13,272.91
Total Income	317,550.36
Expense	
7200 • Individual related expenses	
7240 • Individual benefits	
7240.01 • Health Insurance	41,379.57
7240.02 • Life Insurance	645.51
Total 7240 • Individual benefits	42,025.08
7260 • Medical Expences	1,719.00
Total 7200 • Individual related expenses	43,744.08
8100 • Non-personnel expenses	
8110 • Office Supplies	823.76
8130 • Telephone & telecommunications	1,183.57
8140 • Postage, shipping, delivery	1,158.67
8160 • Equip rental & maintenance	5,558.53
8170 • Printing & copying	952.36
Total 8100 • Non-personnel expenses	9,676.89
8200 • Occupancy expenses	
8210 • Food and Food Services	17,240.19
8220 • Utilities	
8220.01 • Electricity	22,770.24
8220.02 • Heating	20,597.17
8220.03 • Waste	2,119.15
Total 8220 • Utilities	45,486.56
8250 • Mortgage interest	20,031.81

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Cash Basis

St. Tikhon's Monastery
Profit & Loss
January through December 2006

	<u>Jan - Dec 06</u>
8290 · Building and Grounds	
8290.01 · Building Maintenance	11,888.47
8290.02 · Equipment Bldg & Grd	6,911.34
8290.03 · Auto	16,177.54
8290.04 · Fire Insurance	5,000.00
8290.06 · Cemetery	9,484.00
8290.07 · Improvements	23,993.01
8290.08 · Hardware	6,256.17
8290.09 · Property Tax	732.21
Total 8290 · Building and Grounds	<u>80,442.74</u>
Total 8200 · Occupancy expenses	163,201.30
8300 · Travel & meetings expenses	
8320 · Conference, convention, meeting	2,508.24
Total 8300 · Travel & meetings expenses	2,508.24
8500 · Misc expenses	
8510 · Interest expense - loans	47,751.10
8590 · Other expenses	
8590.01 · Candles	8,273.09
8590.02 · Church Supplies	1,996.00
8590.03 · Misc. Expenses	10,425.00
8590.04 · Flowers	2,238.73
Total 8590 · Other expenses	<u>22,932.82</u>
8500 · Misc expenses - Other	-19.00
Total 8500 · Misc expenses	<u>70,664.92</u>
Total Expense	<u>289,795.43</u>
Net Ordinary Income	<u>27,754.93</u>
Net Income	<u><u>27,754.93</u></u>

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Cash Basis

St. Tikhon's Monastery Profit & Loss January through December 2007

	Jan - Dec 07
Ordinary Income/Expense	
Income	
4000 · Contributed support	
4010 · Indiv/business contribution	
4010.01 · Gen/Misc Contribution	137,360.65
4010.03 · Candles	15,604.23
4010.04 · Offering	26,606.78
4010.05 · Candle Box	21,616.05
4010.07 · Christmas Appeal	6,270.00
4010.08 · Cemetery	18,350.00
4010.09 · Museum Fund	294.00
Total 4010 · Indiv/business contribution	226,101.71
4070 · Legacies & bequests	
4070.01 · Estate Bequests	43,659.35
Total 4070 · Legacies & bequests	43,659.35
Total 4000 · Contributed support	269,761.06
5000 · Earned revenues	
5220 · Assessments & dues - OCA	248.69
5320 · Dividends & Interest	
5320.01 · Dividends	185.68
5320.04 · Building Fund Interest	53.40
5320.05 · CD Interest	21,967.21
Total 5320 · Dividends & Interest	22,206.29
Total 5000 · Earned revenues	22,454.98
Total Income	292,216.04
Expense	
7200 · Individual related expenses	
7240 · Individual benefits	
7240.01 · Health Insurance	49,076.16
Total 7240 · Individual benefits	49,076.16
7260 · Medical Expenses	1,775.99
Total 7200 · Individual related expenses	50,852.15
8100 · Non-personnel expenses	
8110 · Office Supplies	5,239.39
8130 · Telephone & telecommunications	1,410.89
8160 · Equip rental & maintenance	3,800.98
8170 · Printing & copying	3,212.54
Total 8100 · Non-personnel expenses	13,663.80
8200 · Occupancy expenses	
8210 · Food and Food Services	26,564.37
8220 · Utilities	
8220.01 · Electricity	21,699.78
8220.02 · Heating	27,427.91
8220.03 · Waste	1,694.50
Total 8220 · Utilities	50,822.19
8250 · Mortgage interest	43,659.29

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Cash Basis

St. Tikhon's Monastery
Profit & Loss
January through December 2007

	Jan - Dec 07
8290 - Building and Grounds	
8290.01 - Building Maintenance	9,114.17
8290.02 - Equipment Bldg & Grd	381.85
8290.03 - Auto	22,432.09
8290.04 - Fire Insurance	8,168.38
8290.05 - Auto Insurance	3,784.50
8290.06 - Cemetery	1,189.00
8290.07 - Improvements	2,947.45
8290.08 - Hardware	6,856.28
8290.09 - Property Tax	1,272.84
8290.10 - Grounds Maintenance	2,843.76
Total 8290 - Building and Grounds	58,990.32
Total 8200 - Occupancy expenses	180,036.17
8300 - Travel & meetings expenses	
8310 - Travel	1,100.00
8320 - Conference, convention, meeting	1,484.64
Total 8300 - Travel & meetings expenses	2,584.64
8500 - Misc expenses	
8510 - Interest expense - loans	35,141.39
8590 - Other expenses	
8590.01 - Candles	10,268.25
8590.02 - Church Supplies	1,776.06
8590.03 - Misc. Expenses	265.23
8590.04 - Flowers	671.06
Total 8590 - Other expenses	12,980.60
Total 8500 - Misc expenses	48,121.99
Total Expense	295,258.75
Net Ordinary Income	-3,042.71
Other Income/Expense	
Other Income	
6800 - Unrealized gain (loss)	
6810 - Unrealized gain(loss) - investm	12,387.00
Total 6800 - Unrealized gain (loss)	12,387.00
Total Other Income	12,387.00
Net Other Income	12,387.00
Net Income	9,344.29

St. Tikhon's Orthodox Theological Seminary

1. Auditor's report for 2006
2. Statement of Financial Position for 2004, 2005, 2006
3. Statements of Activities for 2004, 2005, 2006
4. Statements of Cash Flows for 2004, 2005, 2006
5. Schedule of Expenses for 2004, 2005, 2006
6. Notes to Financial Statements for 2004, 2005, 2006
7. Auditor's report for 2007
8. Statement of Financial Position for 2007
9. Statements of Activities for 2007
10. Statements of Cash Flows for 2007
11. Schedule of Expenses for 2007
12. Notes to Financial Statements for 2007
13. Other Reports

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
St. Tikhon's Orthodox Theological Seminary

We have audited the accompanying statements of financial position of St. Tikhon's Orthodox Theological Seminary (a nonprofit organization) as of August 31, 2006, 2005 and 2004, and the related statements of activities and cash flows for the twelve months ended August 31, 2006, 2005 and 2004. These financial statements are the responsibility of the management of St. Tikhon's Orthodox Theological Seminary. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 overall accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying information presented on the schedule of expenses 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 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of St. Tikhon's Orthodox Theological Seminary as of August 31, 2006, 2005 and 2004, and the changes in its net assets and its cash flows for the twelve months ended August 31, 2006, 2005 and 2004 in conformity with accounting principles generally accepted in the United States of America.

October 30, 2006

Prociak & Associates, LLC

Prociak & Associates, L.L.C.
Wilkes-Barre, Pennsylvania

ST. TIKHON'S ORTHODOX THEOLOGICAL SEMINARY
STATEMENTS OF FINANCIAL POSITION
AUGUST 31, 2006, 2005 AND 2004

	<u>2006</u>	<u>2005</u>	<u>2004</u>
ASSETS			
Cash and cash equivalents	\$ 1,291,611	\$ 1,306,462	\$ 1,013,403
Accrued interest receivable	3,897	3,242	3,149
Tuition receivable	30,096	41,554	15,355
Prepaid expenses	12,025	10,413	-0-
Investments at fair market value	570,171	540,248	404,388
Property and equipment, net	<u>868,944</u>	<u>902,318</u>	<u>941,396</u>
Total assets	<u>\$ 2,776,744</u>	<u>\$ 2,804,237</u>	<u>\$ 2,377,691</u>
LIABILITIES AND NET ASSETS			
Liabilities			
Accounts payable	\$ 38,777	\$ 29,653	\$ 10,655
Accrued interest payable	754	557	411
General long term debt:			
Due within one year	105,475	105,097	52,874
Due after one year	<u>234,064</u>	<u>276,254</u>	<u>316,016</u>
Total liabilities	<u>379,070</u>	<u>411,561</u>	<u>379,956</u>
Net Assets			
Unrestricted	617,516	630,122	626,120
Temporarily Restricted	1,599,176	1,584,640	1,290,309
Permanently Restricted	<u>180,982</u>	<u>177,914</u>	<u>81,306</u>
Total net assets	<u>2,397,674</u>	<u>2,392,676</u>	<u>1,997,735</u>
Total liabilities and net assets	<u>\$ 2,776,744</u>	<u>\$ 2,804,237</u>	<u>\$ 2,377,691</u>

The accompanying notes are an integral part of these financial statements

ST. TIKHON'S ORTHODOX THEOLOGICAL SEMINARY
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED AUGUST 31, 2006, 2005 AND 2004

	-----Year ended August 31, 2006-----			-----Year ended August 31, 2005-----			-----Year ended August 31, 2004-----					
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES, GAINS AND OTHER SUPPORT:												
Tuition	\$ 227,747	\$ -	\$ -	\$ 227,747	\$ 242,928	\$ -	\$ -	\$ 242,928	\$ 204,859	\$ -	\$ -	\$ 204,859
Contributions	522,415	23,487	-	545,902	602,525	279,470	100,724	982,719	447,373	31,304	-	478,677
Contributed services	92,600	-	-	92,600	106,000	-	-	106,000	68,900	-	-	68,900
Bequests	22,325	-	-	22,325	7,500	-	-	7,500	90,000	-	-	90,000
Seminary Choir	29,032	-	-	29,032	20,610	-	-	20,610	18,450	-	-	18,450
Auxiliary fundraising	100	-	-	100	5,413	-	-	5,413	17,433	-	-	17,433
Miscellaneous income	1,239	-	-	1,239	972	-	-	972	2,151	-	-	2,151
Interest and dividends	52,141	-	-	52,141	11,059	31,042	-	42,101	8,912	30,593	-	39,505
Realized gains (losses)	-	588	-	4,971	-	266	-	1,756	-	5,486	-	5,486
Unrealized gains (losses)	-	(8,759)	-	(9,538)	-	11,663	(5,445)	6,218	-	12,535	11,193	23,728
Less income credited as scholarships to tuition	(16,757)	-	-	(16,757)	(38,779)	-	-	(38,779)	(29,677)	-	-	(29,677)
Net assets released from restrictions	480	(480)	-	-	27,720	(27,720)	-	-	20,764	(20,764)	-	-
Total revenues, gains and other support	931,322	14,836	3,604	949,762	985,948	294,721	96,769	1,377,438	849,165	59,154	11,193	919,512
EXPENSES:												
Instruction	330,226	-	-	330,226	361,858	-	-	361,858	288,795	-	-	288,795
Library	10,882	-	-	10,882	8,573	-	-	8,573	10,224	-	-	10,224
Student services	18,701	-	-	18,701	22,540	-	-	22,540	23,383	-	-	23,383
Administrative	370,809	-	-	370,809	389,346	-	-	389,346	353,508	-	-	353,508
Marketing/fundraising	24,490	-	-	24,490	8,190	-	-	8,190	20,043	-	-	20,043
Operations and maintenance	188,820	-	-	188,820	191,439	-	-	191,439	159,462	-	-	159,462
Investment account fees	-	300	536	836	-	390	161	551	-	360	-	360
Total expenses	943,928	300	536	944,764	981,946	390	161	982,497	855,415	360	-	855,775
Change in net assets	(12,606)	14,536	3,068	4,998	4,002	294,331	96,608	394,941	(6,250)	58,794	11,193	63,737
Net assets - beginning of year	630,122	1,584,640	177,914	2,392,676	626,120	1,290,309	81,306	1,997,735	632,370	1,231,515	70,113	1,933,998
Net assets - end of year	\$ 617,516	\$ 1,599,176	\$ 180,982	\$ 2,397,674	\$ 630,122	\$ 1,584,640	\$ 177,914	\$ 2,392,676	\$ 626,120	\$ 1,290,309	\$ 81,306	\$ 1,997,735

The accompanying notes are an integral part of these financial statements

ST. TIKHON'S ORTHODOX THEOLOGICAL SEMINARY
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED AUGUST 31, 2006, 2005 AND 2004

	<u>Year ended August 31,</u>		
	<u>2006</u>	<u>2005</u>	<u>2004</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Increase in net assets	\$ 4,998	\$ 394,941	\$ 63,737
Adjustments to reconcile change in net assets to net cash provided by operating activities:			
Depreciation	45,140	44,076	43,138
Net realized and unrealized gains/losses on investments	4,567	(7,974)	(29,214)
Changes in operating assets and liabilities:			
Accrued interest receivable	(655)	(93)	784
Tuition receivable	11,458	(26,199)	(6,898)
Prepaid expenses	(1,612)	(10,413)	1,897
Accounts payable	9,124	18,998	(5)
Accrued interest payable	197	146	(386)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>73,217</u>	<u>413,482</u>	<u>73,053</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property and equipment	(11,766)	(4,998)	(18,657)
Purchase of investments, net	<u>(34,490)</u>	<u>(127,886)</u>	<u>(27,157)</u>
NET CASH (USED) BY INVESTING ACTIVITIES	<u>(46,256)</u>	<u>(132,884)</u>	<u>(45,814)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Funds borrowed	-0-	50,000	-0-
Principal payments	<u>(41,812)</u>	<u>(37,539)</u>	<u>(37,241)</u>
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	<u>(41,812)</u>	<u>12,461</u>	<u>(37,241)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(14,851)	293,059	(10,002)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>1,306,462</u>	<u>1,013,403</u>	<u>1,023,405</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 1,291,611</u>	<u>\$ 1,306,462</u>	<u>\$ 1,013,403</u>

The accompanying notes are an integral part of these financial statements

ST. TIKHON'S ORTHODOX THEOLOGICAL SEMINARY
SCHEDULE OF EXPENSES
FOR THE YEARS ENDED AUGUST 31, 2006, 2005 AND 2004

	Fiscal year ended August 31,		
	2006	2005	2004
Instruction:			
Faculty wages	\$ 135,379	\$ 142,856	\$ 133,727
Payroll taxes	10,357	10,928	10,230
Pension	12,726	12,584	12,020
Employee benefits	44,599	58,725	44,553
Part time faculty	34,565	30,765	19,365
Donated services	92,600	106,000	68,900
Total instruction	<u>330,226</u>	<u>361,858</u>	<u>288,795</u>
Library	<u>10,882</u>	<u>8,573</u>	<u>10,224</u>
Student services	<u>18,701</u>	<u>22,540</u>	<u>23,383</u>
Administrative			
Automobile and travel	29,590	23,341	28,376
Conferences and training	3,138	4,440	10,863
Interest expense	5,132	971	297
Dues and subscriptions	2,739	2,707	2,482
Equipment lease	2,752	2,072	4,060
Office supplies	12,414	13,002	14,816
Professional fees	2,159	2,889	3,773
Staff wages	217,962	229,897	199,147
Payroll taxes	16,674	17,587	15,235
Pension	24,716	26,510	23,430
Employee benefits	53,533	65,930	51,029
Total administrative	<u>370,809</u>	<u>389,346</u>	<u>353,508</u>
Marketing	<u>24,490</u>	<u>8,190</u>	<u>20,043</u>
Operations and maintenance:			
Gas, electric and fuel	60,518	61,179	52,436
Telephone	9,555	10,004	9,537
Trash removal	4,196	3,135	2,886
Depreciation	45,140	44,076	43,138
Insurance	35,677	12,866	13,858
Mortgage interest	19,237	21,083	22,729
Repairs and maintenance	13,819	38,936	14,496
Taxes	678	160	382
Total operations and maintenance	<u>188,820</u>	<u>191,439</u>	<u>159,462</u>
Investment account fees	<u>836</u>	<u>551</u>	<u>360</u>
Total expenses	<u>\$ 944,764</u>	<u>\$ 982,497</u>	<u>\$ 855,775</u>

The accompanying notes are an integral part of these financial statements

ST. TIKHON'S ORTHODOX THEOLOGICAL SEMINARY
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2006, 2005 AND 2004

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

St. Tikhon's Orthodox Theological Seminary (the Seminary) was founded in 1938 as a Pastoral School by resolution of the 6th All-American Sobor of the Russian Orthodox Greek Catholic Church in North America and was officially transformed from a Pastoral School into a Seminary by the Holy Synod of the Metropolia in 1942.

The Seminary is an institution of professional Orthodox Christian theological education, chartered by the Department of Education of the Commonwealth of Pennsylvania and affiliated with the Orthodox Church in America. The primary mission of the Seminary lies in providing the necessary theological, liturgical, spiritual and moral foundations for Orthodox men to become, as God so wills, good shepherds of His Holy Orthodox Church.

Financial Statement Presentation

The Seminary reports information regarding its financial position and activities according to three classes of net assets as determined by donor-imposed restrictions: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets, liabilities, revenues, expenses and the disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Cash Equivalents

The Seminary considers short-term, highly liquid bank deposits with original maturities of twelve months or less to be cash equivalents. For the purpose of presenting the statement of cash flows, the Seminary excludes "restricted cash".

Receivables

The Seminary records tuition receivable. There is no provision for doubtful accounts as scholarships from donors are used to offset any amount uncollectible.

Investments

The Seminary reports investments in equity securities, including mutual funds, at market value. Increases or decreases in the market value are reflected currently in the statement of activities.

ST. TIKHON'S ORTHODOX THEOLOGICAL SEMINARY
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2006, 2005 AND 2004

Property and Equipment

Property and equipment are stated at cost. Contributed property is stated at fair market value on the date of the contribution. Repairs and maintenance are expensed as incurred, whereas major purchases are capitalized.

Depreciation has been calculated and provided over the estimated useful lives of the respective assets on a straight-line basis. Estimated useful lives are summarized as follows:

	<u>Estimated Useful Lives</u>
Buildings and Improvements	20 – 50 years
Furniture and equipment	5 – 20 years

Contributions and Donor Restrictions

The Seminary reports contributions of cash or other assets as restricted support, thereby increasing temporarily restricted net assets, if they are received with donor stipulations that limit, specify or otherwise restrict the use of such contributions. When a donor restriction expires, either by use of the funds for the specified purpose or by the expiration of a time restriction, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Endowment funds established by donor restrictions to permanently maintain the principal, while allowing the use of income generated therefrom, are classified as permanently restricted net assets. Income derived from the investment of endowment funds (interest and dividends) is reported as unrestricted revenue or as temporarily restricted revenue depending on the terms of the donor instrument.

Contributed Services

The Seminary recognizes contributions of services received as support in the statement of activities with an equal amount recognized as expense if the services provided require special skills and would need to be purchased by the Seminary if not contributed.

Income Tax

The Seminary was granted exemption from Federal Income Tax under section 501(c) (3) of the Internal Revenue Code effective February 1948. Accordingly, no provision for income taxes is included in these financial statements.

ST. TIKHON'S ORTHODOX THEOLOGICAL SEMINARY
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2006, 2005 AND 2004

NOTE 2: PROPERTY AND EQUIPMENT

August 31:	<u>2006</u>	<u>2005</u>	<u>2004</u>
Land	\$70,601	\$70,601	\$70,601
Buildings and improvements	1,427,708	1,421,448	1,421,448
Furniture	87,230	87,230	87,230
Equipment	<u>62,865</u>	<u>57,359</u>	<u>52,361</u>
	1,648,404	1,636,638	1,631,640
Less accumulated provisions for depreciation	<u>779,460</u>	<u>734,320</u>	<u>690,244</u>
	<u>\$868,944</u>	<u>\$902,318</u>	<u>\$941,396</u>

NOTE 3: EMPLOYEE PENSION PLAN

The Seminary participates in The Orthodox Church in America Pension Plan. The plan covers all Bishops and Priests and all full time lay persons electing to be covered by the plan. The plan is a defined benefit plan, which requires a mandatory 12% contribution on behalf of all participating members. The vesting schedule is as follows:

<u>Years of Service</u>	<u>Vested Percentage</u>
5	10%
6	20%
7	30%
8	40%
9	50%
10	60%
11	70%
12	80%
13	90%
14 or more	100%

Pension expense was \$37,442, \$39,094 and \$35,450 for the fiscal years ending August 31, 2006, 2005 and 2004, respectively.

The plan administrator is the Pension Board comprised of not less than three (3) persons appointed by the Church. A valuation of the plan is required at least once every three years by an enrolled actuary as defined under the Employee Retirement Income Security Act (ERISA) to determine the contributions needed to maintain the plan on a sound actuarial basis. The contributions needed to support the plan shall be changed from time to time based upon the results of these valuations.

ST. TIKHON'S ORTHODOX THEOLOGICAL SEMINARY
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2006, 2005 AND 2004

NOTE 4: CONTRIBUTED SERVICES

For the years ended August 31, 2006, 2005 and 2004, the Seminary recorded contributions in the amount of \$92,600, \$106,000 and \$68,900, respectively, for the services performed by priests in the classroom as part-time uncompensated faculty. These amounts represent the estimated compensation that would have to be paid to a faculty member providing services for compensation at the Seminary's pay scale in effect for each respective year.

NOTE 5: RESTRICTED NET ASSETS

Temporarily restricted net assets at August 31 consist of the following:

	<u>2006</u>	<u>2005</u>	<u>2004</u>
Restricted for:			
Building and renovations	\$ 10,769	\$ 10,305	\$ 9,861
Development	70,329	67,590	65,082
Emergency	6,168	6,018	5,938
Scholarships	1,118,592	1,122,178	890,204
General endowments	<u>393,318</u>	<u>379,232</u>	<u>319,224</u>
	<u>\$1,599,176</u>	<u>\$1,584,640</u>	<u>\$1,290,309</u>

Permanently restricted net assets at August 31 are restricted to investment in perpetuity, the income from which is expendable to support:

	<u>2006</u>	<u>2005</u>	<u>2004</u>
Scholarships	\$ 71,589	\$ 75,963	\$81,306
General endowments	<u>109,393</u>	<u>101,951</u>	<u>-0-</u>
	<u>\$180,982</u>	<u>\$177,914</u>	<u>\$81,306</u>

During the years ended August 31, net assets were released from donor restrictions by incurring expenses as follows:

	<u>2006</u>	<u>2005</u>	<u>2004</u>
Scholarships	<u>\$ 480</u>	<u>\$27,720</u>	<u>\$20,764</u>

NOTE 6: FINANCIAL INSTRUMENTS AND CONCENTRATIONS OF CREDIT RISK

The Seminary's financial instruments that potentially subject it to concentrations of credit risk consist of cash and investments

The Seminary maintains its cash accounts in high quality financial institutions. At times, the amounts on deposit at any institution are in excess of insured limits. The excess is approximated as follows:

August 31, 2006	\$723,500
August 31, 2005	\$609,000
August 31, 2004	\$438,000

ST. TIKHON'S ORTHODOX THEOLOGICAL SEMINARY
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2006, 2005 AND 2004

NOTE 7: INVESTMENTS

Investment return is summarized as follows:

	<u>2006</u>	<u>2005</u>	<u>2004</u>
Cost	\$722,245.	\$682,928.	\$553,142.
Fair market value	<u>570,171.</u>	<u>540,248.</u>	<u>404,388.</u>
(Shortage) of fair value (under)			
cost	<u>\$(152,074)</u>	<u>\$(142,680)</u>	<u>\$(148,754)</u>
Interest and dividend income	\$10,599.	\$10,190.	\$9,819.
Realized gains on investments	4,971.	1,756.	5,486.
Investment fees	<u>(836)</u>	<u>(551)</u>	<u>(360)</u>
Net income	<u>\$14,734.</u>	<u>\$11,395.</u>	<u>\$14,945.</u>

Investments recorded at fair market value are comprised of the following:

	Cost	Fair market value
Mutual funds	\$203,433	\$203,313
Corporate bonds	54,611	54,510
Common stock	<u>464,201</u>	<u>312,348</u>
	<u>\$722,245</u>	<u>\$570,171</u>

NOTE 8: LONG TERM DEBT

A summary of long-term debt is as follows:

Mortgage payable to Community Bank & Trust, payable in monthly installments of \$4,804 principal and interest at 6% with final payment due April 2012, secured by a first lien mortgage on Leonty Dormitory on the campus of the Seminary.

Line of credit payable to Community Bank NA, secured by a \$200,000 certificate of deposit held by the bank, \$200,000 limit at prime. Minimum monthly payment of accrued interest and payable on demand.

Line of credit payable to The Honesdale National Bank, secured by a \$100,000 certificate of deposit held by the bank, \$50,000 limit at prime - .5%. Minimum monthly payment of accrued interest and payable on demand.

ST. TIKHON'S ORTHODOX THEOLOGICAL SEMINARY
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2006, 2005 AND 2004

	Community Bank & Trust	Community Bank NA	Honesdale National Bank	Total
Balance at August 31, 2003	\$ 388,717	\$ 17,413	\$ -0-	\$ 406,130
Principal payments in 03/04	<u>35,241</u>	<u>2,000</u>	<u>-0-</u>	<u>37,241</u>
Balance at August 31, 2004	353,477	15,413	-0-	368,889
Principal payments in 04/05	37,461	78	-0-	37,539
New loan proceeds in 04/05	<u>-0-</u>	<u>-0-</u>	<u>50,000</u>	<u>50,000</u>
Balance at August 31, 2005	316,016	15,335	50,000	381,351
Principal payments in 05/06	<u>39,762</u>	<u>-0-</u>	<u>2,050</u>	<u>41,812</u>
Balance at August 31, 2006	<u>\$ 276,254</u>	<u>\$ 15,335</u>	<u>\$ 47,950</u>	<u>339,539</u>
Less: current portion				<u>105,474</u>
Long-term debt				<u>\$ 234,065</u>

Principal maturities of long-term debt and annual payments including interest to amortize all long term debt are as follows:

<u>Year ending August 31,</u>	<u>Principal</u>	<u>Principal and interest</u>	<u>Interest portion</u>
2007	\$105,474	\$120,929	\$15,455
2008	44,796	57,644	12,848
2009	47,564	57,644	10,080
2010	50,503	57,644	7,141
2011	53,623	57,644	4,020
2012	<u>37,579</u>	<u>38,429</u>	<u>852</u>
	<u>\$ 339,539</u>	<u>\$ 389,934</u>	<u>\$ 50,396</u>

NOTE 9: COMMITMENTS

The Seminary participates in non-cancelable operating leases for equipment and automobiles. Future minimum payments under the operating leases as of August 31, 2006 are as follows:

<u>Fiscal year ending:</u>	<u>Amount</u>
August 31, 2007	\$ 5,230
August 31, 2008	5,100
August 31, 2009	1,509
August 31, 2010	<u>197</u>
	<u>\$ 12,036</u>

INDEPENDENT AUDITORS' REPORT

Board of Trustees
St. Tikhon's Orthodox Theological Seminary:

We have audited the accompanying statement of financial position of St. Tikhon's Orthodox Theological Seminary (the "Seminary") as of August 31, 2007, and the related statements of activities, changes in net assets, and cash flows for the year then ended. These financial statements are the responsibility of the Seminary's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of St. Tikhon's Orthodox Theological Seminary as of August 31, 2007, and the changes in its net assets and its cash flows for the year then ended.

As disclosed in Note 11 to the financial statements, the Seminary restated its 2006 financial statements to account for the classification of donor contributions 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 accompanying additional information on page 15 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.

Parente Randolph, LLC

Scranton, Pennsylvania
October 31, 2007

ST. TIKHON'S ORTHODOX THEOLOGICAL SEMINARY

STATEMENT OF FINANCIAL POSITION
AUGUST 31, 2007

ASSETS

CURRENT ASSETS:

Cash and cash equivalents	\$1,487,275
Tuition receivable	29,731
Prepaid expenses	<u>20,208</u>

Total current assets 1,537,214

PROPERTY AND EQUIPMENT, Net 830,899

INVESTMENTS 659,361

TOTAL \$3,027,474

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Demand note payable, bank	\$ 18,457
Current portion of long-term debt	44,795
Accounts payable	7,747
Deferred revenue	<u>63,728</u>

Total current liabilities 134,727

LONG-TERM DEBT 189,239

Total liabilities 323,966

NET ASSETS:

Unrestricted:	
Undesignated	686,204
Board designated	<u>461,161</u>

Total unrestricted 1,147,365

Temporarily restricted 153,990

Permanently restricted 1,402,153

Total net assets 2,703,508

TOTAL \$3,027,474

See Notes to Financial Statements

ST. TIKHON'S ORTHODOX THEOLOGICAL SEMINARY

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2007**

**CHANGES IN UNRESTRICTED NET ASSETS
SUPPORT AND REVENUE:**

Revenue:

Contributions	\$ 820,301
Tuition	224,572
Contributed services	88,800
Bequests	49,561
Investment income	77,056
Seminary choir	24,963
Miscellaneous	<u>11,539</u>

Total support and revenue 1,296,792

EXPENSES:

Instructional	514,692
Administrative	277,247
Operations	173,926
Marketing	30,616
Student services	19,450
Library	14,080
Other	<u>3,640</u>

Total expenses 1,033,651

INCREASE IN UNRESTRICTED NET ASSETS 263,141

CHANGE IN TEMPORARILY RESTRICTED NET ASSETS,
Investment income 34,709

CHANGE IN PERMANENTLY RESTRICTED NET ASSETS,
Investment income 7,984

INCREASE IN NET ASSETS \$ 305,834

See Notes to Financial Statements

ST. TIKHON'S ORTHODOX THEOLOGICAL SEMINARY

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED AUGUST 31, 2007

	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTAL
NET ASSETS, AUGUST 31, 2006 AS PREVIOUSLY REPORTED	\$ 617,516	\$ 1,599,176	\$ 180,982	\$ 2,397,674
RESTATEMENT	<u>266,708</u>	<u>(1,479,895)</u>	<u>1,213,187</u>	<u>-</u>
NET ASSETS, AUGUST 31, 2006, AS RESTATED	884,224	119,281	1,394,169	2,397,674
INCREASE IN UNRESTRICTED NET ASSETS	263,141			263,141
INVESTMENT INCOME	<u>-</u>	<u>34,709</u>	<u>7,984</u>	<u>42,693</u>
CHANGES IN NET ASSETS	<u>263,141</u>	<u>34,709</u>	<u>7,984</u>	<u>305,834</u>
NET ASSETS, AUGUST 31, 2007	<u>\$ 1,147,365</u>	<u>\$ 153,990</u>	<u>\$ 1,402,153</u>	<u>\$ 2,703,508</u>

See Notes to Financial Statements

ST. TIKHON'S ORTHODOX THEOLOGICAL SEMINARY

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED AUGUST 31, 2007**

CASH FLOWS FROM OPERATING ACTIVITIES:

Increase in net assets	\$ 305,834
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	43,730
Net realized and unrealized gains on investments	(19,384)
Changes in assets and liabilities:	
Interest receivable	3,897
Tuition receivable	365
Prepaid expenses	(8,183)
Accounts payable	(31,030)
Interest payable	(754)
Deferred revenue	63,728

Net cash provided by operating activities 358,203

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of investments	(289,822)
Proceeds from sale of investments	220,016
Purchase of property and equipment	<u>(5,685)</u>

Cash used in investing activities (75,491)

CASH FLOWS FROM FINANCING ACTIVITIES:

Repayment of demand notes payable	(44,829)
Repayment of long-term debt	<u>(42,219)</u>

Net cash used in financing activities (87,048)

NET INCREASE IN CASH AND CASH EQUIVALENTS 195,664

CASH AND CASH EQUIVALENTS, BEGINNING 1,291,611

CASH AND CASH EQUIVALENTS, ENDING \$1,487,275

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION,

Interest paid \$ 18,439

See Notes to Financial Statements

ST. TIKHON'S ORTHODOX THEOLOGICAL SEMINARY

**SCHEDULE OF EXPENSES
FOR THE YEAR ENDED AUGUST 31, 2007**

INSTRUCTION:

Faculty wages	\$ 271,580
Donated services	88,800
Employee benefits	87,394
Pension	24,442
Payroll taxes	21,726
Travel	20,750

Total instruction \$ 514,692

ADMINISTRATIVE:

Staff wages	\$ 127,801
Employee benefits	33,266
Professional fees	25,462
Office supplies	21,685
Automobile	19,704
Interest	16,704
Pension	14,151
Payroll taxes	9,014
Conferences	5,859
Equipment lease	1,809
Dues and subscriptions	1,792

Total administrative \$ 277,247

OPERATIONS:

Utilities	\$ 68,781
Depreciation	43,730
Insurance	27,938
Repairs and maintenance	15,811
Telephone	9,139
Trash removal	7,222
Interest	981
Real estate taxes	324

Total operations \$ 173,926

See Notes to Financial Statements

ST. TIKHON'S ORTHODOX THEOLOGICAL SEMINARY

NOTES TO FINANCIAL STATEMENTS

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF OPERATIONS

St. Tikhon's Orthodox Theological Seminary (the "Seminary") was founded in 1938 as a Pastoral School by resolution of the 6th All-American Sobor of the Russian Orthodox Greek Catholic Church in North America and was officially transformed from a Pastoral School into a Seminary by the Holy Synod of the Metropolis in 1942.

The Seminary is an institution of professional Orthodox Christian theological education, chartered by the Department of Education of the Commonwealth of Pennsylvania and affiliated with the Orthodox Church in America. The primary mission of the Seminary lies in providing the necessary theological, liturgical, spiritual, and moral foundations for Orthodox men to become, as God so wills, good shepherds of His Holy Orthodox Church.

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include certain investments in highly liquid debt instruments with a maturity of three months or less when purchased.

TUITION RECEIVABLE

Tuition receivable is reported at net realizable value. There is no provision for doubtful accounts as management believes all amounts are collectible.

ST. TIKHON'S ORTHODOX THEOLOGICAL SEMINARY
NOTES TO FINANCIAL STATEMENTS

INVESTMENTS AND INVESTMENT RISK

Investments in marketable equity securities are valued at fair value based upon quoted market prices of the underlying securities. The carrying amount of cash and short-term investments approximates fair value.

Investment income or loss (including realized gains and losses on investments, unrealized gains or losses on other than trading securities, write-downs of the cost basis of investments due to an other-than-temporary decline in fair value, interest, and dividends) is included in the statement of activities unless the income or loss is restricted by donor or law.

The Seminary's investments are comprised of a variety of financial instruments and are managed by investment advisors. The fair values reported in the statement of financial position are subject to various risks including changes in the equity markets, the interest rate environment, and general economic conditions. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the fair value of investment securities, it is reasonably possible that the amounts reported in the accompanying financial statements could change materially in the near future.

PROPERTY AND EQUIPMENT

Property and equipment acquisitions are recorded at cost. Depreciation is computed using the straight-line method based on the estimated useful life of each classification of depreciable asset. Depreciation was \$43,730 in 2007.

Gifts of long-lived assets such as land, buildings or equipment are reported as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

DEFERRED REVENUE

Tuition received in advance of the ensuring school year is recorded as deferred revenue until earned.

ST. TIKHON'S ORTHODOX THEOLOGICAL SEMINARY
NOTES TO FINANCIAL STATEMENTS

TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS

Temporarily restricted net assets are those whose use by the Seminary has been limited by donors to a specific time period or purpose. Income earned is unrestricted in use, except for amounts designated to be expended for a particular purpose.

Permanently restricted net assets have been restricted by donors to be maintained by the Seminary in perpetuity. Income earned is unrestricted in use, except for amounts designated to be expended for a particular purpose.

CONTRIBUTED SERVICES

For the year ended August 31, 2007, the Seminary recorded contributions in the amount of \$88,800, for the services performed by priests in the classroom as part-time uncompensated faculty. These amounts represent the estimated compensation that would have to be paid to a faculty member providing services for compensation at the Seminary's pay scale in effect for that year.

DONOR-RESTRICTED GIFTS

Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of operations as net assets released from restrictions.

INCOME TAXES

The Seminary is a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal income taxes on their exempt income under Section 501(a) of the Code.

ST. TIKHON'S ORTHODOX THEOLOGICAL SEMINARY
NOTES TO FINANCIAL STATEMENTS

2. PROPERTY AND EQUIPMENT AND ACCUMULATED DEPRECIATION

Property and equipment and accumulated depreciation as of August 31 are as follows:

Land	\$ 70,601
Buildings and improvements	1,427,708
Furniture	87,230
Equipment	<u>68,550</u>
Total	1,654,089
Less accumulated provisions for depreciation	<u>823,190</u>
Property and equipment, net	<u>\$ 830,899</u>

3. INVESTMENTS

The composition of investments is as follows at August 31:

Money market	\$118,381
Marketable equity securities	<u>540,980</u>
Total	<u>\$659,361</u>

Investment income for cash and cash equivalents and investments is comprised of the following for the year ended August 31:

Interest and dividend income	\$ 100,365
Change in unrealized gains	20,809
Net realized loss on sales of investments	<u>(1,425)</u>
Total	<u>\$119,749</u>

ST. TIKHON'S ORTHODOX THEOLOGICAL SEMINARY
NOTES TO FINANCIAL STATEMENTS

4. DEMAND NOTES PAYABLE, BANK

The Seminary has available for working capital purposes a \$50,000 line of credit from a bank. Borrowings are secured by a \$100,000 certificate of deposit held by the bank. Interest is payable at the bank's prime rate, minus .5% (7.75% at August 31, 2007). This credit facility matures February 2008. The outstanding balance was \$18,457 at August 31, 2007.

5. LONG-TERM DEBT

Long-term debt consists of the following at August 31:

Mortgage payable, with interest at 6%. Monthly principal and interest payments of \$4,804 are due through April 2012, collateralized by a first lien on the building	\$234,034
Less current portion	<u>44,795</u>
Long-term debt	<u>\$189,239</u>

Scheduled principal repayments for periods subsequent to August 31, 2007 are as follows:

<u>YEARS ENDING AUGUST 31</u>	<u>AMOUNT</u>
2008	\$ 44,795
2009	47,563
2010	50,502
2011	53,623
2012	<u>37,551</u>
Total	<u>\$234,034</u>

ST. TIKHON'S ORTHODOX THEOLOGICAL SEMINARY
NOTES TO FINANCIAL STATEMENTS

6. PENSION PLAN

The Seminary participates in the Orthodox Church in America Pension Plan. The plan covers all Bishops and Priests and all full-time lay persons electing to be covered by the plan. The plan is a defined benefit plan, which requires a mandatory 12% contribution on behalf of all participating members. The vesting schedule is as follows:

<u>YEARS OF SERVICE</u>	<u>VESTED PERCENTAGE</u>
5	10%
6	20%
7	30%
8	40%
9	50%
10	60%
11	70%
12	80%
13	90%
14 or more	100%

Pension expense was \$38,593 for the fiscal year ending August 31, 2007.

The Plan administrator is the Pension Board comprised of not less than three (3) persons appointed by the Church. A valuation of the plan is required at least once every three years by an enrolled actuary as defined under the Employee Retirement Income Security Act ("ERISA") to determine the contributions needed to maintain the plan on a sound actuarial basis. The contributions needed to support the plan shall be changed from time to time based upon the results of these valuations.

7. TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS

Temporarily restricted net assets at August 31 consist of the following:

Restricted for:	
Scholarships	\$58,713
General endowments	<u>95,277</u>
Total	<u>\$153,990</u>

ST. TIKHON'S ORTHODOX THEOLOGICAL SEMINARY
NOTES TO FINANCIAL STATEMENTS

Permanently restricted net assets at August 31 consist of the following:

Scholarships	\$774,934
General endowments	<u>627,219</u>
Total	<u>\$1,402,153</u>

8. FUNCTIONAL EXPENSES

The Seminary provides theological teachings to individuals within its geographic location. Expenses related to providing these services for 2007 are as follows (in thousands):

Programs services	\$ 982
General and administrative	42
Fundraising	<u>10</u>
Total	<u>\$1,034</u>

9. COMMITMENTS

The Seminary participates in non-cancelable operating leases for equipment and automobiles. Future minimum payments under the operating leases as of August 31, 2007 are as follows:

FISCAL YEAR ENDING AUGUST 31

2008	\$5,100
2009	1,509
2010	<u>197</u>
Total	<u>\$6,806</u>

ST. TIKHON'S ORTHODOX THEOLOGICAL SEMINARY
NOTES TO FINANCIAL STATEMENTS

10. CONTINGENCIES

The Seminary is periodically involved in certain litigation arising from its ordinary operations. In the opinion of management, the ultimate outcome of these matters is not likely to have a material adverse effect on the Seminary's financial position.

As a not-for-profit corporation in the Commonwealth of Pennsylvania, the Seminary qualifies for an exemption from real property taxes; however, a number of cities, municipalities, and school districts in the Commonwealth of Pennsylvania have started and continue to challenge the real estate tax exemption of not-for-profit corporations. The possible future effects of this matter, if any, are not presently determinable.

The Seminary maintains its cash and investment primarily with financial institutions. The Federal Deposit Insurance Corporation insures accounts to \$100,000 at each institution. The Seminary generally has cash on deposit in excess of insured amounts.

11. RESTATEMENT

The Seminary restated its 2006 financial statements to present its net assets at August 31, 2006 in accordance with the terms of contributions received from various donors in previous years. The effect of the restatement was to increase unrestricted net assets by \$266,708, decrease temporarily restricted net assets by \$1,479,895, and increase permanently restricted net assets by \$1,213,187 at August 31, 2006. The restatement had no other effect on the change in net assets for 2006.

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Transfer to account: DDA 0001-----
Transfer amount: \$100,000.00
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PARENTERANDOLPH

The Power of Ideas

Board of Directors
St. Tikhon's Orthodox Theological Seminary

We have audited the financial statements of St. Tikhon's Orthodox Theological Seminary (the "Seminary") for the year ended August 31, 2007, and have issued our report thereon dated October 31, 2007. Professional standards require that we provide you with the following information related to our audit.

OUR RESPONSIBILITY UNDER AUDITING STANDARDS GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA

As stated in our engagement letter dated September 21, 2007, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement and are fairly presented in accordance with U.S. generally accepted accounting principles. Because an audit is designed to provide reasonable, but not absolute, assurance and because we did not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us.

As part of our audit, we considered the internal control of the Seminary. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

SIGNIFICANT ACCOUNTING POLICIES

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Seminary are described in Note 1 to the financial statements. As described in Note 11 to the financial statements, the Seminary restated its 2006 financial statements to properly account for the classification of donor contributions, in conformity with accounting principles generally accepted in the United States of America. We noted no transactions entered into by the Seminary during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

ACCOUNTING ESTIMATES

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements are management's estimates of the allowance for uncollectible accounts receivable, which is based on analysis of the collectibility of individual accounts. We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

AUDIT ADJUSTMENTS

For purposes of this letter, professional standards define an audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures. An audit adjustment may or may not indicate matters that could have a significant effect on the Seminary's financial reporting process (that is, cause future financial statements to be materially misstated). In our judgment, none of the adjustments we proposed, whether recorded or unrecorded by the Seminary, either individually or in the aggregate, indicate matters that could have a significant effect on the Seminary's financial reporting process.

DISAGREEMENTS WITH MANAGEMENT

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

CONSULTATIONS WITH OTHER INDEPENDENT ACCOUNTANTS

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Seminary's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

ISSUES DISCUSSED PRIOR TO RETENTION OF INDEPENDENT AUDITORS

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Seminary's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

DIFFICULTIES ENCOUNTERED IN PERFORMING THE AUDIT

We encountered no difficulties in dealing with management in performing and completing our audit.

This information is intended solely for the use of the Board of Directors, management and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

Parente Randolph, LLC

Scranton, Pennsylvania
October 31, 2007

St. Vladimir's Orthodox Theological Seminary

1. Financial Statements and Supplemental Information for 2005
2. Financial Statements and Supplemental Information for 2006
3. Financial Statements and Supplemental Information for 2007

**ST. VLADIMIR'S ORTHODOX
THEOLOGICAL SEMINARY**

**FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION**

For the Year Ended
June 30, 2005

ST. VLADIMIR'S ORTHODOX THEOLOGICAL SEMINARY

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Lambrides

LAMOS, MOULTHROP LLP
Certified Public Accountants and Consultants

Board of Trustees
St. Vladimir's Orthodox Theological Seminary
Crestwood, New York

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying statement of financial position of St. Vladimir's Orthodox Theological Seminary as of June 30, 2005 and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Seminary's management. 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 June 30, 2004 financial statements and, in our report dated November 1, 2004, we expressed an unqualified opinion on those financial statements.

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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of St. Vladimir's Orthodox Theological Seminary as of June 30, 2005 and the results of its operations 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 made 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.

Montclair, NJ
September 20, 2005

Lambrides, Lamos, Moulthrop, LLP

ST. VLADIMIR'S ORTHODOX THEOLOGICAL SEMINARY

**STATEMENT OF FINANCIAL POSITION
JUNE 30, 2005
WITH SUMMARIZED FINANCIAL INFORMATION
AS OF JUNE 30, 2004**

	<u>2005</u>	<u>2004</u>
ASSETS		
Cash and cash equivalents	\$ 368,145	\$ 48,500
Accounts receivable (less allowance for doubtful accounts of \$61,977 in 2005 and \$43,181 in 2004)	241,009	225,608
Pledges receivable	959,057	908,052
Prepaid expenses and security deposits	24,380	36,263
Inventory	756,437	605,695
Investments	13,627,491	13,706,862
Investment in property	122,122	100,000
Cash surrender value of life insurance	108,016	99,157
Land, building and equipment (at cost less accumulated depreciation of \$4,872,285 in 2005 and \$4,370,292 in 2004)	<u>15,408,783</u>	<u>12,651,408</u>
Total assets	<u>\$ 31,615,440</u>	<u>\$ 28,381,545</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	\$ 557,507	\$ 88,255
Deferred revenue	17,249	19,682
Mortgages payable	2,946,601	417,687
Annuity and life trust payable	<u>219,403</u>	<u>219,403</u>
Total liabilities	<u>3,740,760</u>	<u>745,027</u>
Net Assets:		
Unrestricted:		
Net investment in land, building and equipment	\$ 11,502,691	\$ 11,900,066
Board designated long-term investments	5,180,356	5,234,031
Undesignated	<u>1,050,824</u>	<u>1,257,330</u>
Total unrestricted net assets	17,733,871	18,391,427
Temporarily Restricted	2,911,337	2,579,955
Permanently restricted	<u>7,229,472</u>	<u>6,665,136</u>
Total net assets	<u>27,874,680</u>	<u>27,636,518</u>
Total liabilities and net assets	<u>\$ 31,615,440</u>	<u>\$ 28,381,545</u>

See notes to financial statements.

Exhibit A

ST. VLADIMIR'S ORTHODOX THEOLOGICAL SEMINARY

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2005
WITH SUMMARIZED FINANCIAL INFORMATION
FOR THE YEAR ENDED JUNE 30, 2004**

		TEMPORARILY	PERMANENTLY	TOTAL	
	<u>UNRESTRICTED</u>	<u>RESTRICTED</u>	<u>RESTRICTED</u>	<u>2005</u>	<u>2004</u>
Income and Releases:					
Tuition and fees	\$ 630,154			\$ 630,154	\$ 518,136
Less scholarship and financial aid	<u>(348,667)</u>			<u>(348,667)</u>	<u>(287,770)</u>
Net tuition and fees	281,487			281,487	230,366
Gifts and grants	625,886	\$ 672,429	\$ 564,870	1,863,185	2,637,102
Endowment income		416,239		416,239	1,157,046
Investment income	233,149	12,877	(534)	245,492	783,762
Subscriptions income	36,638			36,638	38,426
Summer institute income	30,491			30,491	40,480
Orthodox Education Day	50,831			50,831	57,011
Auxiliary enterprises	1,447,592			1,447,592	1,378,039
Other income	<u>49,827</u>			<u>49,827</u>	<u>18,452</u>
Total income before net assets released from restrictions	2,755,901	1,101,545	564,336	4,421,782	6,340,684
Net assets released from restrictions :					
Satisfactions of programs restrictions	<u>770,163</u>	<u>(770,163)</u>		-	-
Total income and releases	<u>3,526,064</u>	<u>331,382</u>	<u>564,336</u>	<u>4,421,782</u>	<u>6,340,684</u>
Expenses:					
Educational and general:					
Instruction	918,987			918,987	872,060
Public service	18,678			18,678	23,109
Library	146,305			146,305	164,615
Student services	92,023			92,023	64,752
Theological research publications	24,467			24,467	26,656
Operation and maintenance of plant	552,683			552,683	491,520
General institutional expense	846,111			846,111	873,870
Auxiliary enterprises	<u>1,061,142</u>			<u>1,061,142</u>	<u>1,149,507</u>
Total expenses	<u>3,660,396</u>	-	-	<u>3,660,396</u>	<u>3,666,089</u>
Change in net Assets before Depreciation	(134,332)	331,382	564,336	761,386	2,674,595
Depreciation	<u>(523,224)</u>			<u>(523,224)</u>	<u>(522,291)</u>
Change in Net Assets	(657,556)	331,382	564,336	238,162	2,152,304
Net Assets at Beginning of Year	<u>18,391,427</u>	<u>2,579,955</u>	<u>6,665,136</u>	<u>27,636,518</u>	<u>25,484,214</u>
Net Assets at End of Year	<u>\$17,733,871</u>	<u>\$2,911,337</u>	<u>\$7,229,472</u>	<u>\$27,874,680</u>	<u>\$27,636,518</u>

See notes to the financial statements

Exhibit B

ST. VLADIMIR'S ORTHODOX THEOLOGICAL SEMINARY

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2005
WITH SUMMARIZED FINANCIAL INFORMATION
FOR THE YEAR ENDED JUNE 30, 2004**

	<u>2005</u>	<u>2004</u>
Cash Flows from Operating Activities:		
Change in net assets	\$ 238,162	\$ 2,152,304
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	523,224	522,291
Contributions restricted for long-term investment	(1,193,277)	(1,658,885)
Realized and unrealized (gains) loss on investments	(448,010)	(1,786,460)
(Increase) decrease in:		
Accounts receivable	(15,401)	(9,784)
Pledges receivable	(51,005)	(800,347)
Prepaid expenses and security deposits	11,883	10,420
Inventory	(150,742)	(30,958)
Investment in property	(22,122)	
Cash surrender value of life insurance	(8,859)	(6,691)
Increase (decrease) in:		
Accounts payable	469,252	(41,793)
Deferred Revenue	(2,433)	5,462
Net cash used by operating activities	<u>(649,328)</u>	<u>(1,644,441)</u>
Cash Flows from Investing Activities:		
Purchase of investments	(10,097,466)	(10,470,138)
Proceeds from sales of investments	10,624,847	9,884,531
Purchase of property, plant and equipment	<u>(3,280,599)</u>	<u>(394,213)</u>
Net cash used by investing activities	<u>(2,753,218)</u>	<u>(979,820)</u>
Cash Flows from Financing Activities:		
Proceeds from contributions restricted for:		
Investment in endowment	564,870	145,033
Property, plant and equipment	628,407	1,513,852
Proceeds from new debt	2,552,344	
Repayment of principal on debt	<u>(23,430)</u>	<u>(24,299)</u>
Net cash provided by financing activities	<u>3,722,191</u>	<u>1,634,586</u>
Net Increase (Decrease) in Cash and Cash Equivalents	319,645	(989,675)
Cash and cash equivalents at Beginning of Year	<u>48,500</u>	<u>1,038,175</u>
Cash and cash equivalents at End of Year	<u>\$ 368,145</u>	<u>\$ 48,500</u>
 Supplemental Information:		
Interest paid - expensed	\$ 33,081	\$ 17,544
Interest paid - capitalized	31,046	-
Total interest paid	<u>\$ 64,127</u>	<u>\$ 17,544</u>

See notes to the financial statements

Exhibit C

ST. VLADIMIR'S ORTHODOX THEOLOGICAL SEMINARY

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2005

1. Organization and Purpose:

St. Vladimir's Orthodox Theological Seminary is a graduate professional school chartered and approved by the Board of Regents of the University of the State of New York and accredited nationally by the Association of Theological Schools. The Seminary's twofold mission is to prepare adequately educated clergy and leaders to serve the Orthodox faithful in this country and abroad, and to promote study and research in Orthodox theology, history and culture.

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 Seminary 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 organization 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. *Prior Year Summarized Comparative Information*

The financial statements include certain prior-year summarized comparative information in total but not by net assets class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the organization's financial statements for the year ended June 30, 2004, from which the summarized information was derived.

Continued

ST. VLADIMIR'S ORTHODOX THEOLOGICAL SEMINARY

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2005**

2. Accounting Policies: (Continued)

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.

e. *Cash and Cash Equivalents*

The Seminary includes cash on deposit, cash on hand and certificates of deposits with original maturities less than three months (if any) to be cash equivalents.

f. *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 market values at date of receipt.

g. *Inventories*

Inventories are stated at the lower of cost or market, determined by the first-in, first-out method.

h. *Firm Pledges*

Firm pledges are recognized as income in the year for which the pledge is made. Pledges that are expected to be received within one year are recorded at net realizable value. Pledges that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the pledges are received. Amortization of the discounts is included in contribution revenue.

i. *Land, Building and Equipment*

Land, building and equipment are carried at cost or, if donated, at the fair market value on the date of the gift.

Assets are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings and improvements	30 - 40 years
Library books and media	5 - 10 years
Furniture and equipment	5 - 10 years
Vehicles	5 years

Continued

ST. VLADIMIR'S ORTHODOX THEOLOGICAL SEMINARY

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2005**

2. Accounting Policies: (Continued)

j. *Annuity and Life Trust Payable*

The Seminary established a gift annuity and life trust payable plan 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 annuity and life trust payable is evaluated annually (giving effect to investment income and payments to annuitants) and any surplus or deficiency is recognized as investment income.

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.

3. Pledges Receivable:

All pledged commitments have been made for the Capital Campaign.

Pledges are expected to be received as follows:

In less than one year	\$ 329,800
In one to five years	718,575
In over five years	<u>21,100</u>
Subtotal	1,069,475
Less: Unamortized discount	<u>(110,418)</u>
Net Pledges receivable	<u>\$ 959,057</u>

4. Investments:

The cost and market values of securities as of June 30, 2005 are as follows:

	<u>Cost</u>	<u>Market Value</u>
Cash and cash equivalents	\$ 1,805,600	\$ 1,805,600
Mutual funds	338,335	363,444
Stocks	7,985,795	9,193,227
Bonds	<u>2,262,646</u>	<u>2,265,220</u>
Total	<u>\$12,392,376</u>	<u>\$13,627,491</u>

Continued

ST. VLADIMIR'S ORTHODOX THEOLOGICAL SEMINARY

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2005**

4. Investments: (Continued)

Endowment and investment income are allocated based on pooling of investments and consist of the following:

Interest and dividend income	\$ 296,916
Investment fees	(83,195)
Realized gain on investments	517,269
Unrealized gain on investments	<u>(69,259)</u>
	<u>\$ 661,731</u>

5. Land, Building and Equipment:

A summary of land, building and equipment as of June 30, 2005, is as follows:

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net</u>
Land	\$ 740,744		\$ 740,744
Land improvements	649,602	\$ (102,315)	547,287
Buildings and improvements	13,237,297	(3,380,213)	9,857,084
Library books and media	963,804	(687,799)	276,005
Furniture and equipment	1,110,522	(634,694)	475,828
Vehicles	67,264	(67,264)	-
Construction in progress	3,511,835		3,511,835
	<u>\$20,281,068</u>	<u>\$ (4,872,285)</u>	<u>\$15,408,783</u>

6. Mortgage Loans Payable:

Mortgage loan payable with variable interest at prime. Monthly payments of \$1,758 (interest and principal) are due through March 2017.

\$ 188,740

Mortgage loan payable with variable interest at prime. Monthly payments of \$1,915 (interest and principal) are due through March 2017.

205,517

Note payable secured by endowment investments for the construction of student housing. The total available credit is \$3,500,000 of which \$947,656 is available to draw from as of June 30, 2005. Upon completion, the note is repayable in monthly principal payments of \$58,333 plus variable interest rate at LIBOR plus 1.9% and is due November 30, 2010.

2,552,344
\$2,946,601

Continued

ST. VLADIMIR'S ORTHODOX THEOLOGICAL SEMINARY

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2005**

6. Mortgage Loans Payable: (Continued)

Principal payments on mortgages for the succeeding five years and thereafter are as follows:

Year ending June 30,	
2006	323,403
2007	537,210
2008	538,369
2009	539,578
2010	540,781
After 2010	<u>467,260</u>
	<u>\$2,946,601</u>

7. Line of Credit - Bank:

The Seminary has an open line of credit of \$250,000 with a bank with no outstanding balance at June 30, 2005. The interest rate is prime plus 1%. The agreement expires December 2005.

8. Temporarily Restricted Net Assets:

Temporarily restricted net assets are available for the following purposes:

Construction projects	\$1,794,508
Scholarships	1,011,507
Student loans and assistance	7,512
Global ministry grants	36,000
Press Grant	47,130
Other	<u>14,680</u>
	<u>\$2,911,337</u>

Continued

ST. VLADIMIR'S ORTHODOX THEOLOGICAL SEMINARY

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2005**

9. Functional Classification of Expenses:

Expenses are charged to program and supporting services on the basis of periodic time and expense studies. Allocation of total unrestricted expenses (with the inclusion of depreciation) for the year are as follows:

Program services:	
Instruction	\$ 1,210,369
Public service	59,356
Library	429,598
Student services	138,070
Theological reseaeach publications	29,836
Auxiliary enterprises	<u>1,326,772</u>
Total program services	<u>3,194,001</u>
Supporting services:	
General institutional	562,613
Development and communications	<u>427,006</u>
Total supporting services	<u>989,619</u>
Total expenses	<u>\$ 4,183,620</u>

10. Retirement Plan:

The Seminary 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 Seminary contributes 6% of each employee's salary, and the employee contributes 6%. The retirement benefit costs charged to expense amounted to \$58,291 in 2005.

11. Internal Revenue Code Status:

The Seminary has been granted tax exempt status as a non-profit organization under Section 501(c)(3) of the Internal Revenue Code.

12. Concentration of Risk:

Significant concentration of credit risk arise from cash deposits in excess of federally insured amounts of \$100,000. Cash and cash equivalents held in one bank by the Seminary amounted to \$382,398 at June 30, 2005.

13. Reclassification:

Certain amounts in the prior-year financial statements have been reclassified for comparative purposes to conform to the presentation in the current-year financial statements.

Concluded

ST. VLADIMIR'S ORTHODOX THEOLOGICAL SEMINARY

**SCHEDULE OF FINANCIAL POSITION
JUNE 30, 2005**

WITH SUMMARIZED FINANCIAL INFORMATION

AS OF JUNE 30, 2004

	<u>OPERATING</u>	<u>RESTRICTED</u>	<u>PLANT</u>	<u>LIFE INCOME TRUSTS</u>	<u>ENDOWMENTS</u>	<u>TOTAL</u>
ASSETS:						
Cash and cash equivalents	\$ 368,145					\$ 368,145
Accounts receivable (less allowance for doubtful accounts of and \$61,977 in 2005 \$43,181 in 2004)	241,009		\$ 959,057			241,009
Pledges receivable	24,380					959,057
Prepaid expenses and security deposits	756,437					24,380
Inventory						756,437
Investments				\$ 187,820	\$ 13,439,671	13,627,491
Investments in property			33,333		88,789	122,122
Cash surrender value of life insurance	108,016					108,016
Land, building and equipment (at cost less accumulated depreciation of \$4,872,285 in 2005 and \$4,370,292 in 2004)	(428,362)	\$ 105,322	15,408,783	77,413	(97,854)	15,408,783
Interfund receivable (payable)	\$1,069,625	\$ 105,322	\$ 16,744,654	\$ 265,233	\$ 13,430,606	\$ 31,615,440
Total assets						\$ 31,615,440
LIABILITIES AND NET ASSES:						
Liabilities:						
Accounts payable and accrued expenses	\$ 56,653		\$ 500,854			\$ 557,507
Deferred revenue	17,249					17,249
Mortgages payable			2,946,601			2,946,601
Annuity and life trust payable				\$ 219,403		219,403
Total liabilities	73,902		3,447,455	219,403		3,740,760
Net Assets:						
Unrestricted:						
Net investment in land, building and equipment			11,502,691			11,502,691
Board designated long-term investments				8,560	\$ 5,180,356	5,180,356
Undesignated	995,723				46,541	1,050,824
Total unrestricted net assets	995,723			8,560	5,226,897	17,733,871
Temporarily restricted		\$ 105,322	11,502,691		1,011,507	2,911,337
Permanently restricted			1,794,508		7,192,202	7,229,472
Total net assets	995,723	105,322	13,297,199	37,270	13,430,606	27,874,680
Total liabilities and net assets	\$1,069,625	\$ 105,322	\$ 16,744,654	\$ 265,233	\$ 13,430,606	\$ 31,615,440

ST. VLADIMIR'S ORTHODOX
THEOLOGICAL SEMINARY

FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION

For the Year Ended
June 30, 2006

ST. VLADIMIR'S ORTHODOX THEOLOGICAL SEMINARY

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Lambrides

LAMOS, MOULTHROP LLP
Certified Public Accountants and Consultants

Board of Trustees
St. Vladimir's Orthodox Theological Seminary
Crestwood, New York

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying statement of financial position of St. Vladimir's Orthodox Theological Seminary as of June 30, 2006 and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Seminary's management. 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 June 30, 2005 financial statements and, in our report dated September 20, 2005, we expressed an unqualified opinion on those financial statements.

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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of St. Vladimir's Orthodox Theological Seminary as of June 30, 2006 and the results of its operations 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 made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedule 1 and 2 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, Moulthrop, LLP

Montclair, NJ
August 17, 2006

ST. VLADIMIR'S ORTHODOX THEOLOGICAL SEMINARY

**STATEMENT OF FINANCIAL POSITION
JUNE 30, 2006
WITH SUMMARIZED FINANCIAL INFORMATION
AS OF JUNE 30, 2005**

	<u>2006</u>	<u>2005</u>
ASSETS		
Cash and cash equivalents	\$ 174,318	\$ 368,145
Accounts receivable (less allowance for doubtful accounts of \$71,420 in 2006; \$61,977 in 2005)	207,135	241,009
Pledges receivable	796,403	959,057
Prepaid expenses and security deposits	19,549	24,380
Inventory	768,466	756,437
Investments	12,951,251	13,627,491
Investment in property	122,122	122,122
Cash surrender value of life insurance	116,132	108,016
Land, building and equipment (at cost less accumulated depreciation of \$5,425,442 in 2006; \$4,872,285 in 2005)	<u>17,083,081</u>	<u>15,408,783</u>
Total assets	<u>\$ 32,238,457</u>	<u>\$ 31,615,440</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	\$ 310,782	\$ 557,507
Deferred revenue	25,077	17,249
Mortgages payable	4,022,498	2,946,601
Annuity and life trust payable	<u>183,947</u>	<u>219,403</u>
Total liabilities	<u>4,542,304</u>	<u>3,740,760</u>
Net Assets:		
Unrestricted:		
Net investment in land, building and equipment	\$ 12,865,903	\$ 11,502,691
Board designated long-term investments	4,315,640	5,180,356
Undesignated	<u>1,144,034</u>	<u>1,050,824</u>
Total unrestricted net assets	18,325,577	17,733,871
Temporarily Restricted	2,056,614	2,911,337
Permanently restricted	<u>7,313,962</u>	<u>7,229,472</u>
Total net assets	<u>27,696,153</u>	<u>27,874,680</u>
Total liabilities and net assets	<u>\$ 32,238,457</u>	<u>\$ 31,615,440</u>

See notes to financial statements.

Exhibit A

ST. VLADIMIR'S ORTHODOX THEOLOGICAL SEMINARY

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2006
WITH SUMMARIZED FINANCIAL INFORMATION
FOR THE YEAR ENDED JUNE 30, 2005**

		TEMPORARILY	PERMANENTLY	TOTAL	
	UNRESTRICTED	RESTRICTED	RESTRICTED	2006	2005
Income and Releases:					
Tuition and fees	\$ 642,597			\$ 642,597	\$ 630,154
Less scholarship and financial aid	<u>(364,461)</u>			<u>(364,461)</u>	<u>(348,667)</u>
Net tuition and fees	278,136			278,136	281,487
Gifts and grants	552,649	\$ 690,844	\$ 93,256	1,336,749	1,863,185
Endowment income		647,312		647,312	416,239
Investment income	340,283	3,052	(8,766)	334,569	245,492
Subscriptions income	24,402			24,402	36,638
Summer institute income	32,980			32,980	30,491
Orthodox Education Day	62,169			62,169	50,831
Auxiliary enterprises	1,505,107			1,505,107	1,447,592
Other income	<u>28,382</u>			<u>28,382</u>	<u>49,827</u>
Total income before net assets released from restrictions	2,824,108	1,341,208	84,490	4,249,806	4,421,782
Net assets released from restrictions :					
Satisfactions of programs restrictions	<u>2,195,931</u>	<u>(2,195,931)</u>		-	-
Total income and releases	<u>5,020,039</u>	<u>(854,723)</u>	<u>84,490</u>	<u>4,249,806</u>	<u>4,421,782</u>
Expenses:					
Educational and general:					
Instruction	712,846			712,846	918,987
Public service	26,872			26,872	18,678
Library	144,159			144,159	146,305
Student services	133,939			133,939	92,023
Theological research publications	26,848			26,848	24,467
Operation and maintenance of plant	602,324			602,324	552,683
General institutional expense	935,718			935,718	813,030
Interest expense	157,440			157,440	33,081
Auxiliary enterprises	<u>1,097,430</u>			<u>1,097,430</u>	<u>1,061,142</u>
Total expenses	<u>3,837,576</u>	<u>-</u>	<u>-</u>	<u>3,837,576</u>	<u>3,660,396</u>
Change in Net Assets Before Depreciation	1,182,463	(854,723)	84,490	412,230	761,386
Depreciation	<u>(590,757)</u>			<u>(590,757)</u>	<u>(523,224)</u>
Change in Net Assets	591,706	(854,723)	84,490	(178,527)	238,162
Net Assets at Beginning of Year	<u>17,733,871</u>	<u>2,911,337</u>	<u>7,229,472</u>	<u>27,874,680</u>	<u>27,636,518</u>
Net Assets at End of Year	<u>\$18,325,577</u>	<u>\$2,056,614</u>	<u>\$7,313,962</u>	<u>\$27,696,153</u>	<u>\$27,874,680</u>

See notes to the financial statements

Exhibit B

ST. VLADIMIR'S ORTHODOX THEOLOGICAL SEMINARY

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2006
WITH SUMMARIZED FINANCIAL INFORMATION
FOR THE YEAR ENDED JUNE 30, 2005**

	<u>2006</u>	<u>2005</u>
Cash Flows from Operating Activities:		
Change in net assets	\$ (178,527)	\$ 238,162
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	590,757	523,224
Contributions restricted for long-term investment	(709,771)	(1,193,277)
Realized and unrealized (gains) loss on investments	(785,411)	(448,010)
(Increase) decrease in:		
Accounts receivable	33,874	(15,401)
Pledges receivable	162,654	(51,005)
Prepaid expenses and security deposits	4,831	11,883
Inventory	(12,029)	(150,742)
Investment in property	-	(22,122)
Cash surrender value of life insurance	(8,116)	(8,859)
Increase (decrease) in:		
Accounts payable	(246,725)	469,252
Deferred Revenue	7,828	(2,433)
Annuity and life trust payable	(35,456)	
Net cash used by operating activities	<u>(1,176,091)</u>	<u>(649,328)</u>
Cash Flows from Investing Activities:		
Purchase of investments	(9,266,265)	(10,097,466)
Proceeds from sales of investments	10,727,916	10,624,847
Purchase of property, plant and equipment	<u>(2,265,055)</u>	<u>(3,280,599)</u>
Net cash used by investing activities	<u>(803,404)</u>	<u>(2,753,218)</u>
Cash Flows from Financing Activities:		
Proceeds from contributions restricted for:		
Investment in endowment	93,256	564,870
Property, plant and equipment	616,515	628,407
Proceeds from new debt	1,097,655	2,552,344
Repayment of principal on debt	<u>(21,758)</u>	<u>(23,430)</u>
Net cash provided by financing activities	<u>1,785,668</u>	<u>3,722,191</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(193,827)	319,645
Cash and Cash Equivalents at Beginning of Year	<u>368,145</u>	<u>48,500</u>
Cash and Cash Equivalents at End of Year	<u>\$ 174,318</u>	<u>\$ 368,145</u>
 Supplemental Information:		
Interest paid - expensed	\$ 157,440	\$ 33,081
Interest paid - capitalized	<u>74,757</u>	<u>31,046</u>
Total interest paid	<u>\$ 232,197</u>	<u>\$ 64,127</u>

See notes to the financial statements

Exhibit C

ST. VLADIMIR'S ORTHODOX THEOLOGICAL SEMINARY

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2006

1. Organization and Purpose:

St. Vladimir's Orthodox Theological Seminary is a graduate professional school chartered and approved by the Board of Regents of the University of the State of New York and accredited nationally by the Association of Theological Schools. The Seminary's twofold mission is to prepare adequately educated clergy and leaders to serve the Orthodox faithful in this country and abroad, and to promote study and research in Orthodox theology, history and culture.

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 Seminary 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 organization 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. Prior Year Summarized Comparative Information

The financial statements include certain prior-year summarized comparative information in total but not by net assets class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the organization's financial statements for the year ended June 30, 2005, from which the summarized information was derived.

Continued

ST. VLADIMIR'S ORTHODOX THEOLOGICAL SEMINARY

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006**

2. Accounting Policies: (Continued)

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.

e. *Cash and Cash Equivalents*

The Seminary includes cash on deposit, cash on hand and certificates of deposits with original maturities less than three months (if any) to be cash equivalents.

f. *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 market values at date of receipt.

g. *Inventories*

Inventories are stated at the lower of cost or market, determined by the first-in, first-out method.

h. *Firm Pledges*

Firm pledges are recognized as income in the year for which the pledge is made. Pledges that are expected to be received within one year are recorded at net realizable value. Pledges that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the pledges are received. Amortization of the discounts is included in contribution revenue.

i. *Land, Building and Equipment*

Land, building and equipment are carried at cost or, if donated, at the fair market value on the date of the gift.

Assets are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings and improvements	30 - 40 years
Library books and media	5 - 10 years
Furniture and equipment	5 - 10 years
Vehicles	5 years

Continued

ST. VLADIMIR'S ORTHODOX THEOLOGICAL SEMINARY

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006**

2. Accounting Policies: (Continued)

j. *Annuity and Life Trust Payable*

The Seminary established a gift annuity and life trust payable plan 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 annuity and life trust payable is evaluated annually (giving effect to investment income and payments to annuitants) and any surplus or deficiency is recognized as investment income.

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.

3. Pledges Receivable:

All pledged commitments have been made for the Capital Campaign.

Pledges are expected to be received as follows:

In less than one year	\$ 335,300
In one to five years	507,769
In over five years	<u>38,000</u>
Subtotal	881,069
Less: unamortized discount	<u>(84,666)</u>
Net pledges receivable	<u>\$ 796,403</u>

4. Investments:

The cost and market values of securities as of June 30, 2006 are as follows:

	<u>Cost</u>	<u>Market Value</u>
Cash and cash equivalents	\$ 863,619	\$ 863,619
Mutual funds	340,467	359,993
Stocks	9,059,475	10,234,230
Bonds	<u>1,504,377</u>	<u>1,493,409</u>
Total	<u>\$ 11,767,938</u>	<u>\$ 12,951,251</u>

Continued

ST. VLADIMIR'S ORTHODOX THEOLOGICAL SEMINARY

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006**

4. Investments: (Continued)

Endowment and investment income are allocated based on pooling of investments and consist of the following:

Interest and dividend income	\$ 282,431
Investment fees	(85,961)
Realized gain on investments	838,372
Unrealized loss on investments	<u>(52,961)</u>
	<u>\$ 981,881</u>

5. Land, Building and Equipment:

A summary of land, building and equipment as of June 30, 2006, is as follows:

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net</u>
Land	\$ 740,744		\$ 740,744
Land improvements	649,602	\$ (118,555)	531,047
Buildings and improvements	18,901,799	(3,796,445)	15,105,354
Library books and media	989,611	(713,282)	276,329
Furniture and equipment	1,144,452	(729,896)	414,556
Vehicles	67,264	(67,264)	-
Construction in progress	<u>15,051</u>		<u>15,051</u>
	<u>\$ 22,508,523</u>	<u>\$ (5,425,442)</u>	<u>\$ 17,083,081</u>

6. Mortgage Loans Payable:

Mortgage loan payable with variable interest at prime. Monthly payments of \$1,758 (interest and principal) are due through March 2017. \$ 178,324

Mortgage loan payable with variable interest at prime. Monthly payments of \$1,915 (interest and principal) are due through March 2017. 194,174

Note payable secured by endowment investments for the construction of student housing. The total available credit is \$3,500,000 of which \$ 0 is available to draw from as of June 30, 2006. Upon completion, the note is repayable in monthly principal payments of \$58,333 plus variable interest rate at LIBOR plus 1.9% and is due November 30, 2010. 3,500,000

Continued

ST. VLADIMIR'S ORTHODOX THEOLOGICAL SEMINARY

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006**

6. Mortgage Loans Payable: (Continued)

Open line of credit for \$250,000 with a bank with an available balance of \$100,000 as of June 30, 2006. Interest rate is prime plus 1% and expires December 2006.

150,000
\$4,022,498

Principal payments on mortgages for the succeeding five years and thereafter are as follows:

Year ending June 30,	
2007	238,424
2008	115,412
2009	122,953
2010	131,006
2011	139,604
After 2011	<u>3,275,099</u>
	<u>\$4,022,498</u>

7. Temporarily Restricted Net Assets:

Temporarily restricted net assets are available for the following purposes:

Time restricted	\$ 796,403
Scholarships	1,185,149
Student loans and assistance	7,788
Global ministry grants	8,324
Press grant	47,130
Other	<u>11,820</u>
	<u>\$2,056,614</u>

Continued

ST. VLADIMIR'S ORTHODOX THEOLOGICAL SEMINARY

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2006

8. Functional Classification of Expenses:

Expenses are charged to program and supporting services on the basis of periodic time and expense studies. Allocation of total unrestricted expenses (with the inclusion of depreciation) for the year are as follows:

Program services:	
Instruction	\$ 1,045,561
Public service	81,341
Library	469,887
Student services	193,585
Theological research publications	32,026
Auxiliary enterprises	<u>1,486,098</u>
Total program services	<u>3,308,498</u>
Supporting services:	
General institutional	807,184
Development and communications	<u>312,651</u>
Total supporting services	<u>1,119,835</u>
Total expenses	<u>\$ 4,428,333</u>

9. Retirement Plan:

The Seminary 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 Seminary contributes 6% of each employee's salary, and the employee contributes 6%. The retirement benefit costs charged to expense amounted to \$66,401 in 2006.

10. Internal Revenue Code Status:

The Seminary has been granted tax exempt status as a non-profit organization under Section 501(c)(3) of the Internal Revenue Code.

11. Concentration of Risk:

Significant concentration of credit risk arise from cash deposits in excess of federally insured amounts of \$100,000. Cash and cash equivalents held in one bank by the Seminary amounted to \$189,085 at June 30, 2006.

12. Reclassification:

Certain amounts in the prior-year financial statements have been reclassified for comparative purposes to conform to the presentation in the current-year financial statements.

Concluded

ST. VLADIMIR'S ORTHODOX THEOLOGICAL SEMINARY

**SCHEDULE OF FINANCIAL POSITION
JUNE 30, 2006
WITH SUMMARIZED FINANCIAL INFORMATION
AS OF JUNE 30, 2005**

	<u>OPERATING</u>	<u>RESTRICTED</u>	<u>PLANT</u>	<u>LIFE INCOME TRUSTS</u>	<u>ENDOWMENTS</u>	<u>TOTAL</u>
ASSETS:						
Cash and cash equivalents	\$ 174,318				\$ 174,318	\$ 368,145
Accounts receivable (less allowance for doubtful accounts of \$71,420 in 2006 and \$61,977 in 2005)	207,135					
Pledges receivable			\$ 796,403		207,135	241,009
Prepaid expenses and security deposits	19,549				796,403	959,057
Inventory	768,466				19,549	24,380
Investments	57,900				768,466	756,437
Investments in property			33,333	\$ 150,702	\$ 12,742,649	13,627,491
Cash surrender value of life insurance	116,132				122,122	122,122
Land, building and equipment (at cost less accumulated depreciation of \$5,425,442 in 2006 and \$4,872,285 in 2005)			17,083,081		116,132	108,016
Interfund receivable (payable)	(144,188)	\$ 75,062		63,887	17,083,081	15,408,783
Total assets	\$1,199,312	\$ 75,062	\$17,912,817	\$214,589	\$32,238,457	\$31,615,440
LIABILITIES AND NET ASSES:						
Liabilities:						
Accounts payable and accrued expenses	\$ 116,102		\$ 194,680		\$ 310,782	\$ 557,507
Deferred revenue	25,077				25,077	17,249
Mortgages payable			4,022,498		4,022,498	2,946,601
Annuity and life trust payable				\$ 183,947	183,947	219,403
Total liabilities	141,179		4,217,178	183,947	4,542,304	3,740,760
Net Assets:						
Unrestricted:						
Net investment in land, building and equipment			12,865,903		12,865,903	11,502,691
Board designated long-term investments				\$ 4,315,640	4,315,640	5,180,356
Undesignated	1,058,133		33,333	2,138	1,144,034	1,050,824
Total unrestricted net assets	1,058,133		12,899,236	2,138	18,325,577	17,733,871
Temporarily restricted		\$ 75,062	796,403	1,185,149	2,056,614	2,911,337
Permanently restricted				28,504	7,313,962	7,229,472
Total net assets	1,058,133	75,062	13,695,639	30,642	27,696,153	27,874,680
Total liabilities and net assets	\$1,199,312	\$ 75,062	\$17,912,817	\$214,589	\$32,238,457	\$31,615,440

ST. VLADIMIR'S ORTHODOX THEOLOGICAL SEMINARY

**SCHEDULE OF ACTIVITIES – UNRESTRICTED NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2006**

	<u>OPERATING</u>	<u>RESTRICTED</u>	<u>PLANT</u>	<u>LIFE INCOME TRUSTS</u>	<u>ENDOWMENT</u>	<u>TOTAL UNRESTRICTED</u>
Income and Releases:						
Tuition and fees	\$ 642,597					\$ 642,597
Less scholarship and financial aid	<u>(70,722)</u>	<u>\$ (69,319)</u>			<u>\$ (224,420)</u>	<u>(364,461)</u>
Net tuition and fees	571,875	(69,319)			(224,420)	278,136
Gifts and grants	535,149				17,500	552,649
Endowment income						-
Investment income	(5,259)			\$ (6,422)	351,964	340,283
Subscriptions income	24,402					24,402
Summer institute income	32,980					32,980
Orthodox Education Day	62,169					62,169
Auxiliary enterprises	1,505,107					1,505,107
Other income	<u>28,382</u>					<u>28,382</u>
Total income before net assets released from restrictions	2,754,805	(69,319)		(6,422)	145,044	2,824,108
Net assets released from restrictions :						
Satisfactions of program restrictions		104,589	\$ 1,617,672		473,670	2,195,931
Total income and releases	<u>2,754,805</u>	<u>35,270</u>	<u>1,617,672</u>	<u>(6,422)</u>	<u>618,714</u>	<u>5,020,039</u>
Expenses:						
Educational and general:						
Instruction	712,846					712,846
Public service	26,872					26,872
Library	144,159					144,159
Student services	129,215	4,724				133,939
Theological research publications	26,848					26,848
Operation and maintenance of plant	602,324					602,324
General institutional expense	820,409	24,406	90,903			935,718
Interest expense	157,440					157,440
Auxiliary enterprises	<u>1,091,290</u>	<u>6,140</u>				<u>1,097,430</u>
Total expenses	<u>3,711,403</u>	<u>35,270</u>	<u>90,903</u>	<u>-</u>	<u>-</u>	<u>3,837,576</u>
Change in Net Assets Before Transfers and Depreciation:	(956,598)		1,526,769	(6,422)	618,714	1,182,463
Transfer for fixed asset additions	(536,090)		536,090			-
Transfer for principal proceeds on loans	1,097,656		(1,097,656)			-
Transfer for principal payment on loans	(21,758)		21,758			-
Transfer from endowments	479,200		1,000,341		(1,479,541)	-
Depreciation			<u>(590,757)</u>			<u>(590,757)</u>
Change in Net Assets	62,410	-	1,396,545	(6,422)	(860,827)	591,706
Net Assets at Beginning of Year	<u>995,723</u>		<u>11,502,691</u>	<u>8,560</u>	<u>5,226,897</u>	<u>17,733,871</u>
Net Assets at End of Year	<u>\$ 1,058,133</u>	<u>\$ -</u>	<u>\$12,899,236</u>	<u>\$ 2,138</u>	<u>\$ 4,366,070</u>	<u>\$ 18,325,577</u>

Schedule 2

ST. VLADIMIR'S ORTHODOX
THEOLOGICAL SEMINARY

**FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION**

**For the Year Ended
June 30, 2007**

ST. VLADIMIR'S ORTHODOX THEOLOGICAL SEMINARY

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Board of Trustees
St. Vladimir's Orthodox Theological Seminary
Crestwood, New York

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying statement of financial position of St. Vladimir's Orthodox Theological Seminary as of June 30, 2007 and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Seminary's management. 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 June 30, 2006 financial statements and, in our report dated August 17, 2006, we expressed an unqualified opinion on those financial statements.

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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of St. Vladimir's Orthodox Theological Seminary as of June 30, 2007 and the results of its operations 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 made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedule 1 and 2 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.

Lambides, Lamros, Moulthrop, LLP

Montclair, NJ
October 18, 2007

Lambrides

LAMOS, MOULTHROP LLP
Certified Public Accountants and Consultants

Board of Trustees
St. Vladimir's Orthodox Theological Seminary
Crestwood, New York

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying statement of financial position of St. Vladimir's Orthodox Theological Seminary as of June 30, 2007 and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Seminary's management. 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 June 30, 2006 financial statements and, in our report dated August 17, 2006, we expressed an unqualified opinion on those financial statements.

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In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of St. Vladimir's Orthodox Theological Seminary as of June 30, 2007 and the results of its operations 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 made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedule 1 and 2 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, Moulthrop, LLP

Montclair, NJ
October 18, 2007

ST. VLADIMIR'S ORTHODOX THEOLOGICAL SEMINARY

**STATEMENT OF FINANCIAL POSITION
JUNE 30, 2007
WITH SUMMARIZED FINANCIAL INFORMATION
AS OF JUNE 30, 2006**

	<u>2007</u>	<u>2006</u>
ASSETS		
Cash and cash equivalents	\$ 107,024	\$ 174,318
Accounts receivable (less allowance for doubtful accounts of \$97,399 in 2007; \$71,420 in 2006)	198,027	207,135
Pledges receivable	352,817	796,403
Prepaid expenses and security deposits	21,510	19,549
Inventory	752,830	768,466
Investments	15,345,356	12,951,251
Investment in property	122,122	122,122
Cash surrender value of life insurance	123,268	116,132
Land, building and equipment (at cost less accumulated depreciation of \$5,967,435 in 2007; \$5,425,442 in 2006)	<u>16,724,989</u>	<u>17,083,081</u>
Total assets	<u>\$ 33,747,943</u>	<u>\$ 32,238,457</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	\$ 119,025	\$ 310,782
Deferred revenue	4,504	25,077
Mortgages payable	3,818,948	4,022,498
Annuity and life trust payable	<u>183,947</u>	<u>183,947</u>
Total liabilities	<u>4,126,424</u>	<u>4,542,304</u>
Net Assets:		
Unrestricted:		
Net investment in land, building and equipment	\$ 12,834,041	\$ 12,865,903
Board designated long-term investments	5,897,520	4,315,640
Undesignated	<u>489,781</u>	<u>1,144,034</u>
Total unrestricted net assets	19,221,342	18,325,577
Temporarily Restricted	2,766,975	2,056,614
Permanently restricted	<u>7,633,202</u>	<u>7,313,962</u>
Total net assets	<u>29,621,519</u>	<u>27,696,153</u>
Total liabilities and net assets	<u>\$ 33,747,943</u>	<u>\$ 32,238,457</u>

See notes to financial statements.

Exhibit A

ST. VLADIMIR'S ORTHODOX THEOLOGICAL SEMINARY

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2007
WITH SUMMARIZED FINANCIAL INFORMATION
FOR THE YEAR ENDED JUNE 30, 2006**

		TEMPORARILY	PERMANENTLY	TOTAL	
	UNRESTRICTED	RESTRICTED	RESTRICTED	2007	2006
Income and Releases:					
Tuition and fees	\$ 686,110			\$ 686,110	\$ 642,597
Less scholarship and financial aid	(272,164)			(272,164)	(364,461)
Net tuition and fees	413,946			413,946	278,136
Gifts and grants	1,653,925	\$ 128,611	\$ 319,240	2,101,776	1,336,749
Endowment income		1,541,776		1,541,776	647,312
Investment income	854,222			854,222	334,569
Subscriptions income	29,750			29,750	24,402
Summer institute income	25,685			25,685	32,980
Orthodox Education Day	28,011			28,011	62,169
Auxiliary enterprises	1,394,641			1,394,641	1,505,107
Other income	43,640			43,640	28,382
Total income before net assets released from restrictions	4,443,820	1,670,387	319,240	6,433,447	4,249,806
Net assets released from restrictions :					
Satisfactions of programs restrictions	960,026	(960,026)		-	-
Total income and releases	5,403,846	710,361	319,240	6,433,447	4,249,806
Expenses:					
Educational and general:					
Instruction	839,010			839,010	712,846
Public service	30,169			30,169	26,872
Library	152,199			152,199	144,159
Student services	135,729			135,729	133,939
Theological research publications	36,030			36,030	26,848
Operation and maintenance of plant	617,501			617,501	602,324
General institutional expense	773,862			773,862	935,718
Interest expense	297,834			297,834	157,440
Auxiliary enterprises	962,991			962,991	1,097,430
Total expenses	3,845,325	-	-	3,845,325	3,837,576
Change in Net Assets Before Depreciation	1,558,521	710,361	319,240	2,588,122	412,230
Depreciation	(662,756)			(662,756)	(590,757)
Change in Net Assets	895,765	710,361	319,240	1,925,366	(178,527)
Net Assets at Beginning of Year	18,325,577	2,056,614	7,313,962	27,696,153	27,874,680
Net Assets at End of Year	\$19,221,342	\$2,766,975	\$7,633,202	\$29,621,519	\$27,696,153

See notes to the financial statements

Exhibit B

ST. VLADIMIR'S ORTHODOX THEOLOGICAL SEMINARY

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2007
WITH SUMMARIZED FINANCIAL INFORMATION
FOR THE YEAR ENDED JUNE 30, 2006**

	<u>2007</u>	<u>2006</u>
Cash Flows from Operating Activities:		
Change in net assets	\$ 1,925,366	\$ (178,527)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	662,756	590,757
Contributions restricted for long-term investment	(328,393)	(709,771)
Realized and unrealized (gains) loss on investments	(2,246,995)	(785,411)
(Increase) decrease in:		
Accounts receivable	9,108	33,874
Pledges receivable	443,586	162,654
Prepaid expenses and security deposits	(1,961)	4,831
Inventory	15,636	(12,029)
Investment in property		-
Cash surrender value of life insurance	(7,136)	(8,116)
Increase (decrease) in:		
Accounts payable	(191,757)	(246,725)
Deferred Revenue	(20,573)	7,828
Annuity and life trust payable	-	(35,456)
Net cash provided (used) by operating activities	<u>259,637</u>	<u>(1,176,091)</u>
Cash Flows from Investing Activities:		
Purchase of investments	(11,070,641)	(9,266,265)
Proceeds from sales of investments	10,923,531	10,727,916
Purchase of property, plant and equipment	(304,664)	(2,265,055)
Net cash used by investing activities	<u>(451,774)</u>	<u>(803,404)</u>
Cash Flows from Financing Activities:		
Proceeds from contributions restricted for:		
Investment in endowment	319,240	93,256
Property, plant and equipment	9,153	616,515
Proceeds from new debt	131,460	1,097,655
Repayment of principal on debt	(335,010)	(21,758)
Net cash provided by financing activities	<u>124,843</u>	<u>1,785,668</u>
Net Decrease in Cash and Cash Equivalents	(67,294)	(193,827)
Cash and Cash Equivalents at Beginning of Year	<u>174,318</u>	<u>368,145</u>
Cash and Cash Equivalents at End of Year	<u>\$ 107,024</u>	<u>\$ 174,318</u>
Supplemental Information:		
Interest paid - expensed	\$ 297,834	\$ 157,440
Interest paid - capitalized	-	74,757
Total interest paid	<u>\$ 297,834</u>	<u>\$ 232,197</u>

See notes to the financial statements

Exhibit C

ST. VLADIMIR'S ORTHODOX THEOLOGICAL SEMINARY

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2007

1. Organization and Purpose:

St. Vladimir's Orthodox Theological Seminary is a graduate professional school chartered and approved by the Board of Regents of the University of the State of New York and accredited nationally by the Association of Theological Schools. The Seminary's twofold mission is to prepare adequately educated clergy and leaders to serve the Orthodox faithful in this country and abroad, and to promote study and research in Orthodox theology, history and culture.

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 Seminary 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 organization 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. Prior Year Summarized Comparative Information

The financial statements include certain prior-year summarized comparative information in total but not by net assets class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the organization's financial statements for the year ended June 30, 2006, from which the summarized information was derived.

Continued

ST. VLADIMIR'S ORTHODOX THEOLOGICAL SEMINARY

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007**

2. Accounting Policies: (Continued)

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.

e. *Cash and Cash Equivalents*

The Seminary includes cash on deposit, cash on hand and certificates of deposits with original maturities less than three months (if any) to be cash equivalents.

f. *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 market values at date of receipt.

g. *Inventories*

Inventories are stated at the lower of cost or market, determined by the first-in, first-out method.

h. *Firm Pledges*

Firm pledges are recognized as income in the year for which the pledge is made. Pledges that are expected to be received within one year are recorded at net realizable value. Pledges that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the pledges are received. Amortization of the discounts is included in contribution revenue.

i. *Land, Building and Equipment*

Land, building and equipment are carried at cost or, if donated, at the fair market value on the date of the gift.

Assets are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings and improvements	30 - 40 years
Library books and media	5 - 10 years
Furniture and equipment	5 - 10 years
Vehicles	5 years

Continued

ST. VLADIMIR'S ORTHODOX THEOLOGICAL SEMINARY

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007**

2. Accounting Policies: (Continued)

j. *Annuity and Life Trust Payable*

The Seminary established a gift annuity and life trust payable plan 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 annuity and life trust payable is evaluated annually (giving effect to investment income and payments to annuitants) and any surplus or deficiency is recognized as investment income.

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.

3. Pledges Receivable:

All pledged commitments have been made for the Capital Campaign.

Pledges are expected to be received as follows:

In less than one year	\$ 150,300
In one to five years	271,736
In over five years	<u>24,000</u>
Subtotal	446,036
Less: Allowance for uncollectable pledges	(44,604)
Less: unamortized discount	<u>(48,615)</u>
Net pledges receivable	<u>\$ 352,817</u>

4. Investments:

The cost and market values of securities as of June 30, 2007 are as follows:

	<u>Cost</u>	<u>Market Value</u>
Cash and cash equivalents	\$ 2,575,338	\$ 2,575,338
Mutual funds	79,834	123,871
Stocks	8,497,849	11,046,958
Bonds	<u>1,568,216</u>	<u>1,599,189</u>
Total	<u>\$12,721,237</u>	<u>\$15,345,356</u>

Continued

ST. VLADIMIR'S ORTHODOX THEOLOGICAL SEMINARY

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2007

4. Investments: (Continued)

Endowment and investment income are allocated based on pooling of investments and consist of the following:

Interest and dividend income	\$ 241,279
Investment fees	(92,276)
Realized gain on investments	806,187
Unrealized gain on investments	<u>1,440,808</u>
	<u>\$2,395,998</u>

5. Seminary Plant:

A summary of land, building and equipment as of June 30, 2007, is as follows:

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net</u>
Land	\$ 740,744		\$ 740,744
Land improvements	649,602	\$ (134,795)	514,807
Buildings and improvements	19,139,166	(4,286,415)	14,852,751
Library books and media	1,011,071	(746,179)	264,892
Furniture and equipment	1,084,577	(732,782)	351,795
Vehicles	<u>67,264</u>	<u>(67,264)</u>	<u>-</u>
	<u>\$22,692,424</u>	<u>\$ (5,967,435)</u>	<u>\$16,724,989</u>

6. Mortgage Loans Payable:

Mortgage loan payable with variable interest at prime. Monthly payments of \$2,089 (interest and principal) are due through March 2017. \$ 167,762

Mortgage loan payable with variable interest at prime. Monthly payments of \$2,275 (interest and principal) are due through March 2017. 182,674

Mortgage loan payable with variable interest at LIBOR +1.9%. Monthly payments of \$27,926 (interest and principal) with final balloon payment due October 2013. 3,445,791

Note payable for purchase of equipment with interest at 9.25%. Monthly payment of \$874 (interest and principal) and due August 2009. 22,721

Continued

ST. VLADIMIR'S ORTHODOX THEOLOGICAL SEMINARY

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2007

6. Mortgage Loans Payable: (Continued)

Open line of credit for \$500,000 with a bank with an available balance of \$500,000 as of June 30, 2007. Interest rate is prime plus 1%.

-
\$3,818,948

Principal payments on mortgages for the succeeding five years and thereafter are as follows:

Year ending June 30,	
2008	117,294
2009	127,145
2010	127,551
2011	135,644
2012	146,258
After 2012	<u>3,165,056</u>
	<u>\$3,818,948</u>

7. Temporarily Restricted Net Assets:

Temporarily restricted net assets are available for the following purposes:

Time restricted	\$ 352,817
Scholarships	2,279,810
Student loans and assistance	10,571
Global ministry grants	8,359
Press grant	47,130
Library	50,725
Other	<u>17,563</u>
	<u>\$2,766,975</u>

Continued

ST. VLADIMIR'S ORTHODOX THEOLOGICAL SEMINARY

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2007

8. Functional Classification of Expenses:

Expenses are charged to program and supporting services on the basis of periodic time and expense studies. Allocation of total unrestricted expenses (with the inclusion of depreciation) for the year are as follows:

Program services:	
Instruction	\$ 1,223,036
Public service	96,056
Library	529,488
Student services	206,666
Theological research publications	41,080
Auxiliary enterprises	<u>1,420,033</u>
Total program services	<u>3,516,359</u>
Supporting services:	
General institutional	794,860
Development and communications	<u>196,862</u>
Total supporting services	<u>991,722</u>
Total expenses	<u>\$ 4,508,081</u>

9. Retirement Plan:

The Seminary 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 Seminary contributes 6% of each employee's salary, and the employee contributes 6%. The retirement benefit costs charged to expense amounted to \$66,401 in 2007.

10. Internal Revenue Code Status:

The Seminary has been granted tax exempt status as a non-profit organization under Section 501(c)(3) of the Internal Revenue Code.

11. Concentration of Risk:

Significant concentration of credit risk arise from cash deposits in excess of federally insured amounts of \$100,000. Cash and cash equivalents held in one bank by the Seminary amounted to \$189,085 at June 30, 2007.

Concluded

ST. VLADIMIR'S ORTHODOX THEOLOGICAL SEMINARY

**SCHEDULE OF FINANCIAL POSITION
JUNE 30, 2007
WITH SUMMARIZED FINANCIAL INFORMATION
AS OF JUNE 30, 2006**

	<u>OPERATING</u>	<u>RESTRICTED</u>	<u>PLANT</u>	<u>LIFE INCOME TRUSTS</u>	<u>ENDOWMENTS</u>	<u>TOTAL</u>
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
ASSETS:						
Cash and cash equivalents	\$ 107,024				\$ 107,024	\$ 174,318
Accounts receivable (less allowance for doubtful accounts of \$97,399 in 2007 and \$71,420 in 2006)	198,027		\$ 352,817		198,027	207,135
Pledges receivable					352,817	796,403
Prepaid expenses and security deposits	21,510				21,510	19,549
Inventory	752,830				752,830	768,466
Investments				\$ 186,516	\$ 15,158,840	12,951,251
Investments in property			33,333		88,789	122,122
Cash surrender value of life insurance	123,268				123,268	116,132
Land, building and equipment (at cost less accumulated depreciation of \$5,967,435 in 2007 and \$5,425,442 in 2006)	(796,325)	\$ 179,333	16,724,989	50,273	16,724,989	17,083,081
Interfund receivable (payable)	\$ 406,334	\$ 179,333	\$ 17,111,139	\$ 236,789	\$ 15,814,348	\$ 32,238,457
Total assets					\$ 33,747,943	
LIABILITIES AND NET ASSES:						
Liabilities:						
Accounts payable and accrued expenses	\$ 47,025		\$ 72,000		\$ 119,025	\$ 310,782
Deferred revenue	4,504				4,504	25,077
Mortgages payable			3,818,948		3,818,948	4,022,498
Annuity and life trust payable				\$ 183,947	183,947	183,947
Total liabilities	51,529		3,890,948	183,947	4,126,424	4,542,304
Net Assets:						
Unrestricted:						
Net investment in land, building and equipment			12,834,041		12,834,041	12,865,903
Board designated long-term investments			33,333	24,338	5,897,520	4,315,640
Undesignated	354,805		12,867,374		489,781	1,144,034
Total unrestricted net assets	354,805		352,817	24,338	19,221,342	18,325,577
Temporarily restricted		\$ 179,333		24,338	2,766,975	2,056,614
Permanently restricted				28,504	7,633,202	7,313,962
Total net assets	354,805	179,333	13,220,191	52,842	29,621,519	27,696,153
Total liabilities and net assets	\$ 406,334	\$ 179,333	\$ 17,111,139	\$ 236,789	\$ 33,747,943	\$ 32,238,457

ST. VLADIMIR'S ORTHODOX THEOLOGICAL SEMINARY

**SCHEDULE OF ACTIVITIES – UNRESTRICTED NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2007**

	<u>OPERATING</u>	<u>RESTRICTED</u>	<u>PLANT</u>	<u>LIFE INCOME TRUSTS</u>	<u>ENDOWMENT</u>	<u>TOTAL UNRESTRICTED</u>
Income and Releases:						
Tuition and fees	\$ 686,110					\$ 686,110
Less scholarship and financial aid	<u>(30,376)</u>	<u>\$ (8,188)</u>			<u>\$ (233,600)</u>	<u>(272,164)</u>
Net tuition and fees	655,734	(8,188)			(233,600)	413,946
Gifts and grants	649,285				1,004,640	1,653,925
Investment income	(6,393)			\$22,200	838,415	854,222
Subscriptions income	29,750					29,750
Summer institute income	25,685					25,685
Orthodox Education Day	28,011					28,011
Auxiliary enterprises	1,394,641					1,394,641
Other income	<u>43,640</u>					<u>43,640</u>
Total income before net assets released from restrictions	2,820,353	(8,188)		22,200	1,609,455	4,443,820
Net assets released from restrictions :						
Satisfactions of program restrictions		<u>15,187</u>	<u>\$ 452,739</u>		<u>492,100</u>	<u>960,026</u>
Total income and releases	<u>2,820,353</u>	<u>6,999</u>	<u>452,739</u>	<u>22,200</u>	<u>2,101,555</u>	<u>5,403,846</u>
Expenses:						
Educational and general:						
Instruction	839,010					839,010
Public service	30,169					30,169
Library	152,199					152,199
Student services	132,988	2,741				135,729
Theological research publications	36,030					36,030
Operation and maintenance of plant	617,501					617,501
General institutional expense	749,947	4,258	19,657			773,862
Interest expense	297,834					297,834
Auxiliary enterprises	<u>962,991</u>					<u>962,991</u>
Total expenses	<u>3,818,669</u>	<u>6,999</u>	<u>19,657</u>	<u>-</u>	<u>-</u>	<u>3,845,325</u>
Change in Net Assets Before Transfers and Depreciation:	(998,316)		433,082	22,200	2,101,555	1,558,521
Transfer for fixed asset additions	5,739		(5,739)			-
Transfer for principal proceeds on loans	31,460		(31,460)			-
Transfer for principal payment on loans	(235,011)		235,011			-
Transfer from endowments	492,800				(492,800)	-
Depreciation			<u>(662,756)</u>			<u>(662,756)</u>
Change in Net Assets	<u>(703,328)</u>	<u>-</u>	<u>(31,862)</u>	<u>22,200</u>	<u>1,608,755</u>	<u>895,765</u>
Net Assets at Beginning of Year	<u>1,058,133</u>		<u>12,899,236</u>	<u>2,138</u>	<u>4,366,070</u>	<u>18,325,577</u>
Net Assets at End of Year	<u>\$ 354,805</u>	<u>\$ -</u>	<u>\$12,867,374</u>	<u>\$24,338</u>	<u>\$ 5,974,825</u>	<u>\$ 19,221,342</u>

Schedule 2

The Monasteries of New Skete

1. Letters of Introduction
2. Balance Sheets for 2005, 2006, 2007
3. Profit and Loss for 2005, 2006, 2007

NUNS OF NEW
NEW YORK 12816
NEW SKETE
SKETE CAMBRIDGE
518 677-3810

MONASTERY OF OUR LADY OF THE SIGN

July 21st, 2008

Reverend Michael Tassos, Treasurer
OCA Chancery
P.O. Box 675
Syosset, NY 11791-0675

Dear Reverend Michael,

In response to your letter of June 9th, 2008, our financial statement for the years 2005 to 2007 are enclosed. Please accept my apologies for not meeting the deadline for our financial report. I trust it will not be too late.

As per your request our Treasurer, Sister Patricia Lawless, prepared the report.

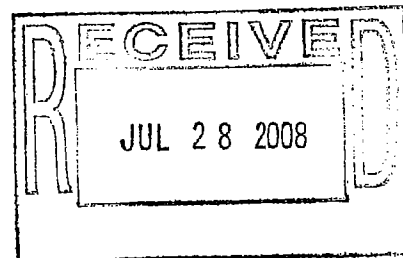
It is a cash basis accounting.

We are not audited.

Sincerely yours in our Lord Jesus Christ,

Sister Cecelia

Sister Cecelia, Superior





July 13, 2008

Rev. Michael Tassos, Treasurer
Orthodox Church in America
PO Box 675
Syosset NY 11791-0675

Dear Fr. Michael,

Re: your letter of June 9, 2008

Please find enclosed our financial report as requested. An accrual basis of accounting was used in the preparation of this report. It was prepared in house and was not audited.

Yours in Christ,

Brother Luke Dorr
Prior
Monks of New Skete

Enclosure: a/s

NUNS OF NEW SKETE
Monastery of Our Lady of the Sign
343 Ashgrove Road
Cambridge NY 12816
518 677 3810

ASSETS:	2005	2006	2007
Checking/Cash/Savings			
Checking	\$28,283	\$4,235	\$18,384
Cash	<u>\$15,169</u>	<u>\$17,762</u>	<u>\$23,781</u>
Total Cash	\$43,452	\$21,997	\$42,165
Savings	\$330,698	\$ 338,604	\$452,675
Inventory Asset (Cheesecakes)	<u>\$20,271</u>	<u>\$36,776</u>	<u>\$38,270</u>
TOTAL CURRENT ASSETS	\$394,421	\$397,377	\$533,110
 LIABILITIES;	 \$ 39,220	 \$25,863	 \$ 8,279
 NET BALANCE	 \$ 355,201	 \$371,514	 \$524,831

The Monks of New Skete
Profit & Loss
January through December 2007

	Jan - Dec 07	Jan - Dec 06	Jan - Dec 05
Ordinary Income/Expense			
Income			
Royalty Income	184,849.67	315,554.66	141,622.04
Contributions	189,557.66	111,339.32	94,563.40
Facilities Reimbursement	31,200.00	35,285.00	31,200.00
Soc Sec Bene's rec'd for member	11,020.59	14,544.86	11,441.40
Total Income	416,627.92	476,723.84	278,824.84
Expense			
Church Expenses	49,377.51	183,114.10	51,586.61
Guest House Expenses	0.00	1,236.88	0.00
Formation	5,382.39	4,532.56	5,767.00
G&A	78,792.72	105,241.54	37,951.54
Community	310,610.88	287,920.13	220,501.75
Depreciation	49,553.07	39,510.02	38,832.69
Total Expense	493,716.57	621,555.23	354,639.59
Excess of Operating Expenses over Revenues	-77,088.65	-144,831.39	-75,814.75
Other Income/Expense			
Other Income			
Interest & Dividend Income	71,887.89	83,993.28	58,275.78
Investment Income	6,306.19	0.00	-143,313.85
Total Other Income	78,194.08	83,993.28	-85,038.07
Net Other Income	78,194.08	83,993.28	-85,038.07
Change in Net Assets	1,105.43	-60,838.11	-160,852.82

MONKS OF NEW SKETE
NEW YORK
518-677-3928

The Nuns of New Skete
Profit and Loss
January through December 2005 to 2007

	2005	2006	2007
Ordinary Income/Expenses			
Income			
Contributions	11,335	25,236	28,195
Facilities Reimbursement	121,974	88,579	96,957
Soc. Sec. Bene rec'd -members	30,050	31,635	37,944
Other Work & Shop	<u>8,387</u>	<u>15,508</u>	<u>12,900</u>
Total Income	171,746	160,958	175,996
Expenses			
Church Expenses	1,586	2,997	3,176
Formation	5,101	5,731	5,038
Monastery	48,288	45,212.08	48,554
Community	82,055	128,990	85,057
Insurance	9,680	16,275	17,850
Labor	<u>3,580</u>	<u>11,020</u>	<u>13,297</u>
Total Expenses,	150,290	210,225	172,972
Operating Expenses compared to Revenues	21,466	-49,267	3,024
Other Income/ Expenses			
Other Income			
Interest and Dividend Income	13,429	11,114	14,668
Stocks- gifts		15,600	240,902
Net Other Income	<u>185,175</u>	<u>187,672</u>	<u>431,566</u>
Revenue in Excess of Expenses	34,885	-22,553	258,594

Holy Myrrhbearers Monastery

1. Profit and Loss for 2007
2. Balance Sheet for 2007
3. Profit and Loss to date for 2008
4. Balance Sheet to date for 2008

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10/10/08
Accrual Basis

Holy Myrrhbearers Monastery

Profit & Loss

January through December 2007

	Jan - Dec 07
Ordinary Income/Expense	
Income	
43400 · Direct Public Support	
43440 · Gifts in Kind - Goods	11,373.50
43450 · Individ, Business Contributions	
43451 · Earmarked Donations	2,233.83
43450 · Individ, Business Contributions - Other	209,113.41
Total 43450 · Individ, Business Contributions	211,347.24
43460 · Legacies and Bequests	20,758.16
Total 43400 · Direct Public Support	243,478.90
45000 · Investments	
45020 · Dividend, Interest (Securities)	1,095.37
45000 · Investments - Other	59.74
Total 45000 · Investments	1,155.11
46400 · Other Types of Income	
46420 · Inventory Sales	
46421 · Sale of Monastery Books	8,139.60
46422 · Sale of Purchased Books	673.40
46423 · Sale of Cards	9,662.54
46424 · Sale of Farm Products	8,566.06
46425 · Sale of Icons	3,450.00
46426 · Sale of Palestinian Products	4,511.24
46427 · Various Consigned Items	80.00
46420 · Inventory Sales - Other	606.16
Total 46420 · Inventory Sales	35,689.00
46430 · Craftwork Commissions	166.00
46440 · Miscellaneous Revenue	
46441 · Reimbursements	1,855.23
46440 · Miscellaneous Revenue - Other	5,554.44
Total 46440 · Miscellaneous Revenue	7,409.67
46450 · Sales Tax Collected	13.22
46400 · Other Types of Income - Other	1,975.00
Total 46400 · Other Types of Income	45,252.89
Total Income	289,886.90
Cost of Goods Sold	
50000 · Cost of Goods Sold	0.00
50700 · Cost of Sales - Inventory Sales	
50701 · Book Publishing	13,155.30
50702 · Book Purchases	364.51
50703 · Cost of Card Publication	7,430.79
50704 · Farm Product Preparation	2,901.49
50705 · Icon Studio Purchases	1,595.58
50706 · Palestinian Product Purchase	2,016.00
50700 · Cost of Sales - Inventory Sales - Other	240.00
Total 50700 · Cost of Sales - Inventory Sales	27,703.67
Total COGS	27,703.67
Gross Profit	262,183.23
Expense	
60900 · Business Expenses	
60920 · Business Registration Fees	100.00
60950 · UBITaxes	
60951 · Sales Tax Collected	62.85
60950 · UBITaxes - Other	678.63
Total 60950 · UBITaxes	741.48
Total 60900 · Business Expenses	841.48

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Accrual Basis

Holy Myrrhbearers Monastery

Profit & Loss

January through December 2007

	Jan - Dec 07
62100 · Contract Services	
62150 · Outside Contract Services	254.99
62160 · Credit Card & Bank Fees	474.23
Total 62100 · Contract Services	729.22
62800 · Facilities and Equipment	
62820 · Grounds & Landscaping	973.35
62840 · Equip Rental and Maintenance	392.43
62841 · Household Equipment	39.97
62870 · Property Insurance	2,127.18
62880 · Real Estate, Personal Prop Tax	4,234.29
62890 · Utilities, Fuel & Electric Co	11,835.63
Total 62800 · Facilities and Equipment	19,602.85
65000 · Operations	
65010 · Books, Subscriptions, Reference	
65011 · Library	427.48
65010 · Books, Subscriptions, Reference - Other	376.57
Total 65010 · Books, Subscriptions, Reference	804.05
65020 · Postage, Mailing Service	6,318.06
65030 · Printing and Copying	2,193.60
65040 · Supplies	1,588.55
65050 · Telephone, Telecommunications	2,020.03
65060 · Computers and Internet	
65061 · Credit Card Processing	364.30
65060 · Computers and Internet - Other	3,260.78
Total 65060 · Computers and Internet	3,625.08
65070 · Customer Refunds	435.67
65000 · Operations - Other	79.00
Total 65000 · Operations	17,064.04
65100 · Other Types of Expenses	
65110 · Advertising Expenses	
65111 · In-house Fundraising	6,919.01
65110 · Advertising Expenses - Other	10.00
Total 65110 · Advertising Expenses	6,929.01
65120 · Insurance - Liability, D and O	
65121 · Life Insurance	1,433.87
65120 · Insurance - Liability, D and O - Other	5,401.85
Total 65120 · Insurance - Liability, D and O	6,835.72
65150 · Memberships and Dues	1,068.03
65151 · Church Obligations & Charity	17,001.12
65160 · Other Costs	662.06
65161 · Chapel Expenses	3,121.43
65162 · Loan Interest	3,158.13
Total 65100 · Other Types of Expenses	38,775.50
66000 · Payroll Expenses	321.30
66900 · Reconciliation Discrepancies	2,447.27
67000 · Monastic Household	
67001 · General Maintenance & Upkeep	4,000.83
67002 · Food and Groceries	17,076.64
67003 · Shoes and Clothing	2,248.57
67004 · Health Care	42,138.47
67005 · Pet Food and Upkeep	1,413.99
67006 · Vehicle Insurance	924.22
67007 · Vehicle Maintenance	8,963.49
67009 · Personal	933.11
67010 · Misplaced Funds	238.21
67011 · Kitchen Garden	3,230.72
67000 · Monastic Household - Other	1,079.08
Total 67000 · Monastic Household	82,247.33

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Accrual Basis

Holy Myrrhbearers Monastery

Profit & Loss

January through December 2007

	Jan - Dec 07
67200 · Guest Ministry & Hospitality	
67201 · Guest House Phone Utilities etc	3,656.08
67200 · Guest Ministry & Hospitality - Other	610.12
Total 67200 · Guest Ministry & Hospitality	4,266.20
67500 · Zoar Farms	
67501 · Livestock Feed	17,831.48
67502 · Routine Farm Maintenance	2,380.90
67503 · Livestock Vet Care & Meds	5,192.50
67504 · Farm Equipment	1,086.27
67505 · Memberships & Subscriptions	302.25
67506 · Barn Maintenance & Renovation	2,355.17
67507 · Farm Vehicle Gas & Maintenance	2,291.03
67508 · Pastures & Fencing	2,508.55
67509 · Animal Pedigree Registration	124.50
67510 · Dairy Supplies	82.67
Total 67500 · Zoar Farms	34,155.32
68300 · Travel and Meetings	
68310 · Conference, Convention, Meeting	
68311 · Training Workshops	929.90
68310 · Conference, Convention, Meeting - Other	96.27
Total 68310 · Conference, Convention, Meeting	1,026.17
68320 · Travel	4,941.58
Total 68300 · Travel and Meetings	5,967.75
69800 · Uncategorized Expenses	77.25
Total Expense	206,495.51
Net Ordinary Income	55,687.72
Net Income	55,687.72

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10/10/08

Accrual Basis

Holy Myrrhbearers Monastery

Balance Sheet

As of December 31, 2007

	Dec 31, 07
ASSETS	
Current Assets	
Checking/Savings	
checking	1,140.85
postulant savings	2,311.91
regular savings	443.91
special savings	36,052.99
- · Petty Cash	71.76
* · House Checking Account	5,599.81
Total Checking/Savings	45,621.23
Accounts Receivable	
11100 · Allowance for Doubtful Accounts	1,062.90
Total Accounts Receivable	1,062.90
Other Current Assets	
12000 · Undeposited Funds	35.00
12100 · Inventory Asset	
12101 · Books Published by Monastery	1,413.00
12102 · Purchased Books	370.00
12103 · Card Inventory	94.75
12104 · Farm Products	3,675.00
12106 · Palestinian Products	2,567.00
Total 12100 · Inventory Asset	8,119.75
13500 · Supplies Inventory	
13501 · Farm Equipment	2,183.84
13502 · Yard & Garden Equipment	999.00
13500 · Supplies Inventory - Other	256.73
Total 13500 · Supplies Inventory	3,439.57
Total Other Current Assets	11,594.32
Total Current Assets	58,278.45
Fixed Assets	
15000 · Furniture and Equipment	4,314.01
15100 · Buildings - Operating	
15101 · Main Monastery	368,377.70
15103 · Guest House ("Millhouse")	41,800.00
15104 · Main Barn	32,374.12
15105 · Buck Barn	9,664.63
15106 · Ox Shed	689.96
15110 · Monastery Chapel	
15111 · Bells & Bell Tower	9,035.00
15112 · Chapel Furniture, Icons etc.	-4,000.00
15110 · Monastery Chapel - Other	4,050.00
Total 15110 · Monastery Chapel	9,085.00
15114 · Baptist Church	5,000.00
Total 15100 · Buildings - Operating	466,991.41
15700 · Land - Operating	
15701 · Main Monastery Property	71,362.50
15702 · Millhouse Property	1,500.00
Total 15700 · Land - Operating	72,862.50
16400 · Vehicles	13,816.37
17100 · Accum Depr - Furn and Equip	3,804.33
17400 · Accum Depr - Vehicles	15,412.75
Total Fixed Assets	577,201.37

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10/10/08

Accrual Basis

Holy Myrrhbearers Monastery
Balance Sheet
As of December 31, 2007

	<u>Dec 31, 07</u>
Other Assets	
18600 · Other Assets	
18601 · Zoar Farms Livestock	4,400.00
Total 18600 · Other Assets	<u>4,400.00</u>
Total Other Assets	<u>4,400.00</u>
TOTAL ASSETS	<u><u>639,879.82</u></u>
LIABILITIES & EQUITY	
Liabilities	
Long Term Liabilities	
27100 · Notes, Mortgages, and Leases	
27101 · RBO Note	39,673.34
27102 · NBT Bank Note	12,394.35
Total 27100 · Notes, Mortgages, and Leases	<u>52,067.69</u>
Total Long Term Liabilities	<u>52,067.69</u>
Total Liabilities	52,067.69
Equity	
30000 · Opening Bal Equity	573,790.12
32000 · Unrestricted Net Assets	-41,665.71
Net Income	55,687.72
Total Equity	<u>587,812.13</u>
TOTAL LIABILITIES & EQUITY	<u><u>639,879.82</u></u>

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10/10/08
Accrual Basis

Holy Myrrhbearers Monastery

Profit & Loss

January 1 through October 10, 2008

	Jan 1 - Oct 10, 08
Ordinary Income/Expense	
Income	
43400 · Direct Public Support	
43440 · Gifts in Kind - Goods	320.90
43450 · Individ, Business Contributions	
43451 · Earmarked Donations	456.81
43450 · Individ, Business Contributions - Other	227,965.83
Total 43450 · Individ, Business Contributions	228,422.64
Total 43400 · Direct Public Support	228,743.54
45000 · Investments	
45020 · Dividend, Interest (Securities)	23.38
Total 45000 · Investments	23.38
46400 · Other Types of Income	
46411 · Royalties for Books etc.	413.95
46412 · Miscellaneous Services	750.00
46420 · Inventory Sales	
46421 · Sale of Monastery Books	3,212.47
46422 · Sale of Purchased Books	236.25
46423 · Sale of Cards	5,821.57
46424 · Sale of Farm Products	1,945.24
46425 · Sale of Icons	3,637.50
46426 · Sale of Palestinian Products	588.50
46427 · Various Consigned Items	40.00
46420 · Inventory Sales - Other	50.00
Total 46420 · Inventory Sales	15,531.53
46440 · Miscellaneous Revenue	
46441 · Reimbursements	-364.41
46440 · Miscellaneous Revenue - Other	2,153.80
Total 46440 · Miscellaneous Revenue	1,789.39
Total 46400 · Other Types of Income	18,484.87
Total Income	247,251.79
Cost of Goods Sold	
50000 · Cost of Goods Sold	542.15
50700 · Cost of Sales - Inventory Sales	
50701 · Book Publishing	0.00
50702 · Book Purchases	0.00
50703 · Cost of Card Publication	382.30
50704 · Farm Product Preparation	3,334.29
50705 · Icon Studio Purchases	53.56
50706 · Palestinian Product Purchase	900.00
50700 · Cost of Sales - Inventory Sales - Other	0.00
Total 50700 · Cost of Sales - Inventory Sales	4,670.15
Total COGS	5,212.30
Gross Profit	242,039.49
Expense	
60900 · Business Expenses	
60950 · UBITaxes	
60951 · Sales Tax Collected	174.03
Total 60950 · UBITaxes	174.03
60900 · Business Expenses - Other	25.00
Total 60900 · Business Expenses	199.03

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Accrual Basis

Holy Myrrhbearers Monastery

Profit & Loss

January 1 through October 10, 2008

	Jan 1 - Oct 10, 08
62100 · Contract Services	
62140 · Legal Fees	255.00
62150 · Outside Contract Services	9.95
62160 · Credit Card & Bank Fees	724.93
62100 · Contract Services - Other	-20.00
Total 62100 · Contract Services	969.88
62800 · Facilities and Equipment	
62820 · Grounds & Landscaping	13,460.88
62840 · Equip Rental and Maintenance	432.17
62841 · Household Equipment	1,531.51
62870 · Property Insurance	2,127.18
62880 · Real Estate, Personal Prop Tax	4,401.17
62890 · Utilities, Fuel & Electric Co	13,169.18
Total 62800 · Facilities and Equipment	35,122.09
65000 · Operations	
65010 · Books, Subscriptions, Reference	
65011 · Library	60.77
65010 · Books, Subscriptions, Reference - Other	353.95
Total 65010 · Books, Subscriptions, Reference	414.72
65020 · Postage, Mailing Service	78.97
65030 · Printing and Copying	75.31
65040 · Supplies	1,535.41
65050 · Telephone, Telecommunications	1,642.19
65060 · Computers and Internet	
65061 · Credit Card Processing	401.12
65060 · Computers and Internet - Other	934.58
Total 65060 · Computers and Internet	1,335.70
65070 · Customer Refunds	372.00
Total 65000 · Operations	5,454.30
65100 · Other Types of Expenses	
65110 · Advertising Expenses	
65111 · In-house Fundraising	4,007.13
65112 · Marketing, Display Expenses etc	36.30
Total 65110 · Advertising Expenses	4,043.43
65120 · Insurance - Liability, D and O	
65121 · Life Insurance	1,091.79
65122 · Workers' Compensation Insurance	5.81
65120 · Insurance - Liability, D and O - Other	4,759.00
Total 65120 · Insurance - Liability, D and O	5,856.60
65150 · Memberships and Dues	234.64
65151 · Church Obligations & Charity	7,089.53
65160 · Other Costs	540.00
65161 · Chapel Expenses	582.68
65162 · Loan Interest	231.21
65163 · Misc. Late Fees	52.24
Total 65100 · Other Types of Expenses	18,630.33
66900 · Reconciliation Discrepancies	7.95

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Accrual Basis

Holy Myrrhbearers Monastery

Profit & Loss

January 1 through October 10, 2008

	Jan 1 - Oct 10, 08
67000 · Monastic Household	
67001 · General Maintenance & Upkeep	2,730.19
67002 · Food and Groceries	1,747.26
67003 · Shoes and Clothing	394.17
67004 · Health Care	33,094.57
67005 · Pet Food and Upkeep	68.70
67007 · Vehicle Maintenance	1,634.55
67009 · Personal	489.84
67010 · Misplaced Funds	109.41
67011 · Kitchen Garden	104.06
67000 · Monastic Household - Other	79,346.97
Total 67000 · Monastic Household	119,719.72
67200 · Guest Ministry & Hospitality	
67201 · Guest House Phone Utilities etc	879.64
Total 67200 · Guest Ministry & Hospitality	879.64
67500 · Zoar Farms	
67501 · Livestock Feed	17,990.95
67502 · Routine Farm Maintenance	316.55
67503 · Livestock Vet Care & Meds	1,466.69
67504 · Farm Equipment	2,566.95
67505 · Memberships & Subscriptions	247.10
67506 · Barn Maintenance & Renovation	1,000.00
67507 · Farm Vehicle Gas & Maintenance	335.97
67508 · Pastures & Fencing	175.00
67509 · Animal Pedigree Registration	0.00
67510 · Dairy Supplies	567.19
67500 · Zoar Farms - Other	7,091.53
Total 67500 · Zoar Farms	31,757.93
68300 · Travel and Meetings	
68310 · Conference, Convention, Meeting	
68311 · Training Workshops	160.00
Total 68310 · Conference, Convention, Meeting	160.00
68320 · Travel	919.35
68300 · Travel and Meetings - Other	3.00
Total 68300 · Travel and Meetings	1,082.35
Total Expense	213,823.22
Net Ordinary Income	28,216.27
Net Income	28,216.27

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Accrual Basis

Holy Myrrhbearers Monastery

Balance Sheet

As of October 10, 2008

	Oct 10, 08
ASSETS	
Current Assets	
Checking/Savings	
checking	4,261.32
postulant savings	2,313.79
regular savings	955.84
special savings	8,051.57
- · Petty Cash	84.04
* · House Checking Account	5,182.51
Total Checking/Savings	20,849.07
Accounts Receivable	
11100 · Allowance for Doubtful Accounts	862.85
11400 · Grants Receivable	
11401 · Reimbursements	-3.29
Total 11400 · Grants Receivable	-3.29
Total Accounts Receivable	859.56
Other Current Assets	
12000 · Undeposited Funds	483.42
12100 · Inventory Asset	
12101 · Books Published by Monastery	1,413.00
12102 · Purchased Books	370.00
12103 · Card Inventory	94.75
12104 · Farm Products	4,170.00
12106 · Palestinian Products	2,562.00
12100 · Inventory Asset - Other	379,208.90
Total 12100 · Inventory Asset	387,818.65
13500 · Supplies Inventory	
13501 · Farm Equipment	4,370.24
13502 · Yard & Garden Equipment	999.00
13500 · Supplies Inventory - Other	256.73
Total 13500 · Supplies Inventory	5,625.97
Total Other Current Assets	393,928.04
Total Current Assets	415,636.67
Fixed Assets	
15000 · Furniture and Equipment	4,777.43
15100 · Buildings - Operating	
15101 · Main Monastery	368,377.70
15103 · Guest House ("Millhouse")	41,800.00
15104 · Main Barn	32,374.12
15105 · Buck Barn	9,664.63
15106 · Ox Shed	689.96
15110 · Monastery Chapel	
15111 · Bells & Bell Tower	9,035.00
15112 · Chapel Furniture, Icons etc.	-4,000.00
15110 · Monastery Chapel - Other	4,050.00
Total 15110 · Monastery Chapel	9,085.00
15114 · Baptist Church	5,000.00
Total 15100 · Buildings - Operating	466,991.41
15700 · Land - Operating	
15701 · Main Monastery Property	71,362.50
15702 · Millhouse Property	1,500.00
Total 15700 · Land - Operating	72,862.50
16400 · Vehicles	14,103.36
17100 · Accum Depr - Furn and Equip	5,804.33
17400 · Accum Depr - Vehicles	15,412.75
Total Fixed Assets	579,951.78

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Accrual Basis

Holy Myrrhbearers Monastery
Balance Sheet
As of October 10, 2008

	Oct 10, 08
Other Assets	
18000 · Marketable Securities	30,000.00
18100 · Land and Buildings - Investment	4,190.00
18600 · Other Assets	
18601 · Zoar Farms Livestock	4,800.00
Total 18600 · Other Assets	4,800.00
Total Other Assets	38,990.00
TOTAL ASSETS	1,034,578.45
LIABILITIES & EQUITY	
Liabilities	
Long Term Liabilities	
27100 · Notes, Mortgages, and Leases	
27101 · RBO Note	29,904.55
27102 · NBT Bank Note	9,302.50
Total 27100 · Notes, Mortgages, and Leases	39,207.05
Total Long Term Liabilities	39,207.05
Total Liabilities	39,207.05
Equity	
30000 · Opening Bal Equity	953,133.12
32000 · Unrestricted Net Assets	14,022.01
Net Income	28,216.27
Total Equity	995,371.40
TOTAL LIABILITIES & EQUITY	1,034,578.45

St. Catherine the Great Martyr Representation Church

There was no report received as of the printing of this book. A report will be released when received and reviewed. Copies would then be available at the All-American Council.