

**Metropolitan Council Meeting**  
**Fall 2013**  
**Officers' Reports**



**Meeting of the Metropolitan Council  
September 24 to September 26, 2013  
Officers' Reports  
Table of Contents**

1.	Metropolitan's Report	Metropolitan Tikhon
2.	Chancellor's Report	Archpriest John Jillions
	A.    ORSMA Report (Executive Session)	Cindy Davis
	B.    SMPAC Report	PDN Peter Danilchick
3.	Secretary's Report	Archpriest Eric G. Tosi
	A.    Communications Update	Ryan Platte
4.	Treasurer's Report	Melanie Ringa
	A.    Internal Auditors' Report	Michael Strelka
	B.    External Auditors' Report	Lambrides, Lamos and Taylor

---

# REPORT OF THE METROPOLITAN

---

FALL MEETING OF THE METROPOLITAN COUNCIL  
SEPTEMBER 24-27, 2013

Your Eminence and Your Graces, Very Reverend and Reverend Fathers, Honorable Counselors, Respected Matushki, Members of the Metropolitan Council and Guests,

Christ is in our midst!

I am pleased to welcome all of you and I am thankful for your willingness to re-arrange the Agenda of the Metropolitan Council Meeting so as to accommodate my trip to France. I am also grateful for your prayers on behalf of my grandmother and for your condolences. It was providential that I was able to both visit her 10 days ago, while she was still living, to share our final farewells with prayer and near-silent conversation and then to attend her funeral services on Sunday and yesterday; My presence there was also providential in light of the fact that there was no priest to perform the services and I was able to serve a Panikhida for the repose of her soul.

## GENERAL THOUGHTS

I have passed out a full schedule of my activities since my election in November of last year. In my present report, I will focus on those events that have taken place since the last Metropolitan Council meeting in February. At the same time, I will take some inspiration from my Grandmother, whose biography, where it to be written in the form of a report, would not yield much content, but whose life was one resplendent with beauty, wisdom and love: virtues that almost invisibly touched her children, her grandchildren and her great-grandchildren and which cannot be expressed adequately in words.

In much the same way that the impact of the saints goes beyond the often short descriptions of their external life (One such saint is commemorated today: St Silouan of the Holy Mountain. His biographer, Archimandrite Sophrony, noted that St Silouan's external monastic life could be summarized by the dash between the date of his entrance into the monastery and the date of his death – but within that dash a great treasure was hid) so must the work of the Church proceed. Whether it be on the Diocesan, Deanery or parish level, whether it be in meetings of the Metropolitan Council, Diocesan Councils or parish councils, whether we be in community or alone, we need to nurture that true work of faith that proceeds, not from our external actions, but from our hearts and from our desire to serve the Lord.

It has been said that the past year has brought a period of calm and stability. Glory to God for such periods in our often turbulent and difficult lives. In my travels and pastoral visits throughout the OCA, I have felt this calm and stability – but I have also felt the zeal and the energy of our clergy and faithful: zeal to do the work of Christ and the energy to sacrifice their own comfort and stability for the sake of the Kingdom. I have perceived a healthy violence that is waiting to take that Kingdom by force. This is reflected in the reports that you have reviewed for this meeting, but even more so, is found in the prayers, words and actions of all those in the Church who labor sacrificially for the spreading of the Gospel.

If there is one thing that I would ask of all within the Orthodox Church in America, and in particular, those who are members of this Metropolitan Council, it would be the following: that we be mindful of the fact that all of our planning, all of our talking, all of our activities, all of our work in the Church will be vain and useless if it is not founded on the reality and glory of Christ and His Kingdom and if it does not seek to proclaim and make manifest that reality and glory in this world.

The Fathers remind us that we should not give heed to voices, no matter where they may claim to come from, nor do we align ourselves with those who fight alone. Our task is to work together in community and seek our inspiration from on High. We should strive at all times to choose the less glamorous, less attention-seeking and less verbose path of denying ourselves, taking up our cross and following Christ. In all of you who have gathered here this week, I sense the desire and the will to do just that and I would ask that you encourage one another in this task and that you never forget to rely on God's grace and mercy in all things.

#### OCA CHANCERY

In terms of an evaluation of the work of the Chancery Office, I would refer you first to the Report from the Reorganization Work Group which was tasked with evaluating where the work of the Church can most effectively be done (centrally or locally). While the Work Group's report is preliminary, it does offer us a good place to begin our further discussions on this matter. These are issues that the Holy Synod will be taking up at its Fall Session as well.

**Chancellor.** Our Chancellor, **Archpriest John Jillions**, has provided us with a summary of some of the goals that were accomplished since the Fall Session of the Metropolitan Council last year. He has also laid out some of his objectives for 2014, many of which are well on the way to implementation. Others may appear to be more long-term in scope, but it is crucial for us to take such an approach to the many complex issues that continue to confront us. I thank Fr. John for his ability to generate such a forward-thinking proposals while, at the same time, helping me to deal with the many urgent matters that come up every day, some of which we will be addressing in more detail later in our meetings this week.

**Secretary. Archbishop Eric Tosi**, our OCA Secretary, has reported on the difficulties we have faced in the area of staffing. I would like to express my deepest thanks to **Jessica Linke** and **Andrew Boyd** for their dedicated service to the Chancery and to me, personally. They will be missed but I rejoice that both of them are continuing to offer their talents within the Orthodox Church in America: Andrew in his work with the Youth Department and Jessica in her work on the OCA website. I also ask that you keep **Gregory Sulich** in your prayers during his medical leave of absence, in anticipation of his return to his good work. Much of the work of these dedicated servants has been taken up by **Protodeacon Joseph Matusiak**, who will be assisting with my correspondence and scheduling, and by **Roman Ostash**, my Subdeacon, who serves faithfully, quietly and with discretion.

The Archives project is something that should really be placed on the front burner, as well as the filling in of the pool. Although the long-term use of the Chancery in Syosset has been, and may continue to be, a subject of much passionate discussion, it seems to me that, at this point in time, we must make use of this property in the most effective way. It is my hope that the final items of renovation referred to in Fr. Eric's Report can be accomplished in a timely manner.

I thank Fr Eric for his tireless work and also congratulate him on his reception of the Silver St Innocent Award which I bestowed on him on May 12. This award is well deserved, both for his past efforts and for the current herculean work he is offering as reflected both by what is contained in his report and that which he did not include out of humility.

**Treasurer.** You likewise have received the report from our Treasurer, **Ms. Melanie Ringa**. Although she only works part time at the Chancery, I can confirm to you that she is an invaluable member of our Chancery. She interfaces constantly with me, with the other Officers, with the Holy Synod, with the Diocesan Chancellors and Treasurers and with everyone who is involved in the finances of the Church. She also works closely with the Finance Committee, the HR Committee and the Financial Development Committee.

All of this she offers, not only because she has the ability and the talent to manage all that information, but because she takes seriously the mandate that was given to us by the All American Council in Seattle: to find a more effective way of funding the Church. This question, along with the review and revision of the Statute, will constitute the bulk of our discussions at the next All American Council. But as she constantly reminds us, these discussions must not be left to 2015 but need to be acted on immediately. I am sure that we will be devoting a large portion of our meeting to these questions.

**ALL AMERICAN COUNCIL**

Fr. Eric Tosi will provide us with more details on the 2015 All American Council but I would like to highlight two points:

1) Under the chairmanship of Archbishop Nathaniel, I have appointed a Task Force on OCA Statute Revision, which will consist of a number of qualified members from the Legal Committee and canon law experts. This effort has been encouraged by Judge Ray Lanier and we are grateful that he is on this task force and will be bringing his considerable skills and wisdom to bear on the subject. Although the original intent was that this revision would be narrower in focus, looking at the specific Statutory problems that have been brought to light recently, the Holy Synod has recently proposed that the Task Force take on a more comprehensive approach to the Revision process.

2) In a more general sense, I think the important work of the Post Conciliar Council should be closely reviewed, including their recommendation to transition the work of the PoCC to the regular life of the Church. This is the ideal since we want to have all of this good work taking place on all levels of the Church, not simply in committees. Nevertheless, those committees have borne much fruit and I feel that we will continue to grow in this area.

#### **OCA DEPARTMENTS**

Our OCA Departments continue their good work and I have been pleased to participate in many of their activities. Four of the Departments held a very successful **Parish Ministries Conference** and it is hoped that such inter-departmental cooperation will continue in the future. The Department of **Evangelization** held a three-day summit in Charleston last month, and the chairman of the Department, Fr. John Parker, has submitted a report of other departmental activities. Although he has taken on a new position as the Dean of St Tikhon's Seminary, Fr. Steven Voytovich will continue his work as Director of the Department of **Institutional Chaplaincy** until a successor can be found.

**Military Chaplaincy.** I had already reported on my attendance in January, together with our Dean of Chaplains, Fr. Ted Boback, at the National Conference of Ministry to Armed Forces (NCMAF) and the Endorsers Conference of Veterans Affairs Chaplaincy (ECVAC) as well as attending a breakfast with Chief Chaplains of all branches of the US Armed Forces. Subsequently, I travelled to Fort Bliss in April for a three day visit to the Army Installation there, whose Orthodox servicemen and women were under the direction of Fr. Peter Baktis, one of our highest ranking of our Orthodox Chaplains

Much good work has been taking place in our Departments of **Liturgical Music** and **Youth and Young Adults**. Both of these are areas that we need, as a Church, to devote our attention and our resources, since our youth and our liturgical heritage are some of our greatest treasures.

## LEGAL MATTERS

I will not dwell too much on legal matters except to note that Judge Ray Lanier's characterization of the period between the Spring and Fall sessions of the Metropolitan Council as being "extremely busy" for the Legal Committee is somewhat of an understatement. I thank Ray for his very succinct report, but I must say that this report does not truly reflect the reality of the work-load of all on our Legal Committee.

The Legal Committee, of course, works very closely with our General Counsel, Thaddeus Wojcik, who likewise has been quite busy. He will have much to offer us during this meeting concerning our legal responsibilities, so at this point, I will simply emphasize one point, which I am almost certain he will bring up: and that point is that the issue of sexual misconduct, our response to allegations, our handling of cases and our treatment of respondents and our pastoral care for victims, is the most crucial legal matter affecting the Orthodox Church in America.

I would only add that to state such does not mean that the issues are limited to the legal realm. Rather, there are pastoral, theological and spiritual implications to all of these issues, which means that all of us are not only legally liable, but morally and ethically bound to participate and be educated in all the means that have been, and continue to be, implemented in order to address issues of sexual misconduct.

## SEXUAL MISCONDUCT

You have received fuller reports concerning our efforts in the area of response to allegations of sexual misconduct. I will not say much at this point, other than to note a few key areas of needed development. This area of the life of the Church is a new field for all of us, and consequently, it often leads to tension in our own internal processes. Over the past few months, much has been clarified in terms of communication between the various offices that deal with sexual misconduct issues: Legal Committee, General Counsel, ORSMA, SMPAC, Crisis Management. The interface of all these organs with the dioceses and their bishops and administration has also been a topic of discussion and clarification.

The paths of communication and of sharing of not only information but also expertise in different areas are in the process of being clarified, but at the same time, there is a continual need for ongoing education and the securing of a Church-wide understanding of proper response to these issues.

As was reported, the hope is to have the revised *Policies, Standards and Procedures of the Orthodox Church in America on Sexual Misconduct* (PSP) ready for distribution soon, pending further discussion between the ORSMA, the SMPAC and the Holy Synod at the upcoming Fall Session.

Another area that will need to be strengthened is that of Diocesan compliance with the PSPs, which has been required since 2010 on an annual basis. This week, a preliminary report will be presented to this Metropolitan Council meeting with a summary of the Diocesan Compliance with the current PSPs to date. At the same time, since this is an annual requirement, we will need to begin once again to present these requirements to the Dioceses and to every single parish. Although the bishops are the ones ultimately responsible for mandating compliance from the parishes, it is extremely important that both Metropolitan Council representatives and Diocesan Council representatives take a part in emphasizing the critical legal and moral importance of being compliant.

We will have a more extended discussion of the many areas involving sexual misconduct issues but I do want to mention that we are thankful to have **Cindy Davis** as our new coordinator of the ORSMA, and she has certainly put in a lot of work and effort into her position, as you will see from her report and as she can expand upon herself.

#### STAVROPEGIAL INSTITUTIONS

I have made pastoral visits to each of the Stavropegial institutions, both the Monasteries and the Seminaries. In particular, I have been attending meetings of the Board of Trustees of both St Tikhon and St Vladimir Seminaries, as well as other events held at each institution. One particularly significant meeting was a meeting of a select number of member from each of these Seminaries' Board of Trustees in Cleveland on July 18. The meeting was organized and hosted by the two Chairs of each Board, Mr. Alex Machaskee and Mr. Michael Herzak. The meeting was very productive and has led to a number of joint undertakings. It is my hope that such inter-seminary cooperation will continue as we seek to develop further our Theological Seminaries. This coming Saturday, the Chancery will be hosting an outdoor celebration of the Divine Liturgy in the Chancery garden in commemoration of the 75<sup>th</sup> Anniversary of St Tikhon and St Vladimir Seminaries, the 40<sup>th</sup> Anniversary of St Herman Seminary and the 55<sup>th</sup> Anniversary of St Sergius Chapel.

#### THE ARCHDIOCESE OF WASHINGTON

I will only address a few issues concerning the Archdiocese of Washington that may have an impact on, or hold some interest for, the members of the Metropolitan Council. Last Saturday, I had made arrangements to fly out from Washington, DC, for my Grandmother's funeral because of the regularly scheduled Diocesan Council Meeting which I felt was important to hold as scheduled. I have been more or less successful in maintaining a presence in the Archdiocese: since November, I have made a pastoral visit to every parish at least once and I am working on a second

round of visits with the goal of visiting every parish and mission twice during the year, a goal that seems reasonable with only 10 communities to visit.

In addition, I have instituted bi-monthly informal meetings with the clergy, the first of which will be held in conjunction with our Diocesan Assembly in November and, together with the Officers of the Archdiocesan Administration, I have committed to holding monthly meetings to review, in person or via teleconference, the important issues facing the Archdiocese.

## THE HOLY SYNOD

All of the above questions and issues are foremost in the minds of the Holy Synod Bishops. In additions we have a number of other issues that we are concerned about.

**Assembly of Bishops.** I have just returned from Chicago where I attended the fourth annual Assembly of Canonical Orthodox Bishops of North and Central America along with most of the bishops of the Orthodox Church in America. As has been the case during the last three years, the meetings were a wonderful opportunity for all the bishops of North America to gather in fellowship and to engage in discussions on various important topics.

**Diocesan Vacancies.** A Priority for the Holy Synod is the filling of Diocesan vacancies. The process for this, as well as a review of possible candidates is on the Agenda for the Fall Session in October. The need to properly review and prepare candidates for the episcopacy needs to take a front and center place for the Holy Synod.

**Metropolitan Jonah.** At its February meeting, the Metropolitan Council approved a financial package of support for Metropolitan Jonah as recorded in the Minutes:

*To approve a financial package for Metropolitan Jonah, including \$1000 per month until age 65, full medical coverage for three years, assumption by the OCA of amounts owed by Metropolitan Jonah to the Diocese of the South, and moving expenses not to exceed \$25,000. To recommend that the Holy Synod consider the impact on this package should Metropolitan Jonah leave the OCA and that general release and non-disparagement clauses be included in the agreement.*

I am pleased to report that a signed agreement between Metropolitan Jonah and the Holy Synod of Bishops was signed on Memorial Day Monday at St Tikhon's Monastery this past May. This fact was reported on the OCA website but I would like to note that the agreement included all of the components laid out in the above motion.

## EXTERNAL AFFAIRS

As outlined in the OCA Statute, the Metropolitan “supervises the internal and external welfare of the Church and represents it in its relations with other Orthodox Churches, religious organizations, and secular authorities.” In this capacity, I have been engaged in many events and dialogues over the past six months. Among the Orthodox, I have held many meetings with heads of jurisdictions in North America, including with Meeting with Metropolitan Philip (Antiochian Archdiocese), Metropolitan Hilarion (ROCOR), Archbishop Justinian (Moscow Patriarchate).

A particularly significant event was the celebration of the **1025<sup>th</sup> Anniversary of the Baptism of Rus in Moscow (Russia), Kiev (Ukraine) and Minsk (Belarus)** at the gracious invitation of His Holiness, Patriarch Kirill of Moscow and All Russia, who also invited the Patriarchs of all the Autocephalous Churches to participate. All of the Churches were indeed represented, many by their Primate and others by an appointed representative. Among the meetings held during the above pilgrimage were meetings of all the Patriarchs and Heads of delegations with the Presidents of all three countries: Mr. Putin, Mr. Yanukovich and Mr. Lukashenko. I had the opportunity to briefly greet the outgoing American Ambassador to Ukraine. But most important was the opportunity to serve together with the other Primates and representatives of all of the Orthodox Churches.

In terms of relations with non-Orthodox, I participated in the inauguration of Pope Francis (March 19) and gave a talk at the Orientale Lumen Conference in Washington, DC., among other events.

I offer my thanks to Fr. Leonid Kishkovsky for his valuable work and guidance in the Department of External Affairs. He will present some further thoughts later on in this meeting.

## **CONCLUSIONS**

On one of my yearly visits to my newly-departed Grandmother, I asked her what the secret to her long life consisted of. She replied:

“Farmworkers live a long time and in good health because they rested during the day. They worked hard, but they knew when to take a break, and take a little nap under the apple tree.” She pointed out that the work people do today (pushing papers and having meetings) is perhaps more difficult than farm work because people are falsely led into the notion that they can do it for a long time without a break.

Our current state of peace should not delude into thinking that we are now free from conflict and troubles on the one hand, nor should we feel that need to complete all of our work speedily, on the other hand. Let us rather work together and in

collaboration with one another, preserving a sense of urgency, but allowing ourselves the time to rest, so that we may receive strength from our Lord and Savior Jesus Christ to accomplish all things in God's times and for His glory.

Orthodox Church in America  
Metropolitan Council Meeting  
September 24-26, 2013

**Chancellor's Report**

**Waves**

Most of you know that I finally moved house in August from Ottawa to Long Island. One of the precious items that came down is an icon of the Apostle Peter getting out of the boat and sinking in the billowing waves around him. "Jesus immediately reached out his hand and caught him, saying to him, 'O man of little faith, why did you doubt?'"(Matt 14:31). I now have the icon just behind my desk as I work.

Less piously, as a fortune cookie put it the other day, "There will always be waves but you can learn to surf."



**Hard questions about the future**

In fact, the waves in the OCA aren't nearly as scary as they were a year, two years or five years ago. I am grateful that since His Beatitude's election in November 2012 the OCA's life is returning to the relative administrative calm that had been missing for ten years. Metropolitan Tikhon, the officers and the Chancery staff work very well together in a spirit of professionalism, good humor, warmth and free flowing communication. I know that all of us are relieved and happy about that. As you see especially from Fr Eric's report, the work at the chancery covers a very wide swath of ground. Of course there are many significant issues to be addressed, and we will be looking at those this week, just as the Holy Synod will also be wrestling with a long list of tasks at their meeting in October. But we can look at these challenges in an atmosphere that is less fraught with tension. In fact, this normalization is paradoxically exactly the right time for us, as those who have leadership

responsibilities, to look fearlessly at the realities and risks we face as a Church. Our lawyers constantly alert us to liabilities, especially around preventing and addressing sexual misconduct, but this is only part of a much wider set of questions we have to ask ourselves about the future of the Orthodox Church in North America. We would all like to be comfortable, especially after a long and difficult period in our recent history. But preoccupation with those past scandals masked "normal" issues that continued while our attention was focused on a troubled present.

*Many leaders have a tendency to discount the future; they're reluctant to spend time and money now to avoid an uncertain future problem that might occur down the road, on someone else's watch ...But a company's ability to weather storms depends very much on how seriously executives take their risk-management function when the sun is shining and no clouds are on the horizon.*

That's from the *Harvard Business Review*<sup>1</sup>. Here's a hockey analogy to make the similar point.

### **"Where is the puck going?"**

Fr John Shimchick is editor of *Jacob's Well*, the magazine of the Diocese of New York and New Jersey. The next issue asks the question, "Where is the puck going?" As Fr John explains, "The legendary hockey player, Wayne Gretzky, once said: 'I skate to where the puck is going, not where it has been.'"

He asks a wide range of people to consider "Where does the Church need to be going? Where does it need to be if it's not there already? Or what does the Church need to re-claim or re-discover?" With Fr John's permission, here's a taster, the response from Metropolitan Tikhon.

*We tend to wait until people come to us with questions, until they take the initiative and show interest in the Church. But we need much more to engage with people who are not churchly, who have no idea about the Church, or who have rejected it. We need to ask ourselves questions about how to engage these people and the culture that gives rise to them while also remaining faithful to the Church's Tradition. We need to consider how best to transmit this Tradition to those who may be unaware, indifferent, or hostile.*

You'll have to get the next *Jacob's Well* issue to see the rest of the responses, but this is what we need to be asking ourselves if we want to shape our church now so that by God's grace we will be there to bring the Orthodox faith and life and serve the children, women and men of the future.

In line with this, and to help get a sense of what we are facing I will report on my conversations with diocesan chancellors from across the Orthodox Church in America further below.

### **Objectives from a year ago**

First let me review progress on the objectives I set out at our MC meeting last September.

---

<sup>1</sup> Robert S. Kaplan and Anette Mikes, "*Managing Risk: A New Framework*," *Harvard Business Review*, June 2012 (accessed online).

So much has happened since then that it's hard to believe only a year has gone by.

1. *Hold a successful 17<sup>th</sup> All-American Council and election of a new Primate.*  
Done.
2. *Maintain stable administration to work with the new Metropolitan.*  
Done.
3. *Advance the "organizational structure work group" or other means to review how the Metropolitan, Holy Synod, Lesser Synod, Chancery, Metropolitan Council and committees can effectively work together under direction of the bishops.*  
Done.
4. *Move forward on appointment of ORSMA Coordinator, remove backlog on processing of current cases and review of past files; continue refining procedures for handling misconduct complaints; finalize, approve and distribute PSPs.*  
The Coordinator (Cindy Davis) was appointed by the Holy Synod in February on a part-time basis (3 days per week) after a selection process and agreement by SMPAC; proposal is under consideration by SMPAC and the HS to expand her position to full time. The revised PSP's were completed and sent to Holy Synod for approval. (See below and ORSMA and SMPAC reports).
5. *Review use of legal services and bring legal costs under control.*  
In process: the Treasurer and Legal Committee have worked on this and have been in conversation with the GC. The proposed budget for 2014 reflects this.
6. *Final drafting, agreement and training on crisis management procedures.*  
To be done: the Crisis Management Team's pro bono consultant, Chief Bernard Wilson, has been heavily involved as a consultant as well to ORSMA and SMPAC and this has impacted the time he has to prepare a manual and conduct training. However, recent CMT activities have been handled smoothly and collaboratively under Abp Benjamin's chairmanship and Chief Wilson's advice.
7. *Advance financial development plan and implementation.*  
In process (see Financial Development Committee report).

### **Coordinator, Office for Review of Sexual Misconduct Allegations**

As you know from the Treasurer's report, the OCA is in a period of financial exigency, and the 2014 budget proposes cuts of around \$150,000. Nevertheless, one area that must be *expanded* is the OCA's Office for Review of Sexual Misconduct Allegations. I am hoping that the MC and Holy Synod will agree to upgrade the ORSMA Coordinator position from part-time to full time, at a proposed annual salary of \$60,000.

Cindy Davis has done a superb job in the first months since she was hired—well beyond her 3 days per week. You will see her full report, but here is the list of her activities since starting the position:

- Reviewed all current cases with the Director of ORSMA
- Created forms for systematic intake of new cases
- Created and maintain cases log in Excel

- Organized physical sexual misconduct files
- Assisted in preliminary inquiries and investigations in the Diocese of the West, South, Midwest, Eastern Pennsylvania, New England, Romanian Episcopate, Canada, and Alaska.
- Provided consultation concerning closed cases in various dioceses.
- Assisted in an investigation at a theological seminary
- Attended training on how to teach healthy boundaries to clergy
- Attended weekly case reviews with Metropolitan Tikhon and/or Fr. John Jillions
- Researched sexual misconduct policies by other institutions
- Made recommendations for policy revisions
- Provided follow up care to victims involved in new cases of sexual misconduct
- Made referrals to ongoing therapy for victims of sexual misconduct
- Discussed opportunities for collaborating with the Clergy Continuing Education Department
- Received input from clergy and lay people regarding the process of responding to sexual misconduct
- Documented in detail all communications on current cases
- Provided training on and engaged in discussion about policy and procedure with administrative staff of Orthodox Christian Fellowship
- Drafted "Roles and Responsibilities" document for Response Teams
- Conceptualized "Roles and Responsibilities" documents for all other roles pertaining to sexual misconduct allegations (bishop, coordinator, consultants, SMPAC, mentor, etc.)
- Sent MEMO to diocesan hierarchs concerning the proactive recruiting of response team volunteers which included a sample recruitment letter
- Gave two lectures at St. Vladimir's Seminary concerning healthy boundaries, policy and procedure
- Drafted a "Respondent's Guide to Sexual Misconduct Investigations" (first in a series of "Guides" for Victims, Response Teams, etc.)
- Facilitated the increase in meetings with SMPAC members as well as ORSMA consultants
- Facilitated meetings with response teams and ORSMA consultants
- Facilitated multi-diocesan conference calls
- Formed 4 response teams, 3 in process

This work has proven invaluable but there are still serious gaps that cannot be filled in 3 days a week.

- Liaising with every diocese to set up diocesan networks of professionals as resources for Response Teams
- Training dioceses and OCA institutions on misconduct prevention and the use of the PSP's
- Working with SMPAC to review past cases in order to be sure there are no "ticking time bombs" remaining
- Working with SMPAC to develop a procedure manual for the day-to-day handling of misconduct cases
- Giving increased attention to the pastoral needs of complainants, respondents, and parishes affected by misconduct; attention to the training and pastoral needs of Response Teams assigned as volunteers to investigate new cases
- Serving as a consultant to individuals, parishes and dioceses seeking advice on handling possible cases, using the PSP's and improving prevention and compliance

- Answering the new 1-800 number we will be posting for misconduct issues

In discussions with His Beatitude and the Treasurer, it was agreed that in spite of the overall shrinking OCA budget, we have to make room for modestly increasing Cindy Davis' salary so that she can work full-time. In preliminary discussions with Fr David Garretson, chair of the MC's Human Resources Committee, we agreed that this should be brought to the MC.

### **The State of the OCA: Views from the Dioceses**

Now let me get back to reporting on what I heard from the dioceses. I was able to speak with most of the chancellors to get their candid grass-roots view. How is the OCA doing at this moment, particularly in light of the last few years? What are the strengths, weaknesses, opportunities and threats? Naturally there are limitations to this approach. I promised anonymity, and some of the comments were highly specific to particular clergy, parishes and dioceses so can't be reported here. And obviously this wasn't a scientific survey.

Even so I found the conversations helpful and worth sharing. It was also clear that the local situations vary tremendously when you consider that the OCA includes dioceses that serve Alaska, Canada (and Quebec), Mexico, Albanians, Bulgarians, Romanians and all the geographic dioceses of the United States, each with their own peculiarities. Keep in mind too that the "ethnic dioceses" have historic agreements with the OCA that govern their affiliation and financial participation. But even in these ethnic dioceses there are widely varying differences in perceptions about the OCA connection.

Differences in nationality, geography, history, culture, language and even weather (Alaska) play a major role and contribute to every diocese's sense of being "different" from all the others. In general "the OCA" is far away from the personal, family, parish and diocesan concerns that dominate most people's lives. And yet, time after time I was struck by the resilience of commitment to the OCA's founding vision. They believe in an autocephalous Orthodox Church in and for North America, that is accessible to all and living the Orthodox faith in a compelling way that attracts others. And they believe that the way we have learned to bring bishops, clergy and laity together for building up of the Body of Christ is a gift to protect.

Not everyone answered every question in a systematic way, but I hope this cut and paste of their comments will give you a sense of the whole. Naturally, there is some repetition, but this is deliberately included to help you gauge what is important. To keep the main narrative from getting too long I will include here just the overall impressions from the chancellors. The more detailed responses about strengths, weaknesses, opportunities and threats are given in the appendix to this report. It is worth paying attention to these, and they have helped inform my own thinking about the tasks that should be addressed.

### **What is your overall impression of the OCA's health, as perceived by clergy and laity in your diocese?**

"Much improved in comparison to past years; good working group in Chancery; much is owed to presence of a new and competent Metropolitan."

"People are preoccupied with personal, parish concerns—perhaps diocesan—but now that we aren't still shooting ourselves in the foot, they are thinking less about the OCA and are confident in the leadership."

"Nice and peaceful, looks like we are moving somewhere positive and have learned from our mistakes. We still have to deal with things like misconduct but even that we're learning to address so much better than in the past. Since the election of the new Metropolitan we are on the right track."

"People are relieved that the 'time of troubles' is over and we have entered an era of peace and calm. Impressed at the way the OCA handled these past problems: very upfront, forthright and carefully. It was difficult but appreciated and acknowledged and noted. Grateful that the Metropolitan is making time to visit Diocesan Assemblies."

"The picture is a lot better. It's no longer the dark ages. There seems to be a sense of calmness, that we have a metropolitan and Holy Synod that is acting in concert and getting back to the business of the church. People are satisfied that we're dealing with 'normal' church problems now. It's going right, it's where it needs to be and now we need to move forward."

"Working in the diocese I feel blessed beyond what I ever expected. Church life in the villages, their desire for a priest and for services—it's all very encouraging. But pastoral stresses among the people keep their focus on themselves and their families. There's very little thought about life beyond that, even about the parish, let alone the diocese. Clergy are faced with many personal crises among parishioners: children in prison, fetal alcohol syndrome, alcohol abuse, teen pregnancy. These obliterate other concerns. People sense that we aren't taking these issues seriously enough as a church and that we leave it to others. As for the OCA as a whole, it's just not on people's minds. When they do think about it, it's, "We're so not like the rest of them." This can be a problem to justify or excuse troubling practices, like tolerance of misconduct and alcohol abuse among clergy. 'It's our way, it's our culture.'"

"Our [ethnic diocese] has a strong affiliation and commitment to the OCA, but we ask that you let the diocese be the one to take initiative to open negotiations about raising its contributions to OCA. It's a sore point when it's raised at the MC or AAC and sets things back. The diocese has completely changed in recent years and there are very few laity and clergy of our ethnic background. The Diocese is strongly committed to the OCA, but the fact is that for most people personal and parish concerns predominate together with anxieties about our own diocesan existence and future."

"On a parish level most parishioners in our [ethnic diocese] are committed to the OCA but are still taking a wait and see approach. They have great confidence in the bishop but are waiting to see what trend Metropolitan Tikhon will follow. They were upset at the direction the previous metropolitan was taking toward the Russian church and his apparent willingness to give up the autocephaly. They are concerned about the Assembly of Bishops and what this will actually mean for us, since they have deep reservations about intrusions from overseas churches. 80% of our people want no ties to overseas churches. They want autocephaly. Our parishes across the US generally relate well to local OCA deaneries wherever they are, but it's still too early to talk of amalgamation. The overall desire is for a united church in North America. Some parishes are more ethnic than others, but on the parish and deanery level we would want to retain ethnic distinctiveness."

"The OCA is on the right path now, and the Metropolitan's presence at our Assembly was very well received. He's a "regular person", made a contribution and sparked enthusiasm. But most people are thinking about their parish. Most clergy are on the pension plan, but that's about the only regular connection, and even the pension reporting is infrequent. Nevertheless the clergy are overwhelmingly foreign born and it's hard for most of them to imagine a local church without administrative ties to overseas. Consequently, it would be a touchy time to bring up renegotiation of the agreement with the OCA."

\* \* \*

These conversations are just a start. I hope that across the OCA conversations like this will continue and feed into parishes, deaneries and diocesan assemblies. We need to keep talking about the realities and challenges of Orthodox Christian life in North America and what the OCA needs to do to prepare and train our parishes, seminarians, clergy and laity to face them. As Fr Sergius Bulgakov said, our task in this world is not simply to *know*, but with God's help to *transform*.

#### **Chancellor's Objectives for 2014**

1. Work with SMPAC, ORSMA, the Metropolitan and Holy Synod to continue to make progress on policies and procedures for preventing and addressing misconduct.
2. Develop the Stewards of the Orthodox Church in America, finding new supporters and rebuilding relationships with those who fell away.
3. Work with the Board of Theological Education to ensure uniform standards for selecting, evaluating, training, ordaining, mentoring and supporting candidates for ordination in the Orthodox Church in America.
4. Work with the Holy Synod to ensure uniform standards for receiving clergy into the OCA.
5. Ensure that the Holy Synod has the administrative support it needs to identify, train, mentor and evaluate candidates for the episcopacy.
6. Restore the Department of Pastoral Life as a functioning body to connect OCA clergy with each other and with resources for their ministries, their parishes, their families and themselves.
7. Consult with the Metropolitan and Holy Synod to address the needs of immigrants.
8. Continue to write the "Chancellor's Diary" as an effective means to connect the Chancery with the wider Church.

Respectfully submitted,

Fr John A. Jillions,  
Chancellor  
September 25, 2013  
St Sergius of Radonezh

## Appendix

### Diocesan chancellors on OCA Strengths, Weaknesses, Opportunities and Threats

#### Strengths

"The OCA has a huge strength in simply being the Church. Many are still looking for this. They are shell-shocked from experiences elsewhere and amazed to find what we have. We don't change with the wind, we have beautiful services, understandable, simple gospel preaching."

"The OCA vision is still alive and well: an Orthodox Church in America, an American missionary church. Our parishes get this and are multicultural. Eventually we could even sacrifice our own existence to share this with other Orthodox Churches and unite with all to be one Church."

"The majority are very happy about how the Holy Synod handled recent issues. Regarding Metropolitan Tikhon, anyone who has any dealings with him is very happy right now. He has a pastoral air, doesn't put himself above others, listens and consults with other bishops."

"We have the best governance system in the Orthodox world, with lay involvement in the administration of the church. Yes, it's a struggle at times, takes hours of conversation, but in the long run this will bear better fruit."

"We have talented and active laity and lots of good ideas."

"Cindy Davis [Coordinator of the Office for Review of Sexual Misconduct Allegations]: She is a great resource. It's normal now that when we have a difficult situation or questions about misconduct or how to handle the process or the parish, I talk with the bishop and we say, 'Let's give Cindy a call.' This makes a huge difference to me as chancellor when I have to deal with these cases, to have someone knowledgeable to speak with."

"People I meet across the diocese do share the vision of an Orthodox Church in and for North America. Individual parishes and clergy are doing well, there's a good spirit, people are working hard, catechumens are coming."

"Even our weakness—the past internal scandals of the last ten years—can be seen as a strength because *we dealt with it*. All the negativity taught us something. The ORSMA coordinator, the OCA's guidelines and continuing education for dealing with misconduct: this comes out of these negative experiences. We're learning and we have transparency."

#### Weaknesses

"People want the bishops and church leaders to simply *be* the autocephalous church, to act like it and stop apologizing and being so hesitant because of fear of what others will say or do. We're doing what we have to do as the OCA. We don't need to cower. This applies to administrative decisions as well. Don't be so afraid or hesitant."

"There is frustration over the lack of vetted candidates for the episcopate [this was mentioned multiple times]. This is now reflecting badly on the Holy Synod."

"Overall there is a positive view of the OCA's leadership, but how individual situations in the diocese are being handled is bringing this down. There is frustration when promises are made but there is no follow through. There are decision-making bottlenecks from the Holy Synod and not enough guidance."

"How the OCA handles misconduct cases is much improved, largely because of now having a Coordinator. But there appears to be too much discussion and too little decision-making. Too many people are involved in the process. This is a huge issue, and people feel that everyone is passing the buck. The system is paralyzed. And in one of the parishes affected, which already has an anti-clerical reputation, it only makes things worse. 'Why should we pay for a problem we didn't create? Why should we pay for a substitute priest's travel, hotel and services? Why isn't the OCA paying?' The diocese is small and people know each other, so complaints spread and affect morale."

"The PSP's are good [*Policies, Standards and Procedures on Sexual Misconduct*], but we need to move beyond this single issue and deal with the whole realm of clergy care and formation. We need to ensure that the personal and pastoral dimension of the PSP's is not overlooked with complainant, respondent, their families and the parish. Would that we put the same amount of time and effort into mission planning and training and clergy care as we do into sexual misconduct. To be a pastor today is much more difficult than in years past. We must be even more careful therefore about who we choose, how we form them and how we mentor them. Seminarians need to hear from experienced priests about what they are facing now."

"We need decisions. It's about getting work done without so much obstruction and delay. There needs to be a continuous process for searching out, training, mentoring and vetting candidates for the episcopate and not much of that is going on at all. This feeling is prevalent throughout the diocese. On the other hand, the Diocesan assembly was good, peaceful, productive and well attended."

"Priests are under stress. Many are struggling in their parishes. There's marital stress, divorce, misconduct. The OCA needs to address clergy selection, formation, health, mentoring. Students in seminary, after graduation and in the and early years of ministry need support and monitoring. In this regard I'm not satisfied with the seminary/OCA/diocese connection and follow through. Priests at every stage of their ministry—and now too as many are aging—need more comprehensive mentoring and support."

"I worry sometimes that the Metropolitan Council is over-involved in the life of the church. It's like a heavy-handed parish council. But then I also understand the historical reasons for why that is so in the recent past. Protective measures are needed to prevent the repeat of past errors, and the bishops too need counsel."

"I don't hear much complaining and negativity. I'm not hearing overt hostility as in the past. Although the cost of assessments is always an issue there are no serious complaints. One persistent irritation is lack of a printed *Orthodox Church* magazine: the older generation especially wants to see this so I'm glad to hear that it will continue to be printed at least once a year."

"The Diocesan leadership is generally pleased with the direction of the OCA but would like to have more 'face time' with representatives from the Central Church Administration, in order to have a more direct personal connection and to answer the perennial question, 'What do we get from the OCA?'"

"Finances are a persistent trouble spot on the local level. Parishes are struggling. My own parish has 11 families that lost their homes. Many parishes are not making their budgets. 'Just have faith' needs to be supplemented with training and resources and help to parishes to enable them to stand on their own. But the solution is not to cut salaries, especially at the national level, because we need a strong presence at the national level."

"Finances in many parishes are not good. Some haven't paid assessments. Others are behind. Others are asking for a period of relief and for the diocese to pay on their behalf. But the Diocese is \$2100 per month in the hole, and this can't be sustained into 2014. Some parishes have crippling mortgages, and even though they have a good spirit they find it tough to survive. Part of the problem stems from the past. We went through a lot with the scandals. Numbers went down. People became bristly."

"We need more connectivity within the diocese."

"We have lots of good ideas and lots of meetings and lengthy documents but not enough obvious results. The talk in committees is good—AAC, MC, assemblies etc—but we also need to follow up and go from A to B. There's too much power given to committees. They are meant to be advisory bodies to those who are responsible for making the decisions and taking action (bishops, officers)."

"We're not addressing the issue of our ethnic minorities, immigrants (I'm thinking especially about immigrants from former Soviet Union). We can't claim to be an autocephalous territory without at the same time helping immigrants to make their home in the US or Canada and to embrace the OCA's vision. Perhaps we need a special commission to address this as a pastoral problem."

"Standard procedures are needed for vetting transferred clergy from outside the OCA, and especially from overseas. These must be uniformly applied in all dioceses. We need this to weed out charlatans."

## **Opportunities**

"We need to champion the OCA vision much more and articulate it more effectively: hierarchy, clergy and laity working together. There are tensions between conciliar and hierarchal and we are constantly working to find the balance. But this is hopeful and is our particular struggle in our time and place. Keep refocusing on Christ and the gospel. Be okay with weakness and finding strength there."

"We need to be, and can be, little outposts across the continent of genuine, normal Christian faith. Good preaching, beauty, service, education, liturgy. New seminary graduates need to be exposed to this and trained how to set up new missions."

"The web gives us a huge opportunity. Go online, this is what young people do. Either we participate fully in this and have a future or we just give up. I wish we had more communication in general. The 'Chancellor's Diary' is good, but the MC and HS only meet

twice a year. We need more webinars and skype meetings and such to keep us together, especially when so many of us are isolated from each other geographically.”

“I would look at reaching out to the immigrant communities with the vision that the OCA has to offer. But we can also help them settle in North America. In addition we can also look at the traditional Orthodox countries to see what they are doing to build up their churches, and learn from them what might also work here to advance the spiritual and material well-being of the Church (pilgrimages for example).”

### **Threats**

“Will we as the OCA be lost in the Assembly of Bishops? It would be a big mistake to lose autocephaly, unless it's to an autocephalous united church that includes everyone. The OCA vision is the future, and people are concerned how to read what's happening right now in the Assembly of Bishops.”

“We're in a litigious society and have to be so careful. Our hands are tied by what we can or can't say, liabilities, risks. Administration and putting out fires takes a lot of time and robs us of time to do more direct pastorally-related things.”

“Clergy misconduct—sexual, alcohol abuse— is a big threat, which is why it's so good to have someone in Cindy's position that we can call on. But in general we need more attention to prevention and training and to clergy care. Where I am one in six clergy matters I deal with involves some form of pastoral misconduct, especially alcohol abuse.”

“It's good that we are dealing with misconduct and continuing education, but we also need to ensure that the bishops are engaged with this. Are the bishops taking seriously our documents, or are they making exceptions here and there, and playing favorites? If there is a policy, it needs to be followed.”

“We're not connecting with younger generations. And this is a problem across the churches. General social trends are affecting us, such as relativism and 'pick and choose' spirituality.”

Report of the Office of Review of Sexual Misconduct Allegations (ORSMA)  
Metropolitan Council Meeting  
Fall, 2013

Report given by Cindy Davis in Executive Session

**SMPAC REPORT TO OCA METROPOLITAN COUNCIL  
SEPTEMBER 24, 2013**

SMPAC Members: Fr John Jillions (Chair, ex-officio as ORSMA Head), Fr Eric Tosi (ex-officio as OCA Secretary), Fr Alexander Garklavs, Fr Ted Bobosh, Dr Nikita Eike, Bob Koory, Protodeacon Peter Danilchick; Associates: Bernie Wilson, Cindy Davis (ex-officio as ORSMA Coordinator), Thaddeus Wojcik (ex-officio as GC)

Major Activities and Issues

- Performed “self-audit” in June 2013 at request of GC
  - Input received from SMPAC members and associates
  - Numerous issues surfaced and dealt with by actions noted below
- Resumed regular teleconferences on planned monthly basis (previously ad hoc and sporadic)
  - In –person meeting and discussion with Holy Synod scheduled for October 14, 2013
- Reviewed and advised on various cases under investigation by ORSMA
  - Concern expressed on delays in investigation/ decision process -- despite welcome hiring of ORSMA Coordinator
- Revised PSPs to address the issues raised by Holy Synod in their Spring 2013 meeting
  - Clarifications in various sections (e.g., emotional boundaries/ harassment)
  - Need for Ruling Bishop to be informed on investigation progress
  - Clarifications on hierarchical action vs spiritual court; rights of respondents
  - Revised PSPs to be reviewed/ approved by Holy Synod in October 2013 meeting
- Take more active role in direct communications with MC and Holy Synod
  - SMPAC “non-ex-officio” representative to report to MC and Holy Synod
- Encouraged Administration to report the degree of compliance of parishes, dioceses and ORSMA with OCA Sexual Misconduct Policies to the Church per the 2009 commitment
  - 2009 compliance process required Dioceses to obtain answers to six “yes/no” questions posed to their parish rectors; report ORSMA program progress
  - Holy Synod has been receiving some diocesan reports but not all are responding; submitted results are mixed and not 100%, despite four years since initiation
  - 2009 Compliance process anticipated public reporting of compliance results via OCA website; this reporting did not occur (neither to MC or GC)
  - Full-court press promised by Holy Synod for 100% compliance by next Spring 2014; Holy Synod will decide then whether to make the results public
- Need to consider how and when to implement audits of individual cases to ensure that processes have been followed properly and to help improve the operational procedures
  - Issues remain in final decision and implementation
- SMPAC Charter and membership to be reviewed by Holy Synod in Spring 2014
  - Existing charter is attached; current membership is listed above

**ORTHODOX CHURCH IN AMERICA**  
**SEXUAL MISCONDUCT POLICY ADVISORY COMMITTEE CHARTER**

*(As extracted from OCA.org website Archives)*

The Sexual Misconduct Policy Advisory Committee (“Committee”) was created by Metropolitan JONAH on January 28, 2010 to work with and assist the Office of Review of Sexual Misconduct Allegations (“Office”). The Committee was initially known as the “Sexual Misconduct Allegations Review Committee.”

**AUTHORITY, RESPONSIBILITY AND SUPERVISION**

The Committee is under the authority of the Metropolitan (*sic - should read Holy Synod of Bishops*), and is chaired by the Chancellor of the Church, who is the day-to-day supervisor of the Office. The Committee operates in an advisory capacity only and does not assume any responsibility for the handling of sexual misconduct allegations, because that responsibility properly belongs to the Diocesan Hierarchs and the Office, according to the *Policies, Standards, and Procedures on Sexual Misconduct*. Committee members are appointed by the Metropolitan (*sic - should read Holy Synod of Bishops*).

**BACKGROUND**

The complexity of sexual misconduct allegations requires a multi-dimensional awareness of issues and skills in various disciplines, so that allegations of misconduct may be considered from several perspectives—spiritually, ethically, legally, clinically as well as pastorally. Overlapping and interrelation between these disciplines can best be addressed by a team approach, such as via a standing advisory committee to assist the Metropolitan (*sic - should read Holy Synod of Bishops*) and the Office.

**DUTIES**

1. Provide advice on how to improve both the content and effectiveness of the Church’s *Policies, Standards, and Procedures on Sexual Misconduct*.
2. Assist in reviews of the extent to which the Church’s *Policies, Standards, and Procedures on Sexual Misconduct* are implemented in practice and how compliance with them is ensured.
3. Assist in finding and nominating qualified professionals, who would be called on to do investigations when occasions arise.
4. Assist in developing increased and improved training for clergy, Church employees, and applicable laypersons to enable a better understanding of their duties under the *Policies, Standards and Procedures on Sexual Misconduct*, including their mandatory reporting obligations under various state laws.
5. Assist in any other requests for advice made by the Metropolitan (*sic - should read Holy Synod of Bishops*) and the Office.

**INITIAL MEMBERSHIP**

(as of March 1, 2010)

Archpriest Alexander Garklavs (Chair), Archpriest Eric Tosi, Archpriest Michael Matsko, Archpriest Theodore Bobosh, Protodeacon Peter Danilchick, Dr. Nikita Eike, Mr. James Spencer, Esq.

DRAFT

**Secretary's Report**  
**Archpriest Eric G. Tosi**  
**Fall 2013 Metropolitan Council Meeting**  
**September 24-26, 2013**

**1. Overview**

It has been a busy six months as travel seemed to dominate the chancery work. I personally was home for one weekend between mid-April and the end of July. Most of this involved church work including such diverse areas as planning sessions to parish visitations. Despite the travel, the work of the Chancery continues to move forward even if the volume of that work always seems to increase. However, even as the work load increases, budgetary pressures combined with personnel issues have begun to have a serious adverse effect on operations. This is the major issue that needs to be discussed at this time since it really does involve how the Church operates on this level. I have profound thanks to the many volunteers and employees who have stepped up their effort over the past few months. We are all grateful for their work.

**2. Human Resources**

This has become the most critical area in Chancery operations over the summer. Three events provoked this problem. First was the expected marriage and move of Jessica Linke. She has been an invaluable part of the chancery operations for a number of years and she will be greatly missed. Second was the sudden resignation of Andrew Boyd to take on a new position in the private sector. Finally was the recent medical issues of the long time assistant Greg Sulich which necessitates him taking a leave of absence. This has brought about a small crisis in chancery operations which was at first manageable.

The first change of Jessica's departure was anticipated and planned. Because of budgetary issues, it was decided to divide her work into three components. The first was the communications work (she maintains the website and social media as well as other critical operations on postings) and it was decided that she could continue this work on a contract basis from her new location. The communications team is a very fine tuned operation (we can go from reception to posting in under a minute) and we had no desire to change that procedure. The second part of her job was accounts payable. Since part of Andrew's job was accounts receivable and after an extensive review of the time and amount of work, it was decided to hire Barbara Anderson on a part time contract basis. The total hours of work for her in this area is about ten hours a week and since she was already the bookkeeper for the Pension Plan and thus familiar with the operations, it was a natural fit. This was reviewed and accepted by both the auditors (to ensure proper procedures can be maintained) and the Pension Board (to ensure no conflict of interest). So she was hired part time to maintain that aspect of the job.

The final part of Jessica's job was basic secretarial/receptionist work. It was decided to utilize a volunteer at this time who was available to do this work. Katherine Linke, a parishioner and someone quite familiar with the chancery was asked to fill this position

for a few hours each day until we decided what we needed to do in this area. We do not underestimate the importance of someone answering the phone and it is already showing the adverse effect of not having someone answering phones. This will need to be reconsidered.

The next critical aspect of the personnel issue was the resignation of Andrew Boyd. He performed a variety of jobs including accounts receivable and executive assistant. He also is the chair of the Youth and Young Adult Department. It was initially decided to replace his position and it was advertised. A few responses came in but none really were able to fill the void in all areas. In addition, the budgetary pressures of the reduced assessments and the need to cut costs convinced us that we could do the same as with Jessica's job and parcel out his job to other employees. We had farmed out the financial portion to Barbara and decided to give the executive assistant work to Greg Sulich. We also decided to begin training Roman Ostash on certain aspects of the operation and to utilize PDN Joseph Matusiak to work directly with His Beatitude on travels, visitations and correspondences. This worked well until Greg's illness which added a new gap in the operations.

At this point we are using PDN Joseph and Roman to do the work but the work is beginning to back up so we ask for patience as we work through the problem. There is only so much they can do with limited time in the chancery. We are looking at some temporary help until we can determine what exactly we need. What is very clear is that such qualified and experienced workers are absolutely needed to cover the vast amount of work that must be done: from letters to calendars to official documents to meeting planning. It also shows the effect that reduced budgetary items have in basic areas of operation and the danger it poses to central church operations. We are being creative and cost conscious.

### **3. Operations**

There are a few ongoing projects which are now reaching fruition. The first is the database for the OCA. As reported many times, it is out of date and in danger of crashing, utilizing the old Access 97 system. After much discussion with experts, it was decided to create a new database in the LINUX system. This database will integrate with the website and the Raiser's Edge. But more importantly it will also incorporate a full electronic database of clergy records and information. This will enable us to do specialized operations (such as an email blitz) and searches as well as automatically update the website with clergy and parish information with a single entry. In addition, the database will include all old records so that it will automatically generate a list of deceased clergy that can be downloaded from the website for use by parishes. It will always be up to date as opposed to the old system of updating and issuing a new diptychs every ten years. We expect this to be in place by the end of the year.

In a related issue, most of our computers operate with Microsoft XP which is due to be retired by Microsoft in April, 2014. That means we need to change over to new software and hardware to continue operations. Most of the computers are at least ten years old so it is time to make some changes. We have been slowly replacing some computers as they

break down but we will need to replace at least six over the next year. We will continue to utilize our sources for the best priced options.

As was reported the contract for the AT&T tower was rejected due to the heavy rejection of the proposal by the neighborhood. There were numerous studies done including meetings with representatives of the company but in the end it was best not to move forward. The unanticipated outcome was a increased level of good will with the neighbors.

The 501 C 3 determination was submitted as per the annual requirement. Ten parishes came back as needing more information (not unusual) and these will be resolved shortly as information is collected. There have been an unusually high number of new EIN requests and incorporation issues over the past six months. All of them were resolved in a timely manner. As an example, I travelled to New Skete to work with them on one such issue

There was considerable work done by the Task Force in relation to the Chancery staff. All reports were submitted and I refer you to their report on operations of the Chancery.

There has been considerable work with the insurance companies in reference to legal issues and with the legal committee on a variety of issues which will be reported.

I have also continued to work on background checks, tightening the ordination and clergy transfer procedures and working with members of the Holy Synod on a wide variety of projects. At the request of St. Vladimir's Seminary, I am now managing the Seminary Internship Program for the five OCA seniors. This included revamping the program, assigning the interns, meeting with mentor priests and interns and a monthly meeting and course of instruction with the interns. This, we believe, makes it a top line internship program and is in line with other jurisdictions where the central church has a stronger involvement in the development of the clergy. The program will be worked on in conjunction with the seminary with some further revisions coming for the next year.

I have also been involved with the work with the departments assisting them in logistics, planning and integration. I have been working closely with the Dean of Military Chaplains on some related issues.

A final note is that we will need to begin to design and publish new metric books. The last run was done many years ago had some problems and are now basically sold out. We have had requests for these but cannot fill them. So a new design and run should be considered in the coming year.

#### **4. Council and Synods**

There have been an unusually high number of meetings at the Chancery including the Holy Synod and Lesser Synod. These have included meeting with various teams, departments, committees, commissions and external organizations. We also hosted

meetings with various heads of jurisdictions and other matters relating to external affairs. There was a very positive meeting with the head of FOCA as we continue our plans for integrating them into the life of the Church. Other planned meetings are the annual chancellors/treasurers meeting, a meeting with department chairs, Pension Board, OCF, and military chaplains. We have also hosted meetings with Metropolitan Hilarion of ROCOR, Archbishop Justinian of the Moscow Patriarchate as well as other local dignitaries and guests. We expect more of these through the coming months as His Beatitude hosts different luncheons to meet other Orthodox bishops and dignitaries in the area. All of these meetings are critical in the life of the Church. His Beatitude has at least weekly meetings with the officers and monthly meetings with the staff.

The planning for the 18th All-American Council is under way with a small executive committee. The Holy Synod did approve the delay of the AAC until 2015 and has given us guidance. We contracted Conference Direct who has been working with us for many years. We gave an initial Request for Proposal which outlined our requirements. We looked at many cities and after a number of proposals and counter proposals have narrowed the list down to two sites: Atlanta and Baltimore. Peter Ilchuk and I have visited both sites. A full report with recommendations is in a separate report.

It should be noted that there are three major requirements for the upcoming AAC as directed by the Holy Synod. They are to incorporate a youth element, that it be cost-efficient and that it be held in July 2015. In addition, for the first time, FOCA has agreed to hold its annual convention in conjunction with the AAC. The major planned elements of the AAC will include Statute revisions and changes to finances. The next step in the planning process will be to examine further recommendations, nominate a site for Synodal approval, appoint a PCC and local committee chairs, finalize a budget and begin planning an agenda to include a theme, goals and priorities. In addition, the AAC assessment rate must be set this year and collection begun for next year. There is much work to be done in the coming months including reinvigorating a Statutes Commission and prepare financing proposals.

## **5. Archives**

We have begun the process of putting together a comprehensive plan for the archives. Alex Liberovsky was given general instructions at the beginning of the summer which included finding names of people to serve on an archives research committee. He now has a list of names of people and they will begin the process of putting together a full report with recommendation for the next Metropolitan Council meeting. This report will include names of committee members, a review of the current state of the archives, an examination into all possible locations of the archives including relocation or building, funding plans, as well as possible grants to assist in archives and operations.

This is long overdue and the current state of the archives needs to be considered before it deteriorates. It is an invaluable resources that needs to be preserved. I would note that there are, in reality, two archives: the historical archives which includes letters and files from historical figures in the OCA, and the working archives which includes all older

files of OCA and Chancery operations. The final instruction to Alex is to continue to clean the area and utilize volunteers to assist him in this endeavor.

## **6. Estate Management**

We have completed the repairs and painting on the first two floors of the Chancery building (excluding the kitchen and copy room). The next phase will be to work on those two rooms and begin the renovations on the third floor. When completed we will have five bedrooms that can be utilized for visitors. The next phase will cost approximately \$15,000 and may need to be delayed for this year.

The major ground consideration for this year's budget is the old pool. There are three bids on removing the pool and they ranged from \$15,000 to \$18,000. It is a major project that requires permits, excavation equipment, and soil to fill the hole. Because it is set on the back of the property without easy access, the costs rise as larger excavation equipment are excluded from use. However, the abandoned pool is a major liability and this issue needs to be finally resolved. It is recommended that this be done in the upcoming year.

The next phase of clean-up of the building will take place this winter where we will hire some labor to clean out the attics and basements. Stuff accumulates and it has not been cleaned in many years and a fire hazard. In the past we have hired some seminarians and we will try to utilize this method again. This project was planned for this summer but other issues prevented dedicating the time needed.

## **7. Communications**

Continued thanks to the communications team of Fr. John Matusiak, Jessica Linke and Ryan Platte. They really do work above and beyond even though they are part-time. Our news is timely and accurate and they often work late into the evening and on weekends to fulfill sudden demands. We owe them a debt of gratitude for their good work. Even with Jessica transitioning to her new life, she will continue to be part of the team. It is sometimes questioned as to why so many people actually are involved with press releases and website operations. The reason is twofold: first there is a clear hierarchy of posting, Fr John writes them, I review them, Jessica posts them and if some technical aspect is needed (like a video) Ryan handles that. Our record posting is under a minute so we are quite efficient. The second reason is for accountability. We must be accurate and we must ensure that nothing slips through so we have a few eyes on the posts. It protects all those involved. It is actually quite an efficient system.

The next round of website updates were completed and we continue to move with our plan. Some of this was "under the hood" so it is not always noticeable but we have seen continuing improvement. A more complete technical report is attached.

The integration of the new database with the website and the system here will provide seamless and easy updates. It is long overdue. We continue to make use of social media and other media including picture and video galleries. In addition, we give thanks to

Roman Ostash who also takes many photos of the Metropolitan's visits and submits them in a timely manner.

The Departments are taking more responsibility for their sections. For example the Department of Evangelization will have their own new site under development that will be linked to the OCA website (like the Wonderblog for Youth). Also the Music Department has posted its new online seminars on the tones and choir directing which has had a number of hits. There are more plans being developed as we continue to have the best Orthodox website.

The final issue is *The Orthodox Church* which has had a limited publishing this year. This was due to both costs and time allocated. The reality is that it just is not worth the cost anymore since most of what is printed already appears on the website. The communications team would like to propose that we retire the TOC in its present form and replace it with an annual issue. It would recap the stories of the year with some special and specific articles. It would be a fine fundraising tool and also allow us to keep track of the events of the Church over the year, much like the old Sourcebook. It would reduce costs and still give the faithful something tangible. The expected cost would be around \$15,000 a year.

## **8. Crisis Management Team**

The Crisis Management Committee is now the Crisis Management Team. It consists of the Archbishop Benjamin, the officers, General Counsel, Bernie Wilson and two members of the Metropolitan Council. Thankfully there had not been much need of the Team over past few months. The team did have a few meetings to discuss some recent critical events and issued appropriate statements. There are a few upcoming issues that may need their involvement so we did meet to proactively prepare action items and statements. We also advised a couple of dioceses on some issues. Due to the sensitive nature of these items, they will not be fully discussed here.

The Team has discussed continued training and is making plans to execute that training in the near future.

## **9. Other Issues**

Finally, I wanted to report on the national Boy Scout Jamboree where I was the Orthodox Chaplain. It was an intense two weeks and wonderfully exhausting. I dealt with issues from caring for youth in the hospital to mediating problems between Egyptian Coptic and Muslim Scouts. We had a record attendance at Liturgy of over 250 Scouts. There were over 300 identified Orthodox Scouts at the Jamboree and two Orthodox Chaplains.

I was asked by the Boy Scout National Executive Committee to be the Orthodox representative on the Religious Relations Committee for the National Council, the first time an Orthodox cleric has been asked to sit on this committee. I will be with 50 other religious leaders of all denominations to assist the Scouts in their policies and operations

in the area relations with denominations and awards. I will be attending meetings three times a year and look forward to representing the Orthodox Church.

I also attended the Evangelization Summit in Charleston with His Beatitude. It was an excellent opportunity to gather people and begin the discussion on this critical area of Church life. As I chaired the Department for seven years prior to coming this position, I was asked to speak on the work that had been done and plans that had been interrupted by events. There will be some more discussion on this matter at this meeting.

As always, I ask for your prayers and thank you for your support over the past six months. I apologize if I missed reporting on the many items I work through on a daily basis.

## September 2013 report to the Metropolitan Council

Ryan Platte, Technical Manager, Orthodox Church in America

Dear members of the Metropolitan Council,

With the dramatic reduction in budget came significant changes for the technology role. With no budget available for the planned projects, I needed to have significant hours available to attract other work. In order to continue to serve the OCA, I found primary employment elsewhere and am working reduced hours for the OCA in addition to that.

In March I visited the NYC area for a meeting of the Assembly of Bishops web team. We had a wonderful and fruitful exchange of expertise and ideas, particularly around social media strategies and tactics.

I then visited the Chancery for the first time. A primary goal of that visit was to learn about intra-office data, particularly around directories. I worked with Greg and Fr. Eric to form a plan that would address the broken systems now in use and also keep the oca.org directory current automatically without double entry. We have been awaiting the installation of a low-cost Linux server (using a free-of-charge operating system on existing computer equipment) in the Chancery to proceed with this project; at this writing that has just been completed.

Also in progress right now is the establishment of a shared website running Moodle educational software. This was introduced by Mark Pearson in support of Dr. David Drillock's classes for the Dept. of Liturgical Music; we are now expanding it to be used by the Dept. of Continuing Education and the Diaconal Formation Program. I am coordinating joint efforts by Mark, Archdeacon Kirill Sokolov, Fr. Ian Pac-Urar, and me to bring everything into service for three fall classes from three different groups.

I participated in a design refresh effort for the Youth and Young Adult *Wonder* blog. I did needed system setup and provided technical and design feedback in cooperation with Andrew Boyd and Sharon Spaulding.

I have also assisted the Dept. of Evangelization in providing hosting for a new website they will run.

Other activities have included:

- Plan austerity approach with Fr. Eric
- Explore and research a range of possibilities for stewardship for Fr. John Jillions
- Perform a major wave of needed software updates
- Provide tooling for Chancery staff to do many tasks themselves when needed
- Helped create fill-in certificates for [oca.org/about/certificates](http://oca.org/about/certificates)
- Dealt with Facebook abusers, in general and some aggressive specific cases
- Addressed all common “not found” pages
- Resolved a number of system issues
- Tuned database
- Installed APC and made some other system changes to tighten up performance
- Provided analytics insight to Chancery officials and staff, as well as a Metropolitan Council committee
- Trained staff on adding and editing Feasts & Saints and Readings entries
- Many other odds and ends

I continue to work to optimize all of my activities to bring the most value possible. I’m looking forward to the upcoming delivery of the educational courses, stewardship campaign, and directory project.

Respectfully submitted,

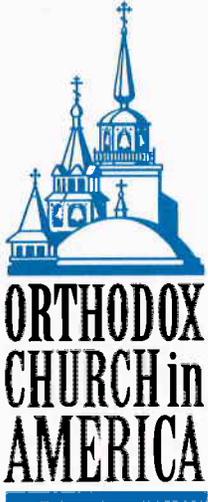
Ryan Platte

Technical Manager

**Orthodox Church in America  
Treasurer's Report  
September 2013**

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

This report presents: (1) Lambrides Audit Report for the year ended December 31, 2012; (2) the interim financial results as of July 31, 2013; (3) the proposed budget for 2014; and (4) discussion of plan for investing and distributing Endowment Funds.



1. **Lambrides Audit Report and Financials – 2012:** A draft of the 2012 Audit Report and Financial Statements will be distributed at the meeting. Once again we received an “unqualified” opinion. After accruing two unrestricted bequests (Wiegel and Kushner) expected to be received in 2013 for a total of \$446,131, we had a surplus of \$495,878. Along with the audited financials there will be a revision of the preliminary 2012 internal financials presented at the February 2013 meeting with the adjustments made to arrive at the final 2012 audited report.

2. **Interim Operating Results as of July 31, 2013 (Exhibits A & B):**  
**2013 Financial Results (Exhibits A & B)**

*Exhibit A – Comparative Balance Sheets:* Our balance sheet as of July 31, 2013 shows total assets of \$2,805,397, total liabilities of \$337,584 and net assets of \$2,467,813, a decrease of \$161,732 for the 1<sup>st</sup> seven months of the year. We have total cash of \$825,251, of which only \$11,516 is unrestricted. Of the total accounts receivable of \$103,622, \$64,105 represents July assessments due from the Diocese of the Midwest and the Diocese of Eastern PA (subsequently received), and \$26,000 represents assessments due from the ROEA. During the 2012 audit we wrote off the note receivable (\$16,208) from a member of the clergy who passed away this year. We had a receivable from the Pension Office of \$6,858, and the \$7,371 in Prepaid expense represents Blackbaud maintenance fees. Our restricted investments and trusts show a balance of \$1,068,080, a decrease of \$75,430 from July 2012 due to the required distributions from the York Trust. Our current liabilities include \$29,138 in accounts payable, \$41,925 due to the Diocese of the South as repayment on their loan to Metropolitan JONAH.

Our net assets at the beginning of the year were \$2,629,547, and with the net deficit for the seven-month period stand at \$2,467,813 at July 31, 2013.

*Exhibit B – Detailed Actual versus Budget*

The 2013 budget projected a **net Operating Deficit of \$19,121** and a total deficit of \$101,972. The actual results were an Operating Deficit of \$81,277 and a total deficit of \$161,734. Exhibit B-1 is a Summary Income Statement vs Budget as of July 31, 2013. The “Detailed Actual versus Budget” report for July 31, 2013

P.O. BOX 675  
SYOSSET, NY 11791-0675  
TEL: 516-922-0550  
FAX: 516-922-0954  
WEBSITE: WWW.OCA.ORG

follows as Exhibit B-2. Highlights of the main revenue and expense category actual results for the year are:

- Revenues – Total revenues were over budget by \$16,576, with assessments under by \$21,097, offset by contributions and other income (Enthronement Banquet revenue).
- Expenses
  - Executive Office – Salaries and Benefits were over budget by \$4,779, mainly in the Payroll Taxes and medical benefits category.
  - Administrative Office – Administration was over budget by \$78,540 with the major overages in Legal (\$36.3K) Accounting (\$17.8K – this will even out over the year), Travel (\$10.2K), Outside Contractors (\$6.0K).
  - Metropolitan Expenses – Total expenses were over budget by \$10,577 with \$7K representing the trip to Rome for the Pope’s installation, and \$3.5K moving expense from PA to NY.
    - Holy Synod – The Holy Synod was over budget by \$8.8K, representing medial insurance for Bishop MARK..
    - Property Support – These expenses were over budget by \$31.3K, with \$17K in grounds upkeep as residual from the hurricane and also snow removal from a harsh winter, \$5.9K in general repairs, \$4.8K in insurance, and \$5.9K in depreciation.
    - Department of Communications (and TOC) – The department’s expenses for the period were under budget by \$28.1K, with \$23.1K in the TOC Printing expense and \$6K in outside contractors.
    - Department of External Affairs –The department was under budget by \$10.5K, mainly in the travel expense. This will turn around with the scheduled travel to the World Council of Churches Conference in S Korea in October, to be attended by Bishop ALEXANDER, Paul Meyendorff and Cindy Davis.
    - Department of History and Archives – This department was under budget by \$1.7K.
    - Other Special Commissions:
      - ORSMA – Over budget by \$2.4K.
      - Strategic Planning – Under by \$750.
      - Psychological Testing for Ordination Candidates – This area was overbudget by \$9K.
      - Repayment of 9/11 and Restricted Funds – We had budgeted \$125K total for the year, and due to cash flow have not yet been able to make the scheduled repayments.
    - FOS and Departmental Revenues:
      - Our “Stewards of the OCA” Appeal has generated \$27.5K in revenues.
      - The Parish Ministries Conference had \$21K in event revenues.
      - Diaconal Vocations Program generated \$1.5K in revenues.
      - Total Revenues - \$49.9K.

- The Total “Stewards”, Parish Ministries Conference, and Departmental expenses were \$69.4K compared to a budget of \$119.5K.
- Extraordinary Items:
  - Enthronement Expense of \$38.8K.
  - Loan Repayment to the Diocese of the South – \$42.8K. This loan is being repaid at a monthly rate of \$1,200 beginning July 2013 and terminating June 2016.
- Temporarily Restricted Funds: Total revenues were \$38.4K, with \$22K in bequests to existing Restricted Funds. Expenses totaled \$120.5K including the required annuity payments of \$42.4K and Mission Planting Grants of \$54.3K.
- Permanently Restricted Funds: We had revenues of \$4.4K and distributions of \$2.7K for a net surplus of \$1.7K.

**(3) Proposed Budget – 2014: (Exhibit C)**

- The overall Operating Budget, including the “Steward of the OCA” and Departmental programs, is a **\$22,473 deficit – Exhibit C. *\*\*Update: The Metropolitan Council made two changes to the budget to arrive at a balance operating budget for 2014. These changes are reflected on Revised Exhibit C.\*\****
- **Operating Revenues:** Assessments for 2014 are budgeted at \$92 per person, down from the \$95 assessed in 2013. In addition, the overall census is expected to decrease by 300. The result is lower assessment revenue of \$89,328, or a decrease of 4.5% from 2013. See detail by diocese on Exhibit C-1. The operating revenues also include \$75K in Continuing Education revenues (reflected under the Strategic Planning Department). The net result is a total projected decrease of \$33.6K from 2013 operating income.
- **Operating Expenses:** In order to achieve a somewhat balanced budget for 2014, there are significant reductions in several areas:
  - Administration - \$129.4K, due to Legal (\$57.5K); Accounting (\$5K); Personnel reduction (\$22.8K); Enthronement (\$38K); Computer expense (\$7K).
  - Executive Office - \$23.3K due to 5% salary reduction to Metropolitan and Officers.
  - External Affairs - \$12.5K. This represented the addition to the 2013 budget for the WCC Conference in S Korea.
  - Property Maintenance - \$10.7K representing fewer general repairs. ***\*\*The Metropolitan Council reduced this by an additional \$16K by deferring a major renovation project on the grounds.***
  - TOC/Communications - \$6.2K representing a revision of the TOC from a quarterly periodical to an Annual Report, with a corresponding reduction in salary.
  - Holy Synod - \$25.5K representing only a stipend for Bishop MARK for 2014 instead of the salary received in 2013.
  - Metropolitan’s Office – increased by \$10.9K to provide for an official trip to Moscow at the invitation of Patriarch KIRILL.

- ORSMA – increased by \$17.5K in order to increase the position of coordinator from part time to full time.
- Strategic Planning – the \$74K increase represents the expense for the Office of Continuing Education, a self-funding office with \$75K of projected revenues budgeted.
- Stewards of the OCA and Departmental Ministries: The budgeted revenues are \$42.5K, with expenses of \$142.1K, for a deficit of \$99.7K. (Exhibit C-19 contains the detail by Department). ***\*\*The Metropolitan Council increased the revenues by \$6,473 for a total of \$48,923.\*\****
- The resulting net deficit from operations is \$22,473.

**NOTE:** In addition to the \$142.1K included in the budget for departmental ministries, there is an additional \$25.9K requested by the departments, \$9.8K requested by the Strategic Planning Committee, and \$245K requested by the Office of Military Chaplains. The detail of these requests are included on Exhibit C-20.

- **Restricted Funds:** These funds are Charity, Missions, Seminary and Endowments. We are budgeting \$25,000 in revenues, \$125,475 in expenses (with the Church Planting Grants of \$100K), for a net deficit of \$100,475.
- **Chapel:** This fund is budgeted at a deficit of \$2,850.

**The total budgeted deficit across all funds is \$125,798. (Revised \$103,325).**

**(4) Investment and Distribution of Endowment Funds**

With regard to the investment and distribution of endowment funds, there are several tasks that need to be accomplished:

- **Investment of the Funds:** The Investment Committee must continue its work on an investment and spending policy pertaining to the endowments. Proposals have been received from two investment managers and will be reviewed by the committee.
- **Distribution of Funds:** The Metropolitan Council minutes of April 2, 1987 contain a resolution to establish a committee to oversee the administration of the Endowment Funds. “This committee consists of the Chancellor, Secretary, Treasurer and three or more people appointed by the Metropolitan Council and confirmed by the Metropolitan.” I would also suggest that our external auditor be an advisor to this committee to ensure that the policies and procedures we adopt with respect to the administration of these funds is consistent with NYPMIFA (New York Prudent Management of Institutional Funds Act).

Respectfully submitted,



Melanie Ringa  
Treasurer

**Orthodox Church in America**  
**Comparative Balance Sheets**  
**As of July 31, 2013 and July 31, 2012**

**EXHIBIT A**

	<b>July 31, 2013</b>	<b>July 31, 2012</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
<i>Unrestricted</i>		
Commerce Checking- Operating	\$ (28,314.00)	\$ 12,531.00
Commerce Bank- Payroll	\$ 1,130.00	\$ 1,284.00
Astoria Bank- St.Sergius Chapel	\$ 20,480.00	\$ 24,085.00
Honesdale Bank Checking	\$ 15,701.00	\$ 15,701.00
Petty Cash- Chancery Office	\$ 2,519.00	\$ 1,367.00
	\$ 11,516.00	\$ 54,968.00
<i>Temporarily Restricted</i>		
Commerce Bank- All American Council	\$ 5,895.00	\$ 6,448.00
Commerce Bank - Restricted	\$ 104,583.00	\$ 219,965.00
Commerce Bank- Reserved	\$ 39,358.00	\$ 39,338.00
Honesdale Bank Money Market	\$ 663,899.00	\$ 224,225.00
Honesdale Bank Money Market -due from Operating	\$ -	\$ -
	\$ 813,735.00	\$ 489,976.00
<b>Total Cash</b>	\$ 825,251.00	\$ 544,944.00
<b>Accounts Receivable</b>		
Accounts Receivable	\$ -	\$ -
Assessments Receivable	\$ 103,622.00	\$ 26,387.00
Pledges Receivable	\$ -	\$ -
Desk Calendar Receivable	\$ -	\$ -
<b>Total Accounts Receivable</b>	\$ 103,622.00	\$ 26,387.00
<b>Other Current Assets</b>		
Bequest Receivable	\$ 564,321.00	\$ 946,595.00
Due from OCA Pension Dept	\$ 6,858.00	\$ 6,175.00
Notes Receivable	\$ -	\$ 16,208.00
Prepaid Expense	\$ 7,371.00	\$ 12,812.00
Other	\$ -	\$ -
<b>Total Other Current Assets</b>	\$ 578,550.00	\$ 981,790.00
<b>Total Current Assets</b>	\$ 1,507,423.00	\$ 1,553,121.00
<b>Fixed Assets</b>		
Plant Fund Building & Improve	\$ 531,783.00	\$ 531,783.00
Plant Fund Furniture & Equip	\$ 50,847.00	\$ 53,823.00
Plant Fund Auto & Garden Equip	\$ 64,423.00	\$ 64,423.00
Plant Fund Computer Equip	\$ 328,206.00	\$ 314,981.00
Plant Fund Software	\$ 33,000.00	\$ 33,000.00
Plant Fund Chapel Equip & Furn	\$ 25,000.00	\$ 25,000.00
Plant Fund Capitalized Closing	\$ 87,682.00	\$ 116,178.00
Accum Deprec Bld & Improvements	\$ (321,650.00)	\$ (308,355.00)
Accum Deprec Furn & Equip	\$ (50,847.00)	\$ (50,847.00)
Accum Deprec Auto & Garden Equip	\$ (64,423.00)	\$ (64,423.00)
Accum Deprec Computer Equip	\$ (318,694.00)	\$ (311,575.00)
Accum Deprec Computer Software	\$ (24,000.00)	\$ (8,000.00)
Accum Deprec Chapel Equip & Fur	\$ (25,000.00)	\$ (25,000.00)
Accum Amort Capital Close Cost	\$ (86,433.00)	\$ (53,704.00)

**Orthodox Church in America**  
**Comparative Balance Sheets**  
**As of July 31, 2013 and July 31, 2012**

**EXHIBIT A**

	<b>July 31, 2013</b>	<b>July 31, 2012</b>
<b>Total Fixed Assets</b>	\$ 229,894.00	\$ 317,284.00
<b>Restricted Investments and Trusts</b>		
Fellowship of Orthodox Stewards	\$ 68,286.00	\$ 68,155.00
A & B York Trust	\$ 14,755.00	\$ 91,255.00
J McGuire Trust	\$ 209,422.00	\$ 212,194.00
Kavalenko Nimcrut	\$ 77,972.00	\$ 76,505.00
St. Andrew's	\$ 102,509.00	\$ 102,241.00
Antonia Rotko	\$ -	\$ -
Honesdale Main Endowment	\$ 471,228.00	\$ 469,975.00
HVIZD Annuity	\$ 95,970.00	\$ 98,765.00
Wells Fargo - Quasi Restricted Bequests	\$ 27,938.00	\$ 24,420.00
<b>Total Restricted Investments and Trusts</b>	\$ 1,068,080.00	\$ 1,143,510.00
<b>TOTAL ASSETS</b>	<b>\$ 2,805,397.00</b>	<b>\$ 3,013,915.00</b>
<b>LIABILITIES &amp; EQUITY</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued Expenses	\$ 29,138.00	\$ 104,826.00
Deferred Revenue	\$ 645.00	\$ -
Auto loan - Ford Motor Credit	\$ -	\$ 2,717.00
Accrued endowment distributions	\$ -	\$ -
Other - Due to DOS (Met JONAH loan)	\$ 41,925.00	\$ -
Current portion of Long term debt	\$ 878.00	\$ 121,136.00
<b>Total Current Liabilities</b>	\$ 72,586.00	\$ 228,679.00
<b>Long Term Liabilities</b>		
<b>Deferred Compensation and annuities</b>		
Hvizd Annuity liability	\$ 86,816.00	\$ 89,686.00
Unitrust liability	\$ 105,910.00	\$ 104,593.00
York trust liability	\$ 72,272.00	\$ 152,372.00
<b>Total Deferred compensation and annuities</b>	\$ 264,998.00	\$ 346,651.00
Honesdal National Bank, Long term portion	\$ -	\$ 23,015.00
<b>Total Liabilities</b>	\$ 337,584.00	\$ 598,345.00
<b>Equity</b>		
Unrestricted Net Assets, 12/31/11	\$ (705,117.00)	\$ (705,119.00)
Temporarily Restricted Net Assets, 12/31/11	\$ 1,818,363.00	\$ 1,818,363.00
Permanently Restricted Net Assets, 12/31/11	\$ 1,020,429.00	\$ 1,020,429.00
<b>Total Net Assets</b>	\$ 2,133,675.00	\$ 2,133,673.00
<b>Current Year Activity - 2013</b>	\$ (161,734.00)	\$ -
<b>Current Year Activity - 2012</b>	\$ 495,872.00	\$ 281,897.00
<b>Total Net Assets</b>	2,467,813.00	2,415,570.00
<b>Total Equity</b>	\$ 2,467,813.00	\$ 2,415,570.00
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>\$ 2,805,397.00</b>	<b>\$ 3,013,915.00</b>
	\$ -	\$ -

**Orthodox Church in America**  
**Comparative Balance Sheets**  
As of July 31, 2013 and July 31, 2012

**EXHIBIT A**

	<b>July 31, 2013</b>	<b>July 31, 2012</b>
<b>Unrestricted Surplus/(Deficit) - 2012</b>	\$ 542,729.00	\$ 177,262.00
<b>Temp Restricted Surplus/(Deficit)</b>	\$ (52,471.00)	\$ 104,677.00
<b>Perm Restricted Surplus/(Deficit)</b>	\$ 5,614.00	\$ (42.00)
	<u>\$ 495,872.00</u>	<u>\$ 281,897.00</u>
<b>Unrestricted Surplus/(Deficit) - 2013</b>	\$ (108,732.00)	\$ -
<b>Temp Restricted Surplus/(Deficit)</b>	\$ (54,648.00)	\$ -
<b>Perm Restricted Surplus/(Deficit)</b>	\$ 1,646.00	\$ -
	<u>\$ (161,734.00)</u>	<u>\$ -</u>

Orthodox Church in America  
**Statement of Activities vs Budget- RECAP BY DEPARTMENT**  
For the Period Ended July 31, 2013

EXHIBIT B - 1

	FINAL Budget 2013	Actual Q1 2013	Actual Q2 2013	July 2013	Actual 7/31/2013	Budget thru 7/31/2013	Variance to Budget
<b>Unrestricted Funds:</b>							
Assessments	\$ 2,077,790	\$ 489,339	\$ 530,724	\$ 170,884	\$ 1,190,947	\$ 1,212,044	\$ (21,097)
Contributions	\$ 50,000	\$ 1,317	\$ 51,710	\$ 100	\$ 53,127	\$ 29,167	\$ 23,960
Chapel	\$ 5,000	\$ 1,700	\$ 3,290	\$ 568	\$ 5,558	\$ 2,917	\$ 2,641
Other	\$ 1,500	\$ 12,322	\$ (243)	\$ (133)	\$ 11,946	\$ 875	\$ 11,071
<b>Total Revenues</b>	<b>\$ 2,134,290</b>	<b>\$ 504,678</b>	<b>\$ 585,481</b>	<b>\$ 171,419</b>	<b>\$ 1,261,578</b>	<b>\$ 1,245,003</b>	<b>\$ 16,576</b>
<b>Expenses:</b>							
Executive Offices	\$ 469,678	\$ 123,156	\$ 116,812	\$ 38,790	\$ 278,758	\$ 273,979	\$ 4,779
Administration	\$ 517,307	\$ 168,896	\$ 150,827	\$ 60,579	\$ 380,302	\$ 301,762	\$ 78,540
Metropolitan Expenses	\$ 45,700	\$ 20,048	\$ 9,134	\$ 8,053	\$ 37,235	\$ 26,658	\$ 10,577
Holy Synod	\$ 101,800	\$ 28,947	\$ 30,035	\$ 9,254	\$ 68,236	\$ 59,383	\$ 8,853
Metropolitan Council	\$ 34,920	\$ 9,981	\$ 10,136	\$ 378	\$ 20,495	\$ 20,370	\$ 125
Property Support	\$ 225,692	\$ 83,016	\$ 60,500	\$ 19,471	\$ 162,987	\$ 131,654	\$ 31,333
Communications/TOC	\$ 142,390	\$ 28,958	\$ 20,061	\$ 5,903	\$ 54,922	\$ 83,061	\$ (28,139)
External Affairs/ St Catherine's	\$ 141,972	\$ 30,573	\$ 31,415	\$ 10,361	\$ 72,349	\$ 82,817	\$ (10,468)
Archives	\$ 101,364	\$ 24,584	\$ 24,647	\$ 8,207	\$ 57,438	\$ 59,129	\$ (1,691)
Repairs Reserve - 2012	\$ 11,500	\$ 11,500	\$ -	\$ -	\$ 11,500	\$ 11,500	\$ -
Theological Education	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ 2,917	\$ (2,917)
St Sergius Chapel	\$ 5,000	\$ 1,860	\$ 9,816	\$ 608	\$ 12,284	\$ 2,917	\$ 9,367
Ordination Candidate Testing	\$ 25,000	\$ 8,853	\$ 14,511	\$ 267	\$ 23,631	\$ 14,583	\$ 9,048
Office of Policy on Sexual Misconduct	\$ 100,000	\$ 32,883	\$ 18,865	\$ 8,969	\$ 60,717	\$ 58,333	\$ 2,384
Strategic Planning	\$ 3,000	\$ -	\$ -	\$ 1,000	\$ 1,000	\$ 1,750	\$ (750)
Preconciliar Travel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9/11 Repayment	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ 14,583	\$ (14,583)
Perm Rest Fund Repayment	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ 58,333	\$ (58,333)
<b>Total Operating Expenses</b>	<b>\$ 2,055,323</b>	<b>\$ 573,255</b>	<b>\$ 496,759</b>	<b>\$ 171,840</b>	<b>\$ 1,241,854</b>	<b>\$ 1,203,730</b>	<b>\$ 38,124</b>
<b>Net Operating Surplus(Deficit)</b>	<b>\$ 78,967</b>	<b>\$ (68,577)</b>	<b>\$ 88,722</b>	<b>\$ (421)</b>	<b>\$ 19,724</b>	<b>\$ 41,272</b>	<b>\$ (21,548)</b>
<b>"Stewards of the Orthodox Church" and Departmental Ministries:</b>							
<b>Revenue (Appeals &amp; DVP Program)</b>	<b>\$ 141,500</b>	<b>\$ 23,336</b>	<b>\$ 10,923</b>	<b>\$ 15,731</b>	<b>\$ 49,990</b>	<b>\$ 82,542</b>	<b>\$ (32,552)</b>
<b>Expenses:</b>							
Administrative Expenses	\$ 45,080	\$ -	\$ 1,511	\$ 7,752	\$ 9,263	\$ 26,297	\$ (17,034)
Institutional Chaplaincy	\$ 22,000	\$ 3,051	\$ 3,189	\$ 828	\$ 7,068	\$ 12,833	\$ (5,765)
Evangelization	\$ 26,350	\$ 2,363	\$ 3,703	\$ 500	\$ 6,566	\$ 15,371	\$ (8,805)
Liturgical Music	\$ 21,150	\$ 2,085	\$ 2,350	\$ 2,816	\$ 7,251	\$ 12,338	\$ (5,087)
Christian Education	\$ 28,300	\$ 3,000	\$ 3,838	\$ 1,628	\$ 8,466	\$ 16,508	\$ (8,042)
Youth and Young Adults	\$ 27,000	\$ 10,714	\$ 7,094	\$ 1,776	\$ 19,584	\$ 15,750	\$ 3,834
Diaconal Vocations	\$ 18,000	\$ 3,000	\$ 3,256	\$ 1,000	\$ 7,256	\$ 10,500	\$ (3,244)
Christian Service/Humanitarian Aid	\$ 17,000	\$ 1,500	\$ 1,500	\$ 933	\$ 3,933	\$ 9,917	\$ (5,984)
<b>Total Expenses</b>	<b>\$ 204,880</b>	<b>\$ 25,713</b>	<b>\$ 26,441</b>	<b>\$ 17,233</b>	<b>\$ 69,387</b>	<b>\$ 119,513</b>	<b>\$ (50,126)</b>
<b>Net FOS/Departmental Costs</b>	<b>\$ (63,380)</b>	<b>\$ (2,377)</b>	<b>\$ (15,518)</b>	<b>\$ (1,502)</b>	<b>\$ (19,397)</b>	<b>\$ (36,972)</b>	<b>\$ 17,575</b>
Honesdale Principal Payment	\$ (59,117)	\$ (41,848)	\$ (16,890)	\$ -	\$ (58,738)	\$ (59,117)	\$ 379
Extraordinary Item - +MJ Loan Repayment	\$ -	\$ -	\$ -	\$ (42,798)	\$ (42,798)	\$ -	\$ (42,798)
Extraordinary Item - Enthronement	\$ (38,005)	\$ (38,806)	\$ -	\$ -	\$ (38,806)	\$ (38,005)	\$ (801)
Net Operating Income	\$ (81,535)	\$ (151,608)	\$ 56,314	\$ (44,721)	\$ (140,015)	\$ (92,821)	\$ (47,194)
<b>Net Operating Income (GAAP Basis)</b>	<b>\$ (22,418)</b>	<b>\$ (109,760)</b>	<b>\$ 73,204</b>	<b>\$ (44,721)</b>	<b>\$ (81,277)</b>	<b>\$ (19,121)</b>	<b>\$ (62,156)</b>
<b>Temporarily Restricted:</b>							
Revenues	\$ 89,000	\$ 33,752	\$ 1,280	\$ 12,403	\$ 47,435	\$ 51,917	\$ (4,482)
Expenses	\$ (212,580)	\$ (64,779)	\$ (48,367)	\$ (16,392)	\$ (129,538)	\$ (124,005)	\$ (5,533)
<b>Net Surplus/(Deficit)</b>	<b>\$ (123,580)</b>	<b>\$ (31,027)</b>	<b>\$ (47,087)</b>	<b>\$ (3,989)</b>	<b>\$ (82,103)</b>	<b>\$ (72,088)</b>	<b>\$ (10,015)</b>
<b>Permanently Restricted:</b>							
Revenues	\$ 10,300	\$ 1,871	\$ 1,901	\$ 283	\$ 4,055	\$ 6,008	\$ (1,953)
Expenses	\$ (3,750)	\$ (910)	\$ (1,499)	\$ -	\$ (2,409)	\$ (2,188)	\$ (222)
<b>Net Surplus/(Deficit)</b>	<b>\$ 6,550</b>	<b>\$ 961</b>	<b>\$ 402</b>	<b>\$ 283</b>	<b>\$ 1,646</b>	<b>\$ 3,821</b>	<b>\$ (2,175)</b>
<b>Total Change in Net Assets</b>	<b>\$ (139,448)</b>	<b>\$ (139,826)</b>	<b>\$ 26,519</b>	<b>\$ (48,427)</b>	<b>\$ (161,734)</b>	<b>\$ (101,972)</b>	<b>\$ (59,762)</b>

**Orthodox Church in America  
Statement of Activities vs Budget  
For the Period Ended 7/31/13**

EXHIBIT B-2

	FINAL Budget 2013 (as revised Feb 2013)	Actual Q1 2013	Actual Q2 2013	Actual Thru 7/31/2013	Budget thru 7/31/2013	31-Jul-13 Variance
<b>Unrestricted Funds:</b>						
<b>REVENUES</b>						
Diocesan Assessments	\$ 2,077,790	\$ 489,339	\$ 530,724	\$ 1,190,947	\$ 1,212,044	\$ (21,097)
Contributions	\$ 50,000	\$ 1,317	\$ 51,710	\$ 53,127	\$ 29,167	\$ 23,960
St. Sergius Chapel	\$ 5,000	\$ 1,700	\$ 3,290	\$ 5,558	\$ 2,917	\$ 2,641
Investment Income	\$ 1,500	\$ 1,877	\$ (1,011)	\$ 733	\$ 875	\$ (142)
Enthronement Revenue	\$ -	\$ 8,550	\$ -	\$ 8,550	\$ -	\$ 8,550
Other (Yearbook/Desk Calendar/OCPC Royalty)	\$ -	\$ 1,895	\$ 768	\$ 2,663	\$ -	\$ 2,663
<b>TOTAL REVENUES</b>	<b>\$ 2,134,290</b>	<b>\$ 504,678</b>	<b>\$ 585,481</b>	<b>\$ 1,261,578</b>	<b>\$ 1,245,003</b>	<b>\$ 16,576</b>
<b>EXPENSES</b>						
<b>Executive Offices</b>						
Salaries	\$ 330,900	\$ 87,110	\$ 80,804	\$ 194,848	\$ 193,025	\$ 1,823
Clergy Housing	\$ 41,216	\$ 10,304	\$ 10,304	\$ 24,043	\$ 24,043	\$ 0
Payroll Taxes	\$ 4,118	\$ 1,029	\$ 4,773	\$ 2,402	\$ 2,402	\$ 0
Benefits(Medical, Unemployment, Pension)	\$ 93,444	\$ 24,713	\$ 20,931	\$ 57,465	\$ 54,509	\$ 2,956
	\$ 469,678	\$ 123,156	\$ 116,812	\$ 278,758	\$ 273,979	\$ 4,779
<b>Administrative Offices</b>						
Salaries	\$ 174,533	\$ 43,633	\$ 42,516	\$ 97,895	\$ 101,811	\$ (3,916)
Payroll Taxes	\$ 12,434	\$ 3,109	\$ 1,106	\$ 7,156	\$ 7,253	\$ (97)
Benefits(Medical, Unemployment, Pension)	\$ 64,541	\$ 17,791	\$ 17,175	\$ 39,649	\$ 37,649	\$ 1,820
Legal	\$ 120,000	\$ 59,205	\$ 31,997	\$ 106,373	\$ 70,000	\$ 36,373
Outside contractors	\$ 6,000	\$ 5,686	\$ 3,787	\$ 9,472	\$ 3,500	\$ 5,972
Mortgage interest	\$ 917	\$ 1,052	\$ 233	\$ 1,285	\$ 535	\$ 750
Accounting/Audit	\$ 35,000	\$ 200	\$ 17,000	\$ 38,200	\$ 20,417	\$ 17,783
Travel & meetings - central admin	\$ 12,000	\$ 10,806	\$ 5,737	\$ 17,161	\$ 7,000	\$ 10,161
Telephone	\$ 11,846	\$ 4,639	\$ 4,293	\$ 9,939	\$ 6,910	\$ 3,029
Equipment leasing	\$ 22,506	\$ 5,438	\$ 8,890	\$ 15,009	\$ 13,129	\$ 1,881
Postage, mailing services	\$ 7,250	\$ 2,921	\$ 1,220	\$ 5,607	\$ 4,229	\$ 1,378
Computer expense	\$ 6,000	\$ 1,073	\$ 3,374	\$ 4,587	\$ 3,500	\$ 1,087
Stipend (Mat. Glagolev)	\$ 11,400	\$ 2,850	\$ 2,850	\$ 6,650	\$ 6,650	\$ -
Office Supplies	\$ 5,100	\$ 1,602	\$ 1,327	\$ 4,564	\$ 2,975	\$ 1,589
Food	\$ 5,532	\$ 1,489	\$ 1,572	\$ 3,297	\$ 3,227	\$ 70
Other administrative expenses(inc Auto)	\$ 5,000	\$ 4,381	\$ 1,024	\$ 3,136	\$ 2,917	\$ 219
Amortization expense	\$ 4,384	\$ 1,096	\$ 731	\$ 1,827	\$ 2,557	\$ (730)
Insurance - D&O	\$ 7,324	\$ -	\$ 3,541	\$ 3,541	\$ 4,272	\$ (731)
Payroll processing fees	\$ 3,210	\$ 866	\$ 863	\$ 1,964	\$ 1,873	\$ 92
Bank fees, registration fees	\$ 1,770	\$ 850	\$ 1,349	\$ 2,704	\$ 1,033	\$ 1,672
Books, subscriptions, dues & other	\$ 560	\$ 209	\$ 242	\$ 465	\$ 327	\$ 138
<b>Total Administrative Offices</b>	<b>\$ 517,307</b>	<b>\$ 168,896</b>	<b>\$ 150,827</b>	<b>\$ 380,301</b>	<b>\$ 301,762</b>	<b>\$ 78,539</b>
<b>Metropolitan Expenses</b>						
Metropolitan Travel	\$ 30,000	\$ 17,201	\$ 6,306	\$ 30,365	\$ 17,500	\$ 12,865
Office expense	\$ 2,500	\$ 1,097	\$ 1,328	\$ 2,012	\$ 1,458	\$ 554
Office of Military Chaplaincy - Stipends	\$ 6,000	\$ 1,500	\$ 1,500	\$ 3,500	\$ 3,500	\$ -
Office of Military Chaplaincy - Expenses	\$ 7,200	\$ 250	\$ -	\$ 1,358	\$ 4,200	\$ (2,842)
<b>Total Metropolitan Expenses</b>	<b>\$ 45,700</b>	<b>\$ 20,048</b>	<b>\$ 9,134</b>	<b>\$ 37,235</b>	<b>\$ 26,658</b>	<b>\$ 10,577</b>
<b>Holy Synod</b>						
Travel	\$ 44,000	\$ 9,396	\$ 6,620	\$ 20,295	\$ 25,667	\$ (5,372)
Office expenses	\$ 500	\$ -	\$ -	\$ -	\$ 292	\$ (292)
Special Episcopal Stipends	\$ 14,400	\$ 3,600	\$ 5,800	\$ 11,000	\$ 8,400	\$ 2,600
Food	\$ 4,000	\$ 677	\$ -	\$ 677	\$ 2,333	\$ (1,656)
Legal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Office supplies, Postage	\$ 800	\$ -	\$ 41	\$ 41	\$ 467	\$ (426)
Episcopal Salary/Benefits	\$ 38,000	\$ 15,274	\$ 17,574	\$ 36,223	\$ 22,167	\$ 14,056
Other	\$ 100	\$ -	\$ -	\$ -	\$ 58	\$ (58)
<b>Total Holy Synod</b>	<b>\$ 101,800</b>	<b>\$ 28,947</b>	<b>\$ 30,035</b>	<b>\$ 68,236</b>	<b>\$ 59,383</b>	<b>\$ 8,853</b>
<b>Metropolitan Council</b>						
Travel and Meetings - MC	\$ 30,000	\$ 9,981	\$ 10,136	\$ 20,495	\$ 17,500	\$ 2,995
Internal Audit - Travel, Lodging and Meals, Sup	\$ 4,920	\$ -	\$ -	\$ -	\$ 2,870	\$ (2,870)
	\$ 34,920	\$ 9,981	\$ 10,136	\$ 20,495	\$ 20,370	\$ 125
<b>Property Support</b>						
Salaries	\$ 46,350	\$ 11,588	\$ 11,587	\$ 27,038	\$ 27,038	\$ 1

	FINAL Budget 2013	Actual Q1 2013	Actual Q2 2013	Actual Thru 7/31/2013	Budget thru 7/31/2013	31-Jul-13 Variance
Payroll Taxes	\$ 3,544	\$ 886	\$ 1,299	\$ 2,068	\$ 2,067	\$ 1
Lawn/Grounds Upkeep	\$ 26,600	\$ 22,052	\$ 7,620	\$ 32,697	\$ 15,517	\$ 17,180
Benefits(Medical, Unemployment, Pension)	\$ 28,386	\$ 3,936	\$ 3,443	\$ 9,065	\$ 16,559	\$ (7,494)
Insurance	\$ 30,000	\$ 7,078	\$ 7,597	\$ 22,272	\$ 17,500	\$ 4,772
Depreciation	\$ 14,844	\$ 7,275	\$ 7,275	\$ 14,550	\$ 8,659	\$ 5,891
Town Services Fee	\$ 25,500	\$ 4,936	\$ 10,064	\$ 15,000	\$ 14,875	\$ 125
Auto expense	\$ 6,005	\$ 984	\$ 3,800	\$ 6,103	\$ 3,503	\$ 2,600
Electricity	\$ 12,000	\$ 3,406	\$ 3,575	\$ 6,981	\$ 7,000	\$ (19)
Heating oil	\$ 21,000	\$ 11,284	\$ 2,347	\$ 15,305	\$ 12,250	\$ 3,055
Equipment Repairs and Rental	\$ 2,000	\$ -	\$ -	\$ -	\$ 1,167	\$ (1,167)
Garbage removal	\$ 1,920	\$ 479	\$ 479	\$ 1,150	\$ 1,120	\$ 30
General repairs	\$ 5,000	\$ 8,600	\$ 200	\$ 8,800	\$ 2,917	\$ 5,883
Janitorial	\$ -	\$ -	\$ 462	\$ 462	\$ -	\$ 462
Outside contractors	\$ 515	\$ -	\$ 76	\$ 76	\$ 300	\$ (224)
Gas & Water	\$ 1,728	\$ -	\$ 312	\$ 409	\$ 1,008	\$ (599)
Travel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies	\$ -	\$ 512	\$ 364	\$ 1,011	\$ -	\$ 1,011
Other	\$ 300	\$ -	\$ -	\$ -	\$ 175	\$ (175)
<b>Total Property Support</b>	\$ 225,692	\$ 83,016	\$ 60,500	\$ 162,987	\$ 131,654	\$ 31,333
<b>Department of Communications and Ministries</b>						
Salaries - Communications	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Clergy Housing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Printing, copying and postage "TOC"	\$ 39,600	\$ -	\$ -	\$ -	\$ 23,100	\$ (23,100)
The Orthodox Church - Salaries	\$ 60,212	\$ 15,053	\$ 15,053	\$ 35,124	\$ 35,124	\$ 0
Benefits(Medical, Unemployment, Pension)-Cor	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contract web master	\$ 37,440	\$ 12,210	\$ 3,120	\$ 15,760	\$ 21,840	\$ (6,080)
Website hosting and maintenance	\$ 1,050	\$ 336	\$ 888	\$ 1,493	\$ 613	\$ 881
Benefits(Medical, Unemployment, Pension)-TOC	\$ 4,088	\$ 1,359	\$ 1,200	\$ 2,503	\$ 2,385	\$ 118
Internet/Telephone	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Travel & Parking	\$ -	\$ -	\$ -	\$ 42	\$ -	\$ 42
Office supplies & postage	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Equipment rental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Department of Communications and Minis</b>	\$ 142,390	\$ 28,958	\$ 20,061	\$ 54,922	\$ 83,061	\$ (28,139)
<b>Department of External Affairs</b>						
Salaries - External Affairs	\$ 35,293	\$ 8,823	\$ 8,823	\$ 20,588	\$ 20,588	\$ 0
Payroll Taxes - External Affairs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
St. Catherines - Salaries	\$ 30,000	\$ 12,786	\$ 12,785	\$ 29,833	\$ 17,500	\$ 12,333
Payroll Taxes -St Catherines	\$ 2,295	\$ -	\$ -	\$ -	\$ 1,339	\$ (1,339)
Interchurch travel	\$ 30,000	\$ 4,375	\$ 6,185	\$ 11,847	\$ 17,500	\$ (5,653)
St. Catherines - Benefits(Medical, Unempl, Pen)	\$ 14,191	\$ -	\$ -	\$ -	\$ 8,278	\$ (8,278)
St. Catherines - Travel	\$ 6,000	\$ 690	\$ -	\$ 690	\$ 3,500	\$ (2,810)
Telephone & office expense	\$ 9,600	\$ 3,098	\$ 2,821	\$ 7,627	\$ 5,800	\$ 2,027
Benefits - External Affairs(Medical, Unempl, Per	\$ 2,593	\$ 801	\$ 511	\$ 1,475	\$ 1,512	\$ (37)
Bank Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cable, Postage & Parking	\$ 600	\$ -	\$ 290	\$ 290	\$ 350	\$ (60)
Episcopal Assembly	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other interchurch organizations	\$ 11,400	\$ -	\$ -	\$ -	\$ 6,650	\$ (6,650)
<b>Total Department of External Affairs</b>	\$ 141,972	\$ 30,573	\$ 31,415	\$ 72,350	\$ 82,817	\$ (10,467)
<b>Department of History and Archives</b>						
Salaries	\$ 63,548	\$ 15,887	\$ 15,887	\$ 37,070	\$ 37,070	\$ 0
Payroll Taxes	\$ 4,861	\$ 1,215	\$ 1,781	\$ 2,836	\$ 2,836	\$ 0
Benefits(Medical, Unemployment, Pension)	\$ 29,454	\$ 7,469	\$ 6,979	\$ 17,519	\$ 17,182	\$ 338
Supplies/Travel	\$ 3,500	\$ 13	\$ -	\$ 13	\$ 2,042	\$ (2,029)
<b>Total Department of History and Archives</b>	\$ 101,364	\$ 24,584	\$ 24,647	\$ 57,438	\$ 59,129	\$ (1,691)
<b>Transfer from Repairs Reserve - 2012</b>	\$ 11,500	\$ 11,500	\$ -	\$ 11,500	\$ 11,500	\$ -
<b>Theological Education</b>	\$ 5,000	\$ -	\$ -	\$ -	\$ 2,917	\$ (2,917)
<b>St Sergius Chapel</b>	\$ 5,000	\$ 1,860	\$ 9,816	\$ 12,284	\$ 2,917	\$ 9,367
<b>Ordination Candidate Psychological Testing</b>	\$ 25,000	\$ 8,853	\$ 14,511	\$ 23,631	\$ 14,583	\$ 9,048
<b>Repayment of Perm Restricted Funds</b>	\$ 100,000	\$ -	\$ -	\$ -	\$ 58,333	\$ (58,333)
<b>Repayment of 9/11 Funds to the Restricted End</b>	\$ 25,000	\$ -	\$ -	\$ -	\$ 14,583	\$ (14,583)
<b>Policies and Procedures Regarding Sexual Mis</b>	\$ 100,000	\$ 32,883	\$ 18,865	\$ 60,717	\$ 58,333	\$ 2,384
<b>Strategic Planning</b>	\$ 3,000	\$ -	\$ -	\$ 1,000	\$ 1,750	\$ (750)
<b>TOTAL OPERATING EXPENSES</b>	\$ 2,055,322	\$ 573,255	\$ 496,759	\$ 1,241,854	\$ 1,203,730	\$ 38,124
<b>NET OPERATING SURPLUS(DEFICIT)</b>	\$ 78,968	\$ (68,577)	\$ 88,722	\$ 19,724	\$ 41,273	\$ (21,549)

	FINAL Budget 2013	Actual Q1 2013	Actual Q2 2013	Actual Thru 7/31/2013	Budget thru 7/31/2013	31-Jul-13 Variance
<b>FOS Income &amp; Expenses</b>						
FOS Individual Membership	\$ 100,000	\$ 23,086	\$ 3,573	\$ 27,455	\$ 58,333	\$ (30,878)
Diaconal Vocations Revenue	\$ 3,500	\$ 250	\$ 500	\$ 1,500	\$ 2,042	\$ (542)
Youth Conference Revenues	\$ 38,000	\$ -	\$ 6,850	\$ 21,035	\$ 22,167	\$ (1,132)
Dividends & Interest(net of investment fees)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total FOS Income</b>	\$ 141,500	\$ 23,336	\$ 10,923	\$ 49,990	\$ 82,542	\$ (32,552)
<b>FOS Expenses</b>						
Ministries Conference	\$ 45,080	\$ -	\$ 1,511	\$ 8,971	\$ 26,297	\$ (17,326)
FOS Printing and Mailing Expense	\$ -	\$ -	\$ -	\$ 292	\$ -	\$ 292
<b>TOTAL FOS Expense</b>	\$ 45,080	\$ -	\$ 1,511	\$ 9,263	\$ 26,297	\$ (17,034)
<b>Net FOS Income(Deficit)</b>	\$ 96,420	\$ 23,336	\$ 9,412	\$ 40,727	\$ 56,245	\$ (15,518)
<b>Departmental Expenses</b>						
Department of Institutional Chaplaincy	\$ 22,000	\$ 3,051	\$ 3,189	\$ 7,068	\$ 12,833	\$ (5,765)
Department of Evangelization	\$ 26,350	\$ 2,363	\$ 3,703	\$ 6,566	\$ 15,371	\$ (8,805)
Department of Liturgical Music & Translations	\$ 21,150	\$ 2,085	\$ 2,350	\$ 7,251	\$ 12,338	\$ (5,087)
Department of Pastoral Life & Vocational Development	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Department of Christian Education	\$ 28,300	\$ 3,000	\$ 3,838	\$ 8,466	\$ 16,508	\$ (8,042)
Department of Youth and Young Adults	\$ 27,000	\$ 10,714	\$ 7,094	\$ 19,584	\$ 15,750	\$ (3,834)
Diaconal Vocations Program	\$ 18,000	\$ 3,000	\$ 3,256	\$ 7,256	\$ 10,500	\$ (3,244)
Department of Christian Service	\$ 17,000	\$ 1,500	\$ 1,500	\$ 3,933	\$ 9,917	\$ (5,984)
<b>Total Departmental Expenses</b>	\$ 159,800	\$ 25,713	\$ 24,930	\$ 60,124	\$ 93,217	\$ (33,093)
<b>HONESDALE LOAN PRINCIPAL PAYMENTS</b>	\$ 59,117	\$ 41,848	\$ 16,890	\$ 58,738	\$ 59,117	\$ (379)
<b>Total Net Income(Deficit)</b>	\$ (43,529)	\$ (112,802)	\$ 56,314	\$ (58,411)	\$ (54,816)	\$ (3,595)
<b>Extraordinary Items:</b>						
- Loan Repayment to DOS	\$ -	\$ -	\$ -	\$ (42,798)	\$ -	\$ (42,798)
- Enthronement	\$ (38,005)	\$ (38,806)	\$ -	\$ (38,806)	\$ (38,005)	\$ (801)
<b>Total Net Income(Deficit)</b>	\$ (81,534)	\$ (151,608)	\$ 56,314	\$ (140,015)	\$ (92,821)	\$ (47,194)
<b>Unrestricted Funds:</b>						
Net Operating Surplus/(Deficit)	\$ (81,534)	\$ (151,608)	\$ 56,314	\$ (140,015)	\$ (92,821)	\$ (47,194)
Add Back Non-Cash Items (Depreciation & Amort)	\$ 19,228	\$ 8,371	\$ 8,006	\$ 16,377	\$ 11,216	\$ 5,161
Add Back Transfers (Not P&L Items)	\$ 25,000	\$ -	\$ -	\$ -	\$ 14,583	\$ (14,583)
Add Back Mortgage Principal Payment	\$ 59,117	\$ 41,848	\$ 16,890	\$ 58,738	\$ 59,117	\$ (379)
<b>Total Operating Surplus/(Deficit) - Unrestricted</b>	\$ 21,811	\$ (101,389)	\$ 81,210	\$ (64,900)	\$ (7,904)	\$ (56,996)
<b>Temporarily Restricted Funds:</b>						
<b>Revenues:</b>						
- Charity	\$ 5,000	\$ 231	\$ 25	\$ 281	\$ 2,917	\$ (2,636)
- Missions & Church Planting Grants	\$ 60,000	\$ 1,295	\$ 255	\$ 1,977	\$ 35,000	\$ (33,023)
- Youth Ministry Bequest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
- Seminary	\$ 5,000	\$ 13,015	\$ 25	\$ 13,140	\$ 2,917	\$ 10,223
- North America Saints Project	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
- Kavalenko Trust	\$ 11,000	\$ 1,850	\$ (1,403)	\$ 1,409	\$ 6,417	\$ (5,008)
- McGuire Trust	\$ 6,000	\$ 402	\$ (1,026)	\$ (442)	\$ 3,500	\$ (3,942)
- Rotko Trust	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
- York Trust	\$ 2,000	\$ 87	\$ (576)	\$ (80)	\$ 1,167	\$ (1,247)
- All American Council	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
- Other Bequests	\$ -	\$ 16,872	\$ 3,980	\$ 22,122	\$ -	\$ 22,122
<b>Total Temporarily Restricted Revenues</b>	\$ 89,000	\$ 33,752	\$ 1,280	\$ 38,407	\$ 51,917	\$ (13,510)
<b>Expenses:</b>						
- Charity	\$ 5,000	\$ 5,000	\$ 5,000	\$ 10,000	\$ 2,917	\$ 7,083
- Missions	\$ 103,000	\$ 25,000	\$ 22,000	\$ 54,333	\$ 60,083	\$ (5,750)
- Church Planting Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
- Seminary	\$ 5,000	\$ 12,871	\$ -	\$ 12,871	\$ 2,917	\$ 9,954
- Publications	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
- Kavalenko Trust	\$ 11,000	\$ 1,188	\$ 977	\$ 2,165	\$ 6,417	\$ (4,252)
- McGuire Trust	\$ 6,000	\$ 1,250	\$ 381	\$ 1,662	\$ 3,500	\$ (1,838)
- Rotko Trust	\$ -	\$ -	\$ 325	\$ 325	\$ -	\$ 325
- York Trust	\$ 76,580	\$ 19,470	\$ 19,146	\$ 38,616	\$ 44,672	\$ (6,056)
- All American Council (including PCC)	\$ 6,000	\$ -	\$ 538	\$ 538	\$ 3,500	\$ (2,962)
- Other (Release from Restrictions)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Temporarily Restricted Disbursements</b>	\$ 212,580	\$ 64,779	\$ 48,367	\$ 120,510	\$ 124,005	\$ (3,495)

	FINAL Budget 2013	Actual Q1 2013	Actual Q2 2013	Actual Thru 7/31/2013	Budget thru 7/31/2013	31-Jul-13 Variance
Net Temporarity Restricted Surplus/(Deficit)	\$ (123,580)	\$ (31,027)	\$ (47,087)	\$ (82,103)	\$ (72,088)	\$ (10,015)
<b>Permanently Restricted Funds:</b>						
<b>Revenue:</b>						
- St Andrew's Endowment	\$ 1,800	\$ 275	\$ (6)	\$ 438	\$ 1,050	\$ (612)
- Main Endowment	\$ 7,500	\$ 1,556	\$ 1,989	\$ 3,874	\$ 4,375	\$ (501)
- FOS Endowment	\$ 1,000	\$ 40	\$ (82)	\$ 47	\$ 583	\$ (536)
<b>Total Revenues</b>	\$ 10,300	\$ 1,871	\$ 1,901	\$ 4,359	\$ 6,008	\$ (1,649)
<b>Funds Released:</b>						
- St Andrew's Endowment	\$ 600	\$ 145	\$ 303	\$ 497	\$ 350	\$ 147
- Main Endowment	\$ 2,750	\$ 668	\$ 902	\$ 1,793	\$ 1,604	\$ 189
- FOS Endowment	\$ 400	\$ 97	\$ 294	\$ 423	\$ 233	\$ 190
<b>Total Funds Released</b>	\$ 3,750	\$ 910	\$ 1,499	\$ 2,713	\$ 2,188	\$ 526
<b>Net Permanently Restricted Surplus/(Deficit)</b>	\$ 6,550	\$ 961	\$ 402	\$ 1,646	\$ 3,821	\$ (2,175)
<b>Total Change in Net Assets</b>	\$ (139,447)	\$ (139,826)	\$ 26,519	\$ (161,734)	\$ (101,971)	\$ (59,763)

The Orthodox Church in America  
 Summary Operating Budget - 2014  
 By Department  
 as of 9/25/13 -as revised by MC

Exhibit C - Revised

Department	Projected 2013	Preliminary Budget 2014	Variance	Notes	Adjusted per MC Resolution	Final 2014 Budget
<b>Total Revenues</b>	\$ 2,029,954	\$ 1,996,342	\$ (33,612)	(1)	\$ -	\$ 1,996,342
<b>Expenses:</b>						
Administration	\$ 592,281	\$ 462,894	\$ (129,387)	(2)	\$ -	\$ 462,894
Executive	\$ 492,935	\$ 469,554	\$ (23,381)	(3)	\$ -	\$ 469,554
Archives	\$ 98,697	\$ 96,786	\$ (1,911)		\$ -	\$ 96,786
External Affairs	\$ 89,269	\$ 76,759	\$ (12,510)	(4)	\$ -	\$ 76,759
Property Maintenance	\$ 260,415	\$ 249,679	\$ (10,736)	(5)	\$ (16,000)	\$ 233,679
TOC/Communications	\$ 109,960	\$ 103,735	\$ (6,225)		\$ -	\$ 103,735
Holy Synod	\$ 99,930	\$ 74,400	\$ (25,530)	(6)	\$ -	\$ 74,400
Metropolitan's Office	\$ 52,439	\$ 63,345	\$ 10,906	(7)	\$ -	\$ 63,345
Metropolitan Council	\$ 40,234	\$ 41,330	\$ 1,096		\$ -	\$ 41,330
St Catherine's Representation	\$ 51,832	\$ 51,142	\$ (690)		\$ -	\$ 51,142
Ordination Candidate Testing	\$ 41,000	\$ 38,000	\$ (3,000)		\$ -	\$ 38,000
ORSMA	\$ 99,037	\$ 116,491	\$ 17,454	(8)	\$ -	\$ 116,491
Strategic Planning	\$ 1,000	\$ 75,000	\$ 74,000	(9)	\$ -	\$ 75,000
<b>Total Expenses</b>	\$ 2,029,029	\$ 1,919,115	\$ (109,914)		\$ (16,000)	\$ 1,903,115
<b>Operating Surplus/(Deficit)</b>	\$ 925	\$ 77,227	\$ 76,302		\$ 16,000	\$ 93,227
<b>FOS/Departmental Revenues</b>	\$ 66,600	\$ 42,450	\$ (24,150)		\$ 6,473	\$ 48,923
<b>Departmental Expenses</b>	\$ (100,177)	\$ (142,150)	\$ (41,973)	(10)	\$ -	\$ (142,150)
<b>Net FOS/Dept Surplus/(Deficit)</b>	\$ (33,577)	\$ (99,700)	\$ (66,123)		\$ 6,473	\$ (93,227)
<b>Total Operating Surplus/(Deficit)</b>	\$ (32,652)	\$ (22,473)	\$ 10,179		\$ 22,473	\$ -

- (1) Assessment reduced from \$95 to \$92
- (2) Fewer personnel, lower med ins premiums, lower legal/acctg.
- (3) 5% salary decrease to officers
- (4) 2013 included \$12K for travel to S Korea for WCC
- (5) Fewer repairs budgeted in 2013
- (6) 2013 included 1/2 year salary/ben for Bishop MARK; 2014 includes smaller stipend
- (7) Includes funds for 2014 trip to Russia
- (8) Includes increased funding for ORSMA
- (9) Pertains to Office of Cont Ed - \$75K also included in revenues
- (10) In addition to these departmental expenses, there is \$280.7K in unfunded projects that the departments or offices have requested. The details are on Exh C20-Unfunded Projects.

**Departmental Unfunded Requests:**

Christian Service - "Compassion in Action"	\$ 4,900.00	**	Diocesan
Christian Education- Bulletin Inserts	\$ 16,000.00	**	No
Liturgical Music - 2nd Module Online Conducting	\$ 5,000.00	**	Raise \$ online
Military Chaplains - Conferences/Visitations	\$ 26,000.00		No
Military Chaplains - Funding of Full Time Office	\$ 219,000.00		No
Strategic Planning-Holy Conversations	\$ 4,600.00	**	Diocesan
Strategic Planning-Social Media Outreach to Youth	\$ 5,200.00	**	No
<b>Total Unfunded Requests</b>	<b>\$ 280,700.00</b>		

\*\* These projects may present opportunities for project-specific fundraising online.

**The Orthodox Church in America  
Assessments  
Preliminary Budget 2014**

Exhibit C-1

	<u>2013</u> <u>Census</u>	<u>2013</u> <u>Assessment</u>	<u>2014</u> <u>Census</u>	<u>2014</u> <u>Assessment</u>
Archdiocese of Washington	757	\$ 71,915.04	746	\$ 68,599.38
Diocese of the South	2,471	\$ 234,744.96	2,434	\$ 223,921.98
Diocese of Eastern PA	2,806	\$ 266,570.04	2,764	\$ 254,279.76
Diocese of New England	1,823	\$ 173,184.96	1,796	\$ 165,200.22
Diocese of Western PA	2,079	\$ 197,505.00	2,048	\$ 188,398.98
Diocese of New York/NJ	3,416	\$ 324,516.00	3,365	\$ 309,554.10
Diocese of the Midwest	4,583	\$ 435,338.70	4,514	\$ 415,267.29
Diocese of the West	<u>2,460</u>	<u>\$ 233,700.00</u>	<u>2,423</u>	<u>\$ 222,925.20</u>
Totals	20,394	\$1,937,474.70	20,089	\$ 1,848,146.92
Albanian Archdiocese		\$ 14,400.00		\$ 14,400.00
Bulgarian Diocese		\$ 5,000.00		\$ 5,000.00
Romanian Episcopate		\$ 24,000.00		\$ 24,000.00
Archdiocese of Alaska		<u>\$ 14,195.00</u>		<u>\$ 14,195.08</u>
		\$1,995,069.70		\$ 1,905,742.00
<b>Decrease</b>				<b>\$ (89,327.70)</b>
<b>% Decrease</b>				<b>-4.5%</b>

Summary Budget 2014-Exh C2

The Orthodox Church in America						Exhibit C-2			
Summary Budget - 2014									
By Department and Category									
	05	07	08	09	11	12/13	14	15	16
Description	Admin	Exec	Archives	Ext Affairs	Property	TOC/Comm	Holy Synod	Met's Office	MC
<b>Total Revenues</b>	\$ 1,921,342.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Expenses:</b>									
Auto Expense	\$ 3,500.00	\$ 4,000.00	\$ -	\$ -	\$ 5,000.00	\$ -	\$ -	\$ -	\$ -
Salaries & Benefits	\$ 204,935.73	\$ 450,006.71	\$ 93,286.05	\$ 38,459.00	\$ 62,871.78	\$ 54,535.00	\$ -	\$ -	\$ -
Depreciation & Amort	\$ -	\$ -	\$ -	\$ -	\$ 29,100.00	\$ -	\$ -	\$ -	\$ -
Stipends	\$ 23,400.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 38,400.00	\$ 6,000.00	\$ -
Travel & Entertainment	\$ 6,300.00	\$ 11,292.00	\$ 2,000.00	\$ 18,600.00	\$ -	\$ -	\$ 34,500.00	\$ 44,250.00	\$ 40,000.00
Telecommunications	\$ 12,100.00	\$ 4,200.00	\$ -	\$ 12,000.00	\$ -	\$ -	\$ -	\$ 500.00	\$ -
Utilities	\$ -	\$ -	\$ -	\$ -	\$ 39,607.50	\$ -	\$ -	\$ -	\$ -
Computer	\$ 12,000.00	\$ -	\$ -	\$ -	\$ -	\$ 1,200.00	\$ -	\$ -	\$ -
Legal, Acctg, Consulting	\$ 155,500.00	\$ -	\$ -	\$ -	\$ 100.00	\$ 30,000.00	\$ -	\$ -	\$ -
Distributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Dues & Fees	\$ 3,950.00	\$ 55.00	\$ -	\$ 7,600.00	\$ -	\$ -	\$ -	\$ 2,595.00	\$ -
Corporate Insurance	\$ 3,541.00	\$ -	\$ -	\$ -	\$ 30,000.00	\$ -	\$ -	\$ -	\$ -
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 30,000.00	\$ -	\$ -	\$ -	\$ -
Office Expenses	\$ 37,667.00	\$ -	\$ 1,500.00	\$ 100.00	\$ 2,000.00	\$ 18,000.00	\$ 1,500.00	\$ 10,000.00	\$ 1,330.00
Property Repairs & Maint	\$ -	\$ -	\$ -	\$ -	\$ 35,000.00	\$ -	\$ -	\$ -	\$ -
<b>Total Expenses</b>	\$ 462,893.73	\$ 469,553.71	\$ 96,786.05	\$ 76,759.00	\$ 233,679.28	\$ 103,735.00	\$ 74,400.00	\$ 63,345.00	\$ 41,330.00
<b>Net Surplus/(Deficit)</b>	\$ 1,458,448.26	\$ (469,553.71)	\$ (96,786.05)	\$ (76,759.00)	\$ (233,679.28)	\$ (103,735.00)	\$ (74,400.00)	\$ (63,345.00)	\$ (41,330.00)

Summary Budget 2014-Exh C2

	17	20	34	35	39	80	Subtotal	50	25
Description	St Cath	FOS	Ord Cand	ORSMA	Strat Plan	Depts	Unrestricted	AAC	Charity
<b>Total Revenues</b>	\$ -	\$ 36,472.91	\$ -	\$ -	\$ 75,000.00	\$ 12,450.00	\$ 2,045,265	\$ -	\$ 5,000.00
<b>Expenses:</b>									
Auto Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,500	\$ -	\$ -
Salaries & Benefits	\$ -	\$ -	\$ -	\$ 78,590.70	\$ -	\$ -	\$ 982,685	\$ -	\$ -
Depreciation & Amort	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,100	\$ -	\$ -
Stipends	\$ 51,142.44	\$ -	\$ -	\$ -	\$ 57,000.00	\$ 49,000.00	\$ 224,942	\$ -	\$ -
Travel & Entertainment	\$ -	\$ -	\$ -	\$ 16,500.00	\$ 7,000.00	\$ 38,500.00	\$ 218,942	\$ 3,000.00	\$ -
Telecommunications	\$ -	\$ -	\$ -	\$ 300.00	\$ -	\$ -	\$ 29,100	\$ -	\$ -
Utilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39,608	\$ -	\$ -
Computer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,100.00	\$ 16,300	\$ -	\$ -
Legal, Acctg, Consulting	\$ -	\$ -	\$ 38,000.00	\$ 21,000.00	\$ -	\$ 14,675.00	\$ 259,275	\$ -	\$ -
Distributions	\$ -	\$ -	\$ -	\$ -	\$ 5,400.00	\$ 5,000.00	\$ 10,400	\$ -	\$ 5,000.00
Dues & Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,075.00	\$ 40,275	\$ -	\$ -
Corporate Insurance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 33,541	\$ -	\$ -
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,000	\$ -	\$ -
Office Expenses	\$ -	\$ -	\$ -	\$ 100.00	\$ 5,600.00	\$ 5,800.00	\$ 83,597	\$ -	\$ -
Property Repairs & Maint	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,000	\$ -	\$ -
<b>Total Expenses</b>	\$ 51,142.44	\$ -	\$ 38,000.00	\$ 116,490.70	\$ 75,000.00	\$ 142,150.00	\$ 2,045,265	\$ 3,000.00	\$ 5,000.00
<b>Net Surplus/(Deficit)</b>	\$ (51,142.44)	\$ 36,472.91	\$ (38,000.00)	\$ (116,490.70)	\$ -	\$ (129,700.00)	\$ 0	\$ (3,000.00)	\$ -

Summary Budget 2014-Exh C2

	30	40	90	Subtotal	10		Proj	
Description	Missions	Seminary	Endowments	Restricted	Chapel	Total	2013	Variance
<b>Total Revenues</b>	\$ 5,000.00	\$ 5,000.00	\$ 10,000.00	\$ 25,000.00	\$ 12,000.00	\$ 2,082,264.91	\$ 2,154,069.17	\$ (71,804.26)
Expenses:								
Auto Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,500.00	\$ 14,006.00	\$ 1,506.00
Salaries & Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 982,684.97	\$ 1,063,074.59	\$ 80,389.62
Depreciation & Amort	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,100.00	\$ 33,484.00	\$ 4,384.00
Stipends	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 224,942.44	\$ 149,942.44	\$ (75,000.00)
Travel & Entertainment	\$ -	\$ -	\$ -	\$ 3,000.00	\$ -	\$ 221,942.00	\$ 241,124.43	\$ 19,182.43
Telecommunications	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,100.00	\$ 29,316.68	\$ 216.68
Utilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39,607.50	\$ 37,209.40	\$ (2,398.10)
Computer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,300.00	\$ 7,931.00	\$ (8,369.00)
Legal, Acctg, Consulting	\$ -	\$ -	\$ 4,975.00	\$ 4,975.00	\$ 500.00	\$ 264,750.00	\$ 346,205.32	\$ 81,455.32
Distributions	\$ 100,000.00	\$ 5,000.00	\$ 7,500.00	\$ 117,500.00	\$ 7,000.00	\$ 134,900.00	\$ 217,650.00	\$ 82,750.00
Dues & Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40,275.00	\$ 24,865.00	\$ (15,410.00)
Corporate Insurance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 33,541.00	\$ 32,891.00	\$ (650.00)
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,000.00	\$ 31,285.00	\$ 1,285.00
Office Expenses	\$ -	\$ -	\$ -	\$ -	\$ 7,350.00	\$ 90,947.00	\$ 72,590.60	\$ (18,356.40)
Property Repairs & Maint	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,000.00	\$ 60,542.00	\$ 25,542.00
<b>Total Expenses</b>	\$ 100,000.00	\$ 5,000.00	\$ 12,475.00	\$ 125,475.00	\$ 14,850.00	\$ 2,185,589.91	\$ 2,362,117.46	\$ 176,527.55
<b>Net Surplus/(Deficit)</b>	\$ (95,000.00)	\$ -	\$ (2,475.00)	\$ (100,475.00)	\$ (2,850.00)	\$ (103,325.00)	\$ (208,048.29)	\$ 104,723.29



	G/L #	Description	05 Admin	07 Exec	08 Prelim Bud 2004-Exh C3 Archives	09-Exh C3 Ext Affairs	11 Property	12/13 TOC/Comm	14 Holy Synod	15 Met's Office	16 MC	17 St Cath
Office	6105	Food	\$ 3,400.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,500.00	\$ -	\$ 1,330.00	\$ -
Office	6110	Flowers/Candles/Lit Items	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,000.00	\$ -	\$ -
Office	6115	Office Expense - Other	\$ 1,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Office	6502	Postage & Mailing	\$ 6,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Office	6503	Printing & Copying	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,000.00	\$ -	\$ 4,000.00	\$ -	\$ -
Office	6504	Supplies	\$ 5,000.00	\$ -	\$ 1,500.00	\$ 100.00	\$ 2,000.00	\$ -	\$ -	\$ 1,000.00	\$ -	\$ -
Office	6507	Equipment Leasing	\$ 21,867.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Office	6511	Advertising Expense	\$ 400.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		Subtotal - Office	\$ 37,667.00	\$ -	\$ 1,500.00	\$ 100.00	\$ 2,000.00	\$ 18,000.00	\$ 1,500.00	\$ 10,000.00	\$ 1,330.00	\$ -
Prop	6286	Lawn and Prop Maintenance	\$ -	\$ -	\$ -	\$ -	\$ 30,000.00	\$ -	\$ -	\$ -	\$ -	\$ -
Prop	6290	Repairs and Maintenance	\$ -	\$ -	\$ -	\$ -	\$ 5,000.00	\$ -	\$ -	\$ -	\$ -	\$ -
		Subtotal - Property Repairs & Maint	\$ -	\$ -	\$ -	\$ -	\$ 35,000.00	\$ -	\$ -	\$ -	\$ -	\$ -
			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		Total expenses	\$ 462,893.73	\$ 469,553.71	\$ 96,786.05	\$ 76,759.00	\$ 233,679.28	\$ 103,735.00	\$ 74,400.00	\$ 63,345.00	\$ 41,330.00	\$ 51,142.44
	7060	Unrealized (Gains)/Losses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		Net Surplus/(Deficit)	\$ 1,458,448.26	\$ (469,553.71)	\$ (96,786.05)	\$ (76,759.00)	\$ (233,679.28)	\$ (103,735.00)	\$ (74,400.00)	\$ (63,345.00)	\$ (41,330.00)	\$ (51,142.44)
<p>Note: The Strategic Planning numbers represent the Office for Continuing Education, which is set up to be a self-funding office. If the revenues are not realized, the expenses will not be reimbursed.</p>												

		Prelim Bud 2014-Ehx C3									
		20	34	35	39	80	Subtotal	50	25	30	40
		FOS	Ord Cand	ORSMA	Strat Plan	Depts	Unrestricted	AAC	Charity	Missions	Seminary
G/L #	Description										
<i>The Orthodox Church in America</i>											
<i>Trial Balance Report</i>											
<i>Income Statement by Account/Dept</i>											
<i>Preliminary Budget 2014</i>											
<b>REVENUES:</b>											
4345	Individual/Business Contributions	\$30,000.00	\$ -	\$ -	\$ -	\$ 200.00	\$ 40,200.00	\$ -	\$ -	\$ -	\$ -
4346	Bequests	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4350	Appeals	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00
4503	Interest Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,500.00	\$ -	\$ -	\$ -	\$ -
4505	Realized gains/losses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4640	OCPC Royalty Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,500.00	\$ -	\$ -	\$ -	\$ -
4642	TOC Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 300.00	\$ -	\$ -	\$ -	\$ -
4645	Desk Calendar Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 300.00	\$ -	\$ -	\$ -	\$ -
4724	Program Fees	\$ -	\$ -	\$ -	\$ 75,000.00	\$ 12,250.00	\$ 87,250.00	\$ -	\$ -	\$ -	\$ -
4902	Special Events (Enthronement)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4722	Assessments (20,089@\$92)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,905,742.00	\$ -	\$ -	\$ -	\$ -
	<b>Total Revenues</b>	<b>\$30,000.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 75,000.00</b>	<b>\$ 12,450.00</b>	<b>\$2,038,792.00</b>	<b>\$ -</b>	<b>\$ 5,000.00</b>	<b>\$ 5,000.00</b>	<b>\$ 5,000.00</b>
Auto	6901 Auto Insurance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,000.00	\$ -	\$ -	\$ -	\$ -
Auto	6902 Auto Repairs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,000.00	\$ -	\$ -	\$ -	\$ -
Auto	6903 Auto Gasoline	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,500.00	\$ -	\$ -	\$ -	\$ -
	Subtotal - Auto	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,500.00	\$ -	\$ -	\$ -	\$ -
Comp	6600 Salaries	\$ -	\$ -	\$ 60,000.00	\$ -	\$ -	\$ 745,212.62	\$ -	\$ -	\$ -	\$ -
Comp	6606 FICA/Medicare	\$ -	\$ -	\$ 4,590.00	\$ -	\$ -	\$ 27,910.64	\$ -	\$ -	\$ -	\$ -
Comp	6607 Unemployment Ins	\$ -	\$ -	\$ 375.00	\$ -	\$ -	\$ 7,192.00	\$ -	\$ -	\$ -	\$ -
Comp	6609 Payroll Processing Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,600.00	\$ -	\$ -	\$ -	\$ -
Comp	6610 Health Insurance	\$ -	\$ -	\$ 8,796.00	\$ -	\$ -	\$ 131,460.00	\$ -	\$ -	\$ -	\$ -
Comp	6620 Life Insurance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,313.00	\$ -	\$ -	\$ -	\$ -
Comp	6640 Workers Comp	\$ -	\$ -	\$ 29.70	\$ -	\$ -	\$ 4,379.70	\$ -	\$ -	\$ -	\$ -
Comp	6680 Pension Expense	\$ -	\$ -	\$ 4,800.00	\$ -	\$ -	\$ 59,617.01	\$ -	\$ -	\$ -	\$ -
	Subtotal - Comp& Benefits	\$ -	\$ -	\$ 78,590.70	\$ -	\$ -	\$ 982,684.97	\$ -	\$ -	\$ -	\$ -
DA	6990 Depreciation Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,100.00	\$ -	\$ -	\$ -	\$ -
DA	6995 Amortization Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Subtotal - Deprn Amort	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,100.00	\$ -	\$ -	\$ -	\$ -
STIP	6650 Stipends	\$ -	\$ -	\$ -	\$ 57,000.00	\$ 18,000.00	\$ 149,542.44	\$ -	\$ -	\$ -	\$ -
STIP	6651 Stipends - HS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 38,400.00	\$ -	\$ -	\$ -	\$ -
STIP	6655 Stipend-Christian Ed	\$ -	\$ -	\$ -	\$ -	\$ 6,000.00	\$ 6,000.00	\$ -	\$ -	\$ -	\$ -
STIP	6656 Stipend - Missions	\$ -	\$ -	\$ -	\$ -	\$ 6,000.00	\$ 6,000.00	\$ -	\$ -	\$ -	\$ -
STIP	6658 Stipend - Lit Music	\$ -	\$ -	\$ -	\$ -	\$ 6,000.00	\$ 6,000.00	\$ -	\$ -	\$ -	\$ -
STIP	6665 Stipend - Christian Witness	\$ -	\$ -	\$ -	\$ -	\$ 7,000.00	\$ 7,000.00	\$ -	\$ -	\$ -	\$ -
STIP	6667 Stipend - Chaplains	\$ -	\$ -	\$ -	\$ -	\$ 6,000.00	\$ 12,000.00	\$ -	\$ -	\$ -	\$ -
	Subtotal Stipends	\$ -	\$ -	\$ -	\$ 57,000.00	\$ 49,000.00	\$ 224,942.44	\$ -	\$ -	\$ -	\$ -
TE	6831 Conference, Meetings	\$ -	\$ -	\$ -	\$ -	\$ 7,050.00	\$ 9,100.00	\$ -	\$ -	\$ -	\$ -
TE	6832 Travel	\$ -	\$ -	\$ 15,000.00	\$ 7,000.00	\$ 28,450.00	\$ 154,750.00	\$ 2,000.00	\$ -	\$ -	\$ -
TE	6833 Lodging	\$ -	\$ -	\$ 1,500.00	\$ -	\$ 3,000.00	\$ 40,892.00	\$ 1,000.00	\$ -	\$ -	\$ -
TE	6834 Meals	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,200.00	\$ -	\$ -	\$ -	\$ -
TE	6835 Moving Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Subtotal - Travel & Entertainment	\$ -	\$ -	\$ 16,500.00	\$ 7,000.00	\$ 38,500.00	\$ 218,942.00	\$ 3,000.00	\$ -	\$ -	\$ -
Tel	6505 Telephone	\$ -	\$ -	\$ 300.00	\$ -	\$ -	\$ 2,400.00	\$ -	\$ -	\$ -	\$ -
Tel	6720 Telephone	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,200.00	\$ -	\$ -	\$ -	\$ -
Tel	6725 Mobile Phones	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,200.00	\$ -	\$ -	\$ -	\$ -
Tel	6727 Telecommunications	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,300.00	\$ -	\$ -	\$ -	\$ -
	Subtotal - Telecom	\$ -	\$ -	\$ 300.00	\$ -	\$ -	\$ 29,100.00	\$ -	\$ -	\$ -	\$ -
Util	6285 Janitorial Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000.00	\$ -	\$ -	\$ -	\$ -
Util	6288 Garbage Removal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,920.00	\$ -	\$ -	\$ -	\$ -
Util	6701 Heating Oil	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,412.50	\$ -	\$ -	\$ -	\$ -
Util	6703 Water	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 275.00	\$ -	\$ -	\$ -	\$ -
Util	6705 Electricity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,000.00	\$ -	\$ -	\$ -	\$ -
	Subtotal - Utilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39,607.50	\$ -	\$ -	\$ -	\$ -
Comp	6670 Computer Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,200.00	\$ -	\$ -	\$ -	\$ -
Comp	6733 Website	\$ -	\$ -	\$ -	\$ -	\$ 3,100.00	\$ 3,100.00	\$ -	\$ -	\$ -	\$ -
	Subtotal - Computer	\$ -	\$ -	\$ -	\$ -	\$ 3,100.00	\$ 16,300.00	\$ -	\$ -	\$ -	\$ -
Consult	6210 Contract Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,000.00	\$ -	\$ -	\$ -	\$ -
Consult	6211 Accounting Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,000.00	\$ -	\$ -	\$ -	\$ -
Consult	6214 Legal Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 105,000.00	\$ -	\$ -	\$ -	\$ -
Consult	6215 Outside Contract Service	\$ -	\$ 38,000.00	\$ 21,000.00	\$ -	\$ 14,675.00	\$ 104,275.00	\$ -	\$ -	\$ -	\$ -
Consult	6217 Investment Advisory Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Subtotal - Consulting	\$ -	\$ 38,000.00	\$ 21,000.00	\$ -	\$ 14,675.00	\$ 259,275.00	\$ -	\$ -	\$ -	\$ -
DIST	6050 Distributions	\$ -	\$ -	\$ -	\$ 5,400.00	\$ 5,000.00	\$ 10,400.00	\$ -	\$ -	\$ -	\$ -
DIST	6051 Charity Distributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,000.00	\$ 100,000.00	\$ 5,000.00
	Subtotal - Distributions	\$ -	\$ -	\$ -	\$ 5,400.00	\$ 5,000.00	\$ 10,400.00	\$ -	\$ 5,000.00	\$ 100,000.00	\$ 5,000.00
Fees	6092 Business Reg Fees	\$ -	\$ -	\$ -	\$ -	\$ 550.00	\$ 1,300.00	\$ -	\$ -	\$ -	\$ -
Fees	6095 Bank Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,600.00	\$ -	\$ -	\$ -	\$ -
Fees	6096 Dues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,375.00	\$ -	\$ -	\$ -	\$ -
Fees	6515 Memberships	\$ -	\$ -	\$ -	\$ -	\$ 12,000.00	\$ 12,000.00	\$ -	\$ -	\$ -	\$ -
	Subtotal - Fees	\$ -	\$ -	\$ -	\$ -	\$ 26,075.00	\$ 40,275.00	\$ -	\$ -	\$ -	\$ -
Insur	6512 Insurance - D&O	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,541.00	\$ -	\$ -	\$ -	\$ -
Insur	6750 Insurance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,000.00	\$ -	\$ -	\$ -	\$ -
	Subtotal - Insurance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 33,541.00	\$ -	\$ -	\$ -	\$ -
MtgTax	6271 Mortgage Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
MtgTax	6273 Real Estate & Prop Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,000.00	\$ -	\$ -	\$ -	\$ -
	Subtotal - Int & Ins	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,000.00	\$ -	\$ -	\$ -	\$ -



		The Orthodox Church In America Trial Balance Report Income Statement by Account/Dept Preliminary Budget 2014						Prelim Bud 2014-Exh C3	
G/L #	Description	90 Endowments	Subtotal Restricted	10 Chapel	Total	Proj 2013	Variance		
<b>REVENUES:</b>									
4345	Individual/Business Contributions	\$ -	\$ -	\$ 12,000.00	\$ 52,200.00	\$ 67,810.80	\$ (15,610.80)		
4346	Bequests	\$ -	\$ -	\$ -	\$ -	\$ 36,045.18	\$ (36,045.18)		
4350	Appeals	\$ -	\$ 15,000.00	\$ -	\$ 15,000.00	\$ 19,225.40	\$ (4,225.40)		
4503	Interest Income	\$ 10,000.00	\$ 10,000.00	\$ -	\$ 12,500.00	\$ 3,787.20	\$ 8,712.80		
4505	Realized gains/losses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
4640	OCPD Royalty Income	\$ -	\$ -	\$ -	\$ 2,500.00	\$ 1,575.09	\$ 924.91		
4642	TOC Income	\$ -	\$ -	\$ -	\$ 300.00	\$ 310.00	\$ (10.00)		
4645	Desk Calendar Revenue	\$ -	\$ -	\$ -	\$ 300.00	\$ 360.00	\$ (60.00)		
4724	Program Fees	\$ -	\$ -	\$ -	\$ 87,250.00	\$ 16,500.00	\$ 70,750.00		
4902	Special Events (Enthronement)	\$ -	\$ -	\$ -	\$ -	\$ 8,550.00	\$ (8,550.00)		
4722	Assessments (20,089@92)	\$ -	\$ -	\$ -	\$ 1,905,742.00	\$ 1,999,904.50	\$ (94,162.50)		
	<b>Total Revenues</b>	<b>\$ 10,000.00</b>	<b>\$ 25,000.00</b>	<b>\$ 12,000.00</b>	<b>\$ 2,075,792.00</b>	<b>\$ 2,154,069.17</b>	<b>\$ (78,277.17)</b>		
Auto	6901 Auto Insurance	\$ -	\$ -	\$ -	\$ 4,000.00	\$ 3,894.00	\$ 106.00		
Auto	6902 Auto Repairs	\$ -	\$ -	\$ -	\$ 5,000.00	\$ 6,708.00	\$ (1,708.00)		
Auto	6903 Auto Gasoline	\$ -	\$ -	\$ -	\$ 3,500.00	\$ 3,404.00	\$ 96.00		
	Subtotal - Auto	\$ -	\$ -	\$ -	\$ 12,500.00	\$ 14,006.00	\$ (1,506.00)		
Comp	6600 Salaries	\$ -	\$ -	\$ -	\$ 745,212.62	\$ 793,817.43	\$ (48,604.81)		
Comp	6606 FICA/Medicare	\$ -	\$ -	\$ -	\$ 27,910.64	\$ 27,288.07	\$ 622.56		
Comp	6607 Unemployment Ins	\$ -	\$ -	\$ -	\$ 7,192.00	\$ 7,860.50	\$ (668.50)		
Comp	6609 Payroll Processing Fees	\$ -	\$ -	\$ -	\$ 3,600.00	\$ 3,600.00	\$ -		
Comp	6610 Health Insurance	\$ -	\$ -	\$ -	\$ 131,460.00	\$ 177,846.00	\$ (46,186.00)		
Comp	6620 Life Insurance	\$ -	\$ -	\$ -	\$ 3,313.00	\$ 3,313.00	\$ -		
Comp	6640 Workers Comp	\$ -	\$ -	\$ -	\$ 4,379.70	\$ 4,393.50	\$ (13.80)		
Comp	6680 Pension Expense	\$ -	\$ -	\$ -	\$ 59,617.01	\$ 45,156.09	\$ 14,460.92		
	Subtotal - Comp & Benefits	\$ -	\$ -	\$ -	\$ 982,684.97	\$ 1,063,074.59	\$ (80,389.62)		
DA	6990 Depreciation Expense	\$ -	\$ -	\$ -	\$ 29,100.00	\$ 29,100.00	\$ -		
DA	6995 Amortization Expense	\$ -	\$ -	\$ -	\$ -	\$ 4,384.00	\$ (4,384.00)		
	Subtotal - Deprn Amort	\$ -	\$ -	\$ -	\$ 29,100.00	\$ 33,484.00	\$ (4,384.00)		
STIP	6650 Stipends	\$ -	\$ -	\$ -	\$ 149,542.44	\$ 92,542.44	\$ 57,000.00		
STIP	6651 Stipends - HS	\$ -	\$ -	\$ -	\$ 38,400.00	\$ 21,400.00	\$ 17,000.00		
STIP	6655 Stipend-Christian Ed	\$ -	\$ -	\$ -	\$ 6,000.00	\$ 6,000.00	\$ -		
STIP	6656 Stipend - Missions	\$ -	\$ -	\$ -	\$ 6,000.00	\$ 6,000.00	\$ -		
STIP	6658 Stipend - Lit Music	\$ -	\$ -	\$ -	\$ 6,000.00	\$ 6,000.00	\$ -		
STIP	6665 Stipend - Christian Witness	\$ -	\$ -	\$ -	\$ 7,000.00	\$ 6,000.00	\$ 1,000.00		
STIP	6667 Stipend - Chaplains	\$ -	\$ -	\$ -	\$ 12,000.00	\$ 12,000.00	\$ -		
	Subtotal Stipends	\$ -	\$ -	\$ -	\$ 224,942.44	\$ 149,942.44	\$ 75,000.00		
TE	6831 Conference, Meetings	\$ -	\$ -	\$ -	\$ 9,100.00	\$ 4,582.00	\$ 4,518.00		
TE	6832 Travel	\$ -	\$ 2,000.00	\$ -	\$ 156,750.00	\$ 132,121.43	\$ 24,628.57		
TE	6833 Lodging	\$ -	\$ 1,000.00	\$ -	\$ 41,892.00	\$ 78,927.00	\$ (37,035.00)	(Enthronement)	
TE	6834 Meals	\$ -	\$ -	\$ -	\$ 14,200.00	\$ 15,287.00	\$ (1,087.00)		
TE	6835 Moving Expenses	\$ -	\$ -	\$ -	\$ -	\$ 10,207.00	\$ (10,207.00)		
	Subtotal - Travel & Entertainment	\$ -	\$ 3,000.00	\$ -	\$ 221,942.00	\$ 241,124.43	\$ (19,182.43)		
Tel	6505 Telephone	\$ -	\$ -	\$ -	\$ 2,400.00	\$ 2,330.40	\$ 69.60		
Tel	6720 Telephone	\$ -	\$ -	\$ -	\$ 4,200.00	\$ 3,617.88	\$ 582.12		
Tel	6725 Mobile Phones	\$ -	\$ -	\$ -	\$ 4,200.00	\$ 3,940.80	\$ 259.20		
Tel	6727 Telecommunications	\$ -	\$ -	\$ -	\$ 18,300.00	\$ 19,427.60	\$ (1,127.60)		
	Subtotal - Telecom	\$ -	\$ -	\$ -	\$ 29,100.00	\$ 29,316.68	\$ (216.68)		
Util	6285 Janitorial Service	\$ -	\$ -	\$ -	\$ 1,000.00	\$ 924.00	\$ 76.00		
Util	6288 Garbage Removal	\$ -	\$ -	\$ -	\$ 1,920.00	\$ 1,920.00	\$ -		
Util	6701 Heating Oil	\$ -	\$ -	\$ -	\$ 22,412.50	\$ 20,375.00	\$ 2,037.50		
Util	6703 Water	\$ -	\$ -	\$ -	\$ 275.00	\$ 272.00	\$ 3.00		
Util	6705 Electricity	\$ -	\$ -	\$ -	\$ 14,000.00	\$ 13,718.40	\$ 281.60		
	Subtotal - Utilities	\$ -	\$ -	\$ -	\$ 39,607.50	\$ 37,209.40	\$ 2,398.10		
Comp	6670 Computer Expense	\$ -	\$ -	\$ -	\$ 13,200.00	\$ 6,383.00	\$ 6,817.00		
Comp	6733 Website	\$ -	\$ -	\$ -	\$ 3,100.00	\$ 1,548.00	\$ 1,552.00		
	Subtotal - Computer	\$ -	\$ -	\$ -	\$ 16,300.00	\$ 7,931.00	\$ 8,369.00		
Consult	6210 Contract Services	\$ -	\$ -	\$ -	\$ 15,000.00	\$ 14,742.12	\$ 257.88		
Consult	6211 Accounting Fees	\$ 975.00	\$ 975.00	\$ -	\$ 35,975.00	\$ 41,175.00	\$ (5,200.00)		
Consult	6214 Legal Fees	\$ -	\$ -	\$ -	\$ 105,000.00	\$ 162,473.00	\$ (57,473.00)		
Consult	6215 Outside Contract Service	\$ -	\$ -	\$ 500.00	\$ 104,775.00	\$ 123,896.00	\$ (19,121.00)		
Consult	6217 Investment Advisory Fees	\$ 4,000.00	\$ 4,000.00	\$ -	\$ 4,000.00	\$ 3,919.20	\$ 80.80		
	Subtotal - Consulting	\$ 4,975.00	\$ 4,975.00	\$ 500.00	\$ 264,750.00	\$ 346,205.32	\$ (81,455.32)		
DIST	6050 Distributions	\$ -	\$ -	\$ 5,000.00	\$ 15,400.00	\$ 6,000.00	\$ 9,400.00		
DIST	6051 Charity Distributions	\$ 7,500.00	\$ 117,500.00	\$ 2,000.00	\$ 119,500.00	\$ 211,650.00	\$ (92,150.00)		
	Subtotal - Distributions	\$ 7,500.00	\$ 117,500.00	\$ 7,000.00	\$ 134,900.00	\$ 217,650.00	\$ (82,750.00)		
Fees	6092 Business Reg Fees	\$ -	\$ -	\$ -	\$ 1,300.00	\$ 200.00	\$ 1,100.00		
Fees	6095 Bank Fees	\$ -	\$ -	\$ -	\$ 3,600.00	\$ 3,501.00	\$ 99.00		
Fees	6098 Dues	\$ -	\$ -	\$ -	\$ 23,375.00	\$ 11,164.00	\$ 12,211.00		
Fees	6515 Memberships	\$ -	\$ -	\$ -	\$ 12,000.00	\$ 10,000.00	\$ 2,000.00		
	Subtotal - Fees	\$ -	\$ -	\$ -	\$ 40,275.00	\$ 24,865.00	\$ 15,410.00		
Insur	6512 Insurance - D&O	\$ -	\$ -	\$ -	\$ 3,541.00	\$ 3,541.00	\$ -		
Insur	6750 Insurance	\$ -	\$ -	\$ -	\$ 30,000.00	\$ 29,350.00	\$ 650.00		
	Subtotal - Insurance	\$ -	\$ -	\$ -	\$ 33,541.00	\$ 32,891.00	\$ 650.00		
MtgTax	6271 Mortgage Interest	\$ -	\$ -	\$ -	\$ -	\$ 1,285.00	\$ (1,285.00)		
MtgTax	6273 Real Estate & Prop Tax	\$ -	\$ -	\$ -	\$ 30,000.00	\$ 30,000.00	\$ -		
	Subtotal - Int & Ins	\$ -	\$ -	\$ -	\$ 30,000.00	\$ 31,285.00	\$ (1,285.00)		



# *Orthodox Church in America*

## *Audit Committee*

Michael S. Strelka, CPA, CVA, Chair  
Karen L. Simons-Durkish, CPA, Member  
Vera Bozko-Summer, Member

September 4, 2013

The Holy Synod of Bishops and Metropolitan Council  
Orthodox Church in America  
P.O. Box 675  
Syosset, New York 11791

Your Beatitude, Your Eminences, Your Graces, Brothers and Sisters in Christ:

Most Blessed Master Bless!

The Audit Committee spent August 8-9, 2013 on Long Island to perform its statutory review of the books and records at the Chancery. We reviewed the period from July 1, 2012 through June 30, 2013. Due to the tax season schedules of Karen Durkish and myself, we have made just one trip to Syosset in 2013 instead of a semi-annual visit. This will continue into 2014, as Karen is starting law school, unless circumstances dictate otherwise.

After two days of work, the three committee members noted nothing unusual that warranted further examination or comment.

Procedures performed, and our findings:

Each income statement account for the 12 months ending 6/30/12, and for the six months ended 6/30/13 has been reviewed in comparison with their respective budgets for 2012 and 2013. All unusual or unexpected variances which were noted were explained and supported by Melanie Ringa.

Each of the eight cash accounts unrelated to investments was reviewed at both 12/31/12 and 6/30/13. The bank statement, the bank reconciliation and the general ledger for each account were reviewed to ensure agreement between these sources of information. A few older reconciling items in the operating account have been written off the books as requested at our last audit.

The quarterly payroll reports for both the federal and New York State, both wage withholding and unemployment, were reviewed for third and fourth quarters 2012 and first and second quarters 2013. Nothing unusual or unexpected was noted.

Pension payments for December, 2012 were reviewed with respect to the support for each participant of the pension. Nothing unusual or unexpected was noted.

We reviewed the insurance policies of the OCA and the Chancery property in Oyster Bay Cove. Fr. Eric stated that he thought the last appraisal of the property was done in 2008. As property values have risen since the financial collapse in 2008, it might be a good idea

to get another appraisal, to ensure that replacement cost is adequately covered. Fr. Eric also stated that a complete inventory of all "sacred art" was planned, including a possible video of the entire Chancery building. We concur that this would be a good idea and that it should be accomplished as soon as practicable.

As a follow-up to our prior year report, we noted that vendor invoices are now being marked as paid, to prevent duplicate payments.

Our committee is also mandated by the OCA Statute to review the audited financial statements of the two Stavropegial seminaries, and report any noted items. We have reviewed the audited financial reports of both St. Vladimir and St. Tikhon Orthodox Theological Seminaries for the year ended June 30, 2012, and have noted nothing unusual in their reports.

The chancery has been receiving financial information from St. Catherine's representation church in Moscow for several months. As I only recently received this information, I am still in the process of analyzing the information, due to the amounts being in rubles and my unfamiliarity with the format of the reports.

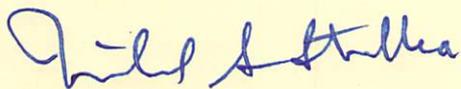
As the amount of investments has grown due to a large bequest, we recommend that the investment committee of the Metropolitan Council develop a more comprehensive plan for investing the funds. Right now it appears that the bulk of the funds are invested in lower interest paying CD's.

We also met with Rob Taylor and Bill Haller, partners of the outside audit firm, Capin Crouse LLP. We discussed the possibility of the internal auditors assisting with some of the year end auditing work.

The Committee would like to thank the Chancery staff, particularly Melanie Ringa and Jessica Linke, for their help cooperation in performing our audit.

On behalf of the Committee, please accept our thanks for allowing us to use our professional skills and abilities for the benefit of the Church.

Yours in Christ,



Michael S. Strelka, CPA  
Chair

**The Orthodox Church in America**

Financial Statements

and

Auditor's Report

Year Ended December 31, 2012

# The Orthodox Church in America

## Table of Contents

Independent Auditor's Report

### **Financial Statements:**

Statement of Financial Position Page 5

Statement of Activities Page 6

Statement of Cash Flows Page 7

Notes to the Financial Statements Page 8

### **Supplementary Information:**

Supplemental Schedule of Expenses Page 19

## **Independent Auditor's Report**

To the Metropolitan Council  
The Orthodox Church in America

We have audited the accompanying financial statements of The Orthodox Church in America (the Church), which comprise the statement of financial position as of December 31, 2012, and the related statements of activities and of cash flows for the year then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Church as of December 31, 2012, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on page 20 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

## **Correction of an Error**

As discussed in Note 16 to the financial statements, certain errors resulting in an overstatement of previously reported temporarily restricted net assets and a corresponding understatement of unrestricted net assets were discovered during the current year. Accordingly, an adjustment of \$223,240 was made during 2012 to reduce temporarily restricted net assets and increase unrestricted net assets as of the beginning of the year to correct the error. Our opinion is not modified with respect to that matter.

*Lambrides, Lamos, Taylor LLP*

East Northport, New York  
September 20, 2013

**The Orthodox Church in America  
Statement of Financial Position  
December 31, 2012**

**ASSETS**

Cash and cash equivalents	\$ 939,806
Assessments and other accounts receivable	201,474
Bequests receivable	564,321
Prepaid expenses	14,742
Capitalized mortgage closing costs (net)	3,075
Investments:	
Unrestricted	27,262
Endowment fund pool	471,592
St. Andrew endowment fund	102,568
FOS endowment fund	68,662
Annuity and unitrust agreements	459,686
Land, buildings and equipment (net of accumulated depreciation)	<u>243,196</u>
 Total assets	 <u><u>\$3,096,384</u></u>

**LIABILITIES AND NET ASSETS**

**Liabilities:**

Accounts payable and accrued expenses	\$ 121,201
Loan payable	59,616
Annuity and unitrust agreements	<u>286,014</u>

Total liabilities 466,831

**Net assets:**

Unrestricted	101,172
Temporarily restricted	1,506,421
Permanently restricted	<u>1,021,960</u>

Total net assets 2,629,553

Total liabilities and net assets \$3,096,384

See notes to financial statements.

**The Orthodox Church in America**  
**Statement of Activities**  
**Year Ended December 31, 2012**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals
<b>Support, revenue and releases:</b>				
Contributions:				
Fellowship of Orthodox Stewards		\$ 10,080		\$ 10,080
Charity		12,556		12,556
Missions		5,251		5,251
Seminary		1,199		1,199
General contributions	\$ 463,682	1,000		464,682
Total contributions	<u>463,682</u>	<u>30,086</u>		<u>493,768</u>
Revenue:				
Assessments	2,281,079			2,281,079
Publications	1,095			1,095
Miscellaneous	4,353			4,353
Total revenue	<u>2,286,527</u>			<u>2,286,527</u>
Total support and revenue before net assets released from restrictions	2,750,209	30,086		2,780,295
Net assets released from restrictions	192,804	(192,804)		
Total support, revenue and releases	<u>2,943,013</u>	<u>(162,718)</u>		<u>2,780,295</u>
<b>Expenses:</b>				
Program services	877,774			877,774
Supporting services:				
General administrative	1,087,151			1,087,151
Development	159,299			159,299
Total supporting services	<u>1,246,450</u>			<u>1,246,450</u>
Total expenses	<u>2,124,224</u>			<u>2,124,224</u>
<b>Change in net assets from operations</b>	818,789	(162,718)		656,071
Other changes:				
Depreciation	(29,286)			(29,286)
Amortization of closing costs	(61,591)			(61,591)
All-American Council income		68,761		68,761
Net investment income	3,251	6,261		9,512
Change in actuarial value of unitrusts	10,715	(1,006)	\$ 1,531	11,240
Professional fees - legal	(158,829)			(158,829)
<b>Change in net assets after other changes</b>	<u>583,049</u>	<u>(88,702)</u>	<u>1,531</u>	<u>495,878</u>
<b>Net assets at beginning of year,</b> <b>as previously stated</b>	(705,117)	1,818,363	1,020,429	2,133,675
Prior-period correction of an error	223,240	(223,240)		
<b>Net assets at beginning of year, adjusted</b>	<u>(481,877)</u>	<u>1,595,123</u>	<u>1,020,429</u>	<u>2,133,675</u>
<b>Net assets at end of year</b>	<u>\$ 101,172</u>	<u>\$ 1,506,421</u>	<u>\$ 1,021,960</u>	<u>\$ 2,629,553</u>

See notes to financial statements.

**The Orthodox Church in America  
Statement of Cash Flows  
Year Ended December 31, 2012**

<b>Cash flows from operating activities:</b>	
Change in net assets	\$ 495,878
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	29,286
Amortization of mortgage closing costs	61,591
Net realized and unrealized gain on investments	(2,951)
Change in actuarial valuation of annuities and unitrusts	(11,240)
(Increase) decrease in:	
Assessments and other accounts receivable	(72,096)
Note receivable	16,508
Prepaid expenses	1,493
Bequests receivable	382,274
Increase (decrease) in:	
Accounts payable and accrued expenses	(33,734)
Deferred revenue	<u>(25,568)</u>
Net cash provided by operating activities	<u>841,441</u>
<b>Cash flows from investing activities:</b>	
Purchase of equipment	(13,226)
Purchase of investments	(618,474)
Proceeds from sale of investments	<u>610,363</u>
Net cash used by investing activities	<u>(21,337)</u>
<b>Cash flows from financing activities:</b>	
Repayment of principal	<u>(624,596)</u>
Net cash used by financing activities	<u>(624,596)</u>
<b>Net increase in cash</b>	195,508
<b>Cash at beginning of year</b>	<u>744,298</u>
<b>Cash at end of year</b>	<u>\$ 939,806</u>
<b>Supplemental disclosure of cash flow information:</b>	
Cash paid for interest expense	<u>\$ 15,258</u>

See notes to financial statements.

**The Orthodox Church in America**  
**Notes to the Financial Statements**  
**December 31, 2012**

**1. Organization and Purpose:**

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

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

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

**2. Summary of Significant Accounting Policies:**

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

**a. Accrual Basis Financial Statements**

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

**b. Net Assets**

The Orthodox Church in America reports in accordance with *FASB ASC 958*. *FASB ASC 958* establishes standards for external financial reporting by not-for-profit organizations and requires that resources be classified for accounting and reporting purposes into three net asset categories according to externally (donor-imposed) restrictions. The net assets of the Church and changes therein are classified and reported as follows:

- Unrestricted net assets include all resources which are not subject to donor-imposed restrictions of a more specific nature than those which only obligate the organization to utilize funds in furtherance of its mission. Unrestricted net assets also include “underwater” endowments and funds borrowed from endowments for use in operations.
- Temporarily restricted net assets are those contributed with donor stipulations for specific operating purposes and programs, those with time restrictions or those not currently available for use until commitments regarding their use have been fulfilled. Temporarily restricted net assets also include contributions and pledges receivable and accumulated endowment earnings that are restricted by the donor for a particular purpose or whose use is unrestricted but have not yet been appropriated for expenditure.

**The Orthodox Church in America**  
**Notes to the Financial Statements**  
**December 31, 2012**

**2. Summary of Significant Accounting Policies:** (Continued)

- Permanently restricted net assets are subject to the restrictions of gift instruments requiring that the principal be invested in perpetuity. 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. Support and Revenue**

Contributions are recorded when made, which may be when cash is received, or when unconditional promises are made. Contributions restricted by the donor for a specific purpose are recorded as support in the temporarily restricted or permanently restricted class of net assets (depending on the nature of the restrictions) until funds have been expended by the Church for the purposes specified. Upon satisfaction of the restriction, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Bequests are recorded as income at the time the organization has an established right to the bequest and the proceeds are measurable. Donated assets are recorded at their fair market value on the date of donation.

Assessment income is recorded when earned, which is the period for which the assessments are for. Investment income is recorded in the month it is earned. Other income is recorded when earned.

**d. Cash and Cash Equivalents**

The Church considers all highly liquid instruments with maturities less than three months to be cash and cash equivalents. Certain items meet the definition of cash equivalents but are part of a larger pool of investments and are classified as investments in the statement of financial position. From time to time, these balances may exceed federal deposit insurance limits; however, the Church has not experienced any losses on these accounts and management does not believe it is exposed to any significant risk.

**e. Assessments and Other Accounts Receivable**

Assessments and other accounts receivable are stated at the amount management expects to collect from outstanding balances. Receivables are expected to be collected within one year, and are therefore recorded at net realizable value. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. At December 31, 2012, there is no allowance.

**f. Investments**

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

**The Orthodox Church in America**  
**Notes to the Financial Statements**  
**December 31, 2012**

**2. Summary of Significant Accounting Policies:** (Continued)

**g. Investment Pools**

The Church maintains master investment accounts for its donor-restricted endowments. Realized and unrealized gains and losses from securities in the master investment accounts are allocated monthly to the individual endowments based on the relationship of the market value of each endowment to the total market value of the master investment accounts, as adjusted for additions to or deductions from those accounts.

**h. Land, Buildings, and Equipment**

Land, buildings, and equipment are stated at cost, or, if donated, at the estimated fair market value at the date of donation. The Church's policy is to capitalize fixed asset expenditures of \$3,000 or more. Depreciation is recorded using the straight-line method at various rates calculated to allocate the cost of the respective items over their estimated useful lives.

Estimated useful lives are:

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

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

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

**i. Annuity and Unitrust Agreements**

*Annuity agreements*

The Church established gift annuities whereby donors may contribute assets in exchange for the right to receive an annual return during their lifetime. This transaction provides for a portion of the transfer to be considered a charitable contribution for income tax purposes. The difference between the amount of the annuity and the liability for future payments, determined on an actuarial basis, is recognized as income at the date of gift. The actuarial liability for annuities payable is evaluated annually (giving effect to investment income and payments to annuitants) and any surplus or deficiency is recognized as investment income. Assets held for annuities payable totaled \$95,970 at December 31, 2012. The present value of the remaining future liability to be distributed by the Church at December 31, 2012 is \$86,816.

**The Orthodox Church in America**  
**Notes to the Financial Statements**  
**December 31, 2012**

**2. Summary of Significant Accounting Policies:** (Continued)

**i. Annuity and Unitrust Agreements** (Continued)

*Unitrust agreements*

The Church is named as beneficiary of several charitable remainder unitrusts. A unitrust provides for the payment of distributions to the grantor or other designated beneficiaries over the trust's term (usually the designated beneficiary's lifetime). At the end of the trust's term, the remaining assets are available for the Church's use. The portion of the trust attributable to the present value of the future benefits to be received by the Church is recorded in the Statement of Activities as a temporarily restricted contribution in the period the trust is established. On an annual basis, the Church revalues the present value of the remaining future liability based upon actuarial assumptions. Assets held in the charitable remainder unitrusts totaled \$363,716 at December 31, 2012. The present value of the remaining future liability to be distributed by the Church is calculated using various rates and applicable mortality tables and at December 31, 2012 totals \$199,198.

**j. Functional Allocation of Expenses**

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

**k. Uncertain Tax Positions**

The financial statement effects of a tax position taken or expected to be taken are recognized in the financial statements when it is more likely than not, based on the technical merits, that the position will be sustained upon examination. Interest and penalties, if any, are included in expenses in the statement of activities. As of December 31, 2012, the Church had no uncertain tax positions that qualify for recognition or disclosure in the financial statements.

**l. Use of Estimates**

The Church uses estimates and assumptions in preparing the financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of any contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were assumed in preparing the financial statements.

**3. Cash and Cash Equivalents:**

Cash and cash equivalents at December 31, 2012 consist of the following:

Unrestricted operating funds	\$ 81,228
St. Sergius Chapel account	23,010
Reserve account	39,346
Funds set aside for satisfaction donor restrictions	<u>796,222</u>
	<u>\$939,806</u>

**The Orthodox Church in America  
Notes to the Financial Statements  
December 31, 2012**

**4. Assessments and Accounts Receivable:**

Assessments and accounts receivable at December 31, 2012 are comprised of the following:

Accounts receivable	\$ 26,792
Assessments receivable	<u>174,682</u>
	<u>\$201,474</u>

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

**5. Bequests Receivable:**

The Church is a beneficiary in three estates for which it was notified of prior to December 31, 2012. The total remaining funds that the Church expects to receive at December 31, 2012 is \$564,321. The remaining bequests receivable are expected to be collected during 2013.

**6. Capitalized Mortgage Closing Costs:**

Closing costs of \$87,682 pertaining to a \$1,700,000 refinance have been capitalized and are being amortized over the life of the loan. A significant portion of the remaining loan principal was repaid during 2012, therefore an accelerated amount of closing cost amortization was recognized in 2012. As of December 31, 2012, accumulated closing cost amortization was \$84,607, leaving a net balance of \$3,075. Total amortization expense during the year ended December 31, 2012 was \$61,591.

**7. Investments:**

Investments are recorded at fair market value, and at December 31, 2012 consist of:

Money market funds	\$ 267,965
Certificates of deposit	401,090
U.S. government agency obligations	148,264
U.S. government securities	23,189
Municipal bonds	5,457
Corporate bonds	83,439
Mutual funds	102,723
Corporate stocks	1,673
Annuity investments	<u>95,970</u>
	<u>\$1,129,770</u>

Investment income is reported net of related expenses as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Interest and dividends	\$ 1,156	\$ 9,481	\$ 10,637
Realized gains (losses)	437	(108)	329
Unrealized gains(losses)	1,658	964	2,622
Investment fees	<u>          </u>	<u>(4,076)</u>	<u>(4,076)</u>
Total	<u>\$ 3,251</u>	<u>\$ 6,261</u>	<u>\$ 9,512</u>

**The Orthodox Church in America**  
**Notes to the Financial Statements**  
**December 31, 2012**

**7. Investments:** (Continued)

Risks and Uncertainties Related to Investments

Investment securities are exposed to various risks, such as changes in interest rates or credit ratings and market fluctuations. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is possible that the value of the Church investments and total net assets balance could fluctuate materially.

The Church maintains custody accounts with various custodians. Although the Church monitors the custodians and believes that they are appropriate custodians, there is no guarantee that the custodians, or any other custodians that the Church may use from time to time, will not become insolvent. The Church believes that, in the event of the insolvency of its custodian, some of the Church's assets may be unavailable for a period of time, but that it would ultimately have full recovery of its assets.

**8. Land, Buildings and Equipment:**

A summary of land, buildings and equipment at December 31, 2012 follows:

Land, buildings and improvements	\$ 531,783
Furniture, fixtures and equipment	468,476
Software	<u>33,000</u>
	1,033,259
Less: Accumulated depreciation	<u>(790,063)</u>
Total	<u>\$ 243,196</u>

Depreciation expense for the year ending December 31, 2012 amounted to \$29,286.

**9. Loan Payable:**

Loan payable at December 31, 2012 consisted of the following:

\$1,700,000 mortgage loan payable, collateralized by property in Oyster Bay, New York, and maturing in September 2026. The interest rate as of December 31, 2012 is 7%.

\$59,616

During 2012, the Church made large principal payments on the loan totaling \$624,596. The remaining principal balance at December 31, 2012 of \$59,616 was subsequently paid in full in May of 2013.

**The Orthodox Church in America  
Notes to the Financial Statements  
December 31, 2012**

**10. Lease Commitments:**

The Church leases office equipment under non-cancellable operating leases. Expenses related to these leases amounted to \$22,212 for the year ending December 31, 2012. Estimated future minimum lease payments by year and in the aggregate under the lease consists of the following as of December 31, 2012:

<b>Year Ending December 31,</b>	
2013	\$21,324
2014	21,324
2015	14,628
2016	<u>7,932</u>
	<u>\$65,208</u>

**11. Retirement Plan:**

The Church participates in the Orthodox Church in America pension plan, which is a multi-employer plan. The plan provides defined benefits with participation available to all full-time employees. The Church contributes an amount equal to 6% of eligible employee's gross wages. The retirement benefit costs charged to expense in 2012 amounted to \$41,600.

**12. Fair Value Measurements:**

The Church uses appropriate valuation techniques to determine fair value based on inputs available. When available, the Church measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are only used when Level 1 or Level 2 inputs were not available.

Fair values of assets measured on a recurring basis at December 31, 2012 are as follows:

	<b>Fair Value</b>	<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>
<b>Assets:</b>				
Investments				
Money market funds	\$ 267,965	\$ 267,965		
Mutual funds:				
Fixed income funds	102,723	102,723		
Corporate stocks	1,673	1,673		
Corporate bonds	83,439	83,439		
Negotiable certificates of deposit	140,402	140,402		
Certificates of deposit	260,688			\$ 260,688
U.S. Government agency obligations	148,264	148,264		
U.S. Government securities	23,189	23,189		
Municipal bonds	5,457	5,457		
Annuity investments	<u>95,970</u>		<u>\$ 95,970</u>	
Total investments	<u>1,129,770</u>	<u>773,112</u>	<u>95,970</u>	<u>260,688</u>
Total	<u>\$ 1,129,770</u>	<u>\$ 773,112</u>	<u>\$ 95,970</u>	<u>\$ 260,688</u>

**The Orthodox Church in America  
Notes to the Financial Statements  
December 31, 2012**

**12. Fair Value Measurements:** (Continued)

Valuation techniques:

Fair values for money market funds, mutual funds, corporate stocks, corporate bonds, negotiable certificates of deposit, U.S. Government agency obligations, U.S. Government securities, municipal bonds and annuity investments are determined by reference to quoted market prices and other relevant information generated by market transactions. The fair value of the certificates of deposit are based on yields for securities of comparable maturity, quality, and type as obtained from market makers.

The following table provides further details of the Level 3 fair value measurements:

	<b>Certificates of Deposit</b>
Balance, December 31, 2011	\$ 190,000
Purchases and sales:	
Purchases	70,688
Sales	-
Balance, December 31, 2012	<u>\$ 260,688</u>

**13. Temporarily Restricted Net Assets:**

Temporarily restricted net assets are for the following purposes:

	<b>12/31/2011 Balance</b>	<b>Additions and Other Changes</b>	<b>Releases</b>	<b>12/31/2012 Balance</b>
Mission appeal	\$ 969,056	\$ 5,251	\$ 44,751	\$ 929,556
Seminary appeal	4,015	1,199	5,214	
Publication reserve fund	29,556			29,556
Charity	71,350	12,566	10,000	73,916
Theological education - academic fellowship	59,300			59,300
Chaplain reserve	1,896			1,896
Uni-trust (life income) funds	156,145	1,447		157,592
General purpose endowment excess earnings	77,515	1,610		79,125
Restricted endowments excess earnings	139,376	3,894	858	142,412
Other restricted purposes	86,914	78,135	131,981	33,068
Total	<u>\$ 1,595,123</u>	<u>\$ 104,102</u>	<u>\$ 192,804</u>	<u>\$ 1,506,421</u>

**14. Permanently Restricted Net Assets:**

Permanently restricted net assets consist of the following at December 31, 2012:

Donor restricted endowments:	
General purposes	\$ 224,268
Restricted purposes	775,762
Permanently restricted charitable remainder unitrust	<u>21,930</u>
	<u>\$1,021,960</u>

**The Orthodox Church in America**  
**Notes to the Financial Statements**  
**December 31, 2012**

**15. Endowments:**

The Church's endowments consist of approximately 40 individual funds established for a variety of purposes. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions as specified in the *Summary of Significant Accounting Policies* outlined in these notes.

The Church classifies as permanently restricted net assets (a) the original value of gifts donated to the donor-restricted permanent endowment, (b) the original value of subsequent gifts to the donor-restricted permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Church. The Church considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the Church and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the Church
- (7) The investment policies of the Church

*Funds with Deficiencies*

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or endowment agreement requires the Church to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature that are reported in unrestricted net assets were \$487,418 as of December 31, 2012. \$401,500 of these deficiencies are the result of borrowing from the endowment assets to fund operations, and the remaining \$85,918 resulted from realized losses that occurred shortly after the market downturn in 2008.

*Return Objectives and Risk Parameters*

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

*Strategies Employed for Achieving Objectives*

To satisfy its long-term rate-of-return objectives, the Church relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Church targets a well-diversified and balanced asset allocation that places a greater emphasis on cash and fixed income investments (over 90%) to achieve its long-term return and growth objectives within prudent risk constraints.

**The Orthodox Church in America  
Notes to the Financial Statements  
December 31, 2012**

**15. Endowments:** (Continued)

Spending Policy and How the Investment Objectives Relate to Spending Policy

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

Changes in endowment funds for the fiscal year ended December 31, 2012, consisted of the following:

Endowment net asset composition by type of fund as of December 31, 2012:

	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Permanently Restricted</b>	<b>Total</b>
Donor restricted endowments for:				
General purposes	\$ (139,143)	\$ 79,125	\$ 224,268	\$ 164,250
Restricted purposes	<u>(348,275)</u>	<u>142,412</u>	<u>775,762</u>	<u>569,899</u>
Total endowment funds	<u>\$ (487,418)</u>	<u>\$ 221,537</u>	<u>\$ 1,000,030</u>	<u>\$ 734,149</u>

Changes in endowment net assets for the year ended December 31, 2012:

	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Permanently Restricted</b>	<b>Total</b>
Endowment net assets,				
January 1, 2012	\$ (709,649)	\$ 437,508	\$ 1,000,030	\$ 727,889
Prior-period restatement, (see Note 16)	<u>220,678</u>	<u>(220,678)</u>	_____	_____
Endowment net assets, January 1, 2012 as restated	<u>\$ (488,971)</u>	<u>\$ 216,830</u>	<u>\$ 1,000,030</u>	<u>\$ 727,889</u>
Investment return:				
Interest and dividend income (net of fees)		5,405		5,405
Realized and unrealized gains and losses	_____	<u>856</u>	_____	<u>856</u>
Total investment return	_____	<u>6,261</u>	_____	<u>6,261</u>
Other changes:				
Change in underwater endowmen	<u>1,553</u>	<u>(1,553)</u>	_____	_____
Endowment net assets, December 31, 2012	<u>\$ (487,418)</u>	<u>\$ 221,538</u>	<u>\$ 1,000,030</u>	<u>\$ 734,150</u>

**The Orthodox Church in America**  
**Notes to the Financial Statements**  
**December 31, 2012**

**16. Prior Period Correction of an Error:**

Certain errors resulting in an overstatement of previously reported temporarily restricted net assets and a corresponding understatement of unrestricted net assets were discovered during the current year. Accordingly, an adjustment of \$223,240 was made during 2012 to reduce temporarily restricted net assets and increase unrestricted net assets as of the beginning of the year to correct the error.

**17. Financial Condition:**

The Church has not consistently maintained the necessary amounts of cash or investments to fund all donor-restricted projects. As of December 31, 2012, the Church has outstanding borrowing from the endowment pool investments totaling \$401,500 to fund operations, and has an additional shortfall of liquid cash and investments to fund remaining temporarily restricted net assets amounting to \$104,630.

**18. Subsequent Events:**

Management of the Church evaluated subsequent events through September 20, 2013, which is the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated. Management discovered no subsequent events requiring disclosure.

**The Orthodox Church in America  
Supplemental Schedule of Expenses  
Year Ended December 31, 2012**

	<b>Program</b>	<b>General and Administrative</b>	<b>Development</b>	<b>Totals</b>
<b>Program services, including related salaries:</b>				
Website and public relations	\$ 78,169			\$ 78,169
Newspaper, Sourcebook/Calendar	77,224			77,224
History and archives	97,877			97,877
External affairs	101,834			101,834
Charity	1,252			1,252
Missions and stewardship	101,044			101,044
Seminaries	6,000			6,000
Education and community life	20,440			20,440
Youth ministry	24,611			24,611
Pastoral life	23,013			23,013
All-American Council	145,770			145,770
<b>Supporting services:</b>				
Salaries and stipends	29,952	\$ 479,232	\$ 89,856	599,040
Payroll taxes and employee benefits	9,998	159,975	29,995	199,968
Supplies and other office expenses	15,973	16,855	3,293	36,121
Telephone and interest	7,495	9,369	1,874	18,738
Professional fees and contracted services		175,014		175,014
Travel	69,730	87,162	17,432	174,324
Meetings and conferences	2,263	2,828	566	5,657
Interest expense	6,103	7,629	1,526	15,258
Property taxes and town fees	11,974	14,968	2,994	29,936
Repairs and maintenance/building and ground:	18,094	22,618	4,524	45,236
Building utilities	10,578	13,222	2,644	26,444
Postage and shipping	1,752	2,191	438	4,381
Bad debt expense - assessments and notes receivable		26,126		26,126
Bad debt expense - bequests receivable		39,500		39,500
Insurance	13,762	17,202	3,440	34,404
Bank and credit card fees	2,303	3,839	576	6,718
Miscellaneous	563	9,421	141	10,125
Operating expenses before depreciation, amortization and professional fees	877,774	1,087,151	159,299	2,124,224
Depreciation	11,714	14,643	2,929	29,286
Amortization of closing costs	24,637	30,795	6,159	61,591
Professional fees - legal		158,829		158,829
Total expenses	<u>\$ 914,125</u>	<u>\$ 1,291,418</u>	<u>\$ 168,387</u>	<u>\$ 2,373,930</u>

See auditor's report on supplementary information.

Schedule 1