



**ORTHODOX  
CHURCH in  
AMERICA**

**Metropolitan Council Meeting**

**Fall 2014**

**Officers Reports**



**Meeting of the Metropolitan Council  
September 23 to September 25, 2014  
Officers' Reports  
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**Secretary's Report  
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Fall 2014 Metropolitan Council Meeting  
September 23-25, 2014**

**1. Overview**

The spring and summer were busy with planning; planning for the All-American Council, planning on specific projects, and planning for the variety of events we are either involved with or host. Significant progress has been made in these specific areas, as the report will reflect, and I am thankful for the good and hard work of the variety of staff spread throughout the continent. The only way to accomplish so much work with so few people is by assembling a good team and trusting their abilities.

**2. Human Resources**

The Chancery staff has remained stable for the past six months and this is reflected in the amount of work that it is able to accomplish. There has been significant progress in the clergy and parish database which now is being transitioned to operational status. It took months to dig out of the backlog and to work through the many issues, but we are now confident in the system and the streamlining of the process. We are grateful to the many long hours put in by Barry Migyanko and Ryan Platte.

As we stabilize the work, certain workloads will need to be addressed. Primarily among this is a proposal put forth by the Metropolitan and the Officers to bring in a part-time, contract person working in the area of stewardship and development. The idea is to have the person prepare the stewardship work leading up to the All-American Council by consolidating the old stewardship and development records, preparing and managing a stewardship appeal, preparing a Stewardship event at the All-American Council and begin the formulation of a renewed stewardship and development office. It is a modest start utilizing funds that already exist and are available but it will produce some tangible results.

Other aspects of Human Resources continue such as periodic reviews, compliance checks and related HR issues. It is also recommend that over the next year, a thorough review of the current HR policies be conducted in coordination with the HR Committee and experts to ensure that it is up to date and reflects the reality of the current Chancery operation.

**3. Operations**

The database project is now completing the first phase. It was a very intensive project which required much detective work in locating and identifying the old material. As a reminder, we needed to do this as the Access 97 program was collapsing and we were in danger of losing a lot of historical and operational material. At this point it is almost operational with the final steps being creating a library of needed reports. The next phase will begin shortly as the database will begin to be developed which will link the

clergy/parish database with updated mailing lists, donors and financial records. This will take many months to complete and will include a mass collection of mailing list names, sorting the material and defining of the data. When completed, we will have a modern and usable system in place at the Chancery.

All computers operating on XP have been replaced and are operational. In addition, we are working on connecting the MAC users to the network in order to ensure proper redundancy and backup.

In reference to the backup and storage issues, a recommended records retention policy is presented. This was done in conjunction with the archives and pension work and was decided to extend the policy to include the proper storage, retention and electronic policy for the Chancery. This is presented for approval and adoption. It is a long overdue policy.

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. 501 C 3 work continues on a weekly basis.

Work continues on background checks, tightening the ordination and clergy transfer procedures. A new set of guidance has been issued, contracted signed with a new company (Single Source) which will be more streamlined and have a cost-saving effect. There are a few issues with the procedures as they begin adopting them in parishes and we are addressing them as they arise. I will also be assisting St. Tikhon's Seminary as they begin to adopt the procedures and continue to work with all the seminaries and dioceses on background checks for ordinations, receptions and transfers.

I am continuing managing the Seminary Internship Program for the upcoming year with seven OCA seniors. It was revised from last year in order to make it more reflective and practical.

There will be the annual St. Sergius Festal celebration on September 27 which is open to all people. A highlight this year is the first ever awarding of the newly established Order of St. Romanios in recognition for significant contributions in the field of liturgical music. The medal was designed and received recently.

I have also been involved with two major projects that have been going through the planning, data collection and analysis stage. The first project is on the work of the departments and the organization/integration of the work of the central administration with the boards, commissions, departments and offices. The goal is to find a more efficient manner of organizing and managing the work as well aligning them more closely with the vision of the Holy Synod. As such, a number of questionnaires were sent out and data was collected. This material is currently be organized and will be presented to the Holy Synod and the Reorganizational Task Force for decisions. It is currently over 80 pages of data and analysis.

The second major project is the implementation of the new Mission School. This initiative was the result of a special task force to examine and put forth recommendations on the large bequest that was received. Ultimately the Synod selected the Mission School and His Beatitude tasked me to organize it. The location, costs and agenda have been finalized and we are still waiting on some teaching plans. It is the goal to have the first fully-funded Mission School before the All-American Council.

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

We have a number of highlighted meetings. There is the normal rounds of Holy Synod, Lesser Synod, and other operational and planning meetings. The meetings of the Preconciliar Committee, local committee in Atlanta, the Monastic Leaders meeting also occurred. Other extraordinary meetings included consultations on various legal and operational aspects of the chancery. There was an extra Holy Synod meeting in June to discuss some more critical issues and to begin proactive long range planning for the Church. Likewise, there are weekly Officers meetings and other conference calls on various SMPAC and legal issues.

The All-American Council planning continues and there is much to relate. This will be done in detail in a separate report. But there was significant progress across a wide front. The AAC website is operational (<http://18aac.oca.org>) as well as related social media pages. The electronic registration process is almost complete and ready for testing and release. Assessment letters have been sent. The local committees have their chairs and assignments and are progressing. There is one major contract still to sign with the audio/visual company (we are still negotiating). A draft agenda is complete and details are coming together. A new iconostasis has been ordered that will be [part of the AACs in the future. The major initiatives on Statute Reform and Finance Reform will be reported on separately. The Youth Program is set and the FOCA Convention is ready. The next major steps will be the call for reports and the release of the registration material. This will happen in October and January respectively.

I would note that an award winning videographer and producer (Cannes) has come forward to put together a film on the OCA for the AAC. This major project is being totally donated and will focus on the vision of the OCA through the years and into the future.

#### **5. Archives**

The Archives Task Force continues their work and a separate report is attached. It should be stated that Fr. Daniel and Matushka Tamara Skvir have spent a considerable time this summer in the archives doing inventory and assisting in the early planning stages of the project. There was some clean-up this summer with a seminarian who cleaned out the attic, some storage rooms and the garages. There will be considerable work done in the archives over the next months as a plan of action comes together.

#### **6. Estate Management**

There was some work done on the estate over the past few months. A new side door and electric garage door were installed. Both were in very poor shape and in need of replacement. The garage is now cleaned and the Metropolitan can use it for the new automobile. There was extensive electrical repair work completed on the exterior as there were bad wires, corroded fixtures and blown circuits. Now all the exterior lighting and circuits have been repaired and are up to code. There was also some sight repair work in the building. We will need to have an exterminator come in and spray as we have a wasp infestation under the many shutters.

We will need to keep in mind the roof situation which will need to be addressed in the future as well as the continuing issue of the abandoned pool.

The next phase of clean-up of the building will take place over the year as we will hire some labor to clean out the attic. "Stuff" accumulates and it has not been cleaned in many years and a fire hazard. The garage has been cleaned out and is in much better shape.

An exciting project is about to commence as an Eagle Scout project has been approved for the renovations of the entrance to the Chancery. There will be new directional signs on the pillars and property, new mailbox and new landscaping around the entrance. There will also be a significant amount of painting and repair work done. The Scout is raising the funds and it will be minimal cost to the Church. I am offering other projects for local Eagle Scout candidates to do on the property.

## **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. Sometimes they are posting items well into the evening in order to have the material out to the public in a timely manner. There were a few very critical items that were released through the Crisis Management Team and the team worked efficiently.

We continue to make use of social media and other media including picture and video galleries. We were able to post a Paschal and AAC video of His Beatitude and made plans for a series of video addresses. We have purchased some equipment to assist in the production of the videos. 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.

We have continued discussions with the Departments on postings and are getting a better response. Likewise, there are the Planting Grants which also are posting on a regular basis. There has also been talk of bringing more department websites under the aegis of the OCA website (at their own suggestion) and we expect the release of the new evangelization website shortly.

The next issue of *The Orthodox Church* will be delivered at the end of the year as an annual review. This plan was agreed upon at the last Metropolitan Council meeting. It

would recap the stories of the year with some special and specific articles. We will base it on the theme of the 220 Anniversary of the Orthodox Church in America (as was the 2014 Desk Calendar). 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. It will be delivered in bulk to the parishes due to the unreliability of the OCA mailing list.

The 2015 Desk Calendar is currently being produced and should be ready by the end of November. It will be based on the theme of the 18<sup>th</sup> All-American Council. There will also be the production of new Metric Books. The last run was a number of years ago and had many mistakes and was not usable. We are just starting the process of designing the books and looking into production.

## **8. Crisis Management Team**

The Crisis Management Team was kept busy over the summer with a number of issues. There is a good system in place and many of the major issues have been addressed in a timely manner. 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. I would remind the Council that the Team does need to plan and conduct continued training.

## **9. Other Issues**

I continue to serve on the Boy Scouts National Executive Committee to be the Orthodox representative on the Religious Relations Committee. I have been given the honor to be the first Orthodox priest selected to be on the chaplain team (six chaplains) for the American contingent for the World Jamboree in Japan right after the All-American Council. I will also be making contact with the local Church in Japan. I continue to attend meetings representing the Orthodox Church including a meeting on the religious awards for all Scouts.

I also have represented the OCA on a number of visits and events as per request.

I was also asked to serve on two very important committees. The first is the Evangelism Task Force on North America for the World Council of Churches. I will be attending the first meeting in October. I also was asked to be a part of the Lausanne Orthodox Initiative and will present a paper in Albania to a gathering of Orthodox, Protestant and Ecumenical experts on evangelism. I am very grateful to be able to be a part of these two organizations that deal with a subject very close to my heart.

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.

**OCA ARCHIVES ADVISORY COMMITTEE  
REPORT TO THE METROPOLITAN COUNCIL  
Fall 2014**

**Members**

Alexis Troubetzkoy, *Chairman*  
Archpriest John Erickson  
Dr. Jurretta Heckscher  
Archpriest John Jillions, *OCA Chancellor*  
Alexis Liberovsky, *Committee Secretary*  
Lisa Mikhalevsky, *Metropolitan Council Liaison*  
Melanie Ringa, *OCA Treasurer*  
Gregory Shesko  
Dr. Anatol Shmelev  
Matushka Tamara Skvir  
Archpriest Eric Tosi, *OCA Secretary*

**Consultants**

Sergei D. Arhipov  
Dr. David Ford  
Matthew Garklavs  
Dr. Scott M. Kenworthy  
Archpriest John Perich  
Daria Safronova-Simeonoff  
Eleana Silk  
Popadija Kitty Vitko

Mission Statement:

***“The purpose of the OCA Archives Advisory Committee is to assess the housing, preservation and access needs of the OCA Archives and to develop strategic solutions. The committee will also explore and develop outside sources of funding, including grants, for housing and other unfunded projects of the OCA Archives. The committee members will advise the OCA Archivist in their respective areas of expertise. The committee may include additional experts as consultants, as needed.”***

The establishment of a committee to study the housing needs of the OCA Archives and to develop solutions was mandated by decision of the Metropolitan Council at its 2013 Spring Session. The OCA Archives Advisory Committee was formed soon after in fulfillment of this mandate.

Since the 2014 Spring Session of the Metropolitan Council, the Committee’s work has continued under the leadership of its chairman, in spite of his illness and recuperation over several months. Please keep Alexis Troubetzkoy in your prayers. The Committee has maintained regular contact by email, sharing information and engaging in constructive discussion of many issues.

The following are the highlights of our recent work:

The Archives Committee had a conference call a few days before the Metropolitan Council’s Spring Session.

As directed by the Archives Committee, the Archivist advised the Metropolitan Council verbally of concern expressed by a leading archival expert, whom Archives Committee Member Gregory Shesko had consulted, regarding physical changes that must be made to the current facility to better protect the Archives from burst pipes, electrical fire or flooding. In addition, he strongly recommended (as does Professor Gregory Hunter, see below) that archival-appropriate controls for room temperature and relative humidity be installed; this data can be collected electronically. Specialist(s) need to be brought in to make specific recommendations and provide cost estimates.



This will be further discussed during the Committee's upcoming conference call and funding for appropriate consultant(s) will likely be requested from the Metropolitan Council in due course.

It was also decided that the OCA Archivist should meet informally with Professor Gregory Hunter, a local nationally known archival consultant, to discuss consultant requirements expressed by the Committee. That very useful meeting took place in March and Dr. Hunter's suggestion that we hire one of two leading firms specialized in planning construction or renovation of archival facilities will be considered by our Committee during its conference call meeting in September.

Dr. Hunter also provided resources and consultant referrals regarding proper environmental controls for archives (particularly temperature and humidity). His recommendations in this regard will be discussed by our Committee during its upcoming telephone conference call.

Prof. Hunter additionally offered the possibility of interns (paid or unpaid) from Long Island University, where he teaches, working at the OCA Archives. This and other internship programs or volunteer hiring are currently under consideration by the Committee. Among these is the possibility of hiring seminarians during the summer months, which would require funding.

Committee member Dr. Anatol Shmelev drafted an ***"OCA collection development and management and deaccessioning policy"*** which is awaiting the Committee's approval.

The ***"Draft Record Retention and Electronic Policy for the Chancery of the Orthodox Church in America"*** prepared by Fr. Eric Tosi, a more comprehensive document incorporating the previous document, is presently under review by the Committee.

A significant accomplishment over the last several months has been the compilation by Committee member, Matushka Tamara Skvir with the OCA Archivist of a consolidated overview inventory of all collections in the OCA Archives. While finding aids have existed for individual collections in the OCA Archives, the consolidated inventory will be used to cull redundant holdings and will provide a better sense of preservation needs. It will also aid in publicizing our collections and in the procurement of grants and other funding.

As outlined above, many of the issues presented in this report are to be discussed during the Committee's conference call in September, which will take place after this report is submitted. The decisions of the conference call will be presented to you during the Metropolitan Council meeting.

The Archives Advisory Committee requests the continued prayers and support of the Metropolitan Council for its work in preserving the Church's archival treasures and for the health of our chairman, Alexis Troubetzkoy.

Respectfully submitted,

Alexis Liberovsky  
OCA Archivist  
Secretary – Archives Advisory Committee

# September 2014 report to the Metropolitan Council

Ryan Platte, Technical Manager, Orthodox Church in America

Dear members of the Metropolitan Council,

It has been a very busy seven months since my last report.

- We now have a database application that can port information from the existing Access database and run several reports. Once the present work to create editing functionality for the data is complete enough, we plan to cut over to using this new system and retire the Access database.
- We evaluated and adopted registration software for the upcoming All-American Council.
- I am developing a system to include barcodes on AAC badges and scan them at the event to provide automated counts and access control.
- We launched the new All-American Council website with Fr. Joel Wilson's excellent help setting up the design and structure for us.
- I assisted the Evangelization and Youth/Young Adult departments in launching new WordPress-based sites: the Wonder blog has now been relaunched, and the new Evangelization is pending (and ready to go from a technical perspective).
- I added metadata to oca.org pages that significantly enhance the presentation of oca.org links shared via social media (including our own Facebook and Twitter accounts). Our posts now carry a professional appearance, like those from sites of major newspapers. With more work in this area, we can carry more images through to social media views, enhancing the popularity of our posts and helping spread the word about Orthodoxy and the OCA.
- I began the work of moving our many scattered retired and semi-retired systems and data stores to a central, well-managed file archive.
- I advised Chancery staff on security options to help ensure that confidential personal information passing through the office stays secure.
- I carried out software maintenance and fixed several defects in OCA systems.
- I provided several reports from our web analytics.
- I posted content when needed to cover for staff absence, and responded to inquiries at our support desk.
- I set up a staging environment duplicating our production oca.org site to allow rehearsals of future upgrades to the site software, avoiding costly downtimes and emergencies.

Bringing several of these projects to completion will be my focus in the coming months. I am always seeking to provide as much return as possible on the OCA's technology investment within the limited time available.

Respectfully submitted,  
Ryan Platte, Technical Manager

**Orthodox Church in America  
Treasurer's Report  
September 2014**

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

This report presents: (1) CapinCrouse LLP Audit Report for the year ended December 31, 2013; (2) the interim financial results as of August 31, 2014; and (3) the proposed budget for 2014.

1. **CapinCrouse LLP Audit Report and Financials – 2013: Exhibit I**

The final 2013 Audit Report and Financial Statements are attached, along with a reconciliation of the preliminary results presented at the February 2014 meeting with the final audited numbers. Once again we received an “unqualified” opinion. There were two significant adjustments; one to record the value of the land at 6850 North Hempstead Turnpike based on an appraisal made in 1957 when the property was donated (\$45,000), and an adjustment to record an annuity for the pension obligation that we have to a former employee (which we have been paying and recording monthly). The net deficit for 2013 was \$54,791.

2. **Interim Operating Results as of August 31, 2014 (Exhibits A & B):**

*Exhibit A – Comparative Balance Sheets:* Our balance sheet as of August 31, 2014 shows total assets of \$3,070,123, total liabilities of \$336,201 and net assets of \$2,733,922, an increase of \$182,410 for the 1<sup>st</sup> eight months of the year. **\*\*Note: \$106K of the surplus represents AAC assessments invoiced in August\*\*.** We have total cash of \$1,013,422, of which \$174,162 is unrestricted. Of the total accounts receivable of \$168,079, \$90K represents July and August assessments due from several dioceses (most have been subsequently received), and \$77K represents AAC assessments. We had a receivable from the Pension Office of \$7,177, and the \$12,875 in Prepaid expense represents Blackbaud maintenance fees and a deposit on a new Iconostas. Our restricted investments and trusts show a balance of \$1,059,592, a decrease of \$6,775 from August 2013. Our current liabilities include \$52,520 in accounts payable, \$26,325 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 \$2,551,512, and with the net surplus for the eight-month period stand at \$2,733,922 at August 31, 2014.

*Exhibit B – Detailed Actual versus Budget*

The 2014 budget projected balanced operating results. The actual results were an Operating Surplus of \$160,538 and a total net surplus of \$182,410. Exhibit B-1 is a Summary Income Statement vs Budget as of August 31, 2014. The “Detailed Actual versus Budget” report for August 31, 2014 follows as Exhibit B-2. Highlights of the main revenue and expense category actual results for the year are:

- Revenues – Total revenues were under budget by \$13,970, with assessments OVER by \$35,869, and Continuing Education Revenues under by \$46,850.
- Expenses
  - Executive Office – Salaries and Benefits were over budget by \$2,452, mainly in the Payroll Taxes and medical benefits category.
  - Administrative Office – Administration was under budget by \$64,531 with the major variances in Legal (\$45.7K) and personnel (\$22.6K).
  - Metropolitan Expenses – Total expenses were under budget by \$6,020.
  - Holy Synod – The Holy Synod was over budget by \$6.9K, representing travel and related costs to a Holy Synod retreat in June.
  - Property Support – These expenses were over budget by \$8.8K, with \$7.6K increase in Insurance expense.
  - Department of Communications (and TOC) – The department’s expenses for the period were under budget by \$5.5K, with a \$12K positive variance in the TOC Printing expense and a negative \$3K in outside contractors.
  - Department of External Affairs –The department was under budget by \$5.3K, mainly in dues and fees to Interchurch Organizations.
  - Department of History and Archives – This department was over budget by \$2.2K related to benefits.
  - Other Special Commissions:
    - ORSMA – Under budget by \$20.9K.
    - Office of Continuing Education – Under by \$50K.
    - Psychological Testing for Ordination Candidates – This area was under budget by \$11.2K.
  - SOCA and Departmental Revenues:
    - Our “Stewards of the OCA” Appeal has generated \$27.8K in revenues vs \$24.4 in the budget.
    - DVP and Liturgical Music course fees were \$3200 vs a budget of \$8,167.
    - Total Revenues - \$31.1K.
  - The Total “Stewards” and Departmental expenses were \$60.5K compared to a budget of \$94.7K.
  - Temporarily Restricted Funds: Total revenues were \$118K, with \$106K in AAC Assessments. Expenses totaled \$101.5K including the required annuity payments and Mission Planting Grants of \$67.7K.
  - Permanently Restricted Funds: We had revenues of \$8.6K and expenses of \$3.3K for a net surplus of \$5.3K.

(3) **Proposed Budget – 2015: (Exhibit C)**

- The overall Operating Budget, including the “Stewards of the OCA”, Departmental programs, and funding for Mission Planting Grants and Seminaries, is a balanced budget – *Exhibit C*.  
Exhibit C includes a column for Final 2013, the Budget for 2014, Projected 2014, and Preliminary Budget 2015.

- **Operating Revenues:** Assessments for 2015 are budgeted at \$90 per person, down from the \$92 assessed in 2014. In addition, the overall census is expected to decrease by 235. The result is lower assessment revenue of \$62,210 from the regional dioceses, and an overall \$23,210 decrease. See detail by diocese on Exhibit C-1. The operating revenues also include \$10K in Continuing Education revenues. The net result is a total projected decrease of \$51.7K from 2014 projected operating income.
- **Operating Expenses:** The budget for **2014** lowered operating expenses by \$116K from 2013, but the actual 2014 expenses are projected to come in almost \$200K UNDER budget due mainly to the restructuring of Legal Counsel and saving \$92K in legal fees; Office of Continuing Education under by \$68.5K; and ORSMA expenses under by \$21K. The proposed budget for 2015 includes an increase of \$32,384 over the projected 2014, but still under the 2014 budgeted expenses by \$160,789. The increases in the 2015 Operating Expenses are as follows:
  - Administration - \$29.5K, due to Legal (\$15K), and personnel (\$14.5K).
  - Archives - \$2.2K due to funding for meetings of the Archives Committee.
  - External Affairs - \$4.4K, representing funding for meetings with potential additions to the External Affairs Committee
  - TOC/Communications - \$6.3K representing funding for 2 projects in Communications to upgrade our website and hosting. These costs will be recouped over a 24 month period by reduction in the expenses we currently incur.
  - Holy Synod - \$18.2K decrease representing the transfer of Bishop MARK's medical insurance premiums to his Diocese.
  - ORSMA – increase of \$3.3K in order to fund online course training course for parishes.
  - Stewards of the OCA and Departmental Ministries: The budgeted revenues are \$60K, with expenses of \$101K, for a deficit of \$41K. (Exhibit C-19 contains the detail by Department). The 2015 budget includes \$10K for the Department of Pastoral Life which has been inactive for the past four years.
  - The resulting net surplus from operations is \$129,130. This projected surplus will be used as follows:
    - i. **Funding of Planting Grants from Operations:** As there have been no appeals to fund the Planting Grants since 2012, these grants have been funded from Operations for 2013 and 2014 at rates of \$91K and \$111K, respectively. The Morse Bequest for Missions (\$960K) has been earmarked to fund a Missions School. \$102K of the operating surplus is proposed funding for our Planting Grant Program for 2015.
    - ii. **Funding of Seminary/Monastery Grants from Operations:** Similar to the plight of our Planting Grants, there have been no

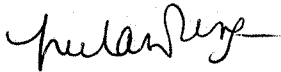
appeals for the Seminaries in recent years. As the Metropolitan has identified the importance of our Seminaries and Monasteries in his vision for the Church, we are proposing to use \$39K of our operating surplus for grants to these institutions.

iii. **PCC/ACC Expenses:** In 2013 and 2014 we funded \$11,957 and \$17,822 in PCC expenses from operations. The budget for the 18<sup>th</sup> AAC in 2015 projects a surplus of \$11,870, which we are proposing be transferred into the operating budget to partially offset the expenses incurred in 2013/2014.

- **Restricted Funds:** These funds are Charity, Missions, Seminary, AAC and Endowments. We are budgeting \$410,500 in revenues, \$537,605 in expenses (with the Church Planting Grants of \$102K), for a net deficit of \$127,105, of which \$129,130 will be funded by the surplus in Operations and the Endowment funds will show a small surplus of \$2,025.
- **Chapel:** The budget for this fund is balanced at \$12K in revenues and expenses.

**The total budgeted surplus across all funds is \$2,025.**

Respectfully submitted,



Melanie Ringa  
Treasurer

**Orthodox Church in America**  
**Final Financial Audited Results - 2013**

**Exhibit I**

|  |                                  |
|--|----------------------------------|
| <b>Preliminary 2013 Net Deficit as reported at February 2014 Meeting</b>                           | <b>\$ (124,168.00)</b>           |
| <b>Audit Adjustments:</b>  |                                  |
| (1)      Reclass transfer of \$75K from Operating to PRNA  | \$    75,000.00                  |
| (2)      Record Value of Land - never recorded in 1984 when<br>property transferred legally to OCA | \$    45,000.00                  |
| (3)      Record Annuity for pension liability to Matushka Glagolev                                 | \$ (54,178.00)                   |
| (4)      Actuarial Changes to value of unitrusts   | <u>\$     3,555.00</u>           |
| Total Audit Adjustments  | <u>\$    69,377.00</u>           |
| <br><b>Final Net Deficit - 2013</b>  | <br><b><u>\$ (54,791.00)</u></b> |



THE ORTHODOX CHURCH IN AMERICA

Financial Statements  
With Independent Auditors' Report

December 31, 2013 and 2012



# THE ORTHODOX CHURCH IN AMERICA

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## **INDEPENDENT AUDITORS' REPORT**

Metropolitan Council  
The Orthodox Church in America  
Syosset, New York

We have audited the accompanying financial statements of The Orthodox Church in America, which comprise the statement of financial position as of December 31, 2013, and the related statements of activities and 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.

### ***Auditors' 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 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 organization'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.

Metropolitan Council  
The Orthodox Church in America  
Syosset, New York

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Orthodox Church in America as of December 31, 2013, and the changes in its net assets and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

The financial statements of The Orthodox Church in America as of December 31, 2012, were audited by other auditors whose report dated September 20, 2013, expressed an unmodified opinion on those statements.

As discussed in Note 15 to the financial statements, misstatements of previously reported assets, liabilities and net assets as of December 31, 2012, were identified during the current year. Accordingly, a retrospective adjustment has been made to assets, liabilities and net assets. Our opinion is not modified with respect to this matter.

*Capin Crouse LLP*

New York, New York  
August 21, 2014

**Orthodox Church in America**  
**Comparative Balance Sheets**  
As of August 31, 2014 and August 31, 2013

**EXHIBIT A**

|                                     | <b>August 31, 2014</b> | <b>August 31, 2013</b> |
|-------------------------------------|------------------------|------------------------|
| <b>ASSETS</b>                       |                        |                        |
| <b>Current Assets</b>               |                        |                        |
| <i>Unrestricted</i>                 |                        |                        |
| Commerce Checking- Operating        | \$ 134,668.00          | \$ 51,290.00           |
| Commerce Bank- Payroll              | \$ 2,280.00            | \$ 2,804.00            |
| Astoria Bank- St.Sergius Chapel     | \$ 20,474.00           | \$ 22,138.00           |
| Honesdale Bank Checking             | \$ 15,701.00           | \$ 15,701.00           |
| Petty Cash- Chancery Office         | \$ 1,039.00            | \$ 2,522.00            |
|                                     | \$ 174,162.00          | \$ 94,455.00           |
| <i>Temporarily Restricted</i>       |                        |                        |
| Commerce Bank- All American Council | \$ 4,508.00            | \$ 5,895.00            |
| Commerce Bank - Restricted          | \$ 52,198.00           | \$ 103,327.00          |
| Commerce Bank- Reserved             | \$ 39,377.00           | \$ 39,360.00           |
| Honesdale Bank Money Market         | \$ 743,177.00          | \$ 677,189.00          |
|                                     | \$ 839,260.00          | \$ 825,771.00          |
| <b>Total Cash</b>                   | \$ 1,013,422.00        | \$ 920,226.00          |
| <b>Accounts Receivable</b>          |                        |                        |
| Assessments Receivable              | \$ 168,079.00          | \$ 33,368.00           |
| Pledges Receivable                  | \$ -                   | \$ -                   |
| Desk Calendar Receivable            | \$ -                   | \$ -                   |
| <b>Total Accounts Receivable</b>    | \$ 168,079.00          | \$ 33,368.00           |
| <b>Other Current Assets</b>         |                        |                        |
| Bequest Receivable                  | \$ 525,025.00          | \$ 564,321.00          |
| Due from OCA Pension Dept           | \$ 7,177.00            | \$ 6,749.00            |
| Prepaid Expense                     | \$ 12,875.00           | \$ 7,371.00            |
| Other                               | \$ -                   | \$ -                   |
| <b>Total Other Current Assets</b>   | \$ 545,077.00          | \$ 578,441.00          |
| <b>Total Current Assets</b>         | \$ 1,726,578.00        | \$ 1,532,035.00        |
| <b>Fixed Assets</b>                 |                        |                        |
| Plant Fund - Real Estate            | \$ 45,000.00           | \$ 45,000.00           |
| Plant Fund Building & Improve       | \$ 531,783.00          | \$ 531,783.00          |
| Plant Fund Furniture & Equip        | \$ 50,847.00           | \$ 50,847.00           |
| Plant Fund Auto & Garden Equip      | \$ 96,171.00           | \$ 64,423.00           |
| Plant Fund Computer Equip           | \$ 334,224.00          | \$ 328,206.00          |
| 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           | \$ 87,682.00           |
| Accum Deprec Bld & Improvements     | \$ (337,114.00)        | \$ (321,650.00)        |
| Accum Deprec Furn & Equip           | \$ (50,847.00)         | \$ (50,847.00)         |
| Accum Deprec Auto & Garden Equi     | \$ (64,423.00)         | \$ (64,423.00)         |
| Accum Deprec Computer Equip         | \$ (322,688.00)        | \$ (318,694.00)        |
| Accum Deprec Computer Software      | \$ (32,000.00)         | \$ (24,000.00)         |

# THE ORTHODOX CHURCH IN AMERICA

## Statements of Financial Position

|  | December 31,        |                     |
|--|---------------------|---------------------|
|  | 2013                | 2012                |
| <b>ASSETS:</b>                                 |                     |                     |
| Cash and cash equivalents                      | \$ 840,095          | \$ 849,712          |
| Assessments and other accounts receivable, net | 160,057             | 201,474             |
| Bequests receivable                            | 525,025             | 564,321             |
| Prepaid expenses                               | 23,027              | 14,742              |
| Capitalized mortgage closing costs, net        | -                   | 3,075               |
| Investments:                                   |                     |                     |
| Unrestricted                                   | 28,674              | 27,262              |
| Endowment pool fund                            | 472,611             | 471,592             |
| St. Andrew endowment fund                      | 102,679             | 102,568             |
| FOS endowment fund                             | 68,543              | 68,662              |
| Annuity and unitrust agreements                | 381,122             | 459,686             |
| Cash restricted for endowment                  | 90,094              | 90,094              |
| Property and equipment, net                    | 259,762             | 288,196             |
| <b>Total Assets</b>                            | <b>\$ 2,951,689</b> | <b>\$ 3,141,384</b> |
| <b>LIABILITIES AND NET ASSETS:</b>             |                     |                     |
| Liabilities:                                   |                     |                     |
| Accounts payable and accrued expenses          | \$ 124,303          | \$ 121,201          |
| Loans payable                                  | 35,598              | 59,616              |
| Retirement obligation                          | 54,178              | 68,250              |
| Annuity and unitrust agreements                | 186,098             | 286,014             |
| <b>Total liabilities</b>                       | <b>400,177</b>      | <b>535,081</b>      |
| Net assets:                                    |                     |                     |
| Unrestricted                                   |                     |                     |
| Undesignated (deficit)                         | (233,871)           | (150,658)           |
| Invested in property and equipment             | 259,762             | 228,580             |
| <b>Total unrestricted</b>                      | <b>25,891</b>       | <b>77,922</b>       |
| Temporarily restricted                         | 1,502,372           | 1,506,421           |
| Permanently restricted                         | 1,023,249           | 1,021,960           |
| <b>Total net assets</b>                        | <b>2,551,512</b>    | <b>2,606,303</b>    |
| <b>Total Liabilities and Net Assets</b>        | <b>\$ 2,951,689</b> | <b>\$ 3,141,384</b> |

See notes to financial statements

# THE ORTHODOX CHURCH IN AMERICA

## Statements of Activities

Year Ended December 31,

|   | 2013         |                        |                        |            | 2012         |                        |                        |            |  |
|---|--------------|------------------------|------------------------|------------|--------------|------------------------|------------------------|------------|--|
|   | Unrestricted | Temporarily Restricted |                        | Total      | Unrestricted | Temporarily Restricted |                        | Total      |  |
|   |              | Restricted             | Permanently Restricted |            |              | Restricted             | Permanently Restricted |            |  |
| <b>OPERATING SUPPORT, REVENUE AND RECLASSIFICATIONS:</b>      |              |                        |                        |            |              |                        |                        |            |  |
| Support:  |              |                        |                        |            |              |                        |                        |            |  |
| General contributions   | \$ 127,572   | \$ 5,520               | \$ -                   | \$ 133,092 | \$ 463,682   | \$ 1,000               | \$ -                   | \$ 464,682 |  |
| Fellowship of Orthodox Stewards                               | -            | 60,435                 | -                      | 60,435     | -            | 10,080                 | -                      | 10,080     |  |
| Missions  | -            | 27,618                 | -                      | 27,618     | -            | 5,251                  | -                      | 5,251      |  |
| Seminary  | -            | 27,144                 | -                      | 27,144     | -            | 1,199                  | -                      | 1,199      |  |
| Charity   | -            | 1,487                  | -                      | 1,487      | -            | 12,556                 | -                      | 12,556     |  |
| Total support   | 127,572      | 122,204                | -                      | 249,776    | 463,682      | 30,086                 | -                      | 493,768    |  |
| Revenue:  |              |                        |                        |            |              |                        |                        |            |  |
| Assessments   | 2,001,762    | -                      | -                      | 2,001,762  | 2,281,079    | -                      | -                      | 2,281,079  |  |
| Publications  | 2,390        | -                      | -                      | 2,390      | 1,095        | -                      | -                      | 1,095      |  |
| Other revenue   | 66,195       | -                      | -                      | 66,195     | 4,353        | -                      | -                      | 4,353      |  |
| Total revenue   | 2,070,347    | -                      | -                      | 2,070,347  | 2,286,527    | -                      | -                      | 2,286,527  |  |
| Reclassifications:  |              |                        |                        |            |              |                        |                        |            |  |
| Satisfaction of restrictions                                  | 129,825      | (129,825)              | -                      | -          | 192,804      | (192,804)              | -                      | -          |  |
| Total Operating Support, Revenue and<br>and Reclassifications | 2,327,744    | (7,621)                | -                      | 2,320,123  | 2,943,013    | (162,718)              | -                      | 2,780,295  |  |

(continued)

See notes to financial statements

# THE ORTHODOX CHURCH IN AMERICA

## Statements of Activities (continued)

|  | Year Ended December 31, |                        |                        |                     |                  |                        |                        |                     |
|--|-------------------------|------------------------|------------------------|---------------------|------------------|------------------------|------------------------|---------------------|
|  | 2013                    |                        |                        | 2012                |                  |                        |                        |                     |
|  | Unrestricted            | Temporarily Restricted | Permanently Restricted | Total               | Unrestricted     | Temporarily Restricted | Permanently Restricted | Total               |
| <b>OPERATING EXPENSES:</b>                           |                         |                        |                        |                     |                  |                        |                        |                     |
| Program services                                     | 905,682                 | -                      | -                      | 905,682             | 914,125          | -                      | -                      | 914,125             |
| Supporting activities:                               |                         |                        |                        |                     |                  |                        |                        |                     |
| General and administrative                           | 1,312,494               | -                      | -                      | 1,312,494           | 1,291,418        | -                      | -                      | 1,291,418           |
| Development  | 183,511                 | -                      | -                      | 183,511             | 168,387          | -                      | -                      | 168,387             |
| Total supporting services                            | 1,496,005               | -                      | -                      | 1,496,005           | 1,459,805        | -                      | -                      | 1,459,805           |
| <b>Total Operating Expenses</b>                      | <b>2,401,687</b>        | <b>-</b>               | <b>-</b>               | <b>2,401,687</b>    | <b>2,373,930</b> | <b>-</b>               | <b>-</b>               | <b>2,373,930</b>    |
| Change in Net Assets From Operations                 | (73,943)                | (7,621)                | -                      | (81,564)            | 569,083          | (162,718)              | -                      | 406,365             |
| <b>OTHER CHANGES IN NET ASSETS:</b>                  |                         |                        |                        |                     |                  |                        |                        |                     |
| All-American council income                          | -                       | -                      | -                      | -                   | -                | 68,761                 | -                      | 68,761              |
| Net investment income                                | 6,075                   | 322                    | -                      | 6,397               | 3,251            | 6,261                  | -                      | 9,512               |
| Change in actuarial value of annuities and unitrusts | 15,837                  | 3,250                  | 1,289                  | 20,376              | 10,715           | (1,006)                | 1,531                  | 11,240              |
| Change in Net Assets                                 | (52,031)                | (4,049)                | 1,289                  | (54,791)            | 583,049          | (88,702)               | 1,531                  | 495,878             |
| Net Assets, Beginning of Year (as previously stated) | 77,922                  | 1,506,421              | 1,021,960              | 2,606,303           | (705,117)        | 1,818,363              | 1,020,429              | 2,133,675           |
| Prior-period adjustments (See Note 15)               | -                       | -                      | -                      | -                   | 199,990          | (223,240)              | -                      | (23,250)            |
| Net Assets, Beginning of Year (adjusted)             | 77,922                  | 1,506,421              | 1,021,960              | 2,606,303           | (505,127)        | 1,595,123              | 1,020,429              | 2,110,425           |
| <b>Net Assets, End of Year</b>                       | <b>\$ 25,891</b>        | <b>\$ 1,502,372</b>    | <b>\$ 1,023,249</b>    | <b>\$ 2,551,512</b> | <b>\$ 77,922</b> | <b>\$ 1,506,421</b>    | <b>\$ 1,021,960</b>    | <b>\$ 2,606,303</b> |

See notes to financial statements

# THE ORTHODOX CHURCH IN AMERICA

## Statements of Cash Flows

|   | Year Ended December 31, |            |
|---|-------------------------|------------|
|   | 2013                    | 2012       |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>  |                         |            |
| Change in net assets  | \$ (54,791)             | \$ 495,878 |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: |                         |            |
| Depreciation  | 28,434                  | 29,286     |
| Amortization of mortgage closing costs  | 3,075                   | 61,591     |
| Net realized and unrealized (gain) loss on investments                                      | 4,699                   | (2,951)    |
| Assumption of loan payable  | 42,798                  | -          |
| Change in actuarial value of annuities and unitrusts  | (20,376)                | (11,240)   |
| Changes in:   |                         |            |
| Assessments and other accounts receivable, net  | 41,417                  | (72,096)   |
| Note receivable   | -                       | 16,508     |
| Bequests receivable   | 39,296                  | 382,274    |
| Prepaid expenses  | (8,285)                 | 1,493      |
| Accounts payable and accrued expenses   | 3,102                   | (33,734)   |
| Retirement obligation   | (14,072)                | -          |
| Deferred revenue  | -                       | (25,568)   |
| Net Cash Provided by Operating Activities   | 65,297                  | 841,441    |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>  |                         |            |
| Proceeds from sale of investments   | 369,471                 | 610,363    |
| Purchase of investments   | (377,569)               | (618,474)  |
| Purchase of property and equipment  | -                       | (13,226)   |
| Net Cash Used by Investing Activities   | (8,098)                 | (21,337)   |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>  |                         |            |
| Repayment of loan principal   | (66,816)                | (624,596)  |
| Net Cash Used by Financing Activities   | (66,816)                | (624,596)  |
| Change in Cash and Cash Equivalents   | (9,617)                 | 195,508    |
| Cash and Cash Equivalents, Beginning of Year  | 849,712                 | 654,204    |
| Cash and Cash Equivalents, End of Year  | \$ 840,095              | \$ 849,712 |
| <b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:</b>                                   |                         |            |
| Cash paid for interest on debt - none capitalized   | \$ 1,285                | \$ 15,258  |

See notes to financial statements



# THE ORTHODOX CHURCH IN AMERICA

## Notes to Financial Statements

December 31, 2013 and 2012

1. NATURE OF ORGANIZATION:

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 Church 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 Church 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 Church 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. The Church's revenues are derived primarily from contributions and assessments.

2. SIGNIFICANT ACCOUNTING POLICIES:

BASIS OF ACCOUNTING

The financial statements of The Church are presented on the accrual basis. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures at the date of the financial statements and during the reporting period. Actual results could differ from those estimates.

CASH AND CASH EQUIVALENTS

For purposes of the statements of cash flows, 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 statements of financial position. While at times cash balances may exceed federally insured (FDIC) limits, the Church has not experienced any losses in such accounts. Management does not believe it is exposed to any significant risk on these accounts.

# THE ORTHODOX CHURCH IN AMERICA

## Notes to Financial Statements

December 31, 2013 and 2012

### 2. SIGNIFICANT ACCOUNTING POLICIES, continued:

#### 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.

#### INVESTMENTS

Investments are reported at fair value with gains and losses included in the statements of activities in unrestricted net assets unless a donor or law temporarily or permanently restricts their use. Donated investments are reflected as contributions at their fair market values at date of receipt. Adjustments to the carrying value of investments are reported in statements of activities as a component of net investment income.

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.

#### DISCLOSURES ABOUT FAIR VALUE OF ASSETS

The *Fair Value Measurements and Disclosure* topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority; Level 2 inputs consist of observable inputs other than quoted prices for identical assets; Level 3 inputs have the lowest priority. The Church uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments.

#### PROPERTY, EQUIPMENT, AND DEPRECIATION

Property and equipment are capitalized at cost or, if donated, at fair value on the date of donation. The Church capitalizes assets with a cost basis (or fair value for donated assets) of \$3,000 or greater, and expenditures for repairs and maintenance are expensed when incurred. When items of property and equipment are sold or retired, the related costs and accumulated depreciation are removed from the accounts and any gain or loss is reported as income. Depreciation is recorded on the straight-line basis over the following estimated useful lives:

|                                    |               |
|------------------------------------|---------------|
| Building and improvements          | 40 years      |
| Furniture, fixtures, and equipment | 3 to 10 years |
| Software                           | 3 years       |

# THE ORTHODOX CHURCH IN AMERICA

## Notes to Financial Statements

December 31, 2013 and 2012

### 2. SIGNIFICANT ACCOUNTING POLICIES, continued:

#### 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 change in actuarial value of annuities and unitrusts in the statements of activities. Assets held for annuities payable totaled \$93,032 and \$95,970 at December 31, 2013 and 2012, respectively. The present value of the remaining future liability to be distributed by the Church at December 31, 2013 and 2012, is \$83,314 and \$86,816, respectively.

#### UNITRUST AGREEMENTS

The Church is named as beneficiary of various charitable remainder unitrusts and acts as the trustee. These agreements provide for the payment of lifetime distributions to the grantor or other designated beneficiaries. Upon receipt of these agreements, the actuarially determined present value of future payments is recorded as a liability. The remaining portion of the trust attributable to the Church's future interest is recorded in the statements of activities as temporarily or permanently restricted contributions in the period received. On an annual basis, the present value of the remaining future liability is revalued based upon actuarial assumptions. Assets held in the charitable remainder unitrusts totaled \$288,090 and \$363,716 at December 31, 2013 and 2012, respectively. The present value of the remaining future liability to be distributed by the Church is calculated using various rates and applicable mortality tables and totaled \$102,784 and \$199,198 at December 31, 2013 and 2012, respectively.

#### CLASSES OF NET ASSETS

The financial statements report amounts by class of net assets as follows:

*Unrestricted net assets* are those which include all resources which are not subject to donor-imposed restrictions of a more specific nature than those which only obligate the Church to utilize the funds in furtherance of its mission. Unrestricted net assets also include resources invested in property and equipment, "underwater" endowments and funds borrowed from endowments for use in operations.

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

# THE ORTHODOX CHURCH IN AMERICA

## Notes to Financial Statements

December 31, 2013 and 2012

### 2. SIGNIFICANT ACCOUNTING POLICIES, continued:

#### CLASSES OF NET ASSETS, 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.

#### SUPPORT, REVENUE, RECLASSIFICATIONS AND EXPENSES

The Church recognizes gifts of cash and other assets as unrestricted support unless they are received with donor stipulations that limit the use of the donated amounts. Temporarily restricted net assets are reclassified to unrestricted net assets and recognized in the statements of activities as satisfaction of restrictions when a stipulated time restriction ends or purpose restriction is satisfied.

The Church recognizes gifts of property and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Church recognizes expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Bequests are recorded as support at the time the Church has an established right to the bequest and the proceeds are measurable.

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

Expenses are recognized when incurred in accordance with the accrual basis of accounting. The costs of providing the various program services and supporting activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated, based on management's estimate, among the program services and supporting activities benefited. The Church incurred no joint costs for the years ending December 31, 2013 and 2012, respectively.

#### 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 reported in expenses in the statements of activities. As of December 31, 2013 and 2012, the Church had no uncertain tax positions that qualify for recognition or disclosure in the financial statements.

#### RECLASSIFICATIONS

Certain reclassifications were made to the 2012 financial statements in order to conform to the 2013 presentation. These reclassifications had no effect on the change in net assets.

# THE ORTHODOX CHURCH IN AMERICA

## Notes to Financial Statements

December 31, 2013 and 2012

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

**RECENTLY ADOPTED ACCOUNTING PRONOUNCEMENT**

The Financial Accounting Standards Board (FASB) recently issued an accounting standards update to the *Statement of Cash Flows—Overall—Other Presentation Matters* topic of the Accounting Standards Codification (ASC). The amendments in this update require classification of cash receipts from the sale of donated financial assets (e.g., debt or equity instruments) by a not-for-profit that, upon receipt of the donated financial assets, are directed for sale without any limitations and are converted nearly immediately into cash as (1) operating cash flows, or (2) if the donor has restricted the use of the securities to a long-term purpose, as financing cash flows. The amendments require classification as investing cash flows of all other cash receipts resulting from the sale of debt and equity securities not meeting the foregoing conditions for classification within operating or financing cash flows. The amendments are effective for fiscal years beginning after June 15, 2013, with early adoption permitted. The Church has early adopted this update.

3. CASH AND CASH EQUIVALENTS:

Cash and cash equivalents consist of the following:

|  | December 31, |            |
|--|--------------|------------|
|  | 2013         | 2012       |
| Funds set aside for satisfaction of donor restrictions | \$ 735,360   | \$ 706,128 |
| Unrestricted operating funds                           | 42,682       | 81,228     |
| Reserve account  | 39,366       | 39,346     |
| St. Sergius Chapel account                             | 22,687       | 23,010     |
|  | \$ 840,095   | \$ 849,712 |

4. ASSESSMENTS AND OTHER ACCOUNTS RECEIVABLE:

Assessments and other accounts receivable consist of the following:

|                                       | December 31, |            |
|---------------------------------------|--------------|------------|
|                                       | 2013         | 2012       |
| Assessments receivable                | \$ 146,193   | \$ 180,172 |
| Other accounts receivable             | 53,839       | 31,221     |
|                                       | 200,032      | 211,393    |
| Less: allowance for doubtful accounts | (39,975)     | (9,919)    |
|                                       | \$ 160,057   | \$ 201,474 |

5. BEQUESTS RECEIVABLE:

The Church is a beneficiary in estates for which it was notified of prior to December 31, 2013. The total remaining funds that the Church expects to receive at December 31, 2013 and 2012, is \$525,025 and \$564,321, respectively. The remaining bequests receivable are expected to be collected during 2014.

# THE ORTHODOX CHURCH IN AMERICA

## Notes to Financial Statements

December 31, 2013 and 2012

6. INVESTMENTS:

Investments at fair value measured on a recurring basis consist of the following:

|                                    | December 31, 2013   |                   |                   |             |
|------------------------------------|---------------------|-------------------|-------------------|-------------|
|                                    | Fair Value          | Level 1           | Level 2           | Level 3     |
| Money market funds                 | \$ 298,044          | \$ 298,044        | \$ -              | \$ -        |
| Certificates of deposit            | 190,000             | -                 | 190,000           | -           |
| Negotiable certificates of deposit | 189,774             | -                 | 189,774           | -           |
| U.S. Government agency obligations | 120,779             | 120,779           | -                 | -           |
| Fixed income mutual funds          | 103,201             | 103,201           | -                 | -           |
| Annuity investments                | 93,032              | -                 | 93,032            | -           |
| Corporate bonds:                   |                     |                   |                   |             |
| BAA1 credit rating                 | 17,685              | -                 | 17,685            | -           |
| A1 credit rating                   | 7,851               | -                 | 7,851             | -           |
| AA3 credit rating                  | 4,904               | -                 | 4,904             | -           |
| A2 credit rating                   | 3,412               | -                 | 3,412             | -           |
| AA2 credit rating                  | 2,490               | -                 | 2,490             | -           |
| A3 credit rating                   | 2,294               | -                 | 2,294             | -           |
| Total corporate bonds              | 38,636              | -                 | 38,636            | -           |
| U.S. Government securities         | 13,224              | 13,224            | -                 | -           |
| Municipal bonds                    | 5,196               | 5,196             | -                 | -           |
| Corporate stocks - consumer goods  | 1,743               | 1,743             | -                 | -           |
|                                    | <u>\$ 1,053,629</u> | <u>\$ 542,187</u> | <u>\$ 511,442</u> | <u>\$ -</u> |

The following provides further detail of the Level 3 fair value measurements for certificates of deposit:

|                              |                  |
|------------------------------|------------------|
| Balance, December 31, 2012   | \$ 260,688       |
| Purchases and sales:         |                  |
| Purchases                    | -                |
| Sales                        | (70,688)         |
| Transfers out of Level 3 (a) | <u>(190,000)</u> |
| Balance, December 31, 2013   | <u>\$ -</u>      |

- (a) The Church's policy is to recognize transfers in and transfers out as of the end of the reporting period. Transfers from Level 3 to Level 2 occurred to better reflect the method of evaluation of fair value.

# THE ORTHODOX CHURCH IN AMERICA

## Notes to Financial Statements

December 31, 2013 and 2012

6. INVESTMENTS, continued:

|                                    | December 31, 2012 |            |            |            |
|------------------------------------|-------------------|------------|------------|------------|
|                                    | Fair Value        | Level 1    | Level 2    | Level 3    |
| Money market funds                 | \$ 267,965        | \$ 267,965 | \$ -       | \$ -       |
| Certificates of deposit            | 260,688           | -          | -          | 260,688    |
| U.S. Government agency obligations | 148,264           | 148,264    | -          | -          |
| Negotiable certificates of deposit | 140,402           | 140,402    | -          | -          |
| Fixed income mutual funds          | 102,723           | 102,723    | -          | -          |
| Annuity investments                | 95,970            | -          | 95,970     | -          |
| Corporate bonds:                   |                   |            |            |            |
| BAA1                               | 28,337            | -          | 28,337     | -          |
| A1                                 | 22,639            | -          | 22,639     | -          |
| A3                                 | 14,642            | -          | 14,642     | -          |
| AA3                                | 8,961             | -          | 8,961      | -          |
| A2                                 | 3,619             | -          | 3,619      | -          |
| AA2                                | 2,794             | -          | 2,794      | -          |
| BAA2                               | 2,447             | -          | 2,447      | -          |
| Total corporate bonds              | 83,439            | -          | 83,439     | -          |
| U.S. Government securities         | 23,189            | 23,189     | -          | -          |
| Municipal bonds                    | 5,457             | 5,457      | -          | -          |
| Corporate stocks - consumer goods  | 1,673             | 1,673      | -          | -          |
|                                    | \$ 1,129,770      | \$ 689,673 | \$ 179,409 | \$ 260,688 |

The following provides further detail of the Level 3 fair value measurements for certificates of deposit:

|                            |            |
|----------------------------|------------|
| Balance, December 31, 2011 | \$ 190,000 |
| Purchases and sales:       |            |
| Purchases                  | 70,688     |
| Sales                      | -          |
|                            | -          |
| Balance, December 31, 2012 | \$ 260,688 |

# THE ORTHODOX CHURCH IN AMERICA

## Notes to Financial Statements

December 31, 2013 and 2012

### 6. INVESTMENTS, continued:

#### VALUATION TECHNIQUES

Fair values for money market funds, negotiable certificates of deposit, U.S. Government agency obligations, mutual funds, U.S. Government securities, municipal bonds and corporate stocks are determined by reference to quoted market prices and other relevant information generated by market transactions, when available and are included in Level 1.

Fair values of annuity investments and certificates of deposits are based on other observable inputs including yields for securities of comparable maturity, quality, and type as obtained from market makers. Fair values of corporate bonds for which quoted market prices are not available are valued based on yields currently available on comparable securities of issuers with similar credit ratings. The corporate bonds and annuity investments are included in Level 2.

The fair values of certificates of deposit included in Level 3 are based on observable inputs other than quoted prices and thus are based on yields for securities of comparable maturity, quality, and type as obtained from market makers.

Investment income consists of the following:

|                        | December 31,    |                 |
|------------------------|-----------------|-----------------|
|                        | 2013            | 2012            |
| Interest and dividends | \$ 15,212       | \$ 10,637       |
| Realized gain (loss)   | (764)           | 329             |
| Unrealized gain (loss) | (3,935)         | 2,622           |
| Investment fees        | (4,116)         | (4,076)         |
|                        | <u>\$ 6,397</u> | <u>\$ 9,512</u> |

### 7. PROPERTY AND EQUIPMENT:

Property and equipment consists of the following:

|                                    | December 31,      |                   |
|------------------------------------|-------------------|-------------------|
|                                    | 2013              | 2012              |
| Land                               | \$ 45,000         | \$ 45,000         |
| Buildings and improvements         | 531,783           | 531,783           |
| Furniture, fixtures, and equipment | 468,476           | 468,476           |
| Software                           | 33,000            | 33,000            |
|                                    | <u>1,078,259</u>  | <u>1,078,259</u>  |
| Less: accumulated depreciation     | <u>(818,497)</u>  | <u>(790,063)</u>  |
|                                    | <u>\$ 259,762</u> | <u>\$ 288,196</u> |



# THE ORTHODOX CHURCH IN AMERICA

## Notes to Financial Statements

December 31, 2013 and 2012

8. LOANS PAYABLE:

Loans payable consist of the following:

Mortgage loan payable of \$1,700,000, collateralized by property in Oyster Bay, New York, bearing interest at an interest rate equal to the New York prime rate minus .25%, with a floor 7.00%. The original maturity date was September 2026; however, the Church repaid the loan in full during 2013.

| December 31, |           |
|--------------|-----------|
| 2013         | 2012      |
| \$           | \$ 59,616 |

As part of the retirement agreement between the Church and the former Metropolitan, the Church agreed to assume a loan owed by the former Metropolitan to the Diocese of the South with a principal balance of \$42,798. The Church and the Diocese of the South agreed to a three year repayment period without interest commencing in July 2013 and maturing in May 2016. Monthly principal payments amount to \$1,200.

|           |           |
|-----------|-----------|
| 35,598    | -         |
| \$ 35,598 | \$ 59,616 |

A schedule of future minimum principal payments is as follows:

| Year ending December 31, |           |
|--------------------------|-----------|
| 2014                     | \$ 14,400 |
| 2015                     | 14,400    |
| 2016                     | 6,798     |
|                          | \$ 35,598 |

9. LEASE COMMITMENTS:

The Church leases office equipment under non-cancellable operating leases. Expenses related to these leases amounted to \$21,838 and \$22,212 for the years ending December 31, 2013 and 2012, respectively. Estimated future minimum lease payments by year and in the aggregate under the lease consists of the following:

| Year ending December 31, |           |
|--------------------------|-----------|
| 2014                     | \$ 21,324 |
| 2015                     | 14,628    |
| 2016                     | 7,932     |
|                          | \$ 43,884 |

# THE ORTHODOX CHURCH IN AMERICA

## Notes to Financial Statements

December 31, 2013 and 2012

### 10. RETIREMENT OBLIGATION:

In 2007, the Church entered into an agreement with a former employee whereby the Church agreed to make monthly payments of \$950 to the former employee in lieu of retirement benefits from the separate Orthodox Church in America Pension Plan. The agreement exists to rectify a situation whereby the former employee had been improperly excluded from participation in the Orthodox Church in America Pension Plan, and will continue until the former employee's death. Payments related to this agreement amounted to \$11,400 for both years ending December 31, 2013 and 2012. The actuarially calculated liability for future payments under this obligation amounted to \$54,178 and \$68,250 at December 31, 2013 and 2012, respectively.

### 11. MULTIEMPLOYER PENSION PLAN:

Substantially all full-time employees participate in The Orthodox Church in America Pension Plan (the Plan). This multiemployer plan, administered by the pension board of the Church, is a contributory plan, and provides defined benefits based on years of service and remuneration near retirement. The risks of participating in this multiemployer plan differs from single-employer plans in the following aspects:

- a) Assets contributed to the Plan by one employer may be used to provide benefits to employees of other participating employers;
- b) If a participating employer stops contributing to the Plan, the unfunded obligations of the Plan may be borne by the remaining participating employers;
- c) If the Church chooses to stop participating in the Plan, it may be required to pay to the Plan an amount based on the underfunded status of the Plan, referred to as a withdrawal liability.

Eligible employees are all employees of the Church and its related entities, except for employees that are older than age 60 and have not elected to be part of the Plan. Bishops and priests become members of the Plan on the first day of the month after they begin service with the Church. Full-time employees are eligible to participate in the Plan on the first day of the month after their date of hire. Participants with five years of service are entitled to pension benefits upon retirement. Pension benefits are provided to participants under several types of retirement options based upon years of service and age. Retirement benefits are paid to pensioners or beneficiaries in various forms of joint and survivor annuities, including a lump-sum payment option. Pension expense, representing the Church's required contribution to the Plan, was \$43,437 and \$41,600 in 2013 and 2012, respectively. The contributions made by the Church represented approximately 2.35% and 2.30% of the total contributions made to the Plan in 2013 and 2012, respectively. To the extent the Plan is underfunded, future contributions to the Plan may increase.

The Plan is a non-electing church plan which means the Plan sponsor has not elected to be covered by the terms of the Employee Retirement Income Security Act of 1974 (ERISA), and is not required to file Form 5500. The Plan's fiscal year is from January 1 to December 31.

# THE ORTHODOX CHURCH IN AMERICA

## Notes to Financial Statements

December 31, 2013 and 2012

11. MULTIEMPLOYER PENSION PLAN, continued:

Contributions from all employers to the Plan for December 31, 2013 and 2012, respectively, are as follows:

| Pension Fund:                           | FEIN       | 2013         | 2012         |
|---|------------|--------------|--------------|
| Orthodox Church in America Pension Plan | 06-1455789 | \$ 1,846,621 | \$ 1,806,396 |

As of December 31, 2013, the Plan's total net assets available for benefits were \$27,315,378, and the present value of accumulated Plan benefits was \$42,144,166. As of December 31, 2012, the Plan's total net assets available for benefits were \$24,781,362 and the actuarial present value of accumulated plan benefits was \$41,824,744. As of December 31, 2013, the Plan was less than 65% funded.

12. TEMPORARILY RESTRICTED NET ASSETS:

Temporarily restricted net assets are as follows:

|   | December 31,        |                                |                     |                     |
|---|---------------------|--------------------------------|---------------------|---------------------|
|   | 2012                | Additions and<br>Other Changes | Releases            | 2013                |
| Mission appeal                              | \$ 929,556          | \$ 27,618                      | \$ (3,322)          | \$ 953,852          |
| Uni-trust funds                             | 157,592             | 7,074                          | (2,579)             | 162,087             |
| Restricted endowments excess earnings       | 142,412             | 345                            | -                   | 142,757             |
| General purpose endowment excess earnings   | 79,125              | 183                            | -                   | 79,308              |
| Charity                                     | 73,916              | 1,487                          | (3,508)             | 71,895              |
| Theological education - academic fellowship | 59,300              | -                              | -                   | 59,300              |
| Publication reserve fund                    | 29,556              | -                              | -                   | 29,556              |
| Chaplain reserve                            | 1,896               | -                              | -                   | 1,896               |
| Seminary appeal                             | -                   | 27,144                         | (26,246)            | 898                 |
| Other restricted purposes                   | 33,068              | 61,925                         | (94,170)            | 823                 |
|   | <u>\$ 1,506,421</u> | <u>\$ 125,776</u>              | <u>\$ (129,825)</u> | <u>\$ 1,502,372</u> |

# THE ORTHODOX CHURCH IN AMERICA

## Notes to Financial Statements

December 31, 2013 and 2012

12. TEMPORARILY RESTRICTED NET ASSETS, continued:

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

13. PERMANENTLY RESTRICTED NET ASSETS:

Permanently restricted net assets consist of the following:

|  | December 31,        |                     |
|--|---------------------|---------------------|
|  | 2013                | 2012                |
| Donor restricted endowments:                         |                     |                     |
| General purposes                                     | \$ 224,268          | \$ 224,268          |
| Restricted purposes                                  | 775,762             | 775,762             |
| Permanently restricted charitable remainder unitrust | 23,219              | 21,930              |
|  | <u>\$ 1,023,249</u> | <u>\$ 1,021,960</u> |

14. 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.

# THE ORTHODOX CHURCH IN AMERICA

## Notes to Financial Statements

December 31, 2013 and 2012

14. ENDOWMENTS, continued:

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 \$487,623 and \$487,416 at December 31, 2013 and 2012, respectively. \$401,500 of these deficiencies at December 31, 2013 and 2012, respectively, are the result of borrowing from the endowment fund assets for operations, and the remaining \$86,123 and \$85,916 at December 31, 2013 and 2012, respectively, resulted from realized losses that occurred shortly after the market downturn in 2008. Management intends to utilize funds from an unrestricted bequest expected to be collected subsequent to year end to repay the borrowing from the endowment fund assets.

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 Financial Statements

December 31, 2013 and 2012

14. ENDOWMENTS, continued:

Endowment net assets composition by type of fund as of December 31, 2013:

|                                  | Unrestricted        | Temporarily<br>Restricted | Permanently<br>Restricted | Total             |
|----------------------------------|---------------------|---------------------------|---------------------------|-------------------|
| Donor restricted endowments for: |                     |                           |                           |                   |
| General purposes                 | \$ (139,143)        | \$ 79,308                 | \$ 224,268                | \$ 164,433        |
| Restricted purposes              | (348,480)           | 142,757                   | 775,762                   | 570,039           |
| Total endowment funds            | <u>\$ (487,623)</u> | <u>\$ 222,065</u>         | <u>\$ 1,000,030</u>       | <u>\$ 734,472</u> |

Changes in endowment net assets for the year ended December 31, 2013:

|   | Unrestricted        | Temporarily<br>Restricted | Permanently<br>Restricted | Total             |
|---|---------------------|---------------------------|---------------------------|-------------------|
| Endowment net assets,<br>January 1, 2013      | \$ (487,416)        | \$ 221,536                | \$ 1,000,030              | \$ 734,150        |
| Investment return:                            |                     |                           |                           |                   |
| Interest and dividend<br>income (net of fees) | -                   | 5,366                     | -                         | 5,366             |
| Realized and unrealized losses                | -                   | (5,044)                   | -                         | (5,044)           |
| Total investment return                       | -                   | 322                       | -                         | 322               |
| Other changes:                                |                     |                           |                           |                   |
| Change in funds with deficiencies             | (207)               | 207                       | -                         | -                 |
| Endowment net assets,<br>December 31, 2013    | <u>\$ (487,623)</u> | <u>\$ 222,065</u>         | <u>\$ 1,000,030</u>       | <u>\$ 734,472</u> |

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

|                                  | Unrestricted        | Temporarily<br>Restricted | Permanently<br>Restricted | Total             |
|----------------------------------|---------------------|---------------------------|---------------------------|-------------------|
| Donor restricted endowments for: |                     |                           |                           |                   |
| General purposes                 | \$ (139,141)        | \$ 79,124                 | \$ 224,268                | \$ 164,251        |
| Restricted purposes              | (348,275)           | 142,412                   | 775,762                   | 569,899           |
| Total endowment funds            | <u>\$ (487,416)</u> | <u>\$ 221,536</u>         | <u>\$ 1,000,030</u>       | <u>\$ 734,150</u> |

# THE ORTHODOX CHURCH IN AMERICA

## Notes to Financial Statements

December 31, 2013 and 2012

14. ENDOWMENTS, continued:

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

|  | Unrestricted        | Temporarily<br>Restricted | Permanently<br>Restricted | Total             |
|--|---------------------|---------------------------|---------------------------|-------------------|
| Endowment net assets,<br>January 1, 2012             | \$ (709,649)        | \$ 437,508                | \$ 1,000,030              | \$ 727,889        |
| Prior-period adjustment                              | 220,678             | (220,678)                 | -                         | -                 |
| Endowment net assets,<br>January 1, 2012 as adjusted | (488,971)           | 216,830                   | 1,000,030                 | 727,889           |
| Investment return:                                   |                     |                           |                           |                   |
| Interest and dividend<br>income (net of fees)        | -                   | 5,405                     | -                         | 5,405             |
| Realized and unrealized gains                        | -                   | 856                       | -                         | 856               |
| Total investment return                              | -                   | 6,261                     | -                         | 6,261             |
| Other changes:                                       |                     |                           |                           |                   |
| Change in funds with deficiencies                    | 1,555               | (1,555)                   | -                         | -                 |
| Endowment net assets,<br>December 31, 2012           | <u>\$ (487,416)</u> | <u>\$ 221,536</u>         | <u>\$ 1,000,030</u>       | <u>\$ 734,150</u> |

# THE ORTHODOX CHURCH IN AMERICA

## Notes to Financial Statements

December 31, 2013 and 2012

15. PRIOR PERIOD ADJUSTMENTS:

It was discovered that a prior period adjustment was needed as a result of an overstatement of previously reported temporarily restricted net assets and a corresponding understatement of unrestricted net assets. Additionally, it was discovered that prior period adjustments were needed as a result of a retirement obligation liability that the Church entered into during 2007 that had not been recorded and to record the value of land acquired as a result of a bargain purchase in a prior year. The adjustments were made to the beginning balances as of the earliest period presented, December 31, 2012, and had the following effect on the financial statements:

|                                   | January 1<br>2012<br>Previously<br>Stated | Adjustments  | January 1<br>2012<br>As<br>Restated |
|-----------------------------------|---|--------------|-------------------------------------|
| Property and equipment, net       | \$ -                                      | \$ 45,000    | \$ 45,000                           |
| Retirement obligation             | \$ -                                      | \$ 68,250    | \$ 68,250                           |
| Unrestricted net assets           | \$ (705,117)                              | \$ 199,990   | \$ (505,127)                        |
| Temporarily restricted net assets | \$ 1,818,363                              | \$ (223,240) | \$ 1,595,123                        |

16. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through the report date, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated. No additional subsequent events were discovered that require disclosure.



## **SUPPLEMENTARY INFORMATION**

**INDEPENDENT AUDITORS' REPORT  
ON SUPPLEMENTARY INFORMATION**

Metropolitan Council  
The Orthodox Church in America  
Syosset, New York

We have audited the financial statements of The Orthodox Church in America as of and for the year ended December 31, 2013, and have issued our report thereon dated August 21, 2014, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The schedule of expenses is presented for the purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 to the financial statements as a whole.

The financial statements of The Orthodox Church in America for the year ended December 31, 2012, were audited by other auditors and their report thereon dated September 20, 2013, which expressed an unmodified opinion on those financial statements, appears on page 2. Their report, as of the same date, on the schedule of expenses stated that, in their opinion, such information was fairly stated in all material respects in relation to the financial statements for the year ended December 31, 2012, as a whole.

*Capin Crouse LLP*

New York, New York  
August 21, 2014

# THE ORTHODOX CHURCH IN AMERICA

## Supplemental Schedule of Expenses

Year Ended December 31, 2013

|   | Program           | General and<br>Administrative | Development       | Totals              |
|---|-------------------|-------------------------------|-------------------|---------------------|
| Program services, including related salaries:                               |                   |                               |                   |                     |
| Website and public relations  | \$ 24,706         | \$ -                          | \$ -              | \$ 24,706           |
| Newspaper, sourcebook and calendar  | 64,120            | -                             | -                 | 64,120              |
| History and archives  | 101,441           | -                             | -                 | 101,441             |
| External affairs  | 147,427           | -                             | -                 | 147,427             |
| Charity   | 6,300             | -                             | -                 | 6,300               |
| Missions and stewardship  | 122,270           | -                             | -                 | 122,270             |
| Seminaries  | 26,247            | -                             | -                 | 26,247              |
| Education and community life  | 26,841            | -                             | -                 | 26,841              |
| Parish and youth ministries   | 55,738            | -                             | -                 | 55,738              |
| Pastoral life   | 27,284            | -                             | -                 | 27,284              |
| All-American Council  | 11,958            | -                             | -                 | 11,958              |
| Supporting services:  |                   |                               |                   |                     |
| Salaries and stipends   | 48,285            | 548,498                       | 95,500            | 692,283             |
| Payroll taxes and employee benefits   | 16,322            | 185,409                       | 32,282            | 234,013             |
| Supplies and other office expenses  | 18,081            | 18,189                        | 3,638             | 39,908              |
| Telephone and internet  | 7,397             | 9,246                         | 1,849             | 18,492              |
| Professional fees and contracted services                                   | -                 | 112,273                       | -                 | 112,273             |
| Travel  | 85,995            | 107,109                       | 21,422            | 214,526             |
| Meetings and conferences  | 1,519             | 2,149                         | 380               | 4,048               |
| Interest expense  | 514               | 643                           | 129               | 1,286               |
| Property taxes and town fees  | 12,511            | 15,639                        | 3,128             | 31,278              |
| Repairs and maintenance/building and grounds                                | 39,083            | 48,854                        | 9,771             | 97,708              |
| Building utilities  | 12,800            | 16,001                        | 3,200             | 32,001              |
| Postage and shipping  | 570               | 713                           | 143               | 1,426               |
| Bad debt expense - assessments  | -                 | 21,085                        | -                 | 21,085              |
| Insurance   | 13,364            | 16,706                        | 3,341             | 33,411              |
| Bank and credit card fees   | 5,168             | 6,460                         | 1,292             | 12,920              |
| Miscellaneous   | 17,137            | 32,398                        | 4,285             | 53,820              |
| Expenses before depreciation, amortization<br>and professional fees - legal |                   |                               |                   |                     |
|   | 893,078           | 1,141,372                     | 180,360           | 2,214,810           |
| Depreciation  | 11,374            | 14,217                        | 2,843             | 28,434              |
| Amortization of closing costs   | 1,230             | 1,538                         | 308               | 3,076               |
| Professional fees - legal   | -                 | 155,367                       | -                 | 155,367             |
| <b>Total Expenses</b>   | <b>\$ 905,682</b> | <b>\$ 1,312,494</b>           | <b>\$ 183,511</b> | <b>\$ 2,401,687</b> |

See auditors' report on supplementary information

# THE ORTHODOX CHURCH IN AMERICA

## Supplemental Schedule of Expenses Year Ended December 31, 2012

|   | Program           | General and<br>Administrative | Development       | Totals              |
|---|-------------------|-------------------------------|-------------------|---------------------|
| Program services, including related salaries:                               |                   |                               |                   |                     |
| Website and public relations  | \$ 78,169         | \$ -                          | \$ -              | \$ 78,169           |
| Newspaper, sourcebook and 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              |
| Parish and youth ministries   | 24,611            | -                             | -                 | 24,611              |
| Pastoral life   | 23,013            | -                             | -                 | 23,013              |
| All-American Council  | 145,770           | -                             | -                 | 145,770             |
| Supporting services:  |                   |                               |                   |                     |
| 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 internet  | 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 grounds                                | 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<br>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              |
| Expenses before depreciation, amortization<br>and professional fees - legal |                   |                               |                   |                     |
|   | 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 auditors' report on supplementary information

**Orthodox Church in America**  
**Comparative Balance Sheets**  
As of August 31, 2014 and August 31, 2013

**EXHIBIT A**

|                                     | <b>August 31, 2014</b> | <b>August 31, 2013</b> |
|-------------------------------------|------------------------|------------------------|
| <b>ASSETS</b>                       |                        |                        |
| <b>Current Assets</b>               |                        |                        |
| <i>Unrestricted</i>                 |                        |                        |
| Commerce Checking- Operating        | \$ 134,668.00          | \$ 51,290.00           |
| Commerce Bank- Payroll              | \$ 2,280.00            | \$ 2,804.00            |
| Astoria Bank- St.Sergius Chapel     | \$ 20,474.00           | \$ 22,138.00           |
| Honesdale Bank Checking             | \$ 15,701.00           | \$ 15,701.00           |
| Petty Cash- Chancery Office         | \$ 1,039.00            | \$ 2,522.00            |
|                                     | \$ 174,162.00          | \$ 94,455.00           |
| <i>Temporarily Restricted</i>       |                        |                        |
| Commerce Bank- All American Council | \$ 4,508.00            | \$ 5,895.00            |
| Commerce Bank - Restricted          | \$ 52,198.00           | \$ 103,327.00          |
| Commerce Bank- Reserved             | \$ 39,377.00           | \$ 39,360.00           |
| Honesdale Bank Money Market         | \$ 743,177.00          | \$ 677,189.00          |
|                                     | \$ 839,260.00          | \$ 825,771.00          |
| <b>Total Cash</b>                   | \$ 1,013,422.00        | \$ 920,226.00          |
| <b>Accounts Receivable</b>          |                        |                        |
| Assessments Receivable              | \$ 168,079.00          | \$ 33,368.00           |
| Pledges Receivable                  | \$ -                   | \$ -                   |
| Desk Calendar Receivable            | \$ -                   | \$ -                   |
| <b>Total Accounts Receivable</b>    | \$ 168,079.00          | \$ 33,368.00           |
| <b>Other Current Assets</b>         |                        |                        |
| Bequest Receivable                  | \$ 525,025.00          | \$ 564,321.00          |
| Due from OCA Pension Dept           | \$ 7,177.00            | \$ 6,749.00            |
| Prepaid Expense                     | \$ 12,875.00           | \$ 7,371.00            |
| Other                               | \$ -                   | \$ -                   |
| <b>Total Other Current Assets</b>   | \$ 545,077.00          | \$ 578,441.00          |
| <b>Total Current Assets</b>         | \$ 1,726,578.00        | \$ 1,532,035.00        |
| <b>Fixed Assets</b>                 |                        |                        |
| Plant Fund - Real Estate            | \$ 45,000.00           | \$ 45,000.00           |
| Plant Fund Building & Improve       | \$ 531,783.00          | \$ 531,783.00          |
| Plant Fund Furniture & Equip        | \$ 50,847.00           | \$ 50,847.00           |
| Plant Fund Auto & Garden Equip      | \$ 96,171.00           | \$ 64,423.00           |
| Plant Fund Computer Equip           | \$ 334,224.00          | \$ 328,206.00          |
| 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           | \$ 87,682.00           |
| Accum Deprec Bld & Improvements     | \$ (337,114.00)        | \$ (321,650.00)        |
| Accum Deprec Furn & Equip           | \$ (50,847.00)         | \$ (50,847.00)         |
| Accum Deprec Auto & Garden Equi     | \$ (64,423.00)         | \$ (64,423.00)         |
| Accum Deprec Computer Equip         | \$ (322,688.00)        | \$ (318,694.00)        |
| Accum Deprec Computer Software      | \$ (32,000.00)         | \$ (24,000.00)         |

**Orthodox Church in America**  
**Comparative Balance Sheets**  
**As of August 31, 2014 and August 31, 2013**

**EXHIBIT A**

|  | <b>August 31, 2014</b> | <b>August 31, 2013</b> |
|--|------------------------|------------------------|
| Accum Deprec Chapel Equip & Fur              | \$ (25,000.00)         | \$ (25,000.00)         |
| Accum Amort Capital Close Cost               | \$ (87,682.00)         | \$ (86,433.00)         |
| Total Fixed Assets                           | \$ 283,953.00          | \$ 274,894.00          |
| <br><b>Restricted Investments and Trusts</b> |                        |                        |
| Fellowship of Orthodox Stewards              | \$ 68,856.00           | \$ 68,434.00           |
| A & B York Trust                             | \$ -                   | \$ 14,665.00           |
| J McGuire Trust                              | \$ 208,393.00          | \$ 209,471.00          |
| Kavalenko Nimcrut                            | \$ 79,676.00           | \$ 77,128.00           |
| St. Andrew's                                 | \$ 103,104.00          | \$ 102,732.00          |
| Honesdale Main Endowment                     | \$ 476,049.00          | \$ 470,496.00          |
| HVIZD Annuity                                | \$ 93,032.00           | \$ 95,970.00           |
| Wells Fargo - Quasi Restricted Bequests      | \$ 30,482.00           | \$ 27,471.00           |
| Total Restricted Investments and Trusts      | \$ 1,059,592.00        | \$ 1,066,367.00        |
| <br><b>TOTAL ASSETS</b>                      | <b>\$ 3,070,123.00</b> | <b>\$ 2,873,296.00</b> |
| <br><b>LIABILITIES &amp; EQUITY</b>          |                        |                        |
| <b>Current Liabilities</b>                   |                        |                        |
| Accounts payable and accrued Expenses        | \$ 52,520.00           | \$ 125,688.00          |
| Deferred Revenue                             | \$ -                   | \$ 647.00              |
| Auto loan - Chase Auto Finance               | \$ 26,457.00           | \$ -                   |
| Accrued endowment distributions              | \$ -                   | \$ -                   |
| Retirement Obligation                        | \$ 46,578.00           | \$ 68,250.00           |
| Other (Loan Payable to Diocese of the South) | \$ 26,325.00           | \$ 40,725.00           |
| Current portion of Long term debt            | \$ -                   | \$ 878.00              |
| Total Current Liabilities                    | \$ 151,880.00          | \$ 236,188.00          |
| <br><b>Long Term Liabilities</b>             |                        |                        |
| Deferred Compensation and annuities          |                        |                        |
| Hvizd Annuity liability                      | \$ 83,315.00           | \$ 86,816.00           |
| Unitrust liability                           | \$ 101,006.00          | \$ 105,910.00          |
| York trust liability                         | \$ -                   | \$ 72,272.00           |
| Total Deferred compensation and annuities    | \$ 184,321.00          | \$ 264,998.00          |
| Total Liabilities                            | \$ 336,201.00          | \$ 501,186.00          |
| <br><b>Equity</b>                            |                        |                        |
| Unrestricted Net Assets, 12/31/11            | \$ (705,117.00)        | \$ (705,117.00)        |
| 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        |
| Total Net Assets                             | \$ 2,133,675.00        | \$ 2,133,675.00        |
| Current Year Activity - 2014                 | \$ 182,410.00          | \$ -                   |
| Current Year Activity - 2013                 | \$ (54,791.00)         | \$ (234,193.00)        |
| Current Year Activity - 2012                 | \$ 472,628.00          | \$ 472,628.00          |

**Orthodox Church in America**  
**Comparative Balance Sheets**  
**As of August 31, 2014 and August 31, 2013**

**EXHIBIT A**

|  | <u>August 31, 2014</u> | <u>August 31, 2013</u> |
|--|------------------------|------------------------|
| <b>Total Net Assets</b>                      | 2,733,922.00           | 2,372,110.00           |
| <b>Total Equity</b>                          | \$ 2,733,922.00        | \$ 2,372,110.00        |
| <b>TOTAL LIABILITIES &amp; EQUITY</b>        | <u>\$ 3,070,123.00</u> | <u>\$ 2,873,296.00</u> |
|  | \$ -                   | \$ -                   |
| <b>Unrestricted Surplus/(Deficit) - 2012</b> | \$ 783,039.00          | \$ 783,039.00          |
| <b>Temp Restricted Surplus/(Deficit)</b>     | \$ (311,942.00)        | \$ (311,942.00)        |
| <b>Perm Restricted Surplus/(Deficit)</b>     | \$ 1,531.00            | \$ 1,531.00            |
|  | <u>\$ 472,628.00</u>   | <u>\$ 472,628.00</u>   |
| <b>Unrestricted Surplus/(Deficit) - 2013</b> | \$ (52,031.00)         | \$ (145,252.00)        |
| <b>Temp Restricted Surplus/(Deficit)</b>     | \$ (4,049.00)          | \$ (89,535.00)         |
| <b>Perm Restricted Surplus/(Deficit)</b>     | \$ 1,289.00            | \$ 602.00              |
|  | <u>\$ (54,791.00)</u>  | <u>\$ (234,185.00)</u> |
| <b>Unrestricted Surplus/(Deficit) - 2014</b> | \$ 160,538.00          | \$ -                   |
| <b>Temp Restricted Surplus/(Deficit)</b>     | \$ 16,496.00           | \$ -                   |
| <b>Perm Restricted Surplus/(Deficit)</b>     | \$ 5,376.00            | \$ -                   |
|  | <u>\$ 182,410.00</u>   | <u>\$ -</u>            |

Orthodox Church in America  
**Statement of Activities vs Budget- RECAP BY DEPARTMENT**  
 For the Period ended 8/31/14

EXHIBIT B - 1

|   | FINAL<br>Budget 2014 | Actual Q1<br>2014  | Actual Q2<br>2014  | July/Aug<br>2014  | Actual<br>8/31/2014 | Budget<br>8/31/2014 | Variance<br>to Budget |
|---|----------------------|--------------------|--------------------|-------------------|---------------------|---------------------|-----------------------|
| <b>Unrestricted Funds:</b>  |                      |                    |                    |                   |                     |                     |                       |
| Assessments   | \$ 1,905,742         | \$ 480,203         | \$ 493,944         | \$ 332,217        | \$ 1,306,364        | \$ 1,270,495        | \$ 35,869             |
| Contributions   | \$ 10,000            | \$ 140             | \$ 870             | \$ 1,780          | \$ 2,790            | \$ 6,666            | \$ (3,876)            |
| Chapel  | \$ 12,000            | \$ 1,825           | \$ 4,554           | \$ 1,997          | \$ 8,376            | \$ 8,000            | \$ 376                |
| Continuing Education Workshop Revenue                                 | \$ 75,000            | \$ -               | \$ -               | \$ 3,150          | \$ 3,150            | \$ 50,000           | \$ (46,850)           |
| Other   | \$ 5,600             | \$ 2,089           | \$ 2,015           | \$ 141            | \$ 4,245            | \$ 3,734            | \$ 511                |
| <b>Total Revenues</b>   | <b>\$ 2,008,342</b>  | <b>\$ 484,257</b>  | <b>\$ 501,383</b>  | <b>\$ 339,285</b> | <b>\$ 1,324,925</b> | <b>\$ 1,338,895</b> | <b>\$ (13,970)</b>    |
| <b>Expenses:</b>  |                      |                    |                    |                   |                     |                     |                       |
| Executive Offices   | \$ 450,007           | \$ 110,170         | \$ 117,156         | \$ 75,131         | \$ 302,457          | \$ 300,005          | \$ 2,452              |
| Administration  | \$ 482,441           | \$ 119,597         | \$ 99,490          | \$ 46,759         | \$ 265,846          | \$ 330,377          | \$ (64,531)           |
| Metropolitan Expenses   | \$ 63,345            | \$ 8,877           | \$ 14,654          | \$ 12,679         | \$ 36,210           | \$ 42,230           | \$ (6,020)            |
| Holy Synod  | \$ 74,400            | \$ 27,248          | \$ 24,654          | \$ 4,694          | \$ 56,596           | \$ 49,600           | \$ 6,996              |
| Metropolitan Council  | \$ 41,330            | \$ 14,977          | \$ -               | \$ 2,127          | \$ 17,104           | \$ 27,553           | \$ (10,449)           |
| Property Support  | \$ 233,679           | \$ 66,681          | \$ 51,953          | \$ 45,965         | \$ 164,599          | \$ 155,786          | \$ 8,813              |
| Communications/TOC  | \$ 103,735           | \$ 16,829          | \$ 27,542          | \$ 19,265         | \$ 63,636           | \$ 69,157           | \$ (5,521)            |
| External Affairs/ St Catherine's                                      | \$ 127,901           | \$ 31,599          | \$ 30,243          | \$ 18,098         | \$ 79,940           | \$ 85,267           | \$ (5,327)            |
| Archives  | \$ 96,786            | \$ 25,203          | \$ 25,068          | \$ 16,547         | \$ 66,818           | \$ 64,524           | \$ 2,294              |
| St Sergius Chapel   | \$ 14,850            | \$ 2,839           | \$ 4,585           | \$ 3,451          | \$ 10,875           | \$ 9,900            | \$ 975                |
| Ordination Candidate Testing  | \$ 38,000            | \$ 4,187           | \$ 8,395           | \$ 1,500          | \$ 14,082           | \$ 25,333           | \$ (11,251)           |
| Office of Policy on Sexual Misconduct                                 | \$ 116,491           | \$ 21,269          | \$ 22,553          | \$ 12,948         | \$ 56,770           | \$ 77,661           | \$ (20,891)           |
| Strategic Planning-Continuing Education                               | \$ 75,000            | \$ -               | \$ -               | \$ -              | \$ -                | \$ 50,000           | \$ (50,000)           |
| <b>Total Operating Expenses</b>                                       | <b>\$ 1,917,965</b>  | <b>\$ 449,476</b>  | <b>\$ 426,293</b>  | <b>\$ 259,164</b> | <b>\$ 1,134,933</b> | <b>\$ 1,287,393</b> | <b>\$ (152,460)</b>   |
| <b>Net Operating Surplus(Deficit)</b>                                 | <b>\$ 90,377</b>     | <b>\$ 34,781</b>   | <b>\$ 75,090</b>   | <b>\$ 80,121</b>  | <b>\$ 189,992</b>   | <b>\$ 51,502</b>    | <b>\$ 138,490</b>     |
| <b>"Stewards of the Orthodox Church" and Departmental Ministries:</b> |                      |                    |                    |                   |                     |                     |                       |
| <b>Revenue (Appeals &amp; DVP Program)</b>                            | <b>\$ 48,923</b>     | <b>\$ 20,548</b>   | <b>\$ 7,101</b>    | <b>\$ 3,423</b>   | <b>\$ 31,072</b>    | <b>\$ 32,615</b>    | <b>\$ (1,543)</b>     |
| <b>Expenses:</b>  |                      |                    |                    |                   |                     |                     |                       |
| Administrative Expenses   | \$ -                 | \$ 1,048           | \$ -               | \$ -              | \$ 1,048            | \$ -                | \$ 1,048              |
| Institutional Chaplaincy  | \$ 12,275            | \$ 1,642           | \$ 1,500           | \$ 1,302          | \$ 4,444            | \$ 8,183            | \$ (3,739)            |
| Evangelization  | \$ 35,625            | \$ 1,500           | \$ 4,097           | \$ 1,250          | \$ 6,847            | \$ 23,750           | \$ (16,903)           |
| Liturgical Music  | \$ 14,700            | \$ 2,561           | \$ 2,532           | \$ 2,810          | \$ 7,903            | \$ 9,800            | \$ (1,897)            |
| Christian Education   | \$ 10,200            | \$ 2,096           | \$ 3,385           | \$ 1,758          | \$ 7,239            | \$ 6,800            | \$ 439                |
| Youth and Young Adults  | \$ 38,500            | \$ 5,606           | \$ 11,341          | \$ 3,237          | \$ 20,184           | \$ 25,667           | \$ (5,483)            |
| Diaconal Vocations  | \$ 18,475            | \$ 3,000           | \$ 3,235           | \$ 2,000          | \$ 8,235            | \$ 12,317           | \$ (4,082)            |
| Christian Service/Humanitarian Aid                                    | \$ 12,375            | \$ 1,500           | \$ 2,126           | \$ 1,000          | \$ 4,626            | \$ 8,250            | \$ (3,624)            |
| <b>Total Expenses</b>   | <b>\$ 142,150</b>    | <b>\$ 18,953</b>   | <b>\$ 28,216</b>   | <b>\$ 13,357</b>  | <b>\$ 60,526</b>    | <b>\$ 94,767</b>    | <b>\$ (34,241)</b>    |
| <b>Net SOCA/Departmental Costs</b>                                    | <b>\$ (93,227)</b>   | <b>\$ 1,595</b>    | <b>\$ (21,115)</b> | <b>\$ (9,934)</b> | <b>\$ (29,454)</b>  | <b>\$ (62,152)</b>  | <b>\$ 32,698</b>      |
| <b>Net Operating Income</b>   | <b>\$ (2,850)</b>    | <b>\$ 36,376</b>   | <b>\$ 53,975</b>   | <b>\$ 70,187</b>  | <b>\$ 160,538</b>   | <b>\$ (10,650)</b>  | <b>\$ 171,188</b>     |
| <b>Net Operating Income (GAAP Basis)</b>                              | <b>\$ (2,850)</b>    | <b>\$ 36,376</b>   | <b>\$ 53,975</b>   | <b>\$ 70,187</b>  | <b>\$ 160,538</b>   | <b>\$ (10,650)</b>  | <b>\$ 171,188</b>     |
| <b>Temporarily Restricted:</b>  |                      |                    |                    |                   |                     |                     |                       |
| Revenues  | \$ 20,000            | \$ 5,332           | \$ 2,470           | \$ 110,247        | \$ 118,049          | \$ 13,333           | \$ 104,716            |
| Expenses  | \$ (121,000)         | \$ (35,415)        | \$ (35,579)        | \$ (30,559)       | \$ (101,553)        | \$ (80,667)         | \$ (20,886)           |
| <b>Net Surplus/(Deficit)</b>  | <b>\$ (101,000)</b>  | <b>\$ (30,083)</b> | <b>\$ (33,109)</b> | <b>\$ 79,688</b>  | <b>\$ 16,496</b>    | <b>\$ (67,334)</b>  | <b>\$ 83,830</b>      |
| <b>Permanently Restricted:</b>  |                      |                    |                    |                   |                     |                     |                       |
| Revenues  | \$ 5,000             | \$ 3,698           | \$ 4,266           | \$ 682            | \$ 8,646            | \$ 3,333            | \$ 5,313              |
| Expenses  | \$ (4,475)           | \$ (913)           | \$ (2,050)         | \$ (307)          | \$ (3,270)          | \$ (2,983)          | \$ (287)              |
| <b>Net Surplus/(Deficit)</b>  | <b>\$ 625</b>        | <b>\$ 2,785</b>    | <b>\$ 2,216</b>    | <b>\$ 375</b>     | <b>\$ 5,376</b>     | <b>\$ 350</b>       | <b>\$ 5,026</b>       |
| <b>Total Change in Net Assets</b>                                     | <b>\$ (103,325)</b>  | <b>\$ 9,078</b>    | <b>\$ 23,082</b>   | <b>\$ 150,250</b> | <b>\$ 182,410</b>   | <b>\$ (77,634)</b>  | <b>\$ 260,044</b>     |



**Orthodox Church in America  
Statement of Activities vs Budget  
For the Period Ended 8/31/14**

EXHIBIT B-2

|  | FINAL<br>Budget 2014 | Actual 2014<br>July/Aug | Budget 2014<br>July/Aug | Actual Thru<br>8/31/2014 | Budget<br>8/31/2014 | Variance<br>to Budget | 2013 8/31/13<br>Actual | Aug-14<br>vs 08-2013 |
|--|----------------------|-------------------------|-------------------------|--------------------------|---------------------|-----------------------|------------------------|----------------------|
| <b>Unrestricted Funds:</b>                       |                      |                         |                         |                          |                     |                       |                        |                      |
| <b>REVENUES</b>                                  |                      |                         |                         |                          |                     |                       |                        |                      |
| Diocesan Assessments                             | \$ 1,905,742         | \$ 332,217              | \$ 317,624              | \$ 1,306,364             | \$ 1,270,495        | \$ 35,869             | \$ 1,358,576           | \$ (52,212)          |
| Contributions & Bequests                         | \$ 10,000            | \$ 1,780                | \$ 1,667                | \$ 2,790                 | \$ 6,667            | \$ (3,877)            | \$ 53,057              | \$ (50,267)          |
| St. Sergius Chapel                               | \$ 12,000            | \$ 1,997                | \$ 2,000                | \$ 8,376                 | \$ 8,000            | \$ 376                | \$ 7,351               | \$ 1,025             |
| Investment Income                                | \$ 2,500             | \$ 141                  | \$ 417                  | \$ 2,377                 | \$ 1,667            | \$ 710                | \$ 3,547               | \$ (1,170)           |
| Enthronement Revenue                             | \$ -                 | \$ -                    | \$ -                    | \$ -                     | \$ -                | \$ -                  | \$ 8,550               | \$ (8,550)           |
| Continuing Education Revenues                    | \$ 75,000            | \$ 3,150                | \$ 12,500               | \$ 3,150                 | \$ 50,000           | \$ (46,850)           | \$ -                   | \$ 3,150             |
| Other (Yearbook/Desk Calendar/OCPC Royalty)      | \$ 3,100             | \$ -                    | \$ 517                  | \$ 1,868                 | \$ 2,067            | \$ (199)              | \$ 1,988               | \$ (120)             |
| <b>TOTAL REVENUES</b>                            | <b>\$ 2,008,342</b>  | <b>\$ 339,285</b>       | <b>\$ 334,724</b>       | <b>\$ 1,324,925</b>      | <b>\$ 1,338,895</b> | <b>\$ (13,970)</b>    | <b>\$ 1,433,069</b>    | <b>\$ (108,144)</b>  |
| <b>EXPENSES</b>                                  |                      |                         |                         |                          |                     |                       |                        |                      |
| <b>Executive Offices</b>                         |                      |                         |                         |                          |                     |                       |                        |                      |
| Salaries   | \$ 304,993           | \$ 50,832               | \$ 50,832               | \$ 203,328               | \$ 203,329          | \$ (1)                | \$ 221,783             | \$ (18,455)          |
| Clergy Housing                                   | \$ 41,216            | \$ 6,869                | \$ 6,869                | \$ 27,477                | \$ 27,478           | \$ (1)                | \$ 27,477              | \$ -                 |
| Payroll Taxes                                    | \$ 3,912             | \$ 652                  | \$ 652                  | \$ 4,714                 | \$ 2,608            | \$ 2,106              | \$ 2,745               | \$ 1,969             |
| Benefits(Medical, Unemployment, Pension)         | \$ 99,886            | \$ 16,778               | \$ 16,848               | \$ 66,938                | \$ 66,591           | \$ 347                | \$ 66,044              | \$ 894               |
|  | \$ 450,007           | \$ 75,131               | \$ 75,001               | \$ 302,457               | \$ 300,005          | \$ 2,452              | \$ 318,049             | \$ (15,592)          |
| <b>Administrative Offices</b>                    |                      |                         |                         |                          |                     |                       |                        |                      |
| Salaries   | \$ 143,813           | \$ 24,724               | \$ 23,969               | \$ 73,255                | \$ 95,875           | \$ (22,620)           | \$ 100,469             | \$ (27,214)          |
| Payroll Taxes                                    | \$ 11,002            | \$ 1,279                | \$ 1,834                | \$ 3,882                 | \$ 7,335            | \$ (3,453)            | \$ 7,889               | \$ (4,007)           |
| Benefits(Medical, Unemployment, Pension)         | \$ 46,521            | \$ 8,903                | \$ 7,754                | \$ 34,686                | \$ 31,014           | \$ 3,672              | \$ 44,002              | \$ (9,316)           |
| Legal  | \$ 105,000           | \$ 932                  | \$ 17,500               | \$ 24,286                | \$ 70,000           | \$ (45,714)           | \$ 121,435             | \$ (97,149)          |
| Outside contractors                              | \$ 15,500            | \$ 1,967                | \$ 2,583                | \$ 10,698                | \$ 10,333           | \$ 365                | \$ 9,473               | \$ 1,225             |
| Mortgage interest                                | \$ -                 | \$ -                    | \$ -                    | \$ -                     | \$ -                | \$ -                  | \$ 1,285               | \$ (1,285)           |
| Accounting/Audit                                 | \$ 35,000            | \$ -                    | \$ 5,833                | \$ 31,200                | \$ 32,083           | \$ (883)              | \$ 38,200              | \$ (7,000)           |
| Travel & meetings - central admin                | \$ 17,592            | \$ 2,191                | \$ 2,932                | \$ 21,561                | \$ 11,728           | \$ 9,833              | \$ 19,422              | \$ 2,139             |
| Telephone  | \$ 16,300            | \$ 2,396                | \$ 2,717                | \$ 11,140                | \$ 10,867           | \$ 273                | \$ 11,474              | \$ (334)             |
| Equipment leasing                                | \$ 21,867            | \$ 1,363                | \$ 3,645                | \$ 15,557                | \$ 14,578           | \$ 979                | \$ 15,690              | \$ (133)             |
| Postage, mailing services                        | \$ 6,000             | \$ (353)                | \$ 1,000                | \$ 4,149                 | \$ 4,000            | \$ 149                | \$ 1,918               | \$ 2,231             |
| Computer expense                                 | \$ 12,000            | \$ 315                  | \$ 2,000                | \$ 4,627                 | \$ 8,000            | \$ (3,373)            | \$ 4,727               | \$ (100)             |
| Stipends   | \$ 23,400            | \$ (1,700)              | \$ 3,900                | \$ 10,000                | \$ 15,600           | \$ (5,600)            | \$ 15,600              | \$ (5,600)           |
| Office Supplies                                  | \$ 6,000             | \$ 178                  | \$ 1,000                | \$ 1,909                 | \$ 4,000            | \$ (2,091)            | \$ 3,656               | \$ (1,747)           |
| Food   | \$ 3,400             | \$ 664                  | \$ 567                  | \$ 3,256                 | \$ 2,267            | \$ 989                | \$ 5,322               | \$ (2,066)           |
| Other administrative expenses(inc Auto)          | \$ 7,900             | \$ 3,065                | \$ 1,317                | \$ 7,769                 | \$ 5,267            | \$ 2,502              | \$ 8,939               | \$ (1,170)           |
| Amortization expense                             | \$ -                 | \$ -                    | \$ -                    | \$ -                     | \$ -                | \$ -                  | \$ 1,827               | \$ (1,827)           |
| Insurance - D&O                                  | \$ 3,541             | \$ -                    | \$ 590                  | \$ 3,541                 | \$ 2,361            | \$ 1,180              | \$ 3,541               | \$ -                 |
| Payroll processing fees                          | \$ 3,600             | \$ 483                  | \$ 600                  | \$ 2,070                 | \$ 2,400            | \$ (330)              | \$ 2,198               | \$ (128)             |
| Bank fees, registration fees                     | \$ 4,005             | \$ 265                  | \$ 668                  | \$ 2,173                 | \$ 2,670            | \$ (497)              | \$ 5,329               | \$ (3,156)           |
| Books, subscriptions, dues & other               | \$ -                 | \$ 87                   | \$ -                    | \$ 87                    | \$ -                | \$ 87                 | \$ 644                 | \$ (557)             |
| <b>Total Administrative Offices</b>              | <b>\$ 482,441</b>    | <b>\$ 46,759</b>        | <b>\$ 80,407</b>        | <b>\$ 265,846</b>        | <b>\$ 330,377</b>   | <b>\$ (64,531)</b>    | <b>\$ 423,040</b>      | <b>\$ (157,194)</b>  |
| <b>Metropolitan Expenses</b>                     |                      |                         |                         |                          |                     |                       |                        |                      |
| Metropolitan Travel                              | \$ 41,050            | \$ 11,000               | \$ 6,842                | \$ 27,888                | \$ 27,367           | \$ 501                | \$ 32,803              | \$ (4,935)           |
| Office expense                                   | \$ 10,295            | \$ 679                  | \$ 1,716                | \$ 3,592                 | \$ 6,863            | \$ (3,271)            | \$ 2,905               | \$ 687               |
| Office of Military Chaplaincy - Stipends         | \$ 6,000             | \$ 1,000                | \$ 1,000                | \$ 4,000                 | \$ 4,000            | \$ -                  | \$ 4,000               | \$ -                 |
| Office of Military Chaplaincy - Expenses         | \$ 6,000             | \$ -                    | \$ 1,000                | \$ 750                   | \$ 4,000            | \$ (3,250)            | \$ 895                 | \$ (145)             |
| <b>Total Metropolitan Expenses</b>               | <b>\$ 63,345</b>     | <b>\$ 12,679</b>        | <b>\$ 10,558</b>        | <b>\$ 36,210</b>         | <b>\$ 42,230</b>    | <b>\$ (6,020)</b>     | <b>\$ 40,603</b>       | <b>\$ (4,393)</b>    |
| <b>Holy Synod</b>                                |                      |                         |                         |                          |                     |                       |                        |                      |
| Travel   | \$ 34,500            | \$ 7,494                | \$ 5,750                | \$ 39,573                | \$ 23,000           | \$ 16,573             | \$ 21,453              | \$ 18,120            |
| Office expenses                                  | \$ -                 | \$ -                    | \$ -                    | \$ -                     | \$ -                | \$ -                  | \$ 1,388               | \$ (1,388)           |
| Special Episcopal Stipends                       | \$ 14,400            | \$ 1,200                | \$ 2,400                | \$ 8,400                 | \$ 9,600            | \$ (1,200)            | \$ 12,960              | \$ (4,560)           |
| Food   | \$ 1,500             | \$ -                    | \$ 250                  | \$ 623                   | \$ 1,000            | \$ (377)              | \$ -                   | \$ 623               |
| Legal  | \$ -                 | \$ -                    | \$ -                    | \$ -                     | \$ -                | \$ -                  | \$ -                   | \$ -                 |
| Office supplies, Postage                         | \$ -                 | \$ -                    | \$ -                    | \$ -                     | \$ -                | \$ -                  | \$ -                   | \$ -                 |
| Episcopal Salary/Benefits                        | \$ 24,000            | \$ (4,000)              | \$ 4,000                | \$ 8,000                 | \$ 16,000           | \$ (8,000)            | \$ 38,232              | \$ (30,232)          |
| Other-Assumption of +MJ Loan from DOS            | \$ -                 | \$ -                    | \$ -                    | \$ -                     | \$ -                | \$ -                  | \$ 42,798              | \$ (42,798)          |
| <b>Total Holy Synod</b>                          | <b>\$ 74,400</b>     | <b>\$ 4,694</b>         | <b>\$ 12,400</b>        | <b>\$ 56,596</b>         | <b>\$ 49,600</b>    | <b>\$ 6,996</b>       | <b>\$ 116,831</b>      | <b>\$ (60,235)</b>   |
| <b>Metropolitan Council</b>                      |                      |                         |                         |                          |                     |                       |                        |                      |
| Travel and Meetings - MC                         | \$ 40,000            | \$ 2,127                | \$ 6,667                | \$ 17,104                | \$ 26,667           | \$ (9,563)            | \$ 21,476              | \$ (4,372)           |
| Internal Audit - Travel, Lodging and Meals, Supp | \$ 1,330             | \$ -                    | \$ 222                  | \$ -                     | \$ 887              | \$ (887)              | \$ -                   | \$ -                 |
|  | \$ 41,330            | \$ 2,127                | \$ 6,888                | \$ 17,104                | \$ 27,553           | \$ (10,449)           | \$ 21,476              | \$ (4,372)           |
| <b>Property Support</b>                          |                      |                         |                         |                          |                     |                       |                        |                      |
| Salaries   | \$ 46,350            | \$ 7,725                | \$ 7,725                | \$ 30,901                | \$ 30,900           | \$ 1                  | \$ 30,900              | \$ 1                 |
| Payroll Taxes                                    | \$ 3,546             | \$ 591                  | \$ 591                  | \$ 2,639                 | \$ 2,364            | \$ 275                | \$ 2,364               | \$ 275               |
| Lawn/Grounds Upkeep                              | \$ 30,000            | \$ 10,425               | \$ 5,000                | \$ 25,410                | \$ 20,000           | \$ 5,410              | \$ 24,377              | \$ 1,033             |
| Benefits(Medical, Unemployment, Pension)         | \$ 12,976            | \$ 2,000                | \$ 2,163                | \$ 8,005                 | \$ 8,651            | \$ (646)              | \$ 10,340              | \$ (2,335)           |
| Insurance  | \$ 30,000            | \$ 11,829               | \$ 5,000                | \$ 27,676                | \$ 20,000           | \$ 7,676              | \$ 22,272              | \$ 5,404             |
| Depreciation                                     | \$ 29,100            | \$ 3,394                | \$ 4,850                | \$ 13,576                | \$ 19,400           | \$ (5,824)            | \$ 14,550              | \$ (974)             |
| Town Services Fee                                | \$ 30,000            | \$ 5,000                | \$ 5,000                | \$ 20,000                | \$ 20,000           | \$ -                  | \$ 15,000              | \$ 5,000             |
| Auto expense                                     | \$ 5,000             | \$ -                    | \$ 833                  | \$ 2,442                 | \$ 3,333            | \$ (891)              | \$ 6,103               | \$ (3,661)           |
| Electricity                                      | \$ 14,000            | \$ 2,520                | \$ 2,333                | \$ 9,354                 | \$ 9,333            | \$ 21                 | \$ 8,099               | \$ 1,255             |
| Heating oil                                      | \$ 22,412            | \$ -                    | \$ 3,735                | \$ 17,865                | \$ 14,941           | \$ 2,924              | \$ 15,305              | \$ 2,560             |
| Equipment Repairs and Rental                     | \$ -                 | \$ -                    | \$ -                    | \$ -                     | \$ -                | \$ -                  | \$ -                   | \$ -                 |
| Garbage removal                                  | \$ 1,920             | \$ 500                  | \$ 320                  | \$ 1,708                 | \$ 1,280            | \$ 428                | \$ 1,342               | \$ 366               |
| General repairs                                  | \$ 5,000             | \$ 1,525                | \$ 833                  | \$ 2,874                 | \$ 3,333            | \$ (459)              | \$ 20,649              | \$ (17,775)          |

|  | FINAL<br>Budget 2014 | Actual 2014<br>July/Aug | Budget 2014<br>July/Aug | Actual Thru<br>8/31/2014 | Budget<br>8/31/2014 | Variance<br>to Budget | 2013 8/31/13<br>Actual | Aug-14<br>vs 08-2013 |
|--|----------------------|-------------------------|-------------------------|--------------------------|---------------------|-----------------------|------------------------|----------------------|
| Janitorial   | \$ 1,000             | \$ 440                  | \$ 167                  | \$ 440                   | \$ 667              | \$ (227)              | \$ 462                 | \$ (22)              |
| Outside contractors                                | \$ 100               | \$ -                    | \$ 17                   | \$ 79                    | \$ 67               | \$ 12                 | \$ 76                  | \$ 3                 |
| Gas & Water  | \$ 275               | \$ -                    | \$ 46                   | \$ 145                   | \$ 183              | \$ (38)               | \$ 409                 | \$ (264)             |
| Travel   | \$ -                 | \$ -                    | \$ -                    | \$ -                     | \$ -                | \$ -                  | \$ -                   | \$ -                 |
| Supplies   | \$ 2,000             | \$ 16                   | \$ 333                  | \$ 1,485                 | \$ 1,333            | \$ 152                | \$ 1,301               | \$ 184               |
| Other  | \$ -                 | \$ -                    | \$ -                    | \$ -                     | \$ -                | \$ -                  | \$ -                   | \$ -                 |
| <b>Total Property Support</b>                      | \$ 233,679           | \$ 45,965               | \$ 38,947               | \$ 164,599               | \$ 155,786          | \$ 8,813              | \$ 173,549             | \$ (8,950)           |
| <b>Department of Communications and Ministries</b> |                      |                         |                         |                          |                     |                       |                        |                      |
| Printing, copying and postage "TOC"                | \$ 18,000            | \$ -                    | \$ 3,000                | \$ -                     | \$ 12,000           | \$ (12,000)           | \$ -                   | \$ -                 |
| The Orthodox Church - Salaries                     | \$ 50,000            | \$ 8,971                | \$ 8,333                | \$ 35,863                | \$ 33,333           | \$ 2,550              | \$ 40,142              | \$ (4,259)           |
| Contract web master                                | \$ 30,000            | \$ 9,495                | \$ 5,000                | \$ 20,930                | \$ 20,000           | \$ 930                | \$ 16,510              | \$ 4,420             |
| Website hosting and maintenance                    | \$ 1,200             | \$ 128                  | \$ 200                  | \$ 3,848                 | \$ 800              | \$ 3,048              | \$ 1,492               | \$ 2,356             |
| Benefits(Medical, Unemployment, Pension)-TOC       | \$ 4,535             | \$ 671                  | \$ 766                  | \$ 2,975                 | \$ 3,023            | \$ (48)               | \$ 2,785               | \$ 190               |
| Internet/Telephone                                 | \$ -                 | \$ -                    | \$ -                    | \$ -                     | \$ -                | \$ -                  | \$ -                   | \$ -                 |
| Travel & Parking                                   | \$ -                 | \$ -                    | \$ -                    | \$ -                     | \$ -                | \$ -                  | \$ 42                  | \$ (42)              |
| Office supplies & postage                          | \$ -                 | \$ -                    | \$ -                    | \$ -                     | \$ -                | \$ -                  | \$ -                   | \$ -                 |
| Equipment rental                                   | \$ -                 | \$ -                    | \$ -                    | \$ -                     | \$ -                | \$ -                  | \$ -                   | \$ -                 |
| <b>Total Department of Communications and Mini</b> | \$ 103,735           | \$ 19,265               | \$ 17,289               | \$ 63,636                | \$ 69,157           | \$ (5,521)            | \$ 60,971              | \$ 2,665             |
| <b>Department of External Affairs</b>              |                      |                         |                         |                          |                     |                       |                        |                      |
| Salaries - External Affairs                        | \$ 35,293            | \$ 5,882                | \$ 5,882                | \$ 23,528                | \$ 23,529           | \$ (1)                | \$ 23,529              | \$ (1)               |
| St. Catherines - Stipends                          | \$ 51,142            | \$ 8,524                | \$ 8,524                | \$ 34,096                | \$ 34,095           | \$ 1                  | \$ 34,095              | \$ 1                 |
| Interchurch travel                                 | \$ 18,600            | \$ 965                  | \$ 3,100                | \$ 11,183                | \$ 12,400           | \$ (1,217)            | \$ 15,764              | \$ (4,581)           |
| St. Catherines - Benefits(Medical, Unempl, Pen)    | \$ -                 | \$ -                    | \$ -                    | \$ -                     | \$ -                | \$ -                  | \$ -                   | \$ -                 |
| Telephone & office expense                         | \$ 12,100            | \$ 2,287                | \$ 2,017                | \$ 9,170                 | \$ 8,067            | \$ 1,103              | \$ 9,486               | \$ (316)             |
| Benefits - External Affairs(Medical, Unempl, Pen)  | \$ 3,166             | \$ 440                  | \$ 528                  | \$ 1,963                 | \$ 2,111            | \$ (148)              | \$ 1,639               | \$ 324               |
| Bank Fees  | \$ -                 | \$ -                    | \$ -                    | \$ -                     | \$ -                | \$ -                  | \$ -                   | \$ -                 |
| Other interchurch organizations                    | \$ 7,600             | \$ -                    | \$ 1,267                | \$ -                     | \$ 5,067            | \$ (5,067)            | \$ 5,224               | \$ (5,224)           |
| <b>Total Department of External Affairs</b>        | \$ 127,901           | \$ 18,098               | \$ 21,317               | \$ 79,940                | \$ 85,267           | \$ (5,327)            | \$ 89,737              | \$ (9,797)           |
| <b>Department of History and Archives</b>          |                      |                         |                         |                          |                     |                       |                        |                      |
| Salaries   | \$ 63,548            | \$ 10,591               | \$ 10,591               | \$ 42,365                | \$ 42,365           | \$ (0)                | \$ 42,365              | \$ -                 |
| Payroll Taxes                                      | \$ 4,861             | \$ 810                  | \$ 810                  | \$ 3,606                 | \$ 3,241            | \$ 365                | \$ 3,241               | \$ 365               |
| Benefits(Medical, Unemployment, Pension)           | \$ 24,876            | \$ 5,146                | \$ 4,146                | \$ 20,592                | \$ 16,584           | \$ 4,008              | \$ 20,025              | \$ 567               |
| Supplies/Travel                                    | \$ 3,500             | \$ -                    | \$ 583                  | \$ 255                   | \$ 2,333            | \$ (2,078)            | \$ 49                  | \$ 206               |
| <b>Total Department of History and Archives</b>    | \$ 96,786            | \$ 16,547               | \$ 16,131               | \$ 66,818                | \$ 64,524           | \$ 2,294              | \$ 65,680              | \$ 1,138             |
| <b>Transfer from Repairs Reserve - 2012</b>        | \$ -                 | \$ -                    | \$ -                    | \$ -                     | \$ -                | \$ -                  | \$ 11,500              | \$ (11,500)          |
| <b>Theological Education</b>                       |                      |                         |                         |                          |                     |                       |                        |                      |
| St Sergius Chapel                                  | \$ 14,850            | \$ 3,451                | \$ 2,475                | \$ 10,875                | \$ 9,900            | \$ 975                | \$ 12,416              | \$ (1,541)           |
| Ordination Candidate Psychological Testing         | \$ 38,000            | \$ 1,500                | \$ 6,333                | \$ 14,082                | \$ 25,333           | \$ (11,251)           | \$ 23,881              | \$ (9,799)           |
| Repayment of Perm Restricted Funds                 | \$ -                 | \$ -                    | \$ -                    | \$ -                     | \$ -                | \$ -                  | \$ 75,000              | \$ (75,000)          |
| Repayment of 9/11 Funds to the Restricted End      | \$ -                 | \$ -                    | \$ -                    | \$ -                     | \$ -                | \$ -                  | \$ -                   | \$ -                 |
| Policies and Procedures Regarding Sexual Mis       | \$ 116,491           | \$ 12,948               | \$ 19,415               | \$ 56,770                | \$ 77,661           | \$ (20,891)           | \$ 70,058              | \$ (13,288)          |
| Strategic Planning-Continuing Education            | \$ 75,000            | \$ -                    | \$ 12,500               | \$ -                     | \$ 50,000           | \$ (50,000)           | \$ 1,000               | \$ (1,000)           |
| <b>TOTAL OPERATING EXPENSES</b>                    | \$ 1,917,965         | \$ 259,164              | \$ 319,661              | \$ 1,134,933             | \$ 1,287,393        | \$ (152,460)          | \$ 1,503,791           | \$ (368,858)         |
| <b>NET OPERATING SURPLUS(DEFICIT)</b>              | \$ 90,377            | \$ 80,121               | \$ 15,063               | \$ 189,992               | \$ 51,501           | \$ 138,491            | \$ (70,722)            | \$ 260,714           |
| <b>Stewards Income &amp; Expenses</b>              |                      |                         |                         |                          |                     |                       |                        |                      |
| Stewards of the OCA Revenue                        | \$ 36,673            | \$ 2,573                | \$ 6,112                | \$ 27,872                | \$ 24,449           | \$ 3,423              | \$ 31,475              | \$ (3,603)           |
| Diaconal Vocations Revenue                         | \$ 7,000             | \$ 500                  | \$ 1,167                | \$ 2,750                 | \$ 4,667            | \$ (1,917)            | \$ 1,500               | \$ 1,250             |
| Program Fees                                       | \$ 5,250             | \$ 350                  | \$ 875                  | \$ 450                   | \$ 3,500            | \$ (3,050)            | \$ 21,035              | \$ (20,585)          |
| Dividends & Interest(net of investment fees)       | \$ -                 | \$ -                    | \$ -                    | \$ -                     | \$ -                | \$ -                  | \$ -                   | \$ -                 |
| <b>Total SOCA Income</b>                           | \$ 48,923            | \$ 3,423                | \$ 8,154                | \$ 31,072                | \$ 32,615           | \$ (1,543)            | \$ 54,010              | \$ (22,938)          |
| <b>Stewards of the OCA</b>                         |                      |                         |                         |                          |                     |                       |                        |                      |
| Ministries Conference                              | \$ -                 | \$ -                    | \$ -                    | \$ -                     | \$ -                | \$ -                  | \$ 21,830              | \$ (21,830)          |
| SOCA Printing and Mailing Expense                  | \$ -                 | \$ -                    | \$ -                    | \$ 1,048                 | \$ -                | \$ 1,048              | \$ 692                 | \$ 356               |
| <b>TOTAL SOCA Expense</b>                          | \$ -                 | \$ -                    | \$ -                    | \$ 1,048                 | \$ -                | \$ 1,048              | \$ 22,522              | \$ (21,474)          |
| <b>Net SOCA Income(Deficit)</b>                    | \$ 48,923            | \$ 3,423                | \$ 8,154                | \$ 30,024                | \$ 32,615           | \$ (2,591)            | \$ 31,488              | \$ (1,464)           |
| <b>Departmental Expenses</b>                       |                      |                         |                         |                          |                     |                       |                        |                      |
| Department of Institutional Chaplaincy             | \$ 12,275            | \$ 1,302                | \$ 2,046                | \$ 4,444                 | \$ 8,183            | \$ (3,739)            | \$ 7,568               | \$ (3,124)           |
| Department of Evangelization                       | \$ 35,625            | \$ 1,250                | \$ 5,938                | \$ 6,847                 | \$ 23,750           | \$ (16,903)           | \$ 9,131               | \$ (2,284)           |
| Department of Liturgical Music & Translations      | \$ 14,700            | \$ 2,810                | \$ 2,450                | \$ 7,903                 | \$ 9,800            | \$ (1,897)            | \$ 7,751               | \$ 152               |
| Department of Pastoral Life & Vocational Develo    | \$ -                 | \$ -                    | \$ -                    | \$ -                     | \$ -                | \$ -                  | \$ -                   | \$ -                 |
| Department of Christian Education                  | \$ 10,200            | \$ 1,758                | \$ 1,700                | \$ 7,239                 | \$ 6,800            | \$ 439                | \$ 8,966               | \$ (1,727)           |
| Department of Youth and Young Adults               | \$ 38,500            | \$ 3,237                | \$ 6,417                | \$ 20,184                | \$ 25,667           | \$ (5,483)            | \$ 20,334              | \$ (150)             |
| Diaconal Vocations Program                         | \$ 18,475            | \$ 2,000                | \$ 3,079                | \$ 8,235                 | \$ 12,317           | \$ (4,082)            | \$ 8,256               | \$ (21)              |
| Department of Christian Service                    | \$ 12,375            | \$ 1,000                | \$ 2,063                | \$ 4,626                 | \$ 8,250            | \$ (3,624)            | \$ 5,206               | \$ (580)             |
| <b>Total Departmental Expenses</b>                 | \$ 142,150           | \$ 13,357               | \$ 23,692               | \$ 59,478                | \$ 94,767           | \$ (35,289)           | \$ 67,212              | \$ (7,734)           |
| <b>HONSDALE LOAN PRINCIPAL PAYMENTS</b>            | \$ -                 | \$ -                    | \$ -                    | \$ -                     | \$ -                | \$ -                  | \$ 58,738              | \$ (58,738)          |
| <b>Total Net Income(Deficit)</b>                   | \$ (2,850)           | \$ 70,187               | \$ (475)                | \$ 160,538               | \$ (10,650)         | \$ 171,188            | \$ (165,184)           | \$ 325,722           |
| <b>Extraordinary Items:</b>                        |                      |                         |                         |                          |                     |                       |                        |                      |
| - Enthronement                                     | \$ -                 | \$ -                    | \$ -                    | \$ -                     | \$ -                | \$ -                  | \$ (38,806)            | \$ 38,806            |
| <b>Total Net Income(Deficit)</b>                   | \$ (2,850)           | \$ 70,187               | \$ (475)                | \$ 160,538               | \$ (10,650)         | \$ 171,188            | \$ (203,990)           | \$ 364,528           |

|   | FINAL<br>Budget 2014 | Actual 2014<br>July/Aug | Budget 2014<br>July/Aug | Actual Thru<br>8/31/2014 | Budget<br>8/31/2014 | Variance<br>to Budget | 2013 8/31/13<br>Actual | Aug-14<br>vs 08-2013 |
|---|----------------------|-------------------------|-------------------------|--------------------------|---------------------|-----------------------|------------------------|----------------------|
| <b>Unrestricted Funds:</b>                              |                      |                         |                         |                          |                     |                       |                        |                      |
| Net Operating Surplus/(Deficit)                         | \$ (2,850)           | \$ 70,187               | \$ (475)                | \$ 160,538               | \$ (10,650)         | \$ 171,188            | \$ (203,990)           | \$ 364,528           |
| Add Back Non-Cash Items (Depreciation & Amort)          | \$ 29,100            | \$ 3,394                | \$ (546)                | \$ 13,576                | \$ 14,550           | \$ (974)              | \$ 16,377              | \$ (2,801)           |
| Add Back Transfers (Not P&L Items)                      | \$ -                 | \$ -                    | \$ -                    | \$ -                     | \$ -                | \$ -                  | \$ -                   | \$ -                 |
| Add Back Mortgage Principal Payment                     | \$ -                 | \$ -                    | \$ -                    | \$ -                     | \$ -                | \$ -                  | \$ 58,738              | \$ (58,738)          |
| <b>Total Operating Surplus/(Deficit) - Unrestricted</b> | <b>\$ 26,250</b>     | <b>\$ 73,581</b>        | <b>\$ (1,021)</b>       | <b>\$ 174,114</b>        | <b>\$ 3,900</b>     | <b>\$ 170,214</b>     | <b>\$ (128,875)</b>    | <b>\$ 302,989</b>    |
| <b>Temporarily Restricted Funds:</b>                    |                      |                         |                         |                          |                     |                       |                        |                      |
| <b>Revenues:</b>  |                      |                         |                         |                          |                     |                       |                        |                      |
| - Charity   | \$ 5,000             | \$ 25                   | \$ 833                  | \$ 562                   | \$ 3,333            | \$ (2,771)            | \$ 281                 | \$ 281               |
| - Missions & Church Planting Grants                     | \$ 5,000             | \$ 1,025                | \$ 833                  | \$ 2,671                 | \$ 3,333            | \$ (682)              | \$ 2,017               | \$ 654               |
| - Youth Ministry Bequest                                | \$ -                 | \$ -                    | \$ -                    | \$ -                     | \$ -                | \$ -                  | \$ -                   | \$ -                 |
| - Seminary  | \$ 5,000             | \$ 125                  | \$ 833                  | \$ 533                   | \$ 3,333            | \$ (2,800)            | \$ 14,739              | \$ (14,206)          |
| - North America Saints Project                          | \$ -                 | \$ -                    | \$ -                    | \$ -                     | \$ -                | \$ -                  | \$ -                   | \$ -                 |
| - Kavalenko Trust                                       | \$ 2,500             | \$ (537)                | \$ 417                  | \$ 3,861                 | \$ 1,667            | \$ 2,194              | \$ 566                 | \$ 3,295             |
| - McGuire Trust   | \$ 2,500             | \$ (79)                 | \$ 417                  | \$ 734                   | \$ 1,667            | \$ (933)              | \$ (392)               | \$ 1,126             |
| - Rolko Trust   | \$ -                 | \$ -                    | \$ -                    | \$ -                     | \$ -                | \$ -                  | \$ -                   | \$ -                 |
| - York Trust  | \$ -                 | \$ -                    | \$ -                    | \$ -                     | \$ -                | \$ -                  | \$ (170)               | \$ 170               |
| - All American Council                                  | \$ -                 | \$ 106,688              | \$ -                    | \$ 106,688               | \$ -                | \$ 106,688            | \$ -                   | \$ 106,688           |
| - Other Bequests  | \$ -                 | \$ 3,000                | \$ -                    | \$ 3,000                 | \$ -                | \$ 3,000              | \$ 22,122              | \$ (19,122)          |
| <b>Total Temporarily Restricted Revenues</b>            | <b>\$ 20,000</b>     | <b>\$ 110,247</b>       | <b>\$ 3,333</b>         | <b>\$ 118,049</b>        | <b>\$ 13,333</b>    | <b>\$ 104,716</b>     | <b>\$ 39,163</b>       | <b>\$ 78,886</b>     |
| <b>Expenses:</b>  |                      |                         |                         |                          |                     |                       |                        |                      |
| - Charity   | \$ 5,000             | \$ 5,000                | \$ 833                  | \$ 6,896                 | \$ 3,333            | \$ 3,563              | \$ 10,000              | \$ (3,104)           |
| - Missions  | \$ 100,000           | \$ 17,100               | \$ 16,667               | \$ 67,767                | \$ 66,667           | \$ 1,100              | \$ 61,667              | \$ 6,100             |
| - Church Planting Grants                                | \$ -                 | \$ -                    | \$ -                    | \$ -                     | \$ -                | \$ -                  | \$ -                   | \$ -                 |
| - Seminary  | \$ 5,000             | \$ -                    | \$ 833                  | \$ -                     | \$ 3,333            | \$ (3,333)            | \$ 12,871              | \$ (12,871)          |
| - Publications  | \$ -                 | \$ -                    | \$ -                    | \$ -                     | \$ -                | \$ -                  | \$ -                   | \$ -                 |
| - Kavalenko Trust                                       | \$ 4,000             | \$ (512)                | \$ 667                  | \$ 2,119                 | \$ 2,667            | \$ (548)              | \$ 2,165               | \$ (46)              |
| - McGuire Trust   | \$ 4,000             | \$ -                    | \$ 667                  | \$ 1,368                 | \$ 2,667            | \$ (1,299)            | \$ 1,631               | \$ (263)             |
| - Rolko Trust   | \$ -                 | \$ -                    | \$ -                    | \$ -                     | \$ -                | \$ -                  | \$ -                   | \$ -                 |
| - York Trust  | \$ -                 | \$ -                    | \$ -                    | \$ 325                   | \$ -                | \$ 325                | \$ 38,616              | \$ (38,291)          |
| - All American Council (including PCC)                  | \$ 3,000             | \$ 8,971                | \$ 500                  | \$ 23,078                | \$ 2,000            | \$ 21,078             | \$ 538                 | \$ 22,540            |
| - Other (Release from Restrictions)                     | \$ -                 | \$ -                    | \$ -                    | \$ -                     | \$ -                | \$ -                  | \$ 1,210               | \$ (1,210)           |
| <b>Total Temporarily Restricted Disbursements</b>       | <b>\$ 121,000</b>    | <b>\$ 30,559</b>        | <b>\$ 20,167</b>        | <b>\$ 101,553</b>        | <b>\$ 80,667</b>    | <b>\$ 20,886</b>      | <b>\$ 128,698</b>      | <b>\$ (27,145)</b>   |
| <b>Net Temporarily Restricted Surplus/(Deficit)</b>     | <b>\$ (101,000)</b>  | <b>\$ 79,688</b>        | <b>\$ (16,833)</b>      | <b>\$ 16,496</b>         | <b>\$ (67,333)</b>  | <b>\$ 83,829</b>      | <b>\$ (89,535)</b>     | <b>\$ 106,031</b>    |
| <b>Permanently Restricted Funds:</b>                    |                      |                         |                         |                          |                     |                       |                        |                      |
| <b>Revenue:</b>   |                      |                         |                         |                          |                     |                       |                        |                      |
| - St Andrew's Endowment                                 | \$ 1,000             | \$ 3                    | \$ 167                  | \$ 531                   | \$ 667              | \$ (136)              | \$ 709                 | \$ (178)             |
| - Main Endowment  | \$ 3,000             | \$ 664                  | \$ 500                  | \$ 7,409                 | \$ 2,000            | \$ 5,409              | \$ 2,681               | \$ 4,728             |
| - FOS Endowment   | \$ 1,000             | \$ 15                   | \$ 167                  | \$ 706                   | \$ 667              | \$ 39                 | \$ 228                 | \$ 478               |
| <b>Total Revenues</b>                                   | <b>\$ 5,000</b>      | <b>\$ 682</b>           | <b>\$ 833</b>           | <b>\$ 8,646</b>          | <b>\$ 3,333</b>     | <b>\$ 5,313</b>       | <b>\$ 3,618</b>        | <b>\$ 5,028</b>      |
| <b>Funds Released:</b>                                  |                      |                         |                         |                          |                     |                       |                        |                      |
| - St Andrew's Endowment                                 | \$ 400               | \$ 49                   | \$ 67                   | \$ 1,144                 | \$ 267              | \$ 877                | \$ 545                 | \$ 599               |
| - Main Endowment  | \$ 3,675             | \$ 225                  | \$ 613                  | \$ 1,733                 | \$ 2,450            | \$ (717)              | \$ 2,015               | \$ (282)             |
| - FOS Endowment   | \$ 400               | \$ 33                   | \$ 67                   | \$ 393                   | \$ 267              | \$ 126                | \$ 456                 | \$ (63)              |
| <b>Total Funds Released</b>                             | <b>\$ 4,475</b>      | <b>\$ 307</b>           | <b>\$ 746</b>           | <b>\$ 3,270</b>          | <b>\$ 2,983</b>     | <b>\$ 287</b>         | <b>\$ 3,016</b>        | <b>\$ 254</b>        |
| <b>Net Permanently Restricted Surplus/(Deficit)</b>     | <b>\$ 525</b>        | <b>\$ 375</b>           | <b>\$ 88</b>            | <b>\$ 5,376</b>          | <b>\$ 350</b>       | <b>\$ 5,026</b>       | <b>\$ 602</b>          | <b>\$ 4,774</b>      |
| <b>Total Change in Net Assets</b>                       | <b>\$ (103,325)</b>  | <b>\$ 150,250</b>       | <b>\$ (17,221)</b>      | <b>\$ 182,410</b>        | <b>\$ (77,633)</b>  | <b>\$ 260,043</b>     | <b>\$ (234,185)</b>    | <b>\$ 416,595</b>    |

The Orthodox Church in America  
**Summary Operating Budget - 2015**  
 By Department  
 as of 9/10/14

Exhibit C

| Department  | Final<br>2013 | Final Approved<br>Budget 2014 | Projected<br>2014 | Preliminary<br>Budget 2015 | Variance    |      |
|---|---------------|-------------------------------|-------------------|----------------------------|-------------|------|
| <b>Total Operating Revenues</b>                         | \$ 2,190,631  | \$ 1,996,342                  | \$ 1,964,274.00   | \$ 1,912,570               | \$ (51,704) | (1)  |
| <b>Expenses by Department/Office:</b>                   |               |                               |                   |                            |             |      |
| Administration  | \$ 591,661    | \$ 462,894                    | \$ 381,763.21     | \$ 411,215.25              | \$ 29,452   | (2)  |
| Executive   | \$ 468,780    | \$ 469,554                    | \$ 473,261.31     | \$ 473,825.85              | \$ 565      |      |
| Archives  | \$ 101,441    | \$ 96,786                     | \$ 99,728.45      | \$ 101,958.45              | \$ 2,230    | (3)  |
| External Affairs  | \$ 94,139     | \$ 76,759                     | \$ 76,700.36      | \$ 81,140.36               | \$ 4,440    | (4)  |
| Property Maintenance                                    | \$ 270,181    | \$ 233,679                    | \$ 230,712.78     | \$ 230,901.78              | \$ 189      |      |
| TOC/Communications                                      | \$ 88,431     | \$ 103,735                    | \$ 100,601.80     | \$ 106,955.80              | \$ 6,354    | (5)  |
| Holy Synod  | \$ 115,571    | \$ 74,400                     | \$ 92,980.00      | \$ 74,750.00               | \$ (18,230) | (6)  |
| Metropolitan's Office                                   | \$ 48,514     | \$ 63,345                     | \$ 53,932.00      | \$ 55,100.00               | \$ 1,168    |      |
| Metropolitan Council                                    | \$ 42,224     | \$ 41,330                     | \$ 29,954.00      | \$ 29,500.00               | \$ (454)    |      |
| St Catherine's Representation                           | \$ 53,978     | \$ 51,142                     | \$ 51,142.44      | \$ 51,142.44               | \$ -        |      |
| Ordination Candidate Testing                            | \$ 30,742     | \$ 38,000                     | \$ 25,200.00      | \$ 25,000.00               | \$ (200)    |      |
| Board of Theological Education                          | \$ 308        | \$ -                          | \$ -              | \$ 2,000.00                | \$ -        |      |
| ORSMA   | \$ 89,266     | \$ 116,491                    | \$ 85,466.00      | \$ 88,836.00               | \$ 3,370    | (7)  |
| Office of Continuing Education                          | \$ 24,125     | \$ 75,000                     | \$ 6,500.00       | \$ 10,000.00               | \$ 3,500    |      |
| <b>Total Expenses</b>                                   | \$ 2,019,361  | \$ 1,903,115                  | \$ 1,707,942.35   | \$ 1,742,325.93            | \$ 32,384   |      |
| <b>Operating Surplus/(Deficit)</b>                      | \$ 171,270    | \$ 93,227                     | \$ 256,331.65     | \$ 170,244.07              | \$ (84,088) |      |
| <b>SOCA/Departmental/Appeal Revenues</b>                | \$ 88,595     | \$ 48,923                     | \$ 42,548.50      | \$ 60,036.00               | \$ 17,488   |      |
| <b>Departmental Expenses</b>                            | \$ (144,821)  | \$ (142,150)                  | \$ (94,645.00)    | \$ (101,150.00)            | \$ (6,505)  | (11) |
| <b>Net SOCA/Dept Surplus/(Deficit)</b>                  | \$ (56,226)   | \$ (93,227)                   | \$ (52,096.50)    | \$ (41,114.00)             | \$ 10,983   |      |
| <b>Planting Grants funded from Operations</b>           | \$ (91,000)   | \$ -                          | \$ (111,976.00)   | \$ (102,000.00)            | \$ 9,976    | (8)  |
| <b>Seminary/Monastery Grants funded from Operations</b> | \$ -          | \$ -                          | \$ -              | \$ (39,000.00)             | \$ -        | (9)  |
| <b>PCC/ACC Expenses funded from Operations</b>          | \$ (11,957)   | \$ -                          | \$ (17,821.71)    | \$ 11,870.00               | \$ 29,692   | (10) |
| <b>Total Operating Surplus/(Deficit)</b>                | \$ 12,087     | \$ -                          | \$ 74,437.44      | \$ 0.07                    | \$ (74,437) |      |

- (1) Assessment reduced from \$95 to \$92 in 2014 and to \$90 in 2015; est decrease in census from 2014-15 is 1% or 230 people.
- (2) Legal - \$15K in anticipation of \$50K for general counsel; \$6K in personnel for full year of Barry
- (3) Travel for Archives Committee
- (4) Travel for External Affairs Committee
- (5) \$6K for additional tech support (Ryan) for projects.
- (6) \$18K reduction in travel related to the Ottawa retreat and spiritual courts
- (7) Cost of online course for parishes
- (8) For 2013, 2014 and 2015 we have funded the Church Planting Grants from Operations to the extent that the planting grants exceed incoming donations for Missions.
- (9) For 2015 we are proposing to include a line item from Operations for Seminaries/Monasteries to show the OCA's commitment to these stavropegial institutions.
- (10) In 2014 we funded PreConciliar expenses from operations; in 2015 we propose to use any excess from the 18th AAC to replenish the operating account to the extent of any PCC expenses incurred in 2014.
- (11) Departmental Expense for 2015 include funding of \$10K for a Department of Pastoral Life, which has been inactive for the last 4 years.

**The Orthodox Church in America  
Assessments  
Preliminary Budget 2015**

**Exhibit C-1**

|                           | <b>2013</b>   |                       | <b>2014</b>   |                        | <b>2014</b>            |                   | <b>Actual</b> | <b>Budget</b>          |                      | <b>Budget</b>        | <b>AAC</b>        |
|---------------------------|---------------|-----------------------|---------------|------------------------|------------------------|-------------------|---------------|------------------------|----------------------|----------------------|-------------------|
|                           | <b>Census</b> | <b>Assessment</b>     | <b>Census</b> | <b>Assessment</b>      | <b>Census</b>          | <b>Assessment</b> | <b>2014</b>   | <b>2015</b>            | <b>2015</b>          | <b>Assessment</b>    | <b>Assessment</b> |
| Archdiocese of Washington | 757           | \$ 71,915.04          | 746           | \$ 68,599.38           | \$ 69,276.00           | 753               | 753           | \$ 67,770.00           | \$ 9,412.50          | \$ 9,412.50          |                   |
| Diocese of the South      | 2,471         | \$ 234,744.96         | 2,434         | \$ 223,921.98          | \$ 228,528.00          | 2,484             | 2,500         | \$ 225,000.00          | \$ 31,250.00         | \$ 31,250.00         |                   |
| Diocese of Eastern PA     | 2,806         | \$ 266,570.04         | 2,764         | \$ 254,279.76          | \$ 246,924.00          | 2,684             | 2,600         | \$ 234,000.00          | \$ 32,500.00         | \$ 32,500.00         |                   |
| Diocese of New England    | 1,823         | \$ 173,184.96         | 1,796         | \$ 165,200.22          | \$ 163,668.00          | 1,779             | 1,750         | \$ 157,500.00          | \$ 21,875.00         | \$ 21,875.00         |                   |
| Diocese of Western PA     | 2,079         | \$ 197,505.00         | 2,048         | \$ 188,398.98          | \$ 187,500.00          | 2,038             | 2,000         | \$ 180,000.00          | \$ 25,000.00         | \$ 25,000.00         |                   |
| Diocese of New York/NJ    | 3,416         | \$ 324,516.00         | 3,365         | \$ 309,554.10          | \$ 301,020.00          | 3,272             | 3,250         | \$ 292,500.00          | \$ 40,625.00         | \$ 40,625.00         |                   |
| Diocese of the Midwest    | 4,583         | \$ 435,338.70         | 4,514         | \$ 415,267.29          | \$ 467,528.00          | 5,082             | 5,000         | \$ 450,000.00          | \$ 62,500.00         | \$ 62,500.00         |                   |
| Diocese of the West       | 2,460         | \$ 233,700.00         | 2,423         | \$ 222,925.20          | \$ 225,036.00          | 2,446             | 2,450         | \$ 220,500.00          | \$ 30,625.00         | \$ 30,625.00         |                   |
| <b>Totals</b>             | <b>20,394</b> | <b>\$1,937,474.70</b> | <b>20,089</b> | <b>\$ 1,848,146.92</b> | <b>\$ 1,889,480.00</b> | <b>20,538</b>     | <b>20,303</b> | <b>\$ 1,827,270.00</b> | <b>\$ 253,787.50</b> | <b>\$ 253,787.50</b> |                   |
| Albanian Archdiocese      |               | \$ 14,400.00          |               | \$ 14,400.00           | \$ 21,600.00           |                   |               | \$ 21,600.00           | \$ 1,803.25          | \$ 1,803.25          |                   |
| Bulgarian Diocese         |               | \$ 5,000.00           |               | \$ 5,000.00            | \$ 5,000.00            |                   |               | \$ 5,000.00            | \$ 1,803.25          | \$ 1,803.25          |                   |
| Romanian Episcopate       |               | \$ 24,000.00          |               | \$ 24,000.00           | \$ -                   |                   |               | \$ 24,000.00           | \$ 1,803.00          | \$ 1,803.00          |                   |
| Archdiocese of Alaska     |               | \$ 14,195.00          |               | \$ 14,195.08           | \$ -                   |                   |               | \$ 15,000.00           | \$ 1,803.00          | \$ 1,803.00          |                   |
|                           |               | \$1,995,069.70        |               | \$ 1,905,742.00        | \$ 1,916,080.00        |                   |               | \$ 1,892,870.00        | \$ 261,000.00        | \$ 261,000.00        |                   |

|                   |                       |                       |
|-------------------|-----------------------|-----------------------|
| <b>Decrease</b>   | <b>\$ (89,327.70)</b> | <b>\$ (78,989.70)</b> |
| <b>% Decrease</b> | <b>-4.5%</b>          | <b>-4.0%</b>          |

|                                  |                       |
|----------------------------------|-----------------------|
| <b>Decrease</b>                  | <b>\$ (23,210.00)</b> |
| <b>% Decrease</b>                | <b>-1%</b>            |
| <b>Decrease from 2011 - 2015</b> | <b>\$ 304,545.00</b>  |

**Decrease from 2011 - 2015**      **From \$105 to \$90 (based on current census, not 2011 census)**  
**% Decrease**                              **14%**

Summary Budget 2015-Exh C2

| The Orthodox Church in America |                 |                 |                 |                   |                 | Exhibit C-2       |                  |                    |                |
|--------------------------------|-----------------|-----------------|-----------------|-------------------|-----------------|-------------------|------------------|--------------------|----------------|
| Summary Budget - 2015          |                 |                 |                 |                   |                 |                   |                  |                    |                |
| By Department and Category     |                 |                 |                 |                   |                 |                   |                  |                    |                |
| Description                    | 05<br>Admin     | 07<br>Exec      | 08<br>Archives  | 09<br>Ext Affairs | 11<br>Property  | 12/13<br>TOC/Comm | 14<br>Holy Synod | 15<br>Met's Office | 16<br>MC       |
| <b>Total Revenues</b>          | \$ 1,902,570.00 | \$ -            | \$ -            | \$ -              | \$ -            | \$ -              | \$ -             | \$ -               | \$ -           |
| <b>Expenses:</b>               |                 |                 |                 |                   |                 |                   |                  |                    |                |
| Auto Expense                   | \$ 5,000.00     | \$ -            | \$ -            | \$ -              | \$ 6,000.00     | \$ -              | \$ -             | \$ 300.00          | \$ -           |
| Salaries & Benefits            | \$ 153,044.25   | \$ 460,213.85   | \$ 100,908.45   | \$ 38,340.36      | \$ 63,001.78    | \$ 58,155.80      | \$ -             | \$ -               | \$ -           |
| Depreciation & Amort           | \$ -            | \$ -            | \$ -            | \$ -              | \$ 20,000.00    | \$ -              | \$ -             | \$ -               | \$ -           |
| Stipends                       | \$ 35,400.00    | \$ -            | \$ -            | \$ -              | \$ -            | \$ -              | \$ 26,400.00     | \$ 6,000.00        | \$ -           |
| Travel & Entertainment         | \$ 9,628.00     | \$ 11,212.00    | \$ 1,000.00     | \$ 21,500.00      | \$ -            | \$ -              | \$ 45,900.00     | \$ 43,350.00       | \$ 28,000.00   |
| Telecommunications             | \$ 12,900.00    | \$ 2,400.00     | \$ -            | \$ 13,500.00      | \$ -            | \$ -              | \$ -             | \$ -               | \$ -           |
| Utilities                      | \$ -            | \$ -            | \$ -            | \$ -              | \$ 42,300.00    | \$ -              | \$ -             | \$ -               | \$ -           |
| Computer                       | \$ 6,000.00     | \$ -            | \$ -            | \$ -              | \$ -            | \$ 3,800.00       | \$ -             | \$ -               | \$ -           |
| Legal, Acctg, Consulting       | \$ 121,400.00   | \$ -            | \$ -            | \$ -              | \$ 100.00       | \$ 30,000.00      | \$ 1,200.00      | \$ -               | \$ -           |
| Distributions                  | \$ 500.00       | \$ -            | \$ -            | \$ -              | \$ -            | \$ -              | \$ -             | \$ -               | \$ -           |
| Dues & Fees                    | \$ 3,010.00     | \$ -            | \$ -            | \$ 7,500.00       | \$ -            | \$ -              | \$ -             | \$ 2,450.00        | \$ -           |
| Corporate Insurance            | \$ 3,541.00     | \$ -            | \$ -            | \$ -              | \$ 32,000.00    | \$ -              | \$ -             | \$ -               | \$ -           |
| Property Taxes                 | \$ -            | \$ -            | \$ -            | \$ -              | \$ 30,000.00    | \$ -              | \$ -             | \$ -               | \$ -           |
| Office Expenses                | \$ 60,792.00    | \$ -            | \$ 50.00        | \$ 300.00         | \$ 2,500.00     | \$ 15,000.00      | \$ 1,250.00      | \$ 3,000.00        | \$ 1,500.00    |
| Property Repairs & Maint       | \$ -            | \$ -            | \$ -            | \$ -              | \$ 35,000.00    | \$ -              | \$ -             | \$ -               | \$ -           |
| <b>Total Expenses</b>          | \$ 411,215.25   | \$ 473,825.85   | \$ 101,958.45   | \$ 81,140.36      | \$ 230,901.78   | \$ 106,955.80     | \$ 74,750.00     | \$ 55,100.00       | \$ 29,500.00   |
| <b>Net Surplus/(Deficit)</b>   | \$ 1,491,354.75 | \$ (473,825.85) | \$ (101,958.45) | \$ (81,140.36)    | \$ (230,901.78) | \$ (106,955.80)   | \$ (74,750.00)   | \$ (55,100.00)     | \$ (29,500.00) |

Summary Budget 2015-Exh C2

|                              | 17             | 20           | 29            | 34             | 35             | 39           | 80             | Subtotal        | 50            | 25          |
|------------------------------|----------------|--------------|---------------|----------------|----------------|--------------|----------------|-----------------|---------------|-------------|
| Description                  | St Cath        | SOCA         | BOT           | Ord Cand       | ORSMA          | Cont Ed      | Depts          | Unrestricted    | AAC           | Charity     |
| <b>Total Revenues</b>        | \$ -           | \$ 54,796.00 | \$ -          | \$ -           | \$ -           | \$ 10,000.00 | \$ 5,240.00    | \$ 1,972,606.00 | \$ 380,500.00 | \$ 5,000.00 |
| Expenses:                    |                |              |               |                |                |              |                |                 |               |             |
| Auto Expense                 | \$ -           | \$ -         | \$ -          | \$ -           | \$ -           | \$ -         | \$ -           | \$ 11,300.00    | \$ -          | \$ -        |
| Salaries & Benefits          | \$ -           | \$ -         | \$ -          | \$ -           | \$ 78,836.00   | \$ -         | \$ -           | \$ 952,500.49   | \$ -          | \$ -        |
| Depreciation & Amort         | \$ -           | \$ -         | \$ -          | \$ -           | \$ -           | \$ -         | \$ -           | \$ 20,000.00    | \$ -          | \$ -        |
| Stipends                     | \$ 51,142.44   | \$ -         | \$ -          | \$ -           | \$ -           | \$ 7,500.00  | \$ 51,000.00   | \$ 177,442.44   | \$ 4,800.00   | \$ -        |
| Travel & Entertainment       | \$ -           | \$ -         | \$ 2,000.00   | \$ -           | \$ 8,500.00    | \$ 2,500.00  | \$ 13,450.00   | \$ 187,040.00   | \$ 243,490.00 | \$ -        |
| Telecommunications           | \$ -           | \$ -         | \$ -          | \$ -           | \$ -           | \$ -         | \$ -           | \$ 28,800.00    | \$ -          | \$ -        |
| Utilities                    | \$ -           | \$ -         | \$ -          | \$ -           | \$ -           | \$ -         | \$ -           | \$ 42,300.00    | \$ -          | \$ -        |
| Computer                     | \$ -           | \$ -         | \$ -          | \$ -           | \$ -           | \$ -         | \$ 1,200.00    | \$ 11,000.00    | \$ -          | \$ -        |
| Legal, Acctg, Consulting     | \$ -           | \$ -         | \$ -          | \$ 25,000.00   | \$ 1,500.00    | \$ -         | \$ 13,500.00   | \$ 192,700.00   | \$ 62,500.00  | \$ -        |
| Distributions                | \$ -           | \$ -         | \$ -          | \$ -           | \$ -           | \$ -         | \$ -           | \$ 500.00       | \$ -          | \$ 5,000.00 |
| Dues & Fees                  | \$ -           | \$ -         | \$ -          | \$ -           | \$ -           | \$ -         | \$ 15,900.00   | \$ 28,860.00    | \$ -          | \$ -        |
| Corporate Insurance          | \$ -           | \$ -         | \$ -          | \$ -           | \$ -           | \$ -         | \$ -           | \$ 35,541.00    | \$ -          | \$ -        |
| Property Taxes               | \$ -           | \$ -         | \$ -          | \$ -           | \$ -           | \$ -         | \$ -           | \$ 30,000.00    | \$ -          | \$ -        |
| Office Expenses              | \$ -           | \$ 2,100.00  | \$ -          | \$ -           | \$ -           | \$ -         | \$ 4,000.00    | \$ 90,492.00    | \$ 57,840.00  | \$ -        |
| Property Repairs & Maint     | \$ -           | \$ -         | \$ -          | \$ -           | \$ -           | \$ -         | \$ -           | \$ 35,000.00    | \$ -          | \$ -        |
| <b>Total Expenses</b>        | \$ 51,142.44   | \$ 2,100.00  | \$ 2,000.00   | \$ 25,000.00   | \$ 88,836.00   | \$ 10,000.00 | \$ 99,050.00   | \$ 1,843,475.93 | \$ 368,630.00 | \$ 5,000.00 |
| <b>Net Surplus/(Deficit)</b> | \$ (51,142.44) | \$ 52,696.00 | \$ (2,000.00) | \$ (25,000.00) | \$ (88,836.00) | \$ -         | \$ (93,810.00) | \$ 129,130.07   | \$ 11,870.00  | \$ -        |

Summary Budget 2015-Exh C2

|                              | 30                     | 40                    | 90                  | Subtotal               | 10                  |                        | Proj                   |                        |
|------------------------------|------------------------|-----------------------|---------------------|------------------------|---------------------|------------------------|------------------------|------------------------|
| Description                  | Missions               | Seminary              | Endowments          | Restricted             | Chapel              | Total                  | 2014                   | Variance               |
| <b>Total Revenues</b>        | <b>\$ 5,000.00</b>     | <b>\$ 5,000.00</b>    | <b>\$ 15,000.00</b> | <b>\$ 410,500.00</b>   | <b>\$ 12,000.00</b> | <b>\$ 2,395,106.00</b> | <b>\$ 2,043,070.50</b> | <b>\$ 352,035.50</b>   |
| Expenses:                    |                        |                       |                     |                        |                     |                        |                        |                        |
| Auto Expense                 | \$ -                   | \$ -                  | \$ -                | \$ -                   | \$ -                | \$ 11,300.00           | \$ 12,486.00           | \$ 1,186.00            |
| Salaries & Benefits          | \$ -                   | \$ -                  | \$ -                | \$ -                   | \$ -                | \$ 952,500.49          | \$ 956,103.91          | \$ 3,603.42            |
| Depreciation & Amort         | \$ -                   | \$ -                  | \$ -                | \$ -                   | \$ -                | \$ 20,000.00           | \$ 20,364.00           | \$ 364.00              |
| Stipends                     | \$ -                   | \$ -                  | \$ -                | \$ 4,800.00            | \$ -                | \$ 182,242.44          | \$ 179,246.44          | \$ (2,996.00)          |
| Travel & Entertainment       | \$ -                   | \$ -                  | \$ -                | \$ 243,490.00          | \$ -                | \$ 430,530.00          | \$ 203,786.71          | \$ (226,743.29)        |
| Telecommunications           | \$ -                   | \$ -                  | \$ -                | \$ -                   | \$ -                | \$ 28,800.00           | \$ 29,620.00           | \$ 820.00              |
| Utilities                    | \$ -                   | \$ -                  | \$ -                | \$ -                   | \$ -                | \$ 42,300.00           | \$ 39,533.00           | \$ (2,767.00)          |
| Computer                     | \$ -                   | \$ -                  | \$ -                | \$ -                   | \$ -                | \$ 11,000.00           | \$ 14,352.00           | \$ 3,352.00            |
| Legal, Acctg, Consulting     | \$ -                   | \$ -                  | \$ 5,475.00         | \$ 67,975.00           | \$ 500.00           | \$ 261,175.00          | \$ 165,711.00          | \$ (95,464.00)         |
| Distributions                | \$ 107,000.00          | \$ 44,000.00          | \$ 7,500.00         | \$ 163,500.00          | \$ 7,400.00         | \$ 171,400.00          | \$ 134,466.00          | \$ (36,934.00)         |
| Dues & Fees                  | \$ -                   | \$ -                  | \$ -                | \$ -                   | \$ -                | \$ 28,860.00           | \$ 27,409.00           | \$ (1,451.00)          |
| Corporate Insurance          | \$ -                   | \$ -                  | \$ -                | \$ -                   | \$ -                | \$ 35,541.00           | \$ 35,235.00           | \$ (306.00)            |
| Property Taxes               | \$ -                   | \$ -                  | \$ -                | \$ -                   | \$ -                | \$ 30,000.00           | \$ 30,000.00           | \$ -                   |
| Office Expenses              | \$ -                   | \$ -                  | \$ -                | \$ 57,840.00           | \$ 4,100.00         | \$ 152,432.00          | \$ 82,776.00           | \$ (69,656.00)         |
| Property Repairs & Maint     | \$ -                   | \$ -                  | \$ -                | \$ -                   | \$ -                | \$ 35,000.00           | \$ 37,525.00           | \$ 2,525.00            |
| <b>Total Expenses</b>        | <b>\$ 107,000.00</b>   | <b>\$ 44,000.00</b>   | <b>\$ 12,975.00</b> | <b>\$ 537,805.00</b>   | <b>\$ 12,000.00</b> | <b>\$ 2,393,080.93</b> | <b>\$ 1,968,614.06</b> | <b>\$ (424,466.87)</b> |
| <b>Net Surplus/(Deficit)</b> | <b>\$ (102,000.00)</b> | <b>\$ (39,000.00)</b> | <b>\$ 2,025.00</b>  | <b>\$ (127,105.00)</b> | <b>\$ -</b>         | <b>\$ 2,025.07</b>     | <b>\$ 74,456.44</b>    | <b>\$ (72,431.37)</b>  |





|        |      | 05                                  |  | F02lim Bud 2015-2016 C3 |                 | 09              |                | 11              |                 | 12/13          |                | 14          |      | 15          |             |
|--------|------|-------------------------------------|--|-------------------------|-----------------|-----------------|----------------|-----------------|-----------------|----------------|----------------|-------------|------|-------------|-------------|
| G/L #  |      | Description                         |  | Admin                   | Exec            | Archives        | Ext Affairs    | Property        | TOC/Comm        | Holy Synod     | Met's Office   |             |      |             |             |
| DIST   | 6051 | Charity Distributions               |  | \$ -                    | \$ -            | \$ -            | \$ -           | \$ -            | \$ -            | \$ -           | \$ -           | \$ -        | \$ - | \$ -        | \$ -        |
|        |      | Subtotal - Distributions            |  | \$ 500.00               | \$ -            | \$ -            | \$ -           | \$ -            | \$ -            | \$ -           | \$ -           | \$ -        | \$ - | \$ -        | \$ -        |
| Fees   | 6092 | Business Reg Fees                   |  | \$ 110.00               | \$ -            | \$ -            | \$ -           | \$ -            | \$ -            | \$ -           | \$ -           | \$ -        | \$ - | \$ -        | \$ 750.00   |
| Fees   | 6095 | Bank Fees                           |  | \$ 2,100.00             | \$ -            | \$ -            | \$ -           | \$ -            | \$ -            | \$ -           | \$ -           | \$ -        | \$ - | \$ -        | \$ -        |
| Fees   | 6096 | Dues                                |  | \$ 800.00               | \$ -            | \$ -            | \$ 7,500.00    | \$ -            | \$ -            | \$ -           | \$ -           | \$ -        | \$ - | \$ -        | \$ 1,150.00 |
| Fees   | 6515 | Memberships                         |  | \$ -                    | \$ -            | \$ -            | \$ -           | \$ -            | \$ -            | \$ -           | \$ -           | \$ -        | \$ - | \$ -        | \$ 550.00   |
|        |      | Subtotal - Fees                     |  | \$ 3,010.00             | \$ -            | \$ -            | \$ 7,500.00    | \$ -            | \$ -            | \$ -           | \$ -           | \$ -        | \$ - | \$ -        | \$ 2,450.00 |
| Insur  | 6512 | Insurance - D&O                     |  | \$ 3,541.00             | \$ -            | \$ -            | \$ -           | \$ -            | \$ -            | \$ -           | \$ -           | \$ -        | \$ - | \$ -        | \$ -        |
| Insur  | 6750 | Insurance                           |  | \$ -                    | \$ -            | \$ -            | \$ -           | \$ 32,000.00    | \$ -            | \$ -           | \$ -           | \$ -        | \$ - | \$ -        | \$ -        |
|        |      | Subtotal - Insurance                |  | \$ 3,541.00             | \$ -            | \$ -            | \$ -           | \$ 32,000.00    | \$ -            | \$ -           | \$ -           | \$ -        | \$ - | \$ -        | \$ -        |
| MtgTax | 6271 | Mortgage Interest                   |  | \$ -                    | \$ -            | \$ -            | \$ -           | \$ -            | \$ -            | \$ -           | \$ -           | \$ -        | \$ - | \$ -        | \$ -        |
| MtgTax | 6273 | Real Estate & Prop Tax              |  | \$ -                    | \$ -            | \$ -            | \$ -           | \$ 30,000.00    | \$ -            | \$ -           | \$ -           | \$ -        | \$ - | \$ -        | \$ -        |
|        |      | Subtotal - Int & Ins                |  | \$ -                    | \$ -            | \$ -            | \$ -           | \$ 30,000.00    | \$ -            | \$ -           | \$ -           | \$ -        | \$ - | \$ -        | \$ -        |
| Office | 6105 | Food                                |  | \$ 4,900.00             | \$ -            | \$ -            | \$ -           | \$ -            | \$ -            | \$ -           | \$ -           | \$ 1,250.00 | \$ - | \$ -        | \$ -        |
| Office | 6110 | Flowers/Candles/Lit Items           |  | \$ 1,500.00             | \$ -            | \$ -            | \$ -           | \$ -            | \$ -            | \$ -           | \$ -           | \$ -        | \$ - | \$ 2,000.00 | \$ -        |
| Office | 6115 | Office Expense - Other              |  | \$ 1,000.00             | \$ -            | \$ -            | \$ -           | \$ -            | \$ -            | \$ -           | \$ -           | \$ -        | \$ - | \$ -        | \$ -        |
| Office | 6502 | Postage & Mailing                   |  | \$ 22,000.00            | \$ -            | \$ -            | \$ -           | \$ -            | \$ -            | \$ -           | \$ -           | \$ -        | \$ - | \$ -        | \$ -        |
| Office | 6503 | Printing & Copying                  |  | \$ 6,000.00             | \$ -            | \$ -            | \$ -           | \$ -            | \$ -            | \$ 15,000.00   | \$ -           | \$ -        | \$ - | \$ -        | \$ -        |
| Office | 6504 | Supplies                            |  | \$ 2,500.00             | \$ -            | \$ 50.00        | \$ 300.00      | \$ 2,500.00     | \$ -            | \$ -           | \$ -           | \$ -        | \$ - | \$ -        | \$ 1,000.00 |
| Office | 6507 | Equipment Leasing                   |  | \$ 22,392.00            | \$ -            | \$ -            | \$ -           | \$ -            | \$ -            | \$ -           | \$ -           | \$ -        | \$ - | \$ -        | \$ -        |
| Office | 6511 | Advertising Expense                 |  | \$ 500.00               | \$ -            | \$ -            | \$ -           | \$ -            | \$ -            | \$ -           | \$ -           | \$ -        | \$ - | \$ -        | \$ -        |
|        |      | Subtotal - Office                   |  | \$ 60,792.00            | \$ -            | \$ 50.00        | \$ 300.00      | \$ 2,500.00     | \$ 15,000.00    | \$ 1,250.00    | \$ 3,000.00    | \$ -        | \$ - | \$ -        | \$ -        |
| 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                      |  | \$ 411,215.25           | \$ 473,825.85   | \$ 101,958.45   | \$ 81,140.36   | \$ 230,901.78   | \$ 106,955.80   | \$ 74,750.00   | \$ 55,100.00   | \$ -        | \$ - | \$ -        | \$ -        |
|        | 7060 | Unrealized (Gains)/Losses           |  | \$ -                    | \$ -            | \$ -            | \$ -           | \$ -            | \$ -            | \$ -           | \$ -           | \$ -        | \$ - | \$ -        | \$ -        |
|        |      | Net Surplus/(Deficit)               |  | \$ 1,491,354.75         | \$ (473,825.85) | \$ (101,958.45) | \$ (81,140.36) | \$ (230,901.78) | \$ (106,955.80) | \$ (74,750.00) | \$ (55,100.00) | \$ -        | \$ - | \$ -        | \$ -        |



|        |       |                                     | 16             | 17 Prelim Bud 2026-Exh | C3           | 29            | 34             | 35             | 39           | 80             |
|--------|-------|-------------------------------------|----------------|------------------------|--------------|---------------|----------------|----------------|--------------|----------------|
|        | G/L # | Description                         | MC             | St Cath                | SOCA         | BOT           | Ord Cand       | ORSMA          | Cont Ed      | Depts          |
| DIST   | 6051  | Charity Distributions               | \$ -           | \$ -                   | \$ -         | \$ -          | \$ -           | \$ -           | \$ -         | \$ -           |
|        |       | Subtotal - Distributions            | \$ -           | \$ -                   | \$ -         | \$ -          | \$ -           | \$ -           | \$ -         | \$ -           |
| Fees   | 6092  | Business Reg Fees                   | \$ -           | \$ -                   | \$ -         | \$ -          | \$ -           | \$ -           | \$ -         | \$ 550.00      |
| Fees   | 6095  | Bank Fees                           | \$ -           | \$ -                   | \$ -         | \$ -          | \$ -           | \$ -           | \$ -         | \$ -           |
| Fees   | 6096  | Dues                                | \$ -           | \$ -                   | \$ -         | \$ -          | \$ -           | \$ -           | \$ -         | \$ 3,350.00    |
| Fees   | 6515  | Memberships                         | \$ -           | \$ -                   | \$ -         | \$ -          | \$ -           | \$ -           | \$ -         | \$ 12,000.00   |
|        |       | Subtotal - Fees                     | \$ -           | \$ -                   | \$ -         | \$ -          | \$ -           | \$ -           | \$ -         | \$ 15,900.00   |
| Insur  | 6512  | Insurance - D&O                     | \$ -           | \$ -                   | \$ -         | \$ -          | \$ -           | \$ -           | \$ -         | \$ -           |
| Insur  | 6750  | Insurance                           | \$ -           | \$ -                   | \$ -         | \$ -          | \$ -           | \$ -           | \$ -         | \$ -           |
|        |       | Subtotal - Insurance                | \$ -           | \$ -                   | \$ -         | \$ -          | \$ -           | \$ -           | \$ -         | \$ -           |
| MtgTax | 6271  | Mortgage Interest                   | \$ -           | \$ -                   | \$ -         | \$ -          | \$ -           | \$ -           | \$ -         | \$ -           |
| MtgTax | 6273  | Real Estate & Prop Tax              | \$ -           | \$ -                   | \$ -         | \$ -          | \$ -           | \$ -           | \$ -         | \$ -           |
|        |       | Subtotal - Int & Ins                | \$ -           | \$ -                   | \$ -         | \$ -          | \$ -           | \$ -           | \$ -         | \$ -           |
| Office | 6105  | Food                                | \$ 1,500.00    | \$ -                   | \$ -         | \$ -          | \$ -           | \$ -           | \$ -         | \$ -           |
| Office | 6110  | Flowers/Candles/Lit Items           | \$ -           | \$ -                   | \$ -         | \$ -          | \$ -           | \$ -           | \$ -         | \$ -           |
| Office | 6115  | Office Expense - Other              | \$ -           | \$ -                   | \$ -         | \$ -          | \$ -           | \$ -           | \$ -         | \$ -           |
| Office | 6502  | Postage & Mailing                   | \$ -           | \$ -                   | \$ -         | \$ -          | \$ -           | \$ -           | \$ -         | \$ -           |
| Office | 6503  | Printing & Copying                  | \$ -           | \$ -                   | \$ -         | \$ -          | \$ -           | \$ -           | \$ -         | \$ 500.00      |
| Office | 6504  | Supplies                            | \$ -           | \$ -                   | \$ 2,100.00  | \$ -          | \$ -           | \$ -           | \$ -         | \$ 3,500.00    |
| Office | 6507  | Equipment Leasing                   | \$ -           | \$ -                   | \$ -         | \$ -          | \$ -           | \$ -           | \$ -         | \$ -           |
| Office | 6511  | Advertising Expense                 | \$ -           | \$ -                   | \$ -         | \$ -          | \$ -           | \$ -           | \$ -         | \$ -           |
|        |       | Subtotal - Office                   | \$ 1,500.00    | \$ -                   | \$ 2,100.00  | \$ -          | \$ -           | \$ -           | \$ -         | \$ 4,000.00    |
| Prop   | 6286  | Lawn and Prop Maintenance           | \$ -           | \$ -                   | \$ -         | \$ -          | \$ -           | \$ -           | \$ -         | \$ -           |
| Prop   | 6290  | Repairs and Maintenance             | \$ -           | \$ -                   | \$ -         | \$ -          | \$ -           | \$ -           | \$ -         | \$ -           |
|        |       | Subtotal - Property Repairs & Maint | \$ -           | \$ -                   | \$ -         | \$ -          | \$ -           | \$ -           | \$ -         | \$ -           |
|        |       |                                     | \$ -           | \$ -                   | \$ -         | \$ -          | \$ -           | \$ -           | \$ -         | \$ -           |
|        |       | Total expenses                      | \$ 29,500.00   | \$ 51,142.44           | \$ 2,100.00  | \$ 2,000.00   | \$ 25,000.00   | \$ 88,836.00   | \$ 10,000.00 | \$ 99,050.00   |
|        | 7060  | Unrealized (Gains)/Losses           | \$ -           | \$ -                   | \$ -         | \$ -          | \$ -           | \$ -           | \$ -         | \$ -           |
|        |       | Net Surplus/(Deficit)               | \$ (29,500.00) | \$ (51,142.44)         | \$ 52,696.00 | \$ (2,000.00) | \$ (25,000.00) | \$ (88,836.00) | \$ -         | \$ (93,810.00) |

| The Orthodox Church in America<br>Trial Balance Report<br>Income Statement by Account/Dept<br>Preliminary Budget 2015 |                                   |                          | Prelim Bud 2015-Exh C3 |                    |                    |                    |                     |                        |  |
|---|-----------------------------------|--------------------------|------------------------|--------------------|--------------------|--------------------|---------------------|------------------------|--|
| G/L #   | Description                       | Subtotal<br>Unrestricted | 50<br>AAC              | 25<br>Charity      | 30<br>Missions     | 40<br>Seminary     | 90<br>Endowments    | Subtotal<br>Restricted |  |
| <b>REVENUES:</b>  |                                   |                          |                        |                    |                    |                    |                     |                        |  |
| 4345  | Individual/Business Contributions | \$ 57,036.00             | \$ -                   | \$ -               | \$ -               | \$ -               | \$ -                | \$ -                   |  |
| 4346  | Bequests                          | \$ -                     | \$ 15,000.00           | \$ -               | \$ -               | \$ -               | \$ -                | \$ 15,000.00           |  |
| 4350  | Appeals                           | \$ -                     | \$ -                   | \$ 5,000.00        | \$ 5,000.00        | \$ 5,000.00        | \$ -                | \$ 15,000.00           |  |
| 4503  | Interest Income                   | \$ 4,000.00              | \$ -                   | \$ -               | \$ -               | \$ -               | \$ 10,000.00        | \$ 10,000.00           |  |
| 4505  | Realized gains/losses             | \$ -                     | \$ -                   | \$ -               | \$ -               | \$ -               | \$ 5,000.00         | \$ 5,000.00            |  |
| 4640  | OCPC Royalty Income               | \$ 3,500.00              | \$ -                   | \$ -               | \$ -               | \$ -               | \$ -                | \$ -                   |  |
| 4642  | AAC Ad Book                       | \$ -                     | \$ 20,000.00           | \$ -               | \$ -               | \$ -               | \$ -                | \$ 20,000.00           |  |
| 4645  | Desk Calendar Revenue             | \$ 200.00                | \$ -                   | \$ -               | \$ -               | \$ -               | \$ -                | \$ -                   |  |
| 4724  | Program Fees                      | \$ 15,000.00             | \$ 57,500.00           | \$ -               | \$ -               | \$ -               | \$ -                | \$ 57,500.00           |  |
| 4902  | Special Events                    | \$ -                     | \$ 27,000.00           | \$ -               | \$ -               | \$ -               | \$ -                | \$ 27,000.00           |  |
| 4722  | Assessments (20,500@\$90)         | \$ 1,892,870.00          | \$ 261,000.00          | \$ -               | \$ -               | \$ -               | \$ -                | \$ 261,000.00          |  |
|   | <b>Total Revenues</b>             | <b>\$ 1,972,606.00</b>   | <b>\$ 380,500.00</b>   | <b>\$ 5,000.00</b> | <b>\$ 5,000.00</b> | <b>\$ 5,000.00</b> | <b>\$ 15,000.00</b> | <b>\$ 410,500.00</b>   |  |
| Auto  | 6900 Auto                         | \$ -                     | \$ -                   | \$ -               | \$ -               | \$ -               | \$ -                | \$ -                   |  |
| Auto  | 6901 Auto Insurance               | \$ 4,000.00              | \$ -                   | \$ -               | \$ -               | \$ -               | \$ -                | \$ -                   |  |
| Auto  | 6902 Auto Repairs                 | \$ 2,300.00              | \$ -                   | \$ -               | \$ -               | \$ -               | \$ -                | \$ -                   |  |
| Auto  | 6903 Auto Gasoline                | \$ 5,000.00              | \$ -                   | \$ -               | \$ -               | \$ -               | \$ -                | \$ -                   |  |
|   | Sutotal - Auto                    | \$ 11,300.00             | \$ -                   | \$ -               | \$ -               | \$ -               | \$ -                | \$ -                   |  |
| Comp  | 6600 Salaries                     | \$ 715,723.84            | \$ -                   | \$ -               | \$ -               | \$ -               | \$ -                | \$ -                   |  |
| Comp  | 6606 FICA/Medicare                | \$ 24,444.19             | \$ -                   | \$ -               | \$ -               | \$ -               | \$ -                | \$ -                   |  |
| Comp  | 6607 Unemployment Ins             | \$ 6,160.00              | \$ -                   | \$ -               | \$ -               | \$ -               | \$ -                | \$ -                   |  |
| Comp  | 6609 Payroll Processing Fees      | \$ 3,200.00              | \$ -                   | \$ -               | \$ -               | \$ -               | \$ -                | \$ -                   |  |
| Comp  | 6610 Health Insurance             | \$ 138,450.00            | \$ -                   | \$ -               | \$ -               | \$ -               | \$ -                | \$ -                   |  |
| Comp  | 6620 Life Insurance               | \$ 4,000.00              | \$ -                   | \$ -               | \$ -               | \$ -               | \$ -                | \$ -                   |  |
| Comp  | 6640 Workers Comp                 | \$ 6,723.00              | \$ -                   | \$ -               | \$ -               | \$ -               | \$ -                | \$ -                   |  |
| Comp  | 6680 Pension Expense              | \$ 53,799.46             | \$ -                   | \$ -               | \$ -               | \$ -               | \$ -                | \$ -                   |  |
|   | Sutotal - Comp& Benefits          | \$ 952,500.49            | \$ -                   | \$ -               | \$ -               | \$ -               | \$ -                | \$ -                   |  |
| DA  | 6990 Depreciation Expense         | \$ 20,000.00             | \$ -                   | \$ -               | \$ -               | \$ -               | \$ -                | \$ -                   |  |
| DA  | 6995 Amortization Expense         | \$ -                     | \$ -                   | \$ -               | \$ -               | \$ -               | \$ -                | \$ -                   |  |
|   | Sutotal - Depn Amort              | \$ 20,000.00             | \$ -                   | \$ -               | \$ -               | \$ -               | \$ -                | \$ -                   |  |
| STIP  | 6650 Stipends                     | \$ 115,042.44            | \$ 4,800.00            | \$ -               | \$ -               | \$ -               | \$ -                | \$ 4,800.00            |  |
| STIP  | 6651 Stipends - HS                | \$ 26,400.00             | \$ -                   | \$ -               | \$ -               | \$ -               | \$ -                | \$ -                   |  |
| STIP  | 6655 Stipend-Christian Ed         | \$ 6,000.00              | \$ -                   | \$ -               | \$ -               | \$ -               | \$ -                | \$ -                   |  |
| STIP  | 6656 Stipend - Missions           | \$ 6,000.00              | \$ -                   | \$ -               | \$ -               | \$ -               | \$ -                | \$ -                   |  |
| STIP  | 6658 Stipend - Lit Music          | \$ 6,000.00              | \$ -                   | \$ -               | \$ -               | \$ -               | \$ -                | \$ -                   |  |
| STIP  | 6665 Stipend - Christian Witness  | \$ 6,000.00              | \$ -                   | \$ -               | \$ -               | \$ -               | \$ -                | \$ -                   |  |
| STIP  | 6667 Stipend - Chaplains          | \$ 12,000.00             | \$ -                   | \$ -               | \$ -               | \$ -               | \$ -                | \$ -                   |  |
|   | Subtotal Stipends                 | \$ 177,442.44            | \$ 4,800.00            | \$ -               | \$ -               | \$ -               | \$ -                | \$ 4,800.00            |  |
| TE  | 6831 Conference, Meetings         | \$ 8,712.00              | \$ 7,500.00            | \$ -               | \$ -               | \$ -               | \$ -                | \$ 7,500.00            |  |
| TE  | 6832 Travel                       | \$ 124,300.00            | \$ 75,236.00           | \$ -               | \$ -               | \$ -               | \$ -                | \$ 75,236.00           |  |
| TE  | 6833 Lodging                      | \$ 35,728.00             | \$ 39,976.00           | \$ -               | \$ -               | \$ -               | \$ -                | \$ 39,976.00           |  |
| TE  | 6834 Meals                        | \$ 18,300.00             | \$ 120,778.00          | \$ -               | \$ -               | \$ -               | \$ -                | \$ 120,778.00          |  |
| TE  | 6835 Moving Expenses              | \$ -                     | \$ -                   | \$ -               | \$ -               | \$ -               | \$ -                | \$ -                   |  |
|   | Subtotal - Travel & Entertainment | \$ 187,040.00            | \$ 243,490.00          | \$ -               | \$ -               | \$ -               | \$ -                | \$ 243,490.00          |  |
| Tel   | 6505 Telephone                    | \$ 2,100.00              | \$ -                   | \$ -               | \$ -               | \$ -               | \$ -                | \$ -                   |  |
| Tel   | 6720 Telephone                    | \$ 18,000.00             | \$ -                   | \$ -               | \$ -               | \$ -               | \$ -                | \$ -                   |  |
| Tel   | 6725 Mobile Phones                | \$ 2,400.00              | \$ -                   | \$ -               | \$ -               | \$ -               | \$ -                | \$ -                   |  |
| Tel   | 6727 Telecommunications           | \$ 6,300.00              | \$ -                   | \$ -               | \$ -               | \$ -               | \$ -                | \$ -                   |  |
|   | Subtotal - Telecom                | \$ 28,800.00             | \$ -                   | \$ -               | \$ -               | \$ -               | \$ -                | \$ -                   |  |
| Util  | 6285 Janitorial Service           | \$ -                     | \$ -                   | \$ -               | \$ -               | \$ -               | \$ -                | \$ -                   |  |
| Util  | 6288 Garbage Removal              | \$ 3,000.00              | \$ -                   | \$ -               | \$ -               | \$ -               | \$ -                | \$ -                   |  |
| Util  | 6701 Heating Oil                  | \$ 25,000.00             | \$ -                   | \$ -               | \$ -               | \$ -               | \$ -                | \$ -                   |  |
| Util  | 6703 Water                        | \$ 300.00                | \$ -                   | \$ -               | \$ -               | \$ -               | \$ -                | \$ -                   |  |
| Util  | 6705 Electricity                  | \$ 14,000.00             | \$ -                   | \$ -               | \$ -               | \$ -               | \$ -                | \$ -                   |  |
|   | Subtotal - Utilities              | \$ 42,300.00             | \$ -                   | \$ -               | \$ -               | \$ -               | \$ -                | \$ -                   |  |
| Comp  | 6670 Computer Expense             | \$ 7,800.00              | \$ -                   | \$ -               | \$ -               | \$ -               | \$ -                | \$ -                   |  |
| Comp  | 6733 Website                      | \$ 3,200.00              | \$ -                   | \$ -               | \$ -               | \$ -               | \$ -                | \$ -                   |  |
|   | Subtotal - Computer               | \$ 11,000.00             | \$ -                   | \$ -               | \$ -               | \$ -               | \$ -                | \$ -                   |  |
| Consult   | 6210 Contract Services            | \$ 35,400.00             | \$ -                   | \$ -               | \$ -               | \$ -               | \$ -                | \$ -                   |  |
| Consult   | 6211 Accounting Fees              | \$ 36,200.00             | \$ -                   | \$ -               | \$ -               | \$ -               | \$ 975.00           | \$ 975.00              |  |
| Consult   | 6214 Legal Fees                   | \$ 50,500.00             | \$ -                   | \$ -               | \$ -               | \$ -               | \$ -                | \$ -                   |  |
| Consult   | 6215 Outside Contract Service     | \$ 70,600.00             | \$ 62,500.00           | \$ -               | \$ -               | \$ -               | \$ -                | \$ 62,500.00           |  |
| Consult   | 6217 Investment Advisory Fees     | \$ -                     | \$ -                   | \$ -               | \$ -               | \$ -               | \$ 4,500.00         | \$ 4,500.00            |  |
|   | Subtotal - Consulting             | \$ 192,700.00            | \$ 62,500.00           | \$ -               | \$ -               | \$ -               | \$ 5,475.00         | \$ 67,975.00           |  |
| DIST  | 6050 Distributions                | \$ 500.00                | \$ -                   | \$ -               | \$ -               | \$ -               | \$ -                | \$ -                   |  |

|        | G/L # | Description                         | 2015            |               | 2015        |                 |                | 2015         |                 |
|--------|-------|-------------------------------------|-----------------|---------------|-------------|-----------------|----------------|--------------|-----------------|
|        |       |                                     | Unrestricted    | AAC           | Charity     | 30              | 40             | 90           | Subtotal        |
|        |       |                                     |                 |               |             |                 |                |              |                 |
| DIST   | 6051  | Charity Distributions               | \$ -            | \$ -          | \$ 5,000.00 | \$ 107,000.00   | \$ 44,000.00   | \$ 7,500.00  | \$ 163,500.00   |
|        |       | Subtotal - Distributions            | \$ 500.00       | \$ -          | \$ 5,000.00 | \$ 107,000.00   | \$ 44,000.00   | \$ 7,500.00  | \$ 163,500.00   |
| Fees   | 6092  | Business Reg Fees                   | \$ 1,410.00     | \$ -          | \$ -        | \$ -            | \$ -           | \$ -         | \$ -            |
| Fees   | 6095  | Bank Fees                           | \$ 2,100.00     | \$ -          | \$ -        | \$ -            | \$ -           | \$ -         | \$ -            |
| Fees   | 6096  | Dues                                | \$ 12,800.00    | \$ -          | \$ -        | \$ -            | \$ -           | \$ -         | \$ -            |
| Fees   | 6515  | Memberships                         | \$ 12,550.00    | \$ -          | \$ -        | \$ -            | \$ -           | \$ -         | \$ -            |
|        |       | Subtotal - Fees                     | \$ 28,860.00    | \$ -          | \$ -        | \$ -            | \$ -           | \$ -         | \$ -            |
| Insur  | 6512  | Insurance - D&O                     | \$ 3,541.00     | \$ -          | \$ -        | \$ -            | \$ -           | \$ -         | \$ -            |
| Insur  | 6750  | Insurance                           | \$ 32,000.00    | \$ -          | \$ -        | \$ -            | \$ -           | \$ -         | \$ -            |
|        |       | Subtotal - Insurance                | \$ 35,541.00    | \$ -          | \$ -        | \$ -            | \$ -           | \$ -         | \$ -            |
| MtgTax | 6271  | Mortgage Interest                   | \$ -            | \$ -          | \$ -        | \$ -            | \$ -           | \$ -         | \$ -            |
| MtgTax | 6273  | Real Estate & Prop Tax              | \$ 30,000.00    | \$ -          | \$ -        | \$ -            | \$ -           | \$ -         | \$ -            |
|        |       | Subtotal - Int & Ins                | \$ 30,000.00    | \$ -          | \$ -        | \$ -            | \$ -           | \$ -         | \$ -            |
| Office | 6105  | Food                                | \$ 7,650.00     | \$ -          | \$ -        | \$ -            | \$ -           | \$ -         | \$ -            |
| Office | 6110  | Flowers/Candles/Lit Items           | \$ 3,500.00     | \$ 35,300.00  | \$ -        | \$ -            | \$ -           | \$ -         | \$ 35,300.00    |
| Office | 6115  | Office Expense - Other              | \$ 1,000.00     | \$ 5,140.00   | \$ -        | \$ -            | \$ -           | \$ -         | \$ 5,140.00     |
| Office | 6502  | Postage & Mailing                   | \$ 22,000.00    | \$ -          | \$ -        | \$ -            | \$ -           | \$ -         | \$ -            |
| Office | 6503  | Printing & Copying                  | \$ 21,500.00    | \$ 4,500.00   | \$ -        | \$ -            | \$ -           | \$ -         | \$ 4,500.00     |
| Office | 6504  | Supplies                            | \$ 11,950.00    | \$ 12,900.00  | \$ -        | \$ -            | \$ -           | \$ -         | \$ 12,900.00    |
| Office | 6507  | Equipment Leasing                   | \$ 22,392.00    | \$ -          | \$ -        | \$ -            | \$ -           | \$ -         | \$ -            |
| Office | 6511  | Advertising Expense                 | \$ 500.00       | \$ -          | \$ -        | \$ -            | \$ -           | \$ -         | \$ -            |
|        |       | Subtotal - Office                   | \$ 90,492.00    | \$ 57,840.00  | \$ -        | \$ -            | \$ -           | \$ -         | \$ 57,840.00    |
| 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                      | \$ 1,843,475.93 | \$ 368,630.00 | \$ 5,000.00 | \$ 107,000.00   | \$ 44,000.00   | \$ 12,975.00 | \$ 537,605.00   |
|        | 7060  | Unrealized (Gains)/Losses           | \$ -            | \$ -          | \$ -        | \$ -            | \$ -           | \$ -         | \$ -            |
|        |       | Net Surplus/(Deficit)               | \$ 129,130.07   | \$ 11,870.00  | \$ -        | \$ (102,000.00) | \$ (39,000.00) | \$ 2,025.00  | \$ (127,105.00) |

| The Orthodox Church in America<br>Trial Balance Report<br>Income Statement by Account/Dept<br>Preliminary Budget 2015 |                                   |                     | Prelim Bud 2015-Exh C3 |                       |                      |
|---|-----------------------------------|---------------------|------------------------|-----------------------|----------------------|
| G/L #   | Description                       | 10<br>Chapel        | Total                  | Proj<br>2014          | Variance             |
| <b>REVENUES:</b>  |                                   |                     |                        |                       |                      |
| 4345  | Individual/Business Contributions | \$ 12,000.00        | \$ 69,036.00           | \$ 51,274.50          | \$ 17,761.50         |
| 4346  | Bequests                          | \$ -                | \$ 15,000.00           | \$ 2,586.00           | \$ 12,414.00         |
| 4350  | Appeals                           | \$ -                | \$ 15,000.00           | \$ 6,300.00           | \$ 8,700.00          |
| 4503  | Interest Income                   | \$ -                | \$ 14,000.00           | \$ 4,000.00           | \$ 10,000.00         |
| 4505  | Realized gains/losses             | \$ -                | \$ 5,000.00            | \$ 15,916.00          | \$ (10,916.00)       |
| 4640  | OCPC Royalty Income               | \$ -                | \$ 3,500.00            | \$ 3,600.00           | \$ (100.00)          |
| 4642  | AAC Ad Book                       | \$ -                | \$ 20,000.00           | \$ -                  | \$ 20,000.00         |
| 4645  | Desk Calendar Revenue             | \$ -                | \$ 200.00              | \$ 100.00             | \$ 100.00            |
| 4724  | Program Fees                      | \$ -                | \$ 72,500.00           | \$ 11,000.00          | \$ 61,500.00         |
| 4902  | Special Events                    | \$ -                | \$ 27,000.00           | \$ -                  | \$ 27,000.00         |
| 4722  | Assessments (20,500@\$90)         | \$ -                | \$ 2,153,870.00        | \$1,948,294.00        | \$ 205,576.00        |
|   | <b>Total Revenues</b>             | <b>\$ 12,000.00</b> | <b>\$ 2,395,106.00</b> | <b>\$2,043,070.50</b> | <b>\$ 352,035.50</b> |
| Auto  | 6900 Auto                         | \$ -                | \$ -                   | \$ 436.00             | \$ (436.00)          |
| Auto  | 6901 Auto Insurance               | \$ -                | \$ 4,000.00            | \$ 3,856.00           | \$ 144.00            |
| Auto  | 6902 Auto Repairs                 | \$ -                | \$ 2,300.00            | \$ 3,194.00           | \$ (894.00)          |
| Auto  | 6903 Auto Gasoline                | \$ -                | \$ 5,000.00            | \$ 5,000.00           | \$ -                 |
|   | Sutotal - Auto                    | \$ -                | \$ 11,300.00           | \$ 12,486.00          | \$ (1,186.00)        |
| Comp  | 6600 Salaries                     | \$ -                | \$ 715,723.84          | \$ 709,291.04         | \$ 6,432.80          |
| Comp  | 6606 FICA/Medicare                | \$ -                | \$ 24,444.19           | \$ 23,952.08          | \$ 492.11            |
| Comp  | 6607 Unemployment Ins             | \$ -                | \$ 6,160.00            | \$ 6,086.95           | \$ 73.05             |
| Comp  | 6609 Payroll Processing Fees      | \$ -                | \$ 3,200.00            | \$ 3,200.00           | \$ -                 |
| Comp  | 6610 Health Insurance             | \$ -                | \$ 138,450.00          | \$ 149,566.00         | \$ (11,116.00)       |
| Comp  | 6620 Life Insurance               | \$ -                | \$ 4,000.00            | \$ 4,000.00           | \$ -                 |
| Comp  | 6640 Workers Comp                 | \$ -                | \$ 6,723.00            | \$ 6,723.00           | \$ -                 |
| Comp  | 6680 Pension Expense              | \$ -                | \$ 53,799.46           | \$ 53,284.84          | \$ 514.62            |
|   | Sutotal - Comp& Benefits          | \$ -                | \$ 952,500.49          | \$ 956,103.91         | \$ (3,603.42)        |
| DA  | 6990 Depreciation Expense         | \$ -                | \$ 20,000.00           | \$ 20,364.00          | \$ (364.00)          |
| DA  | 6995 Amortization Expense         | \$ -                | \$ -                   | \$ -                  | \$ -                 |
|   | Sutotal - Depn Amort              | \$ -                | \$ 20,000.00           | \$ 20,364.00          | \$ (364.00)          |
| STIP  | 6650 Stipends                     | \$ -                | \$ 119,842.44          | \$ 116,842.44         | \$ 3,000.00          |
| STIP  | 6651 Stipends - HS                | \$ -                | \$ 26,400.00           | \$ 26,404.00          | \$ (4.00)            |
| 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  | \$ -                | \$ 6,000.00            | \$ 6,000.00           | \$ -                 |
| STIP  | 6667 Stipend - Chaplains          | \$ -                | \$ 12,000.00           | \$ 12,000.00          | \$ -                 |
|   | Subtotal Stipends                 | \$ -                | \$ 182,242.44          | \$ 179,246.44         | \$ 2,996.00          |
| TE  | 6831 Conference, Meetings         | \$ -                | \$ 16,212.00           | \$ 6,483.00           | \$ 9,729.00          |
| TE  | 6832 Travel                       | \$ -                | \$ 199,536.00          | \$ 140,101.71         | \$ 59,434.29         |
| TE  | 6833 Lodging                      | \$ -                | \$ 75,704.00           | \$ 40,816.00          | \$ 34,888.00         |
| TE  | 6834 Meals                        | \$ -                | \$ 139,078.00          | \$ 16,386.00          | \$ 122,692.00        |
| TE  | 6835 Moving Expenses              | \$ -                | \$ -                   | \$ -                  | \$ -                 |
|   | Subtotal - Travel & Entertainment | \$ -                | \$ 430,530.00          | \$ 203,786.71         | \$ 226,743.29        |
| Tel   | 6505 Telephone                    | \$ -                | \$ 2,100.00            | \$ 2,048.00           | \$ 52.00             |
| Tel   | 6720 Telephone                    | \$ -                | \$ 18,000.00           | \$ 17,706.00          | \$ 294.00            |
| Tel   | 6725 Mobile Phones                | \$ -                | \$ 2,400.00            | \$ 3,566.00           | \$ (1,166.00)        |
| Tel   | 6727 Telecommunications           | \$ -                | \$ 6,300.00            | \$ 6,300.00           | \$ -                 |
|   | Subtotal - Telecom                | \$ -                | \$ 28,800.00           | \$ 29,620.00          | \$ (820.00)          |
| Util  | 6285 Janitorial Service           | \$ -                | \$ -                   | \$ -                  | \$ -                 |
| Util  | 6288 Garbage Removal              | \$ -                | \$ 3,000.00            | \$ 2,710.00           | \$ 290.00            |
| Util  | 6701 Heating Oil                  | \$ -                | \$ 25,000.00           | \$ 22,865.00          | \$ 2,135.00          |
| Util  | 6703 Water                        | \$ -                | \$ 300.00              | \$ 290.00             | \$ 10.00             |
| Util  | 6705 Electricity                  | \$ -                | \$ 14,000.00           | \$ 13,668.00          | \$ 332.00            |
|   | Subtotal - Utilities              | \$ -                | \$ 42,300.00           | \$ 39,533.00          | \$ 2,767.00          |
| Comp  | 6670 Computer Expense             | \$ -                | \$ 7,800.00            | \$ 10,324.00          | \$ (2,524.00)        |
| Comp  | 6733 Website                      | \$ -                | \$ 3,200.00            | \$ 4,028.00           | \$ (828.00)          |
|   | Subtotal - Computer               | \$ -                | \$ 11,000.00           | \$ 14,352.00          | \$ (3,352.00)        |
| Consult   | 6210 Contract Services            | \$ -                | \$ 35,400.00           | \$ 19,004.00          | \$ 16,396.00         |
| Consult   | 6211 Accounting Fees              | \$ -                | \$ 37,175.00           | \$ 41,175.00          | \$ (4,000.00)        |
| Consult   | 6214 Legal Fees                   | \$ -                | \$ 50,500.00           | \$ 33,504.00          | \$ 16,996.00         |
| Consult   | 6215 Outside Contract Service     | \$ 500.00           | \$ 133,600.00          | \$ 67,378.00          | \$ 66,222.00         |
| Consult   | 6217 Investment Advisory Fees     | \$ -                | \$ 4,500.00            | \$ 4,650.00           | \$ (150.00)          |
|   | Subtotal - Consulting             | \$ 500.00           | \$ 261,175.00          | \$ 165,711.00         | \$ 95,464.00         |
| DIST  | 6050 Distributions                | \$ 5,400.00         | \$ 5,900.00            | \$ 5,700.00           | \$ 200.00            |

|        |       |                                     | 10           | Prelim Bud      | 2015-ERD3       |                |
|--------|-------|-------------------------------------|--------------|-----------------|-----------------|----------------|
|        | G/L # | Description                         | Chapel       | Total           | 2014            | Variance       |
| DIST   | 6051  | Charity Distributions               | \$ 2,000.00  | \$ 165,500.00   | \$ 128,766.00   | \$ 36,734.00   |
|        |       | Subtotal - Distributions            | \$ 7,400.00  | \$ 171,400.00   | \$ 134,466.00   | \$ 36,934.00   |
| Fees   | 6092  | Business Reg Fees                   | \$ -         | \$ 1,410.00     | \$ 310.00       | \$ 1,100.00    |
| Fees   | 6095  | Bank Fees                           | \$ -         | \$ 2,100.00     | \$ 2,153.00     | \$ (53.00)     |
| Fees   | 6096  | Dues                                | \$ -         | \$ 12,800.00    | \$ 12,396.00    | \$ 404.00      |
| Fees   | 6515  | Memberships                         | \$ -         | \$ 12,550.00    | \$ 12,550.00    | \$ -           |
|        |       | Subtotal - Fees                     | \$ -         | \$ 28,860.00    | \$ 27,409.00    | \$ 1,451.00    |
| Insur  | 6512  | Insurance - D&O                     | \$ -         | \$ 3,541.00     | \$ 3,541.00     | \$ -           |
| Insur  | 6750  | Insurance                           | \$ -         | \$ 32,000.00    | \$ 31,694.00    | \$ 306.00      |
|        |       | Subtotal - Insurance                | \$ -         | \$ 35,541.00    | \$ 35,235.00    | \$ 306.00      |
| MtgTax | 6271  | Mortgage Interest                   | \$ -         | \$ -            | \$ -            | \$ -           |
| MtgTax | 6273  | Real Estate & Prop Tax              | \$ -         | \$ 30,000.00    | \$ 30,000.00    | \$ -           |
|        |       | Subtotal - Int & Ins                | \$ -         | \$ 30,000.00    | \$ 30,000.00    | \$ -           |
| Office | 6105  | Food                                | \$ 750.00    | \$ 8,400.00     | \$ 8,409.00     | \$ (9.00)      |
| Office | 6110  | Flowers/Candles/Lit Items           | \$ 3,350.00  | \$ 42,150.00    | \$ 12,400.00    | \$ 29,750.00   |
| Office | 6115  | Office Expense - Other              | \$ -         | \$ 6,140.00     | \$ 916.00       | \$ 5,224.00    |
| Office | 6502  | Postage & Mailing                   | \$ -         | \$ 22,000.00    | \$ 11,002.00    | \$ 10,998.00   |
| Office | 6503  | Printing & Copying                  | \$ -         | \$ 26,000.00    | \$ 16,710.00    | \$ 9,290.00    |
| Office | 6504  | Supplies                            | \$ -         | \$ 24,850.00    | \$ 10,307.00    | \$ 14,543.00   |
| Office | 6507  | Equipment Leasing                   | \$ -         | \$ 22,392.00    | \$ 22,386.00    | \$ 6.00        |
| Office | 6511  | Advertising Expense                 | \$ -         | \$ 500.00       | \$ 646.00       | \$ (146.00)    |
|        |       | Subtotal - Office                   | \$ 4,100.00  | \$ 152,432.00   | \$ 82,776.00    | \$ 69,656.00   |
| Prop   | 6286  | Lawn and Prop Maintenance           | \$ -         | \$ 30,000.00    | \$ 36,000.00    | \$ (6,000.00)  |
| Prop   | 6290  | Repairs and Maintenance             | \$ -         | \$ 5,000.00     | \$ 1,525.00     | \$ 3,475.00    |
|        |       | Subtotal - Property Repairs & Maint | \$ -         | \$ 35,000.00    | \$ 37,525.00    | \$ (2,525.00)  |
|        |       |                                     | \$ -         | \$ -            |                 |                |
|        |       | Total expenses                      | \$ 12,000.00 | \$ 2,393,080.93 | \$ 1,968,614.06 | \$ 424,466.87  |
|        | 7060  | Unrealized (Gains)/Losses           | \$ -         | \$ -            |                 |                |
|        |       | Net Surplus/(Deficit)               | \$ -         | \$ 2,025.07     | \$ 74,456.44    | \$ (72,431.37) |



The Orthodox Church in America  
**Summary Operating Budget - 2015**  
 By Department  
 as of 9/10/14

Exhibit C

| <u>Department</u>                                       | <u>Final<br/>2013</u> | <u>Final Approved<br/>Budget 2014</u> | <u>Projected<br/>2014</u> | <u>Preliminary<br/>Budget 2015</u> | <u>Variance</u> |      |
|---|-----------------------|---------------------------------------|---------------------------|------------------------------------|-----------------|------|
| <b>Total Operating Revenues</b>                         | \$ 2,190,631          | \$ 1,996,342                          | \$ 1,964,274.00           | \$ 1,912,570                       | \$ (51,704)     | (1)  |
| <b>Expenses by Department/Office:</b>                   |                       |                                       |                           |                                    |                 |      |
| Administration  | \$ 591,661            | \$ 462,894                            | \$ 381,763.21             | \$ 411,215.25                      | \$ 29,452       | (2)  |
| Executive   | \$ 468,780            | \$ 469,554                            | \$ 473,261.31             | \$ 473,825.85                      | \$ 565          |      |
| Archives  | \$ 101,441            | \$ 96,786                             | \$ 99,728.45              | \$ 101,958.45                      | \$ 2,230        | (3)  |
| External Affairs  | \$ 94,139             | \$ 76,759                             | \$ 76,700.36              | \$ 81,140.36                       | \$ 4,440        | (4)  |
| Property Maintenance                                    | \$ 270,181            | \$ 233,679                            | \$ 230,712.78             | \$ 230,901.78                      | \$ 189          |      |
| TOC/Communications                                      | \$ 88,431             | \$ 103,735                            | \$ 100,601.80             | \$ 106,955.80                      | \$ 6,354        | (5)  |
| Holy Synod  | \$ 115,571            | \$ 74,400                             | \$ 92,980.00              | \$ 74,750.00                       | \$ (18,230)     | (6)  |
| Metropolitan's Office                                   | \$ 48,514             | \$ 63,345                             | \$ 53,932.00              | \$ 55,100.00                       | \$ 1,168        |      |
| Metropolitan Council                                    | \$ 42,224             | \$ 41,330                             | \$ 29,954.00              | \$ 29,500.00                       | \$ (454)        |      |
| St Catherine's Representation                           | \$ 53,978             | \$ 51,142                             | \$ 51,142.44              | \$ 51,142.44                       | \$ -            |      |
| Ordination Candidate Testing                            | \$ 30,742             | \$ 38,000                             | \$ 25,200.00              | \$ 25,000.00                       | \$ (200)        |      |
| Board of Theological Education                          | \$ 308                | \$ -                                  | \$ -                      | \$ 2,000.00                        | \$ -            |      |
| ORSMA   | \$ 89,266             | \$ 116,491                            | \$ 85,466.00              | \$ 88,836.00                       | \$ 3,370        | (7)  |
| Office of Continuing Education                          | \$ 24,125             | \$ 75,000                             | \$ 6,500.00               | \$ 10,000.00                       | \$ 3,500        |      |
| <b>Total Expenses</b>                                   | \$ 2,019,361          | \$ 1,903,115                          | \$ 1,707,942.35           | \$ 1,742,325.93                    | \$ 32,384       |      |
| <b>Operating Surplus/(Deficit)</b>                      | \$ 171,270            | \$ 93,227                             | \$ 256,331.65             | \$ 170,244.07                      | \$ (84,088)     |      |
| <b>SOCA/Departmental/Appeal Revenues</b>                | \$ 88,595             | \$ 48,923                             | \$ 42,548.50              | \$ 60,036.00                       | \$ 17,488       |      |
| <b>Departmental Expenses</b>                            | \$ (144,821)          | \$ (142,150)                          | \$ (94,645.00)            | \$ (101,150.00)                    | \$ (6,505)      | (11) |
| <b>Net SOCA/Dept Surplus/(Deficit)</b>                  | \$ (56,226)           | \$ (93,227)                           | \$ (52,096.50)            | \$ (41,114.00)                     | \$ 10,983       |      |
| <b>Planting Grants funded from Operations</b>           | \$ (91,000)           | \$ -                                  | \$ (111,976.00)           | \$ (102,000.00)                    | \$ 9,976        | (8)  |
| <b>Seminary/Monastery Grants funded from Operations</b> |                       |                                       | \$ -                      | \$ (39,000.00)                     | \$ -            | (9)  |
| <b>PCC/ACC Expenses funded from Operations</b>          | \$ (11,957)           | \$ -                                  | \$ (17,821.71)            | \$ 11,870.00                       | \$ 29,692       | (10) |
| <b>Total Operating Surplus/(Deficit)</b>                | \$ 12,087             | \$ -                                  | \$ 74,437.44              | \$ 0.07                            | \$ (74,437)     |      |

- (1) Assessment reduced from \$95 to \$92 in 2014 and to \$90 in 2015; est decrease in census from 2014-15 is 1% or 230 people.
- (2) Legal - \$15K in anticipation of \$50K for general counsel; \$6K in personnel for full year of Barry
- (3) Travel for Archives Committee
- (4) Travel for External Affairs Committee
- (5) \$6K for additional tech support (Ryan) for projects.
- (6) \$18K reduction in travel related to the Ottawa retreat and spiritual courts
- (7) Cost of online course for parishes
- (8) For 2013, 2014 and 2015 we have funded the Church Planting Grants from Operations to the extent that the planting grants exceed incoming donations for Missions.
- (9) For 2015 we are proposing to include a line item from Operations for Seminaries/Monasteries to show the OCA's commitment to these stavropegial institutions.
- (10) In 2014 we funded PreConciliar expenses from operations; in 2015 we propose to use any excess from the 18th AAC to replenish the operating account to the extent of any PCC expenses incurred in 2014.
- (11) Departmental Expense for 2015 include funding of \$10K for a Department of Pastoral Life, which has been inactive for the last 4 years.

# *Orthodox Church in America*

## *Audit Committee*

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

August 28, 2014

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 12-13, 2014 on Long Island to perform its statutory review of the books and records at the Chancery. We reviewed the period from July 1, 2013 through June 30, 2014. Due to the tax season schedules of Karen Durkish and me, we have made just one trip to Syosset in 2014 instead of a semi-annual visit. This will continue into 2015, unless circumstances dictate otherwise.

Procedures performed, and our findings:

### **BUDGETED ITEMS**

Each income statement account for the 12 months ending 6/30/13, and for the six months ended 6/30/14 were reviewed in comparison with their respective budgets for 2013 and 2014. All unusual or unexpected variances which were noted were explained and supported by Melanie Ringa.

### **CASH**

In reviewing cash, all accounts related to bank accounts were selected for audit. A total of \$1,026,358 was tied back to third-party bank statements.

The reconciliations had items that were aged past a reasonable expectation summarized below with detail following:

Deposits in transit outstanding for longer than 1 year, which net to \$3,303  
Outstanding Checks greater than 12 months, which net to \$844  
Other items aged between 1 and 5 months, which net to \$11

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| Account     | Description                                 | Amount     | Check # | Mos O/S |
|-------------|---|------------|---------|---------|
| 791-5587807 | Balances from 1/16/13 on Deposit in transit | 80.00      |         |         |
|             | Balances from 1/16/13 on Deposit in transit | (3,533.00) |         |         |
|             | Checks o/s                                  |            |         | >12     |
|             |   | 407.20     | 12338   | mos     |
|             |   | 161.42     | 12811   | mos     |
|             |   | 275.00     | 13366   | mos     |
|             |   | 828.24     | 14414   | 3 mos   |
|             |   | 191.66     | 14589   | 1 mos   |
| 791-6007235 | Prime Pay Invoices                          | (233.86)   |         | 3 mos   |
| 792-5144532 | Balance from Deposits 10/5/2012             | 100.00     |         |         |
|             | Balance from Deposits 10/22/2012            | 50.00      |         |         |
| 792-3343367 |   | (2,000.00) |         | 5 mos   |
|             |   | (2,000.00) |         | 5 mos   |
|             |   | 3,203.00   |         | 3 mos   |

We recommend following up on these reconciling items, clearing the deposits in transit, looking to see whether the outstanding checks exceeding a year in aging are required to be escheated, and reviewing the other entries.

Petty cash accounts totaling \$1,113 were not audited this cycle.

**INVESTMENTS**

In reviewing investments, all accounts related to investments accounts were selected for audit. A total of \$930,584 was tied back to third-party statements without exception. Investment accounts track both historical data and unrealized gains and losses in market value, which has a net unrealized gain of \$5,540 at June 30, 2014.

The HVIZD Annuity has a balance of \$93,032, which was not selected for audit as the balance has fluctuated less than 3.16% from the June 30, 2013 balance, which was audited.

**PAYROLL**

Quarters 1 and 2 for 2014 have tied between the 941's filed with the IRS and the internal bookkeeping. The rates for all 941 taxes appear reasonable. The wages tie to third-party payroll reports and the detail corresponds to the general ledger. There is a difference

between expected wages and actual wages, which was discussed with Melanie. The difference is due to priest housing allowances, which are not subject to social security and medicare taxes, but they are still recorded as part of the salaries for bookkeeping purposes. The total difference is \$5,158, which is less than 1% of total payroll.

### **1099 TESTING**

The 1099's are filed for the calendar year ending December 31, 2013. 20 1099's were audited such that the supporting documentation, the general ledger and the amount reported to the federal government agreed. These 20 1099's totaled \$155,585, which is 98.88% of the \$158,949 total 1099's. Due to the small-dollar amounts, \$3,364, or 2.12%, was judgmentally not selected for audit.

### **PLANTING GRANTS**

There are six planting grants in progress as of June 30, 2014: Annapolis, MD, Shreveport, LA, Lawrence, KS, Lansing, NY, Cardiff, CA, and San Esteban, Mexico. Spending for the first six months of the year for planting grants has been \$50,667, which is in line with the expected payments for the planting grants outlined and approved. The Cardiff, CA planting grant has a range of \$16,000 to \$24,000, which is why the planting grants have been analyzed for a range of acceptable spending rather than an expectation of a single-value total. The range is within 5% of the expected spending, regardless of which amount is used for the Cardiff, CA grant expenses.

As noted in last year's report, we recommended an updated appraisal of the Chancery, to ensure that replacement cost is adequately covered. We also reiterate our recommendation that a complete inventory of all "sacred art" should be accomplished as soon as practicable.

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, 2013, 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. Melanie Ringa has sent us the reports from Moscow and has also summarized this information for us. Approximately 90% of the income of the church comes from "donations" from the bookstore and rental of commercial space, both of which are in non-profit entities separate and apart from St. Catherine's, and over which we have no jurisdiction. Individual parishoner donations are miniscule.

As noted in last year's audit report, the amount of investments has grown due to some bequests. 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 discussed with Melanie the possibility of the internal auditors assisting with such things as reviewing the bank reconciliations, in order to mitigate the internal control deficiency of lack of separation of duties at the chancery.

The Committee would like to thank the Chancery staff, particularly Melanie Ringa, 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