

**Orthodox Church in America  
Treasurer's Report  
For the period January 1, 2009 through August 31, 2009**

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

Attached is a copy of the Statement of Unrestricted Net Assets (excluding depreciation) Actual vs. Budget for the eight months ended August 31, 2009. As this information will be posted on-line, I would like to offer a few comments to hopefully clarify for the readers at large what has been happening financially over the past eight months and what we anticipate will happen for the rest of 2009 and into 2010.

Financial Statements

As Fr. Matthew Tate and I reported at the Metropolitan Council meeting, we have chosen not to include the other related financial reports such as the Balance Sheet, Statement of Activities and Statement of Cash Flows at this time due to the fact that the Lambrides accounting firm is completing the audit for 2008 and this will affect the opening balances for 2009. The Lambrides accounting firm is currently assisting with an examination of the investment accounts to help us to properly account for the gains and losses for 2008. As soon as they have completed their adjustments we will present these other financial reports. We simply did not feel that it was appropriate at this time to present preliminary figures which we knew would change.

Cash Flow

The single biggest expense outside of payroll has been legal fees. As we discussed, in the original budget for 2009 we budgeted \$150,000. However, as we have already spent approximately \$325,000 through August, we revised the budgeted figure up to \$450,000. With the other budget modifications that we discussed, we should be able to end the year with a modest surplus even with the additional legal expenses. Our projected surplus for 2009 is \$170,867.10. However, it should be noted that from a cash flow perspective we must account for the principal payments on the Honesdale loan, which are approximately \$90,000 per year. In other words, we anticipate that we will end the year with a cash surplus of approximately \$80,867.00

Budget Revisions

The attached report shows the revised budget figures that were discussed for 2009. As a reminder, we took the actual figures through August and projected them out for the rest of 2009. Fortunately the diocesan income has remained fairly constant and we anticipate that the combination of personal contributions as well as diocesan assessment income will actually be approximately \$308,000 above our initial budgeted amount of \$2,237,130. The key budget expense items that were adjusted were increases in salaries related to the metropolitan, travel, legal, postage and auto. We reduced the budgeted expenses for Metropolitan Council travel and strategic planning. These items were

reduced simply because it appeared that the actual amounts to be expended for 2009 were going to be less than originally budgeted, not because of any attempt to minimize their importance.

#### Fellowship of Orthodox Stewards and Departmental Ministries

As a reminder, we agreed at the February 2009 Metropolitan Council meeting that all monies collected for the Fellowship of Orthodox Stewards would be designated specifically for departmental ministries such as Liturgical Worship, Chaplaincy, Evangelization, Pastoral Life and Vocational Development, Youth and Christian Service. Through August we collected \$75,379.10 and our costs associated with printing and mailings was \$15,450.52. Therefore, a net amount of \$59,928.58 will be distributed amongst the various ministries for 2009.

#### Planning for 2010

At our recent meeting we presented some information regarding various budget scenarios for 2010. We reviewed various possible staffing scenarios as well as several what-if scenarios regarding the future of the chancery and the Metropolitan's desire to relocate to Washington. I believe that it bears repeating that nothing definitive was decided. There are many variables that still need to be considered and it is difficult to predict what exactly is going to happen with the economy, future legal matters, church-wide funding, etc. One thing I am certain of though is that the Orthodox Church in America has placed its trust in the very capable financial hands of Ms. Melanie Ringa. Melanie is an exceptional individual and I know that she will be an excellent Treasurer. I assure you that we will work together to make sure that there is a proper transition of information. As I complete my tenure as Treasurer I wish to thank all of you for your patience and understanding, especially His Beatitude and my brother clergy at the chancery.

Respectfully submitted in Christ,

Priest Michael Tassos