

ParenteBeard LLC

St. Tikhon's Orthodox Theological Seminary

Financial Statements
For The Year Ended
June 30, 2009
&
Independent Auditors' Report
&
Additional Information

TABLE OF CONTENTS

	PAGE
INDEPENDENT AUDITORS' REPORT	2
FINANCIAL STATEMENTS:	
STATEMENT OF FINANCIAL POSITION	3
STATEMENT OF ACTIVITIES	4
STATEMENT OF CHANGES IN NET ASSETS	5
STATEMENT OF CASH FLOWS	6
NOTES TO FINANCIAL STATEMENTS	7
ADDITIONAL INFORMATION,	
SCHEDULE OF INSTRUCTIONAL, ADMINISTRATIVE, AND OPERATIONS EXPENSES	18

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying statement of financial position of St. Tikhon's Orthodox Theological Seminary (the "Seminary") as of June 30, 2009, and the related statements of activities, changes in net assets, and cash flows for the year then ended. These financial statements are the responsibility of the Seminary's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of St. Tikhon's Orthodox Theological Seminary as of June 30, 2009, and the changes in its net assets and its cash flows for the year then ended.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying additional information on page 18 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in cursive script that reads "ParenteBeard LLC".

Scranton, Pennsylvania
October 29, 2009

ST. TIKHON'S ORTHODOX THEOLOGICAL SEMINARY

**STATEMENT OF FINANCIAL POSITION
JUNE 30, 2009**

ASSETS

CURRENT ASSETS:

Cash and cash equivalents	\$ 1,445,806
Tuition receivable	32,390
Due from affiliate	4,065
Prepaid expenses	<u>12,247</u>

Total current assets 1,494,508

PROPERTY AND EQUIPMENT, Net 815,587

INVESTMENTS 952,352

TOTAL \$ 3,262,447

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Current portion of long-term debt	\$ 50,000
Accounts payable	5,293
Student deposits	7,056
Payroll taxes payable	<u>8,026</u>

Total current liabilities 70,375

LONG-TERM DEBT 99,903

Total liabilities 170,278

NET ASSETS:

Unrestricted:

Undesignated	854,919
Board designated	<u>403,835</u>

Total unrestricted 1,258,754

Temporarily restricted	442,377
Permanently restricted	<u>1,391,038</u>

Total net assets 3,092,169

TOTAL \$ 3,262,447

See Notes to Financial Statements

ST. TIKHON'S ORTHODOX THEOLOGICAL SEMINARY

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009**

CHANGES IN UNRESTRICTED NET ASSETS:

SUPPORT AND REVENUE:

Contributions	\$ 510,561
Tuition	283,256
Bequests	197,843
Mission choir donations	70,921
Contributed services	35,000
Investment income	31,703
Miscellaneous	<u>5,858</u>

Total support and revenue 1,135,142

EXPENSES:

Instructional	528,444
Administrative	265,344
Operations	184,891
Student services	25,508
Fundraising	19,386
Library	<u>15,543</u>

Total expenses 1,039,116

INCREASE IN UNRESTRICTED NET ASSETS 96,026

CHANGES IN TEMPORARILY RESTRICTED NET ASSETS:

Investment income	59,978
Scholarship contributions	<u>205,715</u>

INCREASE IN TEMPORARILY RESTRICTED NET ASSETS 265,693

INCREASE IN NET ASSETS \$ 361,719

See Notes to Financial Statements

ST. TIKHON'S ORTHODOX THEOLOGICAL SEMINARY

**STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2009**

	TEMPORARILY PERMANENTLY			TOTAL
	UNRESTRICTED	RESTRICTED	RESTRICTED	
NET ASSETS, JUNE 30, 2008	\$ 1,162,728	\$ 176,684	\$ 1,391,038	\$ 2,730,450
INCREASE IN NET ASSETS	<u>96,026</u>	<u>265,693</u>	<u>-</u>	<u>361,719</u>
NET ASSETS, JUNE 30, 2009	<u>\$ 1,258,754</u>	<u>\$ 442,377</u>	<u>\$ 1,391,038</u>	<u>\$ 3,092,169</u>

See Notes to Financial Statements

ST. TIKHON'S ORTHODOX THEOLOGICAL SEMINARY

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2009**

CASH FLOWS FROM OPERATING ACTIVITIES:

Increase in net assets	\$ 361,719
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	39,241
Net realized and unrealized gains on investments	(31,153)
Changes in assets and liabilities:	
Tuition receivable	(6,374)
Prepaid expenses	(12,247)
Due from affiliate	(4,065)
Accounts payable	(34,862)
Deferred revenue	(57,604)
Student deposits	<u>7,056</u>

Net cash provided by operating activities 261,711

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of investments	(913,884)
Proceeds from sale of investments	<u>887,554</u>

Net cash used in investing activities (26,330)

CASH FLOWS FROM FINANCING ACTIVITIES,

Repayment of long-term debt	<u>(47,022)</u>
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INCREASE IN CASH AND CASH EQUIVALENTS 188,359

CASH AND CASH EQUIVALENTS, BEGINNING 1,257,447

CASH AND CASH EQUIVALENTS, ENDING \$1,445,806

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION,

Interest paid	<u><u>\$ 10,622</u></u>
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See Notes to Financial Statements

ST. TIKHON'S ORTHODOX THEOLOGICAL SEMINARY

NOTES TO FINANCIAL STATEMENTS

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF OPERATIONS

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

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

The Seminary evaluated subsequent events for recognition or disclosure through October 29, 2009, the date the financial statements were available to be issued.

USE OF ESTIMATES

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

CASH AND CASH EQUIVALENTS

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

TUITION RECEIVABLE

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

INVESTMENTS AND INVESTMENT RISK

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

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

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

PROPERTY AND EQUIPMENT

Property and equipment acquisitions are recorded at cost. Depreciation is computed using the straight-line method based on the estimated useful life of each classification of depreciable asset. Depreciation was \$39,241 in 2009.

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

TUITION REVENUE RECOGNITION

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

TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS

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

Permanently restricted net assets have been restricted by donors to be maintained by the Seminary in perpetuity. Income earned is unrestricted in use, except for amounts designated to be expended for a particular purpose. The net depreciation of investments classified as permanently restricted reduces unrestricted net assets. Any future gains will be used to restore the cumulative deficiency within unrestricted net assets. Once unrestricted net assets have been fully restored, net appreciation will be recorded within either temporarily or permanently restricted net assets, as required by the donor's restriction.

CONTRIBUTED SERVICES

For the year ended June 30, 2009, the Seminary recorded contributions in the amount of \$35,000, for the services performed by priests in the classroom as part-time uncompensated faculty. These amounts represent the estimated compensation that would have to be paid to a faculty member providing services for compensation at the Seminary's pay scale in effect for that period.

DONOR-RESTRICTED GIFTS

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

INCOME TAXES

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

The Seminary applies the provisions of FASB Statement No. 5, *Accounting for Contingencies*, for recognition of uncertain tax benefits. Accordingly, a provision for uncertain tax positions and related penalties and interest is recognized when it is probable that a liability was incurred and the amount can be reasonably estimated. Critical estimates with respect to income taxes are disclosed when it is at least reasonably possible that a change in estimate will occur in the near term.

NEW ACCOUNTING PRONOUNCEMENTS

In September 2006, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards No. 157, *Fair Value Measurements*, ("SFAS 157") which defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value. The provisions of SFAS 157 relating to financial assets and liabilities are effective for fiscal years beginning after November 15, 2007. The Seminary adopted the provisions of SFAS 157 related to financial assets and liabilities on July 1, 2008 with no effect to its financial position, results of activities or cash flows.

The Seminary adopted Statement of Financial Accounting Standards No. 165, "Subsequent Events" ("SFAS 165") as of June 30, 2009. SFAS 165 established general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. The adoption of SFAS 165 did not have a material effect on the Company's financial statements.

In June 2006, FASB issued FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes – an interpretation of FASB Statement No. 109" ("FIN 48"). FIN 48 clarifies the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribes a recognition threshold of more-likely-than-not to be sustained upon examination by the appropriate taxing authority. Measurement of the tax uncertainty occurs if the recognition threshold has been met. FIN 48 also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, and disclosure. FIN 48 was generally effective for annual periods beginning after December 15, 2007 for nonpublic entities. However, in accordance with FASB FSP FIN 48-3, "Effective Date of FASB Interpretation No. 48 for Certain Nonpublic Enterprises", the Seminary elected to defer the application of FIN 48 until its 2010 fiscal year. The Seminary does not believe the adoption of FIN 48 will have a material effect on its financial statements.

The Seminary also adopted FASB Staff Position FAS 117-1, "Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act, and Enhanced Disclosures for All Endowment Funds" ("FSP FAS 117-1") on July 1, 2008. FSP FAS 117-1 provides guidance on classifying the net assets associated with donor-restricted endowment funds held by organizations that are subject to an enacted version of UPMIFA, which serves as a model act for states to modernize their laws governing donor-restricted endowment funds. FSP FAS 117-1 also requires additional disclosures about endowments (both donor-restricted funds and board-designated funds) for all organizations, including those that are not yet subject to an enacted version of UPMIFA. The adoption of FSP FAS 117-1 did not have a material effect on the Seminary's financial position, changes in net assets, or cash flows.

2. PROPERTY AND EQUIPMENT AND ACCUMULATED DEPRECIATION

Property and equipment and accumulated depreciation as of June 30, 2009 are as follows:

Land	\$ 70,601
Buildings and improvements	1,477,068
Furniture	87,230
Equipment	<u>76,191</u>
Total	1,711,090
Less accumulated depreciation	<u>895,503</u>
Property and equipment, net	<u>\$ 815,587</u>

3. INVESTMENTS AND FAIR VALUE MEASUREMENTS

The composition of investments as of June 30, 2009 is as follows:

Money market	\$677,883
Marketable equity securities	272,503
Mutual funds	<u>1,966</u>
Total	<u><u>\$952,352</u></u>

Investment income for cash and cash equivalents and investments is comprised of the following for the year ended June 30, 2009:

Interest and dividend income	\$ 60,528
Realized and unrealized gains on investments	<u>31,153</u>
Total	<u><u>\$ 91,681</u></u>

As discussed in Note 1, the Seminary adopted SFAS 157 on January 1, 2008. SFAS 157 defines fair value as an exit price representing the amount that would be received to sell an asset or settle a liability in an orderly transaction between market participants. It also establishes a valuation hierarchy for disclosure of the inputs to valuation used to measure fair value. The hierarchy prioritizes the inputs into three broad levels as follows:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; or inputs that are observable for the asset or liability, either directly or indirectly through market corroboration, for substantially the full term of the financial instrument;

Level 3 – Prices or valuation techniques that are unobservable in the market and require significant management judgment or estimation to measure fair value.

A financial asset or liability's classification within the hierarchy is determined based on the lowest level input that is significant to the fair value measurement.

The following table sets forth the Seminary's financial assets measured at fair value on a recurring basis by level within the fair value hierarchy as of June 30, 2009:

<u>DESCRIPTION</u>	<u>TOTAL</u>	<u>LEVEL 1</u>	<u>LEVEL 2</u>	<u>LEVEL 3</u>
Money market	\$677,883	\$677,883	\$ -	\$ -
Marketable equity securities	272,503	272,503		
Mutual funds	<u>1,966</u>	<u>1,966</u>		
Total	<u>\$952,352</u>	<u>\$952,352</u>	<u>\$ -</u>	<u>\$ -</u>

Investments are measured at fair value using unadjusted quoted prices in active markets.

4. LONG-TERM DEBT

Long-term debt consists of the following at June 30, 2009:

Mortgage payable, with interest at 6%. Monthly principal and interest payments of \$4,804 are due through April 2012, collateralized by a first lien on real estate	\$149,903
Less current portion	<u>(50,000)</u>
Long-term debt	<u>\$ 99,903</u>

Scheduled principal repayments for periods subsequent to June 30, 2009 are as follows:

<u>YEARS ENDING JUNE 30:</u>	<u>AMOUNT</u>
2010	\$ 50,000
2011	53,090
2012	<u>46,813</u>
Total	<u>\$149,903</u>

5. PENSION PLAN

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

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

Pension expense was \$37,705 for the year ended June 30, 2009.

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

6. TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS

Temporarily restricted net assets at June 30, 2009 consist of the following:

Restricted for:	
Scholarships	\$ 273,070
General endowments	<u>169,307</u>
Total	<u>\$ 442,377</u>

Permanently restricted net assets at June 30, 2009 consist of the following:

Restricted for:	
Scholarships	\$ 725,087
General endowments	<u>665,951</u>
Total	<u>\$1,391,038</u>

7. ENDOWMENT FUNDS

The Seminary's endowment consists of numerous individual funds established for a variety of purposes and includes both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Seminary has interpreted Pennsylvania law as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Seminary classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment 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 either temporarily restricted or unrestricted net assets based on the existence of donor restrictions or by law.

The Seminary considers various factors in making a determination to appropriate or accumulate donor-restricted endowment funds, including the duration and preservation of the fund, the purposes of the Seminary and the donor-restricted endowment fund, general economic conditions, the possible effect of inflation and deflation, the expected total return from income and the appreciation of investments, the investment policies of the Seminary, and other resources of the Seminary.

The Seminary has adopted 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 Seminary must hold in perpetuity as well as board-designated funds. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce a total return, net of all fees and expenses, equal to or exceeding the spending rate plus the rate of inflation, as measured by the Consumer Price Index while incurring only a reasonable and prudent level of investment risk. Actual returns in any given year may vary from this amount.

To satisfy its long-term rate-of-return objectives, the Seminary 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 Seminary targets a diversified asset allocation to achieve its long-term return objectives within prudent risk constraints.

The Seminary has a policy of appropriating for distribution accumulated income and net appreciation of investments as approved by the Board of Trustees. This policy is consistent with the Seminary's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specific term as well as to provide additional real growth through new gifts and investment return.

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

Endowment net asset composition by type of fund as of June 30, 2009:

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>PERMANENTLY RESTRICTED</u>	<u>TOTAL</u>
Donor-restricted endowment funds	\$ (16,771)	\$442,377	\$1,391,038	\$1,816,644
Board-designated endowment funds	<u>403,835</u>	<u>-</u>	<u>-</u>	<u>403,835</u>
Total endowment funds	<u>\$ 387,064</u>	<u>\$442,377</u>	<u>\$1,391,038</u>	<u>\$2,220,479</u>

Changes in endowment net assets in 2009 were as follows:

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>PERMANENTLY RESTRICTED</u>	<u>TOTAL</u>
Endowment net assets, July 1, 2008	<u>\$437,866</u>	<u>\$ 176,684</u>	<u>\$1,391,038</u>	<u>\$2,005,588</u>
Investment return:				
Investment income	31,162	59,978		91,140
Net realized and unrealized losses	<u>8,158</u>	<u>22,995</u>	<u>-</u>	<u>31,153</u>
Total investment return	<u>39,320</u>	<u>59,978</u>	<u>-</u>	<u>99,298</u>
Contributions	<u>-</u>	<u>205,715</u>	<u>-</u>	<u>205,715</u>
Appropriation of endowment assets for expenditure (spending policy)	<u>(73,351)</u>	<u>-</u>	<u>-</u>	<u>(73,351)</u>
Endowment net assets, June 30, 2009	<u>\$403,835</u>	<u>\$ 442,377</u>	<u>\$1,391,038</u>	<u>\$2,237,250</u>

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 law requires the Seminary to retain as a fund of perpetual duration. In accordance with accounting principles generally accepted in the United States of America, deficiencies of this nature that are reported in unrestricted net assets were \$16,771 as of June 30, 2009. These deficiencies resulted from unfavorable market fluctuations that occurred after the investment of permanently restricted contributions.

8. FUNCTIONAL EXPENSES

The Seminary provides theological teachings to individuals within its geographic area. Expenses related to providing these services for 2009 are as follows (in thousands):

Program services	\$ 755
General and administrative	265
Fundraising	<u>19</u>
Total	<u>\$1,039</u>

8. CONTINGENCIES

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

9. CONCENTRATIONS

The Seminary primarily maintains its cash and investments with financial institutions. The Federal Deposit Insurance Corporation ("FDIC") insures accounts to \$250,000 at each institution. The Seminary generally has cash on deposit in excess of insured amounts.

ST. TIKHON'S ORTHODOX THEOLOGICAL SEMINARY

**SCHEDULE OF INSTRUCTIONAL, ADMINISTRATIVE,
AND OPERATIONS EXPENSES
FOR THE YEAR ENDED JUNE 30, 2009**

INSTRUCTIONAL:

Faculty wages	\$ 292,744
Employee benefits	114,651
Donated services	35,000
Pension	31,482
Travel	30,030
Payroll taxes	24,049
Faculty housing	<u>488</u>

Total instructional \$ 528,444

ADMINISTRATIVE:

Staff wages	\$ 99,958
Automobile	32,132
Professional fees	31,598
Office supplies	19,274
Travel	12,942
Payroll taxes	8,189
Pension	6,223
Conferences	4,940
Equipment lease	4,263
Dues and subscriptions	3,429
Interest	104
Employee benefits	<u>42,292</u>

Total administrative \$ 265,344

OPERATIONS:

Utilities	\$ 65,432
Depreciation	39,241
Insurance	37,806
Repairs and maintenance	19,046
Interest	10,622
Telephone	9,111
Trash removal	<u>3,633</u>

Total operations \$ 184,891

See Notes to Financial Statements