

ST. VLADIMIR'S ORTHODOX THEOLOGICAL SEMINARY
FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2024 AND 2023



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INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the financial statements of St. Vladimir's Orthodox Theological Seminary (the Seminary), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the Seminary's financial statements present fairly, in all material respects, the financial position of the Seminary as of June 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Seminary and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Matter

The financial statements of the Seminary as of June 30, 2023, were audited by Ronald Blue & Co. CPAs whose partners and professional staff joined CliftonLarsonAllen LLP as of May 1, 2024, and has subsequently ceased operations. Ronald Blue & Co. CPAs' report dated January 4, 2024, expressed an unmodified opinion on those statements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Seminary's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Seminary's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Seminary's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.



CliftonLarsonAllen LLP

Irvine, California
February 12, 2025

ST. VLADIMIR'S ORTHODOX THEOLOGICAL SEMINARY
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2024 AND 2023

	2024	2023
ASSETS		
Cash and Cash Equivalents	\$ 153,048	\$ 2,755,273
Accounts Receivable, Net	266,695	473,400
Pledges and Grants Receivable, Net	-	27,971
Inventory	929,355	750,065
Prepaid Expenses	732	8,935
Cash Surrender Value of Life Insurance	193,328	193,328
Endowment Investments	13,390,995	12,103,130
Property and Equipment, Net	8,901,404	9,355,209
Total Assets	\$ 23,835,557	\$ 25,667,311
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	\$ 386,463	\$ 380,975
Accrued Expenses	25,800	94,665
Deferred Revenue	-	22,044
Total Liabilities	412,263	497,684
NET ASSETS		
Without Donor Restrictions	3,573,010	6,030,311
With Donor Restrictions	19,850,284	19,139,316
Total Net Assets	23,423,294	25,169,627
Total Liabilities and Net Assets	\$ 23,835,557	\$ 25,667,311

See accompanying Notes to Financial Statements.

ST. VLADIMIR'S ORTHODOX THEOLOGICAL SEMINARY
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Contributions	\$ 1,530,074	\$ 750,525	\$ 2,280,599
Endowment and Investment Gain (Loss), Net	93,127	1,188,390	1,281,517
Tuition and Fees, Net	360,890	-	360,890
Grant Income	12,315	-	12,315
Auxiliary Enterprises	2,597,085	-	2,597,085
Net Assets Released from Restriction	1,227,947	(1,227,947)	-
Total Support and Revenue	5,821,438	710,968	6,532,406
EXPENSES			
Program Activities:			
Academic and Student Services	3,254,090	-	3,254,090
Public Service	175,817	-	175,817
Auxiliary Enterprises	2,040,744	-	2,040,744
Total Program Expenses	5,470,651	-	5,470,651
Supporting Activities:			
General and Administrative	1,858,413	-	1,858,413
Fundraising	949,675	-	949,675
Total Supporting Activities	2,808,088	-	2,808,088
Total Expenses	8,278,739	-	8,278,739
CHANGE IN NET ASSETS	(2,457,301)	710,968	(1,746,333)
Net Assets - Beginning of Year	6,030,311	19,139,316	25,169,627
NET ASSETS - END OF YEAR	\$ 3,573,010	\$ 19,850,284	\$ 23,423,294

See accompanying Notes to Financial Statements.

ST. VLADIMIR'S ORTHODOX THEOLOGICAL SEMINARY
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Contributions	\$ 2,411,423	\$ 745,092	\$ 3,156,515
Endowment and Investment Gain (Loss), Net	61,042	966,786	1,027,828
Tuition and Fees, Net	286,453	-	286,453
Grant Income	147,401	1,000,000	1,147,401
Auxiliary Enterprises	2,281,627	-	2,281,627
Change in Cash Surrender Value of Life Insurance	20,122	-	20,122
Net Assets Released from Restriction	1,106,177	(1,106,177)	-
Total Support and Revenue	6,314,245	1,605,701	7,919,946
EXPENSES			
Program Activities:			
Academic and Student Services	2,362,906	-	2,362,906
Public Service	191,338	-	191,338
Auxiliary Enterprises	2,167,951	-	2,167,951
Total Program Expenses	4,722,195	-	4,722,195
Supporting Activities:			
General and Administrative	1,751,526	-	1,751,526
Fundraising	1,220,406	-	1,220,406
Total Supporting Activities	2,971,932	-	2,971,932
Total Expenses	7,694,127	-	7,694,127
CHANGE IN NET ASSETS	(1,379,882)	1,605,701	225,819
Net Assets - Beginning of Year	7,410,193	17,533,615	24,943,808
NET ASSETS - END OF YEAR	\$ 6,030,311	\$ 19,139,316	\$ 25,169,627

See accompanying Notes to Financial Statements.

ST. VLADIMIR'S ORTHODOX THEOLOGICAL SEMINARY
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2024

	Program Activities			Supporting Activities		Total
	Academic and Student Services	Public Service	Auxiliary Enterprises	General and Administrative	Fundraising	
Advertising Expense	\$ -	\$ 21,473	\$ 112,852	\$ 60,431	\$ -	\$ 194,756
Bad Debt	445,745	-	-	-	-	445,745
Bank Service Charges	4,095	1	7,447	722	5,743	18,008
Books and Subscription	41,330	-	17,235	17,232	6,576	82,373
Depreciation Expense	269,404	26,940	161,641	59,268	21,552	538,805
Dues and Fees	3,192	69	1,292	11,940	232	16,725
Facilities, Repairs, and Maintenance	299,465	24,956	173,681	-	-	498,102
Food Services	188,277	4,191	26,685	21,563	3,353	244,069
Other Expenses	86,477	823	70,294	(146,985)	1,234.00	11,843
Postage and Shipping	1,333	-	156,077	4,388	3,767	165,565
Professional and Consulting	9,788	6,880	32,010	201,866	1,850	252,394
Publications Cost	2,786	-	397,981	358	154,648	555,773
Salaries and Benefits	1,803,942	86,524	844,715	1,067,459	677,142	4,479,782
Seminars, Conference, and Honorar	1,158	-	6,396	289	15,142	22,985
Service Contracts	16,197	747	56,514	23,492	597	97,547
Supplies	21,716	742	8,846	29,563	7,523	68,390
Technology and Equipment	30,899	1,882	14,109	291,003	8,255	346,148
Travel, Meals, and Entertainment	113,961	589	21,190	61,928	42,061	239,729
Total Expenses	<u>\$ 3,339,765</u>	<u>\$ 175,817</u>	<u>\$ 2,108,965</u>	<u>\$ 1,704,517</u>	<u>\$ 949,675</u>	<u>\$ 8,278,739</u>

See accompanying Notes to Financial Statements.

ST. VLADIMIR'S ORTHODOX THEOLOGICAL SEMINARY
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2023

	Program Activities			Supporting Activities		Total
	Academic and Student Services	Public Service	Auxiliary Enterprises	General and Administrative	Fundraising	
Advertising Expense	\$ -	\$ 9,204	\$ 77,149	\$ -	\$ 26,491	\$ 112,844
Bad Debt	(7,537)	-	-	-	4,958	(2,579)
Bank Service Charges	11,861	3	21,571	2,091	16,636	52,162
Books and Subscription	52,740	-	52,137	20,034	8,110	133,021
Depreciation Expense	302,852	30,285	181,711	66,627	24,228	605,703
Dues and Fees	3,803	6	833	19,145	225	24,012
Facilities, Repairs, and Maintenance	328,026	27,336	190,404	-	-	545,766
Food Services	7,694	-	227,834	-	-	235,528
Other Expenses	8,421	225	7,150	23,836	1,214	40,846
Postage and Shipping	997	-	116,679	3,281	2,816	123,773
Professional and Consulting	68,153	7,160	50,488	480,407	172,738	778,946
Publications Cost	3,242	-	509,916	416	179,922	693,496
Salaries and Benefits	1,386,778	111,669	641,350	829,013	700,453	3,669,263
Seminars, Conference, and Honorar	3,148	-	16,611	1,175	38,300	59,234
Service Contracts	70,387	3,599	44,600	113,248	2,879	234,713
Supplies	33,243	1,136	13,542	45,256	11,516	104,693
Technology and Equipment	2,921	67	477	105,262	2,286	111,013
Travel, Meals, and Entertainment	86,177	648	15,499	41,735	27,634	171,693
Total Expenses	\$ 2,362,906	\$ 191,338	\$ 2,167,951	\$ 1,751,526	\$ 1,220,406	\$ 7,694,127

See accompanying Notes to Financial Statements.

ST. VLADIMIR'S ORTHODOX THEOLOGICAL SEMINARY
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (1,746,333)	\$ 225,819
Adjustments to Reconcile Change in Net Assets to		
Net Cash Provided (Used) by Operating Activities:		
Depreciation	538,805	605,703
Realized and Unrealized (Gain) Loss on Investments	(876,035)	(664,157)
Bad Debt	445,745	(2,579)
Contributions Restricted for Endowments	(173,806)	(366,308)
Changes in Operating Assets and Liabilities:		
Accounts Receivable, Net	(239,040)	(211,803)
Pledges and Grants Receivable, Net	27,971	1,035,108
Inventory	(179,290)	12,736
Prepaid Expenses	8,203	25,822
Cash Surrender Value of Life Insurance	-	20,122
Accounts Payable and Accrued Expenses	(63,377)	(296)
Deferred Revenue	(22,044)	(221,272)
Net Cash Provided (Used) by Operating Activities	(2,279,201)	458,895
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash Proceeds from Investments	3,526,962	2,375,790
Cash Deployed for Investments	(3,938,792)	(374,824)
Acquisition of Property and Equipment	(85,000)	(104,595)
Net Cash Provided (Used) by Investing Activities	(496,830)	1,896,371
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Restricted Endowment Contributions	173,806	366,308
Net Cash Provided by Financing Activities	173,806	366,308
NET CHANGE IN CASH AND CASH EQUIVALENTS	(2,602,225)	2,721,574
Cash and Cash Equivalents - Beginning of Year	2,755,273	33,699
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 153,048	\$ 2,755,273

There was no cash paid for interest or income taxes during the years ended June 30, 2024 and 2023.

There were no noncash investing or financing activities during the years ended June 30, 2024 and 2023.

See accompanying Notes to Financial Statements.

ST. VLADIMIR'S ORTHODOX THEOLOGICAL SEMINARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Seminary is an educational institution chartered and approved by the Board of Regents of the University of the State of New York and accredited nationally by the Association of Theological Schools. The Seminary's two-fold mission is to adequately prepare educated clergy and leaders to serve the Orthodox faithful in this country and abroad, and to promote study and research in Orthodox theology, history and culture. The Seminary's primary sources of revenue are tuition and related fees, charitable contributions, investment earnings and income from auxiliary enterprises (including student housing and food service income and seminary press and bookstore sales).

Principles of Accounting Policies

The significant accounting policies followed are presented to assist the reader in understanding the financial statements of St. Vladimir's Orthodox Theological Seminary (the Seminary). The financial statements and notes are representations of the Seminary's management, which is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America (U.S. GAAP) and have been consistently applied in the preparation of the financial statements.

Basis of Accounting

The Seminary's financial statements have been prepared on the accrual basis of accounting in accordance with U.S. GAAP and, accordingly, reflect all significant receivables, payables, and other liabilities.

Cash, Cash Equivalents, and Restricted Cash

We consider all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. Cash and highly liquid financial instruments restricted to building projects, endowments that are perpetual in nature, or other long-term purposes are excluded from this definition.

Accounts Receivable and Allowance for Credit Losses

Accounts receivable primarily represents the balance of student tuition charges and other miscellaneous charges owed to the Seminary, as well as balances owed by customers on press/bookstore sales. The Seminary uses historical loss information based on aging of receivables as the basis to determine expected credit losses for receivables. A loss rate is developed for each risk category based on aging. Management believes the composition of receivables at year-end is consistent with historical conditions as credit terms and practices and the customer base has not changed significantly. At June 30, 2024 and 2023, the allowance for estimate of expected credit losses was \$46,125 and \$46,125, respectively.

ST. VLADIMIR'S ORTHODOX THEOLOGICAL SEMINARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable and Allowance for Credit Losses (Continued)

Changes in the allowance for credit losses for the years ended June 30, 2024 were as follows:

	2024	2023
Balance - Beginning of the Year	\$ 46,125	\$ 55,313
Current Period Provision for Expected Credit Losses	445,745	-
Direct Write-Downs Charged Against the Allowance	(445,745)	-
Recoveries of Amounts Previously Charged Off	-	(9,188)
Balance - End of Year	\$ 46,125	\$ 46,125

Receivables from contracts with customers are reported as accounts receivable, net in the accompanying statements of financial position. Contract liabilities are reported as deferred revenue in the accompanying statements of financial position.

Pledges and Grants Receivable

Unconditional promises to give are included in the financial statements as pledges receivable and revenue of the appropriate net asset category. Pledges and grants that are expected to be collected within one year are recorded at net realizable value. Pledges and grants that are expected to be collected in future years are recorded at the present value of their estimated future cash flows, using a risk adjusted discount rate of 3%. An allowance for pledges and grants receivable is provided based upon management's judgement, including such factors as prior collection history, type of contribution and nature of fundraising activity. As of June 30, 2024 and 2023, management believes all pledges and grants are fully collectable.

Inventory

The Seminary's bookstore inventory consists primarily of publications and is stated at the lower of cost or net realizable value utilizing the first-in, first-out method.

Property and Equipment

We record property and equipment additions over \$5,000 at cost, or if donated, at fair value on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets ranging from 5 to 40 years, or in the case of capitalized leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

We review the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the years ended June 30, 2024 and 2023.

ST. VLADIMIR'S ORTHODOX THEOLOGICAL SEMINARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

We record investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment return/(loss) is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Revenue and Revenue Recognition

The Seminary recognizes revenue from tuition and fees over time as the performance obligation of administering the educational curriculum are met through the duration of the schoolyear. Need-based institutional aid, in the form of scholarships and financial aid, includes amounts funded by the institution as well as by gifts, and reduces the published price of tuition for students receiving such aid. As such, institutional aid is referred to as a tuition discount and represents the difference between the stated charge for tuition and fees and the amount that is billed to the student and/or third parties making payments on behalf of the student. Tuition and fees are presented net of discounts in the statements of activities.

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a benefit interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met. Revenue is recognized when earned.

Auxiliary enterprises include fees for student housing and food services. Revenue is recognized over the period that performance obligations of providing housing and food services are met through the schoolyear. Auxiliary enterprises also include bookstore sales, which is recognized at the point a sale is completed and goods transferred to the customer.

ST. VLADIMIR'S ORTHODOX THEOLOGICAL SEMINARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Grant Income

Grant income consists of government and private grants made to the Seminary. There were no grants received during the year ended June 30, 2024. During the year ended June 30, 2023, the Seminary received a restricted grant award totaling \$1,000,000 from a private foundation to support the fund for Compelling Preaching.

Donated Services and In-Kind Contributions

Contributed nonfinancial assets include donated professional services, donated equipment, and other in-kind contributions which are recorded at the respective fair values of the goods or services received. We do not sell donated gifts-in-kind. In addition to contributed nonfinancial assets, volunteers contribute significant amounts of time to program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation. No significant contributions of such goods or services were received during the years ended June 30, 2024 and 2023, respectively.

Advertising Costs

The Seminary records advertising expenses when incurred. Advertising expense was \$194,756 and \$112,844 for the years ended June 30, 2024 and 2023, respectively.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Certain expenses are allocated on a basis of square footage, such as occupancy, depreciation, and amortization. Other expenses are allocated on a basis of time and effort, such as salaries and wages, benefits, payroll taxes, professional services, office expenses, information technology, interest, and insurance.

Income Taxes

The Seminary is exempt from Federal and New York income tax under Internal Revenue Code (IRC) section 501(c)(3). The Seminary is subject, however, to Federal and New York income tax on unrelated business income. During the years ended June 30, 2024 and 2023, the Seminary had no activities unrelated to its exempt purpose, and therefore incurred no tax liability due to unrelated business income. The Seminary does not believe its financial statements include (or reflect) any uncertain tax positions.

ST. VLADIMIR'S ORTHODOX THEOLOGICAL SEMINARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimates

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

Change in Accounting Principle

The Seminary has adopted ASU 2016-13, Financial Instruments – Credit Losses (Topic 326): *Measurement of Credit Losses on Financial Instruments*, as amended, which modifies the measurement of expected credit losses. The Seminary adopted this new guidance utilizing the modified retrospective transition method. The adoption of this Standard did not have a material impact on the Seminary's financial statements but did change how the allowance for credit losses is determined.

NOTE 2 LIQUIDITY AND AVAILABILITY

As part of liquidity management, the Seminary has adopted a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Due to operating result in prior years, the Seminary has internally borrowed funds for operations from the Seminary's endowment assets, thus causing the year end liquidity position to be negative. See Note 9 for additional information related to the Seminary's endowment and borrowing.

Financial assets available for general expenditure within one year consisted of the following at June 30:

	<u>2024</u>	<u>2023</u>
Total Cash and Cash Equivalents	\$ 153,048	\$ 2,755,273
Investments	13,390,995	12,103,130
Accounts Receivable, Net	266,695	473,400
Pledges and Grants Receivable, Net	-	27,971
Total Financial Assets	<u>13,810,738</u>	<u>15,359,774</u>
Contractual or Donor-Imposed Restrictions:		
Donor Contribution with Purpose Restrictions	<u>19,850,284</u>	<u>19,139,316</u>
Total Contractual or Donor-Imposed Restrictions	<u>19,850,284</u>	<u>19,139,316</u>
Financial Assets Needed for General Expenditures Within One Year	<u>\$ (6,039,546)</u>	<u>\$ (3,779,542)</u>

ST. VLADIMIR'S ORTHODOX THEOLOGICAL SEMINARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 3 PLEDGES AND GRANTS RECEIVABLE, NET

Pledges and grants receivable consisted of the following as of June 30:

	2024	2023
Due in Less than One Year	\$ -	\$ 27,971
Due in One to Five Years	-	-
Pledges and Grants Receivable, Net	\$ -	\$ 27,971

NOTE 4 FAIR VALUE MEASUREMENTS AND DISCLOSURES

We report certain assets at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that we can access at the measurement date.

Level 2— Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 - Unobservable inputs for the asset or liability. In these situations, we develop inputs using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to our assessment of the quality, risk, or liquidity profile of the asset or liability.

ST. VLADIMIR'S ORTHODOX THEOLOGICAL SEMINARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 5 INVESTMENTS

The following table sets forth the Seminary's investment assets, by level within the fair value hierarchy, at June 30:

	2024			
	Level 1	Level 2	Level 3	Total
Investments:				
Cash and Money Market Funds	\$ -	\$ -	\$ -	\$ 621,762
Equity Securities	2,649,963	-	-	2,649,963
Fixed Income	2,157,259	-	-	2,157,259
Mutual Funds and ETFs	7,962,011	-	-	7,962,011
Total Investments	<u>\$ 12,769,233</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,390,995</u>
	2023			
	Level 1	Level 2	Level 3	Total
Investments:				
Cash and Money Market Funds	\$ -	\$ -	\$ -	\$ 482,289
Equity Securities	1,939,199	-	-	1,939,199
Fixed Income	1,098,403	-	-	1,098,403
Mutual Funds and ETFs	8,327,716	-	-	8,327,716
Limited Partnership	-	5,523	-	5,523
Other Investments	-	-	250,000	250,000
Total Investments	<u>\$ 11,365,318</u>	<u>\$ 5,523</u>	<u>\$ 250,000</u>	<u>\$ 12,103,130</u>

Endowment and investment income was comprised of the following for the years ended June 30:

	2024	2023
Interest and Dividends	\$ 454,424	\$ 430,944
Realized and Unrealized Gains (Losses)	876,035	664,157
Investment Fees	(48,942)	(67,273)
Endowment and Investment Income (Loss), Net	<u>\$ 1,281,517</u>	<u>\$ 1,027,828</u>

NOTE 6 PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30:

	2024	2023
Land	\$ 698,340	\$ 698,340
Land Improvements	649,602	649,602
Building and Improvements	19,898,021	19,813,021
Library Books and Media	1,667,723	1,667,723
Furniture and Equipment	1,030,650	1,030,650
Vehicles	61,694	61,694
Total Property and Equipment	24,006,030	23,921,030
Less: Accumulated Depreciation	(15,104,626)	(14,565,821)
Total Property and Equipment, Net	<u>\$ 8,901,404</u>	<u>\$ 9,355,209</u>

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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 7 LINE OF CREDIT

The Seminary has available an open-ended margin loan, with no fixed maturity date, from its primary brokerage firm. The maximum available funds for borrowing were approximately \$3,022,000 and \$2,990,000 at June 30, 2024 and 2023, respectively. Interest rates are variable based on the outstanding balance of the loan ranging from 11.75% to 13.57% and 11.50% to 13.32% at June 30, 2024 and 2023, respectively. The loan is secured by the value of a specified investment account held at the brokerage. There were no outstanding borrowings on this line of credit as of June 30, 2024 and 2023.

NOTE 8 NET ASSETS

Net assets consisted of the following at June 30:

	<u>2024</u>	<u>2023</u>
Net Assets without Donor Restrictions:		
Undesignated	\$ 2,456,404	\$ 4,981,890
Board Designated for Endowment	<u>1,116,606</u>	<u>1,048,421</u>
Total Net Assets without Donor Restrictions	3,573,010	6,030,311
Net Assets with Donor Restrictions:		
Restricted by Time or Purpose:		
Scholarship and Student Aid	141,496	77,156
Pledges and Grants Receivable, Net	-	27,971
Chapel Renovations	37,058	35,125
Pathways for Tomorrow and Compelling Preaching	1,926,447	1,899,465
Other Funds	<u>49,660</u>	<u>49,660</u>
Total Restricted by Time or Purpose	2,154,661	2,089,377
Endowment or Appropriated:		
Endowment Funds Restricted for Purpose	4,230,900	3,759,022
Endowment Funds Restricted in Perpetuity	<u>13,464,724</u>	<u>13,290,917</u>
Total Endowment or Appropriated	<u>17,695,624</u>	<u>17,049,939</u>
 Total Net Assets with Donor Restrictions	<u>19,850,285</u>	<u>19,139,316</u>
 Total Net Assets	<u>\$ 23,423,295</u>	<u>\$ 25,169,627</u>

NOTE 9 ENDOWMENTS

The Seminary maintains various donor restricted and board designated funds for the purpose of long-term support for programs. In accordance with accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions as specified in Note 1.

ST. VLADIMIR'S ORTHODOX THEOLOGICAL SEMINARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 9 ENDOWMENTS (CONTINUED)

In classifying such funds for financial statement purposes as either net assets with donor restrictions or net assets without donor restrictions, the Seminary looks to the explicit directions of the donor where applicable and the provisions of the laws of the State of New York. The Seminary classifies as net assets with donor restrictions required to be held in perpetuity (a) the original value of the 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 net assets with donor restrictions required to be held in perpetuity is classified as net assets with donor restrictions subject to the Seminary's spending policy and appropriation until those amounts are appropriated for expenditure by the Seminary.

The Seminary 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 purpose of the Seminary and the donor-restricted endowment fund,
3. General economic conditions,
4. The possible effect of inflation or deflation,
5. The expected total return from income and appreciation of investments,
6. Other resources of the Seminary, and
7. The investment policies of the Seminary.

The Board of Trustees of the Seminary, acting through its Investment Committee, has established an endowment spending policy to support the current level of income needed from the endowment, while sustaining the long-term purchasing power of the endowment assets. The Seminary utilizes a total return investment approach with its asset allocation diversified over multiple asset classes and sub-classes. Endowment return objectives are to exceed composite benchmark results of approximately 9% over the long-term with a moderate level of risk. In order to achieve this objective, the Seminary follows the strategy of weighing the asset allocation to higher yielding asset classes, including equities and alternative investments with marginally higher risk characteristics. The total return objective includes the funding of both the current year spending rate amount and the amount required to be retained pursuant to the Seminary's interpretation of State law.

ST. VLADIMIR'S ORTHODOX THEOLOGICAL SEMINARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 9 ENDOWMENTS (CONTINUED)

Endowment net assets by fund consist of the following as of June 30:

June 30, 2024	Without Donor Restrictions	With Donor Restrictions		
		Purpose	Perpetual	Total
Quasi Endowments	\$ 1,116,606	\$ -	\$ -	\$ 1,116,606
Scholarship Endowments	-	1,477,068	5,264,245	6,741,313
Other Endowments	-	2,753,832	8,200,479	10,954,311
Total	<u>\$ 1,116,606</u>	<u>\$ 4,230,900</u>	<u>\$ 13,464,724</u>	<u>\$ 18,812,230</u>

June 30, 2023	Without Donor Restrictions	With Donor Restrictions		
		Purpose	Perpetual	Total
Quasi Endowments	\$ 1,048,421	\$ -	\$ -	\$ 1,048,421
Scholarship Endowments	-	1,313,157	5,093,915	6,407,072
Other Endowments	-	2,445,865	8,197,002	10,642,867
Total	<u>\$ 1,048,421</u>	<u>\$ 3,759,022</u>	<u>\$ 13,290,917</u>	<u>\$ 18,098,360</u>

Changes in endowment net assets are comprised of the following as of June 30:

June 30, 2024	Without Donor Restrictions	With Donor Restrictions		
		Purpose	Perpetual	Total
Endowment Net Assets - Beginning of Year	\$ 1,048,421	\$ 3,759,022	\$ 13,290,917	\$ 18,098,360
Contributions	600	-	173,807	174,407
Investment Income, Net	87,435	1,188,390	-	1,275,825
Amounts Appropriated for Expenditure	<u>(19,849)</u>	<u>(716,513)</u>	<u>-</u>	<u>(736,362)</u>
Endowment Net Assets - End of Year	<u>\$ 1,116,607</u>	<u>\$ 4,230,899</u>	<u>\$ 13,464,724</u>	<u>\$ 18,812,230</u>

June 30, 2023	Without Donor Restrictions	With Donor Restrictions		
		Purpose	Perpetual	Total
Endowment Net Assets - Beginning of Year	\$ 1,002,933	\$ 3,138,298	\$ 13,009,817	\$ 17,151,048
Contributions	-	85,208	281,100	366,308
Investment Income, Net	61,042	966,786	-	1,027,828
Amounts Appropriated for Expenditure	<u>(15,554)</u>	<u>(431,270)</u>	<u>-</u>	<u>(446,824)</u>
Endowment Net Assets - End of Year	<u>\$ 1,048,421</u>	<u>\$ 3,759,022</u>	<u>\$ 13,290,917</u>	<u>\$ 18,098,360</u>

ST. VLADIMIR'S ORTHODOX THEOLOGICAL SEMINARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 9 ENDOWMENTS (CONTINUED)

Endowment assets consisted of the following at June 30:

	<u>2024</u>	<u>2023</u>
Investments	\$ 13,390,995	\$ 12,103,130
Loan to Operations from Endowment Pool		
Investments to Fund:		
Deb Repayment	2,639,504	2,639,504
Operating Needs	<u>2,781,731</u>	<u>3,355,726</u>
Total Endowment Assets	<u>\$ 18,812,230</u>	<u>\$ 18,098,360</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 requires the Seminary to retain as a fund of perpetual duration. A summary of underwater endowments is below. The primary reason for the deficits is a use of endowment assets by the Seminary to fund debt repayment and operating needs in a prior year of financial hardship. The Seminary plans to repay its borrowings over the next three years through budget surplus.

	<u>2024</u>	<u>2023</u>
Number of Individual Endowment Funds Underwater	19	21
Original Gift Value of Individual Endowment Funds Underwater	\$ 2,080,106	\$ 2,479,606
Less: Fair Market Value of Individual Endowment Funds Underwater	<u>(1,125,846)</u>	<u>(2,098,806)</u>
Total Value of Underwater Endowments	<u>\$ 954,260</u>	<u>\$ 380,800</u>

NOTE 10 MULTI-EMPLOYER PENSION PLAN

The Seminary participates in the Orthodox Church in America Pension Plan (the Plan), which is a multi- employer plan. The Plan provides defined benefits with participation available to all full-time employees. The Seminary contributes 14.00% of each employee's salary and the employee contributes 6.00%. Substantially all full-time employees participate in the Plan. This multi-employer plan, administered by the pension board of the Orthodox Church in America, is a contributory plan, and provides defined benefits based on years of service and remuneration near retirement.

The risks of participating in this multi-employer plan differ from single-employer plans in the following aspects:

1. Assets contributed to the Plan by one employer may be used to provide benefits to employees of other participating employers;
2. If a participating employer stops contributing to the Plan, the unfunded obligations of the Plan may be borne by the remaining participating employers;
3. If the Seminary 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.

ST. VLADIMIR'S ORTHODOX THEOLOGICAL SEMINARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 10 MULTI-EMPLOYER PENSION PLAN (CONTINUED)

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 services 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 Seminary's required contributions to the Plan, was \$335,790 and \$169,504 for the years ended June 30, 2024 and 2023, respectively. The contribution made by the Seminary represented approximately 8.2% and 5.1% for the years ended June 30, 2024 and 2023, respectively, of the total contributions made to the Plan. To the extent the Plan is underfunded, future contributions to the Plan may increase. The Seminary has no intention of withdrawing from the Plan.

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 most recent available data from the Plan is for the Plan year ended December 31, 2023. Information as to the portion of accumulated pension plan benefits and plan assets is not reported separately by the Church's sponsored pension plan.

Contributions to the Plan by all participations for the Plan year ended December 31:

	<u>FEIN</u>	<u>2023</u>	<u>2022</u>
Orthodox Church in America Pension Plan	06-1455789	<u>\$ 4,090,066</u>	<u>\$ 3,301,281</u>

As of the Plan years ending December 31, 2023 and 2022, the Plan's total net assets available for benefits was \$24,659,254 and \$22,712,519, respectively, and the actuarial present value of accumulated Plan benefits was \$60,974,031 and \$59,649,213, respectively. As of Plan years ending December 31, 2023 and 2022, the Plan was less than 45% and 40% funded, respectively.

NOTE 11 RISKS AND UNCERTAINTIES

In the ordinary course of business, the Seminary may become involved in various legal proceedings and maintains adequate counsel in order to mitigate risks and losses. As of the date of the financial statements were available to be issued, the Seminary was preparing to engage in mediation related to an ongoing legal matter. Mediation has not commenced and a settlement amount has not been determined and is not reasonably estimable, therefore no accrual has been made.

NOTE 12 SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 12, 2025, the date on which the financial statements were available to be issued.



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