

Assembly of Canonical Orthodox Bishops

Audited Financial Statements

Year Ended December 31, 2022

Assembly of Canonical Orthodox Bishops

Audited Financial Statements

Year Ended December 31, 2022

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Beerman, Piper & Associates, LLC

811 Boyd Avenue, Pittsburgh, Pa. 15238

Certified Public Accountants

412-826-8600

Independent Auditors' Report

To the Board of Directors
Assembly of Canonical Orthodox Bishops
New York, New York

Opinion

I have audited the accompanying financial statements of the Assembly of Canonical Orthodox Bishops (a nonprofit organization), which comprise the statement of assets and net assets—cash basis as of December 31, 2022, and the related statements of revenues, expenses, and changes in net assets—cash basis, and functional expenses—cash basis for the year then ended, and the related notes to the financial statements.

In my opinion, the accompanying financial statements present fairly, in all material respects, the net assets of the Assembly of Canonical Orthodox Bishops as of December 31, 2022, and its revenues and expenses for the year then ended in accordance with the cash basis of accounting as described in Note 2.

Basis for Opinion

I conducted my audit in accordance with auditing standards generally accepted in the United States of America (GAAS). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the Assembly of Canonical Orthodox Bishops and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Basis of Accounting

I draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. My opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting as described in Note 2; this includes determining that the cash basis of accounting is an acceptable basis for the presentation of the financial statements in the circumstances. Management is also responsible for the design, implementation,

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and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my opinion. Reasonable assurance is a high level of assurance, but not absolute assurance, and therefore is not a guarantee that an audit conducted in accordance with Generally Accepted Auditing Standards (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, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

In performing an audit in accordance with GAAS, I:

- 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 Assembly of Canonical Orthodox Bishops' 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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Assembly of Canonical Orthodox Bishops' ability to continue as a going concern for a reasonable period of time.

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I am 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 I identified during the audit.

Beerman, Piper and Associates, LLC

Pittsburgh, Pennsylvania
June 13, 2023

Assembly of Canonical Orthodox Bishops
Statement of Assets and Net Assets—Cash Basis

December 31, 2022

Assets

| | |
|---------------------------|------------|
| Cash and cash equivalents | \$ 173,879 |
|---------------------------|------------|

| | |
|---------------------|-------------------|
| Total assets | \$ 173,879 |
|---------------------|-------------------|

Net assets

| | |
|----------------------------|------------|
| Without donor restrictions | \$ 147,804 |
|----------------------------|------------|

| | |
|-------------------------|--------|
| With donor restrictions | 26,075 |
|-------------------------|--------|

| | |
|-------------------------|-------------------|
| Total net assets | \$ 173,879 |
|-------------------------|-------------------|

See accompanying notes and independent auditors' report.

Assembly of Canonical Orthodox Bishops

Statement of Revenues, Expenses, and Changes in Net Assets—Cash Basis

Year Ended December 31, 2022

| | Without Donor Restriction | With Donor Restriction | Total |
|--------------------------------------|------------------------------|---------------------------|------------|
| Revenues | | | |
| Grants and contributions | \$ 97,580 | \$ 13,029 | \$ 110,609 |
| Net assets released from restriction | 7,462 | (7,462) | - |
| Total revenue and support | 105,042 | 5,567 | 110,609 |
| Expenses | | | |
| Program services | 74,301 | - | 74,301 |
| Management and general | 20,354 | - | 20,354 |
| Fundraising | 3,401 | - | 3,401 |
| Total expenses | 98,056 | - | 98,056 |
| Increase in net assets | 6,986 | 5,567 | 12,553 |
| Net assets at beginning of year | 140,818 | 20,508 | 161,326 |
| Net assets at end of year | \$ 147,804 | \$ 26,075 | \$ 173,879 |

See accompanying notes and independent auditors' report.

Assembly of Canonical Orthodox Bishops

Statement of Functional Expenses—Cash Basis

Year Ended December 31, 2022

| | Program Services | Management and General | Fundraising | Total |
|-----------------------------------|---------------------|---------------------------|-------------|-----------|
| Contracted director of operations | \$ 39,000 | \$ 18,000 | \$ 3,000 | \$ 60,000 |
| Office expenses | 820 | 293 | 58 | 1,171 |
| Insurance | 4,466 | 2,061 | 343 | 6,870 |
| Committees | 14,265 | - | - | 14,265 |
| Jurisdictional conferences | 6,655 | - | - | 6,655 |
| Lodging | 9,095 | - | - | 9,095 |
| Total | \$ 74,301 | \$ 20,354 | \$ 3,401 | \$ 98,056 |

See accompanying notes and independent auditors' report.

Assembly of Canonical Orthodox Bishops

Notes to Financial Statements

Year ended December 31, 2022

Note 1—Nature of Business and Operations

The Assembly of Canonical Orthodox Bishops of the United States of America (Assembly of Canonical Orthodox Bishops) is a not-for-profit organization serving to bring the clergy, monastics, and laity closer to Christ and each other, in bringing together the Orthodox Christian hierarchy. The purpose of the Organization is to preserve and contribute to the unity of the Orthodox Church in the United States of America by furthering the Church's spiritual, theological, ecclesiological, canonical, educational, missionary, and philanthropic aims. The Organization achieves its goals through committees, working groups, task forces, and engaging consultants. These bodies create and foster programs, resources, and research, including Mental Health Ministries, Inter-Parish Associations, directories – such as parish, monastic communities, mental health professionals, camps, etc. – and demographic and interest studies. The Bishops oversee the work which is carried out through the office of the Director of Operations. As such, the Bishops meet regularly in committee as well as all together annually.

Note 2—Summary of Significant Accounting Policies

Basis of Accounting and Presentation

The financial statements of the Organization have been prepared utilizing the cash basis of accounting. Under the cash basis, revenues are recognized when received rather than when earned or pledged and expenses are recognized when paid rather than when the obligation is incurred. Accordingly, the financial statements are not intended to be presented in conformity with accounting principles generally accepted in the United States of America.

Net assets, revenues, gains, and losses are presented based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization 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-imposed stipulations unless restricted for general operations. From time to time, the Organization's Board of Directors may designate from net assets for particular purposes and objectives.

Net Assets With Donor Restrictions—Net assets subject to donor-imposed stipulations that will be met either by actions of the Organization and/or passage of time. These balances represent the unexpended portion of donor-restricted contributions and investment return to be used for specific programs and activities as directed by the donor.

Assembly of Canonical Orthodox Bishops

Notes to Financial Statements

Year ended December 31, 2022

Note 2—Summary of Significant Accounting Policies (continued)

Basis of Accounting and Presentation (continued)

The balances also included net assets subject to donor-imposed stipulations that may be maintained permanently by the Organization (e.g., endowment funds). Generally, the donors of these assets permit the Organization to use all or part of the income earned on related investments for general or specific purposes.

Use of Estimates

The preparation of financial statements in conformity with the cash basis of accounting requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Grants and Contributions

The Organization received grants and contributions from private organizations and others. These revenues are recorded when received under the cash basis of accounting.

Cash and Cash Equivalents

Cash and cash equivalents include all short-term highly liquid investments with maturities from the date of purchase of three months or less. The Organization maintains its cash balances in one financial institution located in Bronxville, New York. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. The cash balances fluctuate from time to time. At December 31, 2022, the Organization had no uninsured balances.

Income Taxes

The Organization is exempt from federal income taxes pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986 (the Code) and has been classified as an organization which is not a private foundation under Sections 509 (a)(1) and 170 (b)(1)(A)(vi) of the Code. As such, no provision for federal income tax has been made in the financial statements.

Assembly of Canonical Orthodox Bishops

Notes to Financial Statements

Year ended December 31, 2022

Note 2—Summary of Significant Accounting Policies (continued)

Functional Allocation of Expenses

The financial statements report certain categories of expenses attributed to more than one program or supporting function. Expenses identified with a specific program or supporting function are recorded directly according to their natural and functional expense classification. Certain expenses relate to more than one function and require

allocation on a reasonable basis consistently applied. Only estimates are allocation of functional expenses. The expenses allocated include the contracted director of operations, office expenses, and insurance, which are allocated on the basis of estimates of time and effort.

Subsequent Events

The Organization has evaluated subsequent events through June 13, 2023, the date the financial statements were available to be issued, and has concluded that no recognized subsequent events have occurred since the year ended December 31, 2022.

Note 3—Net Assets

Net assets with donor restrictions as of December 31, 2022 are restricted for the following.

| | |
|------------------------------|-----------------|
| Orthodox – Catholic dialogue | \$11,662 |
| Youth committee | 1,984 |
| Assembly communications | <u>12,429</u> |
| | <u>\$26,075</u> |

Note 4—Liquidity and Availability of Financial Resources

The Organization regularly monitors the availability of resources required to meet its operating needs while also striving to maximize the investments of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12 month period, the Organization considers all expenditures related to its ongoing programs and support services to be general expenditures.

Assembly of Canonical Orthodox Bishops

Notes to Financial Statements

Year ended December 31, 2022

Note 4—Liquidity and Availability of Financial Resources (continued)

The Organization manages its liquidity and reserves following two guiding principles: operating within a prudent range of financial soundness and stability and maintaining liquid assets to fund near-term operating needs.

The table below presents financial assets, without donor or other restrictions limiting their use, available for general expenditures within one year of December 31, 2022.

| | |
|--|------------------|
| Cash and cash equivalents | \$173,879 |
| Less: net assets with donor restriction | <u>26,075</u> |
| Financial assets available to meet the cash | |
| Needs for general expenditures within one year | <u>\$147,804</u> |