

**ST. VLADIMIR'S ORTHODOX**  
**THEOLOGICAL SEMINARY**

FINANCIAL STATEMENTS  
AND SUPPLEMENTAL INFORMATION

For the Year Ended  
June 30, 2006

**ST. VLADIMIR'S ORTHODOX THEOLOGICAL SEMINARY**

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# Lambrides

LAMOS, MOULTHROP LLP  
*Certified Public Accountants and Consultants*

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

## INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying statement of financial position of St. Vladimir's Orthodox Theological Seminary as of June 30, 2006 and the related statements of activities 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. The prior year summarized comparative information has been derived from the organization's June 30, 2005 financial statements and, in our report dated September 20, 2005, we expressed an unqualified opinion on those financial statements.

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. Vladimir's Orthodox Theological Seminary as of June 30, 2006 and the results of its operations and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedule 1 and 2 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.

*Lambrides, Lamos, Moulthrop, LLP*

Montclair, NJ  
August 17, 2006

**ST. VLADIMIR'S ORTHODOX THEOLOGICAL SEMINARY**

**STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2006  
WITH SUMMARIZED FINANCIAL INFORMATION  
AS OF JUNE 30, 2005**

	<b><u>2006</u></b>	<b><u>2005</u></b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 174,318	\$ 368,145
Accounts receivable (less allowance for doubtful accounts of \$71,420 in 2006; \$61,977 in 2005)	207,135	241,009
Pledges receivable	796,403	959,057
Prepaid expenses and security deposits	19,549	24,380
Inventory	768,466	756,437
Investments	12,951,251	13,627,491
Investment in property	122,122	122,122
Cash surrender value of life insurance	116,132	108,016
Land, building and equipment (at cost less accumulated depreciation of \$5,425,442 in 2006; \$4,872,285 in 2005)	<u>17,083,081</u>	<u>15,408,783</u>
Total assets	<u>\$ 32,238,457</u>	<u>\$ 31,615,440</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities:</b>		
Accounts payable and accrued expenses	\$ 310,782	\$ 557,507
Deferred revenue	25,077	17,249
Mortgages payable	4,022,498	2,946,601
Annuity and life trust payable	<u>183,947</u>	<u>219,403</u>
Total liabilities	<u>4,542,304</u>	<u>3,740,760</u>
<b>Net Assets:</b>		
Unrestricted:		
Net investment in land, building and equipment	\$ 12,865,903	\$ 11,502,691
Board designated long-term investments	4,315,640	5,180,356
Undesignated	<u>1,144,034</u>	<u>1,050,824</u>
Total unrestricted net assets	18,325,577	17,733,871
Temporarily Restricted	2,056,614	2,911,337
Permanently restricted	<u>7,313,962</u>	<u>7,229,472</u>
Total net assets	<u>27,696,153</u>	<u>27,874,680</u>
Total liabilities and net assets	<u>\$ 32,238,457</u>	<u>\$ 31,615,440</u>

See notes to financial statements.

Exhibit A

**ST. VLADIMIR'S ORTHODOX THEOLOGICAL SEMINARY**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2006  
WITH SUMMARIZED FINANCIAL INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2005**

		TEMPORARILY	PERMANENTLY	TOTAL	
	<u>UNRESTRICTED</u>	<u>RESTRICTED</u>	<u>RESTRICTED</u>	<u>2006</u>	<u>2005</u>
<b>Income and Releases:</b>					
Tuition and fees	\$ 642,597			\$ 642,597	\$ 630,154
Less scholarship and financial aid	<u>(364,461)</u>			<u>(364,461)</u>	<u>(348,667)</u>
Net tuition and fees	278,136			278,136	281,487
Gifts and grants	552,649	\$ 690,844	\$ 93,256	1,336,749	1,863,185
Endowment income		647,312		647,312	416,239
Investment income	340,283	3,052	(8,766)	334,569	245,492
Subscriptions income	24,402			24,402	36,638
Summer institute income	32,980			32,980	30,491
Orthodox Education Day	62,169			62,169	50,831
Auxiliary enterprises	1,505,107			1,505,107	1,447,592
Other income	<u>28,382</u>			<u>28,382</u>	<u>49,827</u>
Total income before net assets released from restrictions	2,824,108	1,341,208	84,490	4,249,806	4,421,782
Net assets released from restrictions :					
Satisfactions of programs restrictions	<u>2,195,931</u>	<u>(2,195,931)</u>		-	-
Total income and releases	<u>5,020,039</u>	<u>(854,723)</u>	<u>84,490</u>	<u>4,249,806</u>	<u>4,421,782</u>
<b>Expenses:</b>					
Educational and general:					
Instruction	712,846			712,846	918,987
Public service	26,872			26,872	18,678
Library	144,159			144,159	146,305
Student services	133,939			133,939	92,023
Theological research publications	26,848			26,848	24,467
Operation and maintenance of plant	602,324			602,324	552,683
General institutional expense	935,718			935,718	813,030
Interest expense	157,440			157,440	33,081
Auxiliary enterprises	<u>1,097,430</u>			<u>1,097,430</u>	<u>1,061,142</u>
Total expenses	<u>3,837,576</u>	<u>-</u>	<u>-</u>	<u>3,837,576</u>	<u>3,660,396</u>
<b>Change in Net Assets Before Depreciation</b>	1,182,463	(854,723)	84,490	412,230	761,386
Depreciation	<u>(590,757)</u>			<u>(590,757)</u>	<u>(523,224)</u>
<b>Change in Net Assets</b>	591,706	(854,723)	84,490	(178,527)	238,162
<b>Net Assets at Beginning of Year</b>	<u>17,733,871</u>	<u>2,911,337</u>	<u>7,229,472</u>	<u>27,874,680</u>	<u>27,636,518</u>
<b>Net Assets at End of Year</b>	<u>\$18,325,577</u>	<u>\$2,056,614</u>	<u>\$7,313,962</u>	<u>\$27,696,153</u>	<u>\$27,874,680</u>

See notes to the financial statements

Exhibit B

**ST. VLADIMIR'S ORTHODOX THEOLOGICAL SEMINARY**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2006  
WITH SUMMARIZED FINANCIAL INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2005**

	<b><u>2006</u></b>	<b><u>2005</u></b>
<b>Cash Flows from Operating Activities:</b>		
Change in net assets	\$ (178,527)	\$ 238,162
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	590,757	523,224
Contributions restricted for long-term investment	(709,771)	(1,193,277)
Realized and unrealized (gains) loss on investments	(785,411)	(448,010)
(Increase) decrease in:		
Accounts receivable	33,874	(15,401)
Pledges receivable	162,654	(51,005)
Prepaid expenses and security deposits	4,831	11,883
Inventory	(12,029)	(150,742)
Investment in property	-	(22,122)
Cash surrender value of life insurance	(8,116)	(8,859)
Increase (decrease) in:		
Accounts payable	(246,725)	469,252
Deferred Revenue	7,828	(2,433)
Annuity and life trust payable	(35,456)	
Net cash used by operating activities	<u>(1,176,091)</u>	<u>(649,328)</u>
<b>Cash Flows from Investing Activities:</b>		
Purchase of investments	(9,266,265)	(10,097,466)
Proceeds from sales of investments	10,727,916	10,624,847
Purchase of property, plant and equipment	<u>(2,265,055)</u>	<u>(3,280,599)</u>
Net cash used by investing activities	<u>(803,404)</u>	<u>(2,753,218)</u>
<b>Cash Flows from Financing Activities:</b>		
Proceeds from contributions restricted for:		
Investment in endowment	93,256	564,870
Property, plant and equipment	616,515	628,407
Proceeds from new debt	1,097,655	2,552,344
Repayment of principal on debt	<u>(21,758)</u>	<u>(23,430)</u>
Net cash provided by financing activities	<u>1,785,668</u>	<u>3,722,191</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<u>(193,827)</u>	<u>319,645</u>
<b>Cash and Cash Equivalents at Beginning of Year</b>	<u>368,145</u>	<u>48,500</u>
<b>Cash and Cash Equivalents at End of Year</b>	<u><u>\$ 174,318</u></u>	<u><u>\$ 368,145</u></u>
<b>Supplemental Information:</b>		
Interest paid - expensed	\$ 157,440	\$ 33,081
Interest paid - capitalized	<u>74,757</u>	<u>31,046</u>
Total interest paid	<u><u>\$ 232,197</u></u>	<u><u>\$ 64,127</u></u>

See notes to the financial statements

Exhibit C

# **ST. VLADIMIR'S ORTHODOX THEOLOGICAL SEMINARY**

## **NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2006**

### **1. Organization and Purpose:**

St. Vladimir's Orthodox Theological Seminary is a graduate professional school 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 twofold mission is to prepare adequately 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.

### **2. Summary of Significant Accounting Policies:**

The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

#### *a. Accrual Basis Financial Statements*

The accompanying financial statements have been prepared on the accrual basis and conform to accounting principles generally accepted in the United States of America and in accordance with the principles of not-for-profit accounting.

#### *b. Net Assets*

The net assets of the Seminary and changes therein are classified and reported as follows:

- Unrestricted net assets include all resources which are not subject to donor-imposed restrictions of a more specific nature than those which only obligate the organization to utilize funds in furtherance of its mission.
- Temporarily restricted net assets carry specific, donor-imposed restrictions on the expenditure or other use of contributed funds. Temporary restrictions may expire either because certain actions are taken by the organization 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.
- Permanently restricted net assets are those that are subject to donor-imposed restrictions which will never lapse, thus requiring that the funds be permanently retained. 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.

#### *c. Prior Year Summarized Comparative Information*

The financial statements include certain prior-year summarized comparative information in total but not by net assets class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the organization's financial statements for the year ended June 30, 2005, from which the summarized information was derived.

Continued

**ST. VLADIMIR'S ORTHODOX THEOLOGICAL SEMINARY**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2006**

**2. Accounting Policies: (Continued)**

d. *Contributions*

Contributions are recorded as revenue upon receipt of cash or unconditional promises to give (pledges). Contributions are considered available for unrestricted use unless specifically restricted by the donor.

e. *Cash and Cash Equivalents*

The Seminary includes cash on deposit, cash on hand and certificates of deposits with original maturities less than three months (if any) to be cash equivalents.

f. *Investments*

Investments in equity securities with readily determinable fair market values and all investments in debt securities are reported at fair market value, with gains and losses included in the statement of activities. Donated investments are reflected as contributions at their market values at date of receipt.

g. *Inventories*

Inventories are stated at the lower of cost or market, determined by the first-in, first-out method.

h. *Firm Pledges*

Firm pledges are recognized as income in the year for which the pledge is made. Pledges that are expected to be received within one year are recorded at net realizable value. Pledges that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the pledges are received. Amortization of the discounts is included in contribution revenue.

i. *Land, Building and Equipment*

Land, building and equipment are carried at cost or, if donated, at the fair market value on the date of the gift.

Assets are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings and improvements	30 - 40 years
Library books and media	5 - 10 years
Furniture and equipment	5 - 10 years
Vehicles	5 years

Continued



**ST. VLADIMIR'S ORTHODOX THEOLOGICAL SEMINARY**

**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2006**

**2. Accounting Policies: (Continued)**

j. *Annuity and Life Trust Payable*

The Seminary established a gift annuity and life trust payable plan 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 annuity and life trust payable is evaluated annually (giving effect to investment income and payments to annuitants) and any surplus or deficiency is recognized as investment income.

k. *Use of Estimates*

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

**3. Pledges Receivable:**

All pledged commitments have been made for the Capital Campaign.

Pledges are expected to be received as follows:

In less than one year	\$ 335,300
In one to five years	507,769
In over five years	<u>38,000</u>
Subtotal	881,069
Less: unamortized discount	<u>(84,666)</u>
Net pledges receivable	<u>\$ 796,403</u>

**4. Investments:**

The cost and market values of securities as of June 30, 2006 are as follows:

	<u>Cost</u>	<u>Market Value</u>
Cash and cash equivalents	\$ 863,619	\$ 863,619
Mutual funds	340,467	359,993
Stocks	9,059,475	10,234,230
Bonds	<u>1,504,377</u>	<u>1,493,409</u>
Total	<u>\$11,767,938</u>	<u>\$12,951,251</u>

Continued

**ST. VLADIMIR'S ORTHODOX THEOLOGICAL SEMINARY**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2006**

**4. Investments: (Continued)**

Endowment and investment income are allocated based on pooling of investments and consist of the following:

Interest and dividend income	\$ 282,431
Investment fees	(85,961)
Realized gain on investments	838,372
Unrealized loss on investments	<u>(52,961)</u>
	<u>\$ 981,881</u>

**5. Land, Building and Equipment:**

A summary of land, building and equipment as of June 30, 2006, is as follows:

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net</u>
Land	\$ 740,744		\$ 740,744
Land improvements	649,602	\$ (118,555)	531,047
Buildings and improvements	18,901,799	(3,796,445)	15,105,354
Library books and media	989,611	(713,282)	276,329
Furniture and equipment	1,144,452	(729,896)	414,556
Vehicles	67,264	(67,264)	-
Construction in progress	<u>15,051</u>		<u>15,051</u>
	<u>\$ 22,508,523</u>	<u>\$ (5,425,442)</u>	<u>\$ 17,083,081</u>

**6. Mortgage Loans Payable:**

Mortgage loan payable with variable interest at prime. Monthly payments of \$1,758 (interest and principal) are due through March 2017. \$ 178,324

Mortgage loan payable with variable interest at prime. Monthly payments of \$1,915 (interest and principal) are due through March 2017. 194,174

Note payable secured by endowment investments for the construction of student housing. The total available credit is \$3,500,000 of which \$ 0 is available to draw from as of June 30, 2006. Upon completion, the note is repayable in monthly principal payments of \$58,333 plus variable interest rate at LIBOR plus 1.9% and is due November 30, 2010. 3,500,000

Continued

**ST. VLADIMIR'S ORTHODOX THEOLOGICAL SEMINARY**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2006**

**6. Mortgage Loans Payable: (Continued)**

Open line of credit for \$250,000 with a bank with an available balance of \$100,000 as of June 30, 2006. Interest rate is prime plus 1% and expires December 2006.

150,000  
\$4,022,498

Principal payments on mortgages for the succeeding five years and thereafter are as follows:

Year ending June 30,	
2007	238,424
2008	115,412
2009	122,953
2010	131,006
2011	139,604
After 2011	<u>3,275,099</u>
	<u>\$4,022,498</u>

**7. Temporarily Restricted Net Assets:**

Temporarily restricted net assets are available for the following purposes:

Time restricted	\$ 796,403
Scholarships	1,185,149
Student loans and assistance	7,788
Global ministry grants	8,324
Press grant	47,130
Other	<u>11,820</u>
	<u>\$2,056,614</u>

Continued

**ST. VLADIMIR'S ORTHODOX THEOLOGICAL SEMINARY**

**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2006**

**8. Functional Classification of Expenses:**

Expenses are charged to program and supporting services on the basis of periodic time and expense studies. Allocation of total unrestricted expenses (with the inclusion of depreciation) for the year are as follows:

Program services:	
Instruction	\$ 1,045,561
Public service	81,341
Library	469,887
Student services	193,585
Theological research publications	32,026
Auxiliary enterprises	<u>1,486,098</u>
Total program services	<u>3,308,498</u>
Supporting services:	
General institutional	807,184
Development and communications	<u>312,651</u>
Total supporting services	<u>1,119,835</u>
Total expenses	<u>\$ 4,428,333</u>

**9. Retirement Plan:**

The Seminary participates in the Orthodox Church in America pension plan which is a multi-employer plan. The plan provides defined benefits with participation available to all full time employees. The Seminary contributes 6% of each employee's salary, and the employee contributes 6%. The retirement benefit costs charged to expense amounted to \$66,401 in 2006.

**10. Internal Revenue Code Status:**

The Seminary has been granted tax exempt status as a non-profit organization under Section 501(c)(3) of the Internal Revenue Code.

**11. Concentration of Risk:**

Significant concentration of credit risk arise from cash deposits in excess of federally insured amounts of \$100,000. Cash and cash equivalents held in one bank by the Seminary amounted to \$189,085 at June 30, 2006.

**12. Reclassification:**

Certain amounts in the prior-year financial statements have been reclassified for comparative purposes to conform to the presentation in the current-year financial statements.

Concluded

**ST. VLADIMIR'S ORTHODOX THEOLOGICAL SEMINARY**

**SCHEDULE OF FINANCIAL POSITION  
JUNE 30, 2006  
WITH SUMMARIZED FINANCIAL INFORMATION  
AS OF JUNE 30, 2005**

	<u>OPERATING</u>	<u>RESTRICTED</u>	<u>PLANT</u>	<u>LIFE INCOME TRUSTS</u>	<u>ENDOWMENTS</u>	<u>TOTAL</u>	
						<u>2006</u>	<u>2005</u>
<b>ASSETS:</b>							
Cash and cash equivalents	\$ 174,318					\$ 174,318	\$ 368,145
Accounts receivable (less allowance for doubtful accounts of \$71,420 in 2006 and \$61,977 in 2005)	207,135						
Pledges receivable			\$ 796,403			207,135	241,009
Prepaid expenses and security deposits	19,549					796,403	959,057
Inventory	768,466					19,549	24,380
Investments	57,900					768,466	756,437
Investments in property			33,333			12,951,251	13,627,491
Cash surrender value of life insurance	116,132				\$ 12,742,649	122,122	122,122
Land, building and equipment (at cost less accumulated depreciation of \$5,425,442 in 2006 and \$4,872,285 in 2005 )	(144,188)	\$ 75,062	17,083,081		88,789	116,132	108,016
Interfund receivable (payable)	\$1,199,312	\$ 75,062	\$17,912,817	63,887		17,083,081	15,408,783
Total assets				\$214,589	\$ 5,239	\$32,238,457	\$31,615,440
<b>LIABILITIES AND NET ASSES:</b>							
<b>Liabilities:</b>							
Accounts payable and accrued expenses	\$ 116,102		\$ 194,680			\$ 310,782	\$ 557,507
Deferred revenue	25,077					25,077	17,249
Mortgages payable			4,022,498			4,022,498	2,946,601
Annuity and life trust payable						183,947	219,403
Total liabilities	141,179		4,217,178	183,947		4,542,304	3,740,760
<b>Net Assets:</b>							
Unrestricted:							
Net investment in land, building and equipment			12,865,903			12,865,903	11,502,691
Board designated long-term investments				2,138	\$ 4,315,640	4,315,640	5,180,356
Undesignated	1,058,133		33,333		50,430	1,144,034	1,050,824
Total unrestricted net assets	1,058,133		12,899,236	2,138	4,366,070	18,325,577	17,733,871
Temporarily restricted		\$ 75,062	796,403		1,185,149	2,056,614	2,911,337
Permanently restricted				28,504	7,285,458	7,313,962	7,229,472
Total net assets	1,058,133	75,062	13,695,639	30,642	12,836,677	27,696,153	27,874,680
Total liabilities and net assets	\$1,199,312	\$ 75,062	\$17,912,817	\$214,589	\$12,836,677	\$32,238,457	\$31,615,440

**ST. VLADIMIR'S ORTHODOX THEOLOGICAL SEMINARY**

**SCHEDULE OF ACTIVITIES – UNRESTRICTED NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2006**

	<u>OPERATING</u>	<u>RESTRICTED</u>	<u>PLANT</u>	<u>LIFE INCOME TRUSTS</u>	<u>ENDOWMENT</u>	<u>TOTAL UNRESTRICTED</u>
<b>Income and Releases:</b>						
Tuition and fees	\$ 642,597					\$ 642,597
Less scholarship and financial aid	<u>(70,722)</u>	<u>\$ (69,319)</u>			<u>\$ (224,420)</u>	<u>(364,461)</u>
Net tuition and fees	571,875	(69,319)			(224,420)	278,136
Gifts and grants	535,149				17,500	552,649
Endowment income						-
Investment income	(5,259)			\$ (6,422)	351,964	340,283
Subscriptions income	24,402					24,402
Summer institute income	32,980					32,980
Orthodox Education Day	62,169					62,169
Auxiliary enterprises	1,505,107					1,505,107
Other income	<u>28,382</u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>28,382</u>
Total income before net assets released from restrictions	2,754,805	(69,319)		(6,422)	145,044	2,824,108
Net assets released from restrictions :						
Satisfactions of program restrictions	<u>          </u>	<u>104,589</u>	<u>\$ 1,617,672</u>	<u>          </u>	<u>473,670</u>	<u>2,195,931</u>
Total income and releases	<u>2,754,805</u>	<u>35,270</u>	<u>1,617,672</u>	<u>(6,422)</u>	<u>618,714</u>	<u>5,020,039</u>
<b>Expenses:</b>						
Educational and general:						
Instruction	712,846					712,846
Public service	26,872					26,872
Library	144,159					144,159
Student services	129,215	4,724				133,939
Theological research publications	26,848					26,848
Operation and maintenance of plant	602,324					602,324
General institutional expense	820,409	24,406	90,903			935,718
Interest expense	157,440					157,440
Auxiliary enterprises	<u>1,091,290</u>	<u>6,140</u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>1,097,430</u>
Total expenses	<u>3,711,403</u>	<u>35,270</u>	<u>90,903</u>	<u>-</u>	<u>-</u>	<u>3,837,576</u>
<b>Change in Net Assets Before Transfers and Depreciation:</b>	(956,598)		1,526,769	(6,422)	618,714	1,182,463
Transfer for fixed asset additions	(536,090)		536,090			-
Transfer for principal proceeds on loans	1,097,656		(1,097,656)			-
Transfer for principal payment on loans	(21,758)		21,758			-
Transfer from endowments	479,200		1,000,341		(1,479,541)	-
Depreciation	<u>          </u>	<u>          </u>	<u>(590,757)</u>	<u>          </u>	<u>          </u>	<u>(590,757)</u>
<b>Change in Net Assets</b>	62,410	-	1,396,545	(6,422)	(860,827)	591,706
<b>Net Assets at Beginning of Year</b>	<u>995,723</u>	<u>          </u>	<u>11,502,691</u>	<u>8,560</u>	<u>5,226,897</u>	<u>17,733,871</u>
<b>Net Assets at End of Year</b>	<u>\$ 1,058,133</u>	<u>\$ -</u>	<u>\$ 12,899,236</u>	<u>\$ 2,138</u>	<u>\$ 4,366,070</u>	<u>\$ 18,325,577</u>