

ST. VLADIMIR'S ORTHODOX THEOLOGICAL SEMINARY
FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024



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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of St. Vladimir's Orthodox Theological Seminary (the Seminary), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years 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, 2025 and 2024, and the changes in its net assets and its cash flows for the years 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.

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
October 8, 2025

ST. VLADIMIR'S ORTHODOX THEOLOGICAL SEMINARY
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
ASSETS		
Cash and Cash Equivalents	\$ 656,631	\$ 153,048
Accounts Receivable, Net	273,645	266,695
Inventory	856,605	929,355
Prepaid Expenses	230,519	732
Cash Surrender Value of Life Insurance	38,241	193,328
Endowment Investments	17,258,391	13,390,995
Property and Equipment, Net	8,433,355	8,901,404
Total Assets	<u>\$ 27,747,387</u>	<u>\$ 23,835,557</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	\$ 312,403	\$ 385,903
Accrued Expenses	185,379	25,800
Security Deposits	60,737	560
Deferred Revenue	11,739	-
Note Payable	28,889	-
Total Liabilities	<u>599,147</u>	<u>412,263</u>
NET ASSETS		
Without Donor Restrictions	6,617,679	3,573,010
With Donor Restrictions	20,530,561	19,850,284
Total Net Assets	<u>27,148,240</u>	<u>23,423,294</u>
Total Liabilities and Net Assets	<u>\$ 27,747,387</u>	<u>\$ 23,835,557</u>

See accompanying Notes to Financial Statements.

ST. VLADIMIR'S ORTHODOX THEOLOGICAL SEMINARY
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2025 AND 2024

	Without Donor Restrictions	With Donor Restrictions	2025 Total	Without Donor Restrictions	With Donor Restrictions	2024 Total
SUPPORT AND REVENUE						
Contributions	\$ 5,584,114	\$ 791,456	\$ 6,375,570	\$ 1,530,074	\$ 750,525	\$ 2,280,599
Endowment and Investment Gain (Loss), Net	63,595	1,373,407	1,437,002	93,127	1,188,390	1,281,517
Tuition and Fees, Net	483,508	-	483,508	360,890	-	360,890
Grant Income	-	-	-	12,315	-	12,315
Auxiliary Enterprises	2,668,518	-	2,668,518	2,597,085	-	2,597,085
Miscellaneous Income	95,158	-	95,158	-	-	-
Gain on Sale of Assets	48,500	-	48,500	-	-	-
Net Assets Released from Restriction	1,484,586	(1,484,586)	-	1,227,947	(1,227,947)	-
Total Support and Revenue	10,427,979	680,277	11,108,256	5,821,438	710,968	6,532,406
EXPENSES						
Program Activities:						
Academic and Student Services	2,957,240	-	2,957,240	3,339,765	-	3,339,765
Public Service	141,708	-	141,708	175,817	-	175,817
Auxiliary Enterprises	1,993,196	-	1,993,196	2,108,965	-	2,108,965
Total Program Expenses	5,092,144	-	5,092,144	5,624,547	-	5,624,547
Supporting Activities:						
General and Administrative	1,385,976	-	1,385,976	1,704,517	-	1,704,517
Fundraising	905,190	-	905,190	949,675	-	949,675
Total Supporting Activities	2,291,166	-	2,291,166	2,654,192	-	2,654,192
Total Expenses	7,383,310	-	7,383,310	8,278,739	-	8,278,739
CHANGE IN NET ASSETS	3,044,669	680,277	3,724,946	(2,457,301)	710,968	(1,746,333)
Net Assets - Beginning of Year	3,573,010	19,850,284	23,423,294	6,030,311	19,139,316	25,169,627
NET ASSETS - END OF YEAR	<u>\$ 6,617,679</u>	<u>\$ 20,530,561</u>	<u>\$ 27,148,240</u>	<u>\$ 3,573,010</u>	<u>\$ 19,850,284</u>	<u>\$ 23,423,294</u>

See accompanying Notes to Financial Statements.

ST. VLADIMIR'S ORTHODOX THEOLOGICAL SEMINARY
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2025

	Program Activities			Supporting Activities		
	Academic and Student Services	Public Service	Auxiliary Enterprises	General and Administrative	Fundraising	Total
Advertising Expense	\$ 5,568	\$ -	\$ 27,838	\$ -	\$ 50,108	\$ 83,514
Bank Service Charges	7,344	-	16,525	-	12,884	36,753
Books and Subscription	47,321	-	13,691	12,040	-	73,052
Depreciation Expense	282,220	11,940	98,088	107,607	72,698	572,553
Dues and Fees	5,747	1,916	3,831	7,663	-	19,157
Facilities, Repairs, and Maintenance	253,498	13,285	109,143	119,735	80,891	576,552
Food Services	243,114	-	-	13,507	13,506	270,127
Other Expenses	31,543	1,189	101,282	23,173	7,073	164,260
Postage and Shipping	49,765	-	116,118	-	-	165,883
Professional and Consulting	165,283	6,110	36,659	213,163	60,983	482,198
Publications Cost	-	-	672,865	-	26,977	699,842
Salaries and Benefits	1,665,098	87,416	718,159	787,849	532,261	3,790,783
Seminars, Conference, and Honoraria	6,400	-	1,376	2,600	-	10,376
Service Contracts	30,757	3,076	18,454	6,767	2,461	61,515
Supplies	33,974	1,639	13,467	14,774	9,981	73,835
Technology and Equipment	47,654	11,637	26,500	12,748	21,067	119,606
Travel, Meals, and Entertainment	81,954	3,500	19,200	64,350	14,300	183,304
Total Expenses	\$ 2,957,240	\$ 141,708	\$ 1,993,196	\$ 1,385,976	\$ 905,190	\$ 7,383,310

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
Credit Loss	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	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 Honoraria	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
STATEMENTS OF CASH FLOWS
JUNE 30, 2025 AND 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 3,724,946	\$ (1,746,333)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	572,553	538,805
Realized and Unrealized (Gain) Loss on Investments	(1,412,482)	(876,035)
Donated Investments	(134,230)	-
Gain on Disposal of Assets	(48,500)	-
Credit Loss	-	445,745
Contributions Restricted for Endowments	167,615	(173,806)
Changes in Operating Assets and Liabilities:		
Accounts Receivable, Net	(1,950)	(239,040)
Pledges and Grants Receivable, Net	-	27,971
Inventory	72,750	(179,290)
Prepaid Expenses	(229,787)	8,203
Cash Surrender Value of Life Insurance	155,087	-
Accounts Payable and Accrued Expenses	146,256	(63,377)
Deferred Revenue	11,739	(22,044)
Net Cash Provided (Used) by Operating Activities	3,023,997	(2,279,201)
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash Proceeds from Investments	89,550	3,526,962
Cash Proceeds from Sale of Property and Equipment	43,500	-
Cash Deployed for Investments	(2,410,234)	(3,938,792)
Acquisition of Property and Equipment	(72,509)	(85,000)
Net Cash Used by Investing Activities	(2,349,693)	(496,830)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash Deployed for Debt Payments	(3,106)	-
Proceeds from Restricted Endowment Contributions	(167,615)	173,806
Net Cash Provided (Used) by Financing Activities	(170,721)	173,806
NET CHANGE IN CASH AND CASH EQUIVALENTS	503,583	(2,602,225)
Cash and Cash Equivalents - Beginning of Year	153,048	2,755,273
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 656,631</u>	<u>\$ 153,048</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash Paid During the Year For:		
Interest	<u>\$ 1,211</u>	<u>\$ -</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Equipment Sold for Note Receivable	<u>\$ 5,000</u>	<u>\$ -</u>
Equipment Acquired with Long-Term Debt	<u>\$ 31,995</u>	<u>\$ -</u>

ST. VLADIMIR'S ORTHODOX THEOLOGICAL SEMINARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

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, 2025 and 2024, the allowance for estimate of expected credit losses was \$1,326 and \$46,125, respectively.

ST. VLADIMIR'S ORTHODOX THEOLOGICAL SEMINARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable and Allowance for Credit Losses (Continued)

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

	2025	2024
Balance - Beginning of the Year	\$ 46,125	\$ 46,125
Current Period Provision for Expected Credit Losses	1,326	445,745
Direct Write-Downs Charged Against the Allowance	(168)	(445,745)
Recoveries of Amounts Previously Charged Off	(45,957)	-
Balance - End of Year	<u>\$ 1,326</u>	<u>\$ 46,125</u>

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, 2025 and 2024, there were no pledges or grants receivable.

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, 2025 and 2024.

ST. VLADIMIR'S ORTHODOX THEOLOGICAL SEMINARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

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, 2025 AND 2024

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 years ended June 30, 2025 and 2024.

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, 2025 and 2024, respectively.

Advertising Costs

The Seminary records advertising expenses when incurred. Advertising expense was \$83,513 and \$194,756 for the years ended June 30, 2025 and 2024, 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, 2025 and 2024, 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, 2025 AND 2024

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.

Subsequent Event

In July 2025, the Organization completed the purchase of a residence to be used for program activities. The total cost was \$909,663.

Management has evaluated subsequent events through October 8, 2025, the date on which the financial statements were available to be issued

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:

	2025	2024
Total Cash and Cash Equivalents	\$ 656,631	\$ 153,048
Investments	17,258,391	13,390,995
Accounts Receivable, Net	273,645	266,695
Total Financial Assets	18,188,667	13,810,738
Contractual or Donor-Imposed Restrictions:		
Donor Contribution with Purpose Restrictions	20,530,561	19,850,284
Total Contractual or Donor-Imposed Restrictions	20,530,561	19,850,284
Financial Assets Needed for General Expenditures Within One Year	<u>\$ (2,341,894)</u>	<u>\$ (6,039,546)</u>

ST. VLADIMIR'S ORTHODOX THEOLOGICAL SEMINARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 3 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, 2025 AND 2024

NOTE 4 INVESTMENTS

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

	2025			
	Level 1	Level 2	Level 3	Total
Investments:				
Cash and Money Market	\$ -	\$ -	\$ -	\$ 1,927,487
Equity Securities	2,018,353	-	-	2,018,353
Fixed Income	6,970,557	-	-	6,970,557
Mutual Funds and ETFs	6,341,994	-	-	6,341,994
Total Investments	<u>\$ 15,330,904</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,258,391</u>

	2024			
	Level 1	Level 2	Level 3	Total
Investments:				
Cash and Money Market	\$ -	\$ -	\$ -	\$ 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>

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

	2025	2024
Interest and Dividends	\$ 554,856	\$ 454,424
Realized and Unrealized Gains (Losses)	945,110	876,035
Investment Fees	(62,964)	(48,942)
Endowment and Investment Income		
(Loss), Net	<u>\$ 1,437,002</u>	<u>\$ 1,281,517</u>

NOTE 5 PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30:

	2025	2024
Land	\$ 698,340	\$ 698,340
Land Improvements	649,602	649,602
Building and Improvements	19,940,545	19,898,021
Library Books and Media	1,667,723	1,667,723
Furniture and Equipment	1,030,650	1,030,650
Vehicles	61,996	61,694
Total Property and Equipment	24,048,856	24,006,030
Less: Accumulated Depreciation	(15,615,501)	(15,104,626)
Total Property and Equipment, Net	<u>\$ 8,433,355</u>	<u>\$ 8,901,404</u>

ST. VLADIMIR'S ORTHODOX THEOLOGICAL SEMINARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 6 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 \$6,771,000 and \$3,022,000 at June 30, 2025 and 2024, respectively. Interest rates are variable based on the outstanding balance of the loan ranging from 5.47% to 13.57% and 11.75 % to 13.57% at June 30, 2025 and 2024, 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, 2025 and 2024.

NOTE 7 NET ASSETS

Net assets consisted of the following at June 30:

	2025	2024
Net Assets without Donor Restrictions:		
Undesignated	\$ 5,475,445	\$ 2,456,404
Board Designated for Endowment	1,142,234	1,116,607
Total Net Assets without Donor Restrictions	6,617,679	3,573,011
Net Assets with Donor Restrictions:		
Restricted by Time or Purpose:		
Scholarship and Student Aid	140,742	141,496
Special Restricted Funds	319,954	37,058
Pathways for Tomorrow and Compelling		
Preaching	1,618,593	1,926,447
Other Funds	49,660	49,660
Total Restricted by Time or Purpose	2,128,949	2,154,661
Endowment or Appropriated:		
Endowment Funds Restricted for Purpose	4,769,273	4,230,899
Endowment Funds Restricted in Perpetuity	13,632,339	13,464,724
Total Endowment or Appropriated	18,401,612	17,695,623
Total Net Assets with Donor Restrictions	20,530,561	19,850,284
Total Net Assets	<u>\$ 27,148,240</u>	<u>\$ 23,423,295</u>

NOTE 8 CONCENTRATION OF REVENUE

For the year ended June 30, 2025, the Organization received approximately 37% of total income from one source, namely a bequest amounting to roughly \$4,100,000. Management has evaluated the concentration and determined there is no vulnerability to near-term severe impact because this bequest was a one-time gift that has not been included in forecasting and budgeting.

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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

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.

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 based on the average market returns 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.

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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 9 ENDOWMENTS (CONTINUED)

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

June 30, 2025	Without Donor Restrictions	With Donor Restrictions		
		Purpose	Perpetual	Total
Quasi Endowments	\$ 1,142,234	\$ -	\$ -	\$ 1,142,234
Scholarship Endowments		1,680,921	5,367,680	7,048,601
Other Endowments		3,088,352	8,264,659	11,353,011
Total	<u>\$ 1,142,234</u>	<u>\$ 4,769,273</u>	<u>\$ 13,632,339</u>	<u>\$ 19,543,846</u>

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>

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

June 30, 2025	Without Donor Restrictions	With Donor Restrictions		
		Purpose	Perpetual	Total
Endowment Net Assets -				
Beginning of Year	\$ 1,116,607	\$ 4,230,899	\$ 13,464,724	\$ 18,812,230
Contributions	845	-	167,615	168,460
Investment Income, Net	65,286	1,373,407	-	1,438,694
Amounts Appropriated for Expenditure	<u>(40,503)</u>	<u>(835,035)</u>	<u>-</u>	<u>(875,538)</u>
Endowment Net Assets - End of Year	<u>\$ 1,142,235</u>	<u>\$ 4,769,272</u>	<u>\$ 13,632,339</u>	<u>\$ 19,543,846</u>

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>

ST. VLADIMIR'S ORTHODOX THEOLOGICAL SEMINARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 9 ENDOWMENTS (CONTINUED)

Endowment assets consisted of the following at June 30:

	<u>2025</u>	<u>2024</u>
Investments	\$ 17,258,391	\$ 13,390,995
Loan to Operations from Endowment Pool		
Investments to Fund:		
Debt Repayment	2,285,455	2,639,504
Operating Needs	-	2,781,731
Total Endowment Assets	<u>\$ 19,543,846</u>	<u>\$ 18,812,230</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>2025</u>	<u>2024</u>
Number of Individual Endowment Funds Underwater	12	19
Original Gift Value of Individual Endowment Funds Underwater	\$ 1,012,413	\$ 2,080,106
Less: Fair Market Value of Individual Endowment Funds Underwater	(630,891)	(1,125,846)
Total Value of Underwater Endowments	<u>\$ 381,522</u>	<u>\$ 954,260</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.

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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

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 \$330,955 and \$335,790 for the years ended June 30, 2025 and 2024, respectively. The contribution made by the Seminary represented approximately 6.4% and 8.2% for the years ended June 30, 2025 and 2024, 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, 2024. 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 participants for the Plan year ended December 31:

FEIN	2025	2024
06-1455789	<u>\$ 5,143,970</u>	<u>\$ 4,090,066</u>

As of the Plan years ending December 31, 2024 and 2023, the Plan's total net assets available for benefits was \$26,648,556 and \$24,659,254, respectively, and the actuarial present value of accumulated Plan benefits was \$62,102,134 and \$60,974,031, respectively. As of Plan years ending December 31, 2024 and 2023, the Plan was less than 45% and 45% 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.

ST. VLADIMIR'S ORTHODOX THEOLOGICAL SEMINARY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 12 NOTE PAYABLE

Note payable consisted of the following at June 30:

	<u>2025</u>	<u>2024</u>
Note payable secured by vehicle in the initial amount of \$31,995. Payable in monthly installments of \$1,001 at 7.89% interest, the note matures in March 2028.	<u>\$ 28,889</u>	<u>\$ -</u>

Future principal maturities consist of the following:

<u>Year Ending June 30,</u>	<u>Amount</u>
2026	\$ 9,254
2027	10,889
2028	8,746

NOTE 13 RELATED PARTY TRANSACTIONS

Members of the board of trustees donated \$159,017 and \$362,281 for the years ended June 30, 2025 and 2024, respectively.

