



ST. VLADIMIR'S ORTHODOX THEOLOGICAL  
SEMINARY

Financial Statements  
With Independent Auditors' Report

June 30, 2020 and 2019

# ST. VLADIMIR'S ORTHODOX THEOLOGICAL SEMINARY

## Table of Contents

	<u>Page</u>
Independent Auditors' Report	1
Financial Statements	
Statements of Financial Position	3
Statements of Activities	4
Statement of Functional Expenses - 2020	5
Statement of Functional Expenses - 2019	6
Statements of Cash Flows	7
Notes to Financial Statements	8
Supplementary Information	
Independent Auditors' Report on Supplementary Information	25
Financial Responsibility Supplemental Schedule	26
Financial Responsibility Reconciliation	28

## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of St. Vladimir's Orthodox Theological Seminary, which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

### *Management's Responsibility for the Financial Statements*

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

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

***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, 2020 and 2019, and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Capin Crouse LLP*

New York, New York  
November 4, 2020

# ST. VLADIMIR'S ORTHODOX THEOLOGICAL SEMINARY

## Statements of Financial Position

	June 30,	
	2020	2019
<b>ASSETS:</b>		
Cash and cash equivalents	\$ 448,618	\$ 41,884
Accounts receivable-net	237,552	175,081
Prepaid expenses	11,885	29,182
Inventory	668,799	783,977
Pledges receivable-net	38,973	51,374
Assets held for sale	-	45,444
Investments	12,582,476	12,523,280
Cash surrender value of life insurance	185,037	181,970
Property and equipment-net	10,409,434	10,845,514
	<b>\$ 24,582,774</b>	<b>\$ 24,677,706</b>
<b>Total Assets</b>	<b>\$ 24,582,774</b>	<b>\$ 24,677,706</b>
<b>LIABILITIES AND NET ASSETS:</b>		
Liabilities:		
Accounts payable and accrued expenses	\$ 326,705	\$ 409,646
Deferred revenue	176,780	209,260
Paycheck protection program refundable advance	499,730	-
Total liabilities	1,003,215	618,906
Net assets:		
Without donor restrictions	7,869,925	8,037,682
With donor restrictions	15,709,634	16,021,118
Total net assets	23,579,559	24,058,800
<b>Total Liabilities and Net Assets</b>	<b>\$ 24,582,774</b>	<b>\$ 24,677,706</b>

See notes to financial statements

# ST. VLADIMIR'S ORTHODOX THEOLOGICAL SEMINARY

## Statements of Activities

	Year Ended June 30,					
	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE, SUPPORT AND RECLASSIFICATIONS:</b>						
Tuition and fees	\$ 872,181	\$ -	\$ 872,181	\$ 899,919	\$ -	\$ 899,919
Less: scholarships and financial aid	(553,615)	-	(553,615)	(612,889)	-	(612,889)
Net tuition and fees	318,566	-	318,566	287,030	-	287,030
Contributions and grants	1,525,804	567,667	2,093,471	1,197,006	710,381	1,907,387
Endowment and investment income, net	2,516	(122,211)	(119,695)	34,755	447,167	481,922
Auxiliary enterprises	1,900,279	-	1,900,279	1,627,497	-	1,627,497
Gain on sale of assets held for sale	495,236	-	495,236	322,208	-	322,208
Other income	34,180	-	34,180	24,046	-	24,046
Total revenue and support	4,276,581	445,456	4,722,037	3,492,542	1,157,548	4,650,090
Net assets released from restrictions	756,940	(756,940)	-	942,591	(942,591)	-
Total Revenue, Support, and Reclassifications	5,033,521	(311,484)	4,722,037	4,435,133	214,957	4,650,090
 <b>EXPENSES:</b>						
Program services	3,451,879	-	3,451,879	3,417,364	-	3,417,364
Supporting services:						
General and administrative	1,147,418	-	1,147,418	1,213,181	-	1,213,181
Fundraising	601,981	-	601,981	632,121	-	632,121
Total Expenses	5,201,278	-	5,201,278	5,262,666	-	5,262,666
Change in Net Assets	(167,757)	(311,484)	(479,241)	(827,533)	214,957	(612,576)
Net Assets, Beginning of Year	8,037,682	16,021,118	24,058,800	8,865,215	15,806,161	24,671,376
Net Assets, End of Year	\$ 7,869,925	\$ 15,709,634	\$ 23,579,559	\$ 8,037,682	\$ 16,021,118	\$ 24,058,800

See notes to financial statements

# ST. VLADIMIR'S ORTHODOX THEOLOGICAL SEMINARY

## Statement of Functional Expenses

Year Ended June 30, 2020

	Program Services			Supporting Services			
	Academic and Student Services	Public Service	Auxiliary Enterprises	Total Program Services	General and Administrative	Fundraising	Total
Salaries and benefits	\$ 937,397	\$ 78,469	\$ 415,145	\$ 1,431,011	\$ 722,992	\$ 360,489	\$ 2,514,492
Depreciation expense	265,706	26,571	159,424	451,700	79,712	-	531,412
Publications cost	-	-	442,256	442,256	-	-	442,256
Facilities, repairs, and maintenance	201,447	20,145	120,868	342,459	60,434	-	402,893
Professional and consulting fees	119,978	2,833	19,167	141,978	55,396	132,318	329,692
Food services	7,047	-	174,869	181,916	-	1,050	182,966
Service contracts	43,590	3,106	26,644	73,339	93,677	-	167,016
Postage and shipping	203	-	111,733	111,936	71	9,091	121,098
Books and subscriptions	29,789	120	73,343	103,252	4,656	2,135	110,043
Travel, meals and entertainment	39,634	1,847	13,150	54,631	16,897	7,253	78,781
Technology and equipment	1,934	-	859	2,793	59,433	11,449	73,675
Seminars, conferences and honoraria	16,637	-	11,830	28,467	2,544	21,370	52,381
Bank service charges	18,203	7	13,720	31,930	5,784	7,604	45,317
Supplies	11,391	788	13,730	25,909	17,541	735	44,185
Advertising	100	369	24,091	24,560	-	17,778	42,338
Other expenses	4,315	118	6,340	10,772	13,896	6,261	30,929
Dues and fees	2,590	10	961	3,561	14,385	421	18,367
Bad debt expense	(10,023)	-	(567)	(10,590)	-	24,027	13,437
	<u>\$ 1,689,936</u>	<u>\$ 134,382</u>	<u>\$ 1,627,562</u>	<u>\$ 3,451,879</u>	<u>\$ 1,147,418</u>	<u>\$ 601,981</u>	<u>\$ 5,201,278</u>

See notes to financial statements

# ST. VLADIMIR'S ORTHODOX THEOLOGICAL SEMINARY

## Statement of Functional Expenses

Year Ended June 30, 2019

	Program Services			Supporting Services			
	Academic and Student Services	Public Service	Auxiliary Enterprises	Total Program Services	General and Administrative	Fundraising	Total
Salaries and benefits	\$ 1,026,736	\$ 91,545	\$ 357,088	\$ 1,475,369	\$ 637,768	\$ 240,519	\$ 2,353,656
Depreciation expense	289,129	19,668	159,625	468,422	59,245	-	527,667
Publications cost	-	-	384,464	384,464	-	-	384,464
Facilities, repairs, and maintenance	224,338	21,011	131,512	376,861	109,383	4,913	491,157
Professional and consulting fees	84,794	580	8,189	93,563	36,698	140,529	270,790
Food services	16,987	-	170,345	187,332	1,820	4,453	193,605
Service contracts	11,506	-	2,400	13,906	53,581	15,413	82,900
Postage and shipping	1,742	250	98,432	100,424	4,660	51,944	157,028
Books and subscriptions	38,620	-	76,274	114,894	3,623	6,953	125,470
Travel, meals and entertainment	41,675	181	19,651	61,507	39,048	82,384	182,939
Technology and equipment	1,030	-	712	1,742	28,689	972	31,403
Seminars, conferences and honoraria	60,232	-	10,501	70,733	12,154	38,147	121,034
Bank service charges	13,702	-	9,489	23,191	5,265	9,342	37,798
Supplies	9,764	491	6,864	17,119	26,938	6,640	50,697
Advertising	1,515	-	8,454	9,969	1,838	25,177	36,984
Other expenses	5,445	-	7,511	12,956	26,719	4,255	43,930
Dues and fees	3,808	-	1,104	4,912	8,067	480	13,459
Bad debt expense	-	-	-	-	157,685	-	157,685
	<u>\$ 1,831,023</u>	<u>\$ 133,726</u>	<u>\$ 1,452,615</u>	<u>\$ 3,417,364</u>	<u>\$ 1,213,181</u>	<u>\$ 632,121</u>	<u>\$ 5,262,666</u>

See notes to financial statements



# ST. VLADIMIR'S ORTHODOX THEOLOGICAL SEMINARY

## Statements of Cash Flows

	Year Ended June 30,	
	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ (479,241)	\$ (612,576)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	531,412	527,667
Realized and unrealized gain on investments	523,992	(75,410)
Bad debt expense, student services	(10,023)	25,884
Bad debt expense, bookstore	(567)	(761)
Bad debt expense, advancement	24,027	132,562
Contributions restricted for endowments	(181,791)	(217,759)
Gain on sale of asset held for sale	(495,236)	(335,842)
Actuarial change in value of annuity and life trust payable	-	10,051
Liability portion of matured annuity and life trust agreements	-	(96,992)
Changes in:		
Accounts receivable-net	(51,881)	(52,286)
Prepaid expenses	17,297	2,900
Inventory	115,178	58,259
Pledges receivable-net	(11,626)	58,541
Cash surrender value of life insurance	(3,067)	(1,533)
Accounts payable and accrued expenses	(82,941)	31,978
Deferred revenue	(32,480)	89,962
Paycheck protection program refundable advance	499,730	-
Net Cash Provided (Used) By Operating Activities	362,783	(455,355)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of investments	(6,983,350)	(4,803,065)
Proceeds from maturity or sale of investments	6,400,162	4,871,438
Purchase of property and equipment	(95,332)	(316,533)
Proceeds from sale of asset held for sale	540,680	533,683
Net Cash Provided (Used) By Investing Activities	(137,840)	285,523
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from contributions restricted for endowments	181,791	217,759
Payments to annuitants	-	(10,086)
Net Cash Provided By Financing Activities	181,791	207,673
Change in Cash and Cash Equivalents	406,734	37,841
Cash and Cash Equivalents, Beginning of Year	41,884	4,043
Cash and Cash Equivalents, End of Year	\$ 448,618	\$ 41,884

See notes to financial statements

# ST. VLADIMIR'S ORTHODOX THEOLOGICAL SEMINARY

## Notes to Financial Statements

June 30, 2020 and 2019

### 1. NATURE OF ORGANIZATION:

St. Vladimir's Orthodox Theological Seminary (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 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).

The Seminary is a not-for-profit corporation organized under the not-for-profit laws of the State of New York, and chartered as an education corporation by the Education Department of the State of New York. The Seminary is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and comparable state laws. However, the Seminary is subject to federal income tax on any unrelated business income. In addition, the Seminary has not been classified as a private foundation within the meaning of Section 509(a) of the IRC.

### 2. SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of the Seminary have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The significant accounting policies followed are described below.

#### CASH AND CASH EQUIVALENTS

Cash and cash equivalents represent cash on deposit, cash on hand and all highly liquid investments purchased with original maturities of three months or less. These accounts, at times, exceed federally insured limits. The Seminary's cash balances exceeded federally insured limits by \$80,722 and \$0- for the years ended June 30, 2020 and 2019, respectively. The Seminary has not experienced any loss on these accounts and does not believe that it is exposed to any significant risk.

#### ACCOUNTS RECEIVABLE

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 has established an allowance for doubtful accounts to provide for potential losses in the various receivable accounts. The allowances for doubtful accounts are established through a provision for losses and charged to expense. Receivables are charged against the allowance when management believes that collection is unlikely. The allowance is an amount that management believes will be adequate to absorb losses on existing receivables that may become uncollectible, based on evaluations that take into consideration such factors as changes in the nature and volume of receivables, review of specific problem receivables, and current economic conditions that may affect collection.

# ST. VLADIMIR'S ORTHODOX THEOLOGICAL SEMINARY

## Notes to Financial Statements

June 30, 2020 and 2019

### 2. SIGNIFICANT ACCOUNTING POLICIES, continued:

#### ACCOUNTS RECEIVABLE, continued

Accounts receivable balances are as follows:

	June 30,	
	2020	2019
Student tuition receivable	\$ 142,944	\$ 163,273
Bookstore receivable	158,359	116,009
	<u>301,303</u>	<u>279,282</u>
Less: Allowance for uncollectible student tuition receivables	(47,915)	(87,798)
Less: Allowance for uncollectible bookstore receivables	<u>(15,836)</u>	<u>(16,403)</u>
	<u>\$ 237,552</u>	<u>\$ 175,081</u>

#### 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.

#### PLEDGES RECEIVABLE

Unconditional promises to give are included in the financial statements as pledges receivable and revenue of the appropriate net asset category. Pledges that are expected to be collected 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, using a risk adjusted discount rate of 3%. An allowance for uncollectible pledges receivable is provided based upon managements judgement, including such factors as prior collection history, type of contribution and nature of fundraising activity.

#### ASSETS HELD FOR SALE

Assets are classified as held for sale when their carrying amount will be recovered principally through a sale transaction rather than continuing use. This condition is regarded as being met only when the sale is highly probable and the assets are available for immediate sale in their present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. Assets designated as held for sale are recorded at the lower of carrying amount at the time the classification as held for sale was made or fair value less costs to sell. Depreciation is not charged against property and equipment classified as held for sale.

As of June 30, 2019, assets held for sale consists of one residential property owned by the Seminary. The carrying amount of this property is \$45,444. During the year ended June 30, 2020, the Seminary closed on the sale of this residential property. The gain on sale amounted to approximately \$495,000 and is presented as a component of gain on sale of assets held for sale in the statements of activities. During the year ended June 30, 2019, the Seminary closed on the sale of another residential property, with a gain on sale of approximately \$336,000 and is presented as a component of gain on sale of assets held for sale in the statements of activities.

# ST. VLADIMIR'S ORTHODOX THEOLOGICAL SEMINARY

## Notes to Financial Statements

June 30, 2020 and 2019

### 2. SIGNIFICANT ACCOUNTING POLICIES, continued:

#### INVESTMENTS

Investments comprise cash held in brokerage accounts, money market funds, marketable debt and equity securities, and are reported at fair value. Donated investments are reported at fair value on the date of the gift and then reported at fair value at the end of each year. Unrealized gains and losses, dividends and interest, net of fees, are included in endowment and investment income without donor restrictions in the statements of activities unless a donor restriction or state law restricts their use. Investment securities are exposed to various risks, such as interest rate, market and credit risk. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term, and that such changes could materially affect the amounts reported in the financial statements.

#### PROPERTY AND EQUIPMENT

Additions to property and equipment in excess of \$5,000 are recorded at cost or, if donated, at the fair value on the date of the gift. Expenditures for maintenance and repairs are expensed as incurred. Donated property and equipment are reported as increases in net assets without donor restrictions unless the donor has restricted the donated asset to a specific purpose.

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

Buildings and improvements	30 to 40 years
Library books and media	5 to 10 years
Furniture, equipment and vehicles	5 to 10 years

The Seminary reviews its investment in real estate for impairment whenever events or changes in circumstances indicate that the carrying value of such property may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the real estate to the future net undiscounted cash flow expected to be generated by the facility and any estimated proceeds from the eventual disposition of the real estate. If the real estate is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the real estate exceeds the fair value of such property. There were no impairment losses recognized in the years ended June 30, 2020 and 2019.

# ST. VLADIMIR'S ORTHODOX THEOLOGICAL SEMINARY

## Notes to Financial Statements

June 30, 2020 and 2019

### 2. SIGNIFICANT ACCOUNTING POLICIES, continued:

#### FAIR VALUE MEASUREMENTS

The Seminary follows the updated provisions of the *Fair Value Measurements and Disclosure* topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). The following disclosure of estimated fair value of financial instruments is made in accordance with the fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels. Level 1—Inputs are quoted prices (unadjusted) in active markets for identical investments that the Seminary has the ability to access at the measurement date; Level 2—Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly; and Level 3—Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

The Seminary uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Seminary measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are only used when Level 1 or Level 2 inputs were not available.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the valuation methodologies used for the years ended June 30, 2020 and 2019.

#### *Corporate equity securities, mutual and exchange traded funds*

Valued at the closing price reported on the active market on which the individual securities are traded.

#### *Limited partnerships*

Valued using net asset value (NAV) as a practical expedient, as determined by the fund's professional managers, and are excluded from the fair value hierarchy.

#### PAYCHECK PROTECTION PROGRAM REFUNDABLE ADVANCE

The Seminary was approved for a Paycheck Protection Program loan of \$499,730, on April 18, 2020, through the Coronavirus Aid, Relief, and Economic Security Act and administered by the Small Business Administration, and is carried as Paycheck Protection Program refundable advance in the statements of financial position. The loan accrues interest at 1.00% per annum and matures two years from the date it was funded. This loan may be forgiven up to the full amount if requirements set by the Small Business Administration are met. The Seminary intends to apply for forgiveness subsequent to year end.

# ST. VLADIMIR'S ORTHODOX THEOLOGICAL SEMINARY

## Notes to Financial Statements

June 30, 2020 and 2019

### 2. SIGNIFICANT ACCOUNTING POLICIES, continued:

#### CLASSES OF NET ASSETS

The financial statements report amounts separately by class of net assets. Net assets are classified based on the existence or absence of donor-imposed restrictions as follows:

*Net assets without donor restrictions* are those which are not subject to donor-imposed restrictions of a more specific nature than those which only obligate the Seminary to utilize funds in furtherance of its mission.

*Net assets with donor restrictions* are those contributed with donor stipulations for specific purposes or those with time restrictions. Expirations of 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.

Net assets with donor restrictions are also those that are subject to donor-imposed restrictions that will never lapse, thus requiring the funds to be held in perpetuity. Generally, the donors of these funds permit the Seminary to use all or part of the income earned on related investments, and the net capital appreciation thereon, for general or specific purposes.

#### REVENUE, SUPPORT AND EXPENSES

Revenues are recognized when earned. Tuition and fees received for the next school term are deferred until the instruction commences. For school terms that span from one fiscal year to the next, tuition and fee revenue is deferred ratably. The Seminary reports gifts of cash and other assets (including gifts of property and equipment) and are recorded at their fair values at the date of donation as restricted revenue if they are received with donor stipulations that limit the use of the donated assets. When a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restriction. Absent explicit donor stipulations about how gifts of property and equipment must be maintained, the Seminary reports expirations of donor restrictions when the donated or acquired property and equipment are placed in service. Gains and losses on investments and other assets or liabilities are recognized in the period earned or incurred and are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law.

Donated services that create or enhance non-financial assets or that require specialized skills, provided by individuals possessing those skills, and that would typically need to be purchased if not provided by donation, are recorded at fair value in the period received. There were no such donations during the years ended June 30, 2020 and 2019.

During the year ended June 30, 2020, three donors made contributions to the Seminary totaling approximately 18% of contribution and grant revenue and 8% of total revenue and support. During the year ended June 30, 2019, three donors made contributions to the Seminary totaling approximately 20% of contribution and grant revenue and 8% of total revenue and support.

# ST. VLADIMIR'S ORTHODOX THEOLOGICAL SEMINARY

## Notes to Financial Statements

June 30, 2020 and 2019

### 2. SIGNIFICANT ACCOUNTING POLICIES, continued:

#### REVENUE, SUPPORT AND EXPENSES, continued

Expenses are recognized in the period incurred and are reported as decreases in net assets without donor restrictions. Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to program, general and administrative and fundraising on the basis of periodic time and expense studies. General and administrative and fundraising expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Seminary. The categories of expenses that are allocated include salaries and benefits, depreciation, and facilities repairs and maintenance. Advertising is expensed as incurred. The Seminary incurred no joint costs for the years ended June 30, 2020 and 2019.

#### SALES TAXES

The Seminary collects sales taxes imposed on nonexempt customers. The Seminary's policy is to exclude the tax collected and remitted from sales and cost of sales. Any unpaid amounts are included in accounts payable and accrued expenses until remitted to the appropriate taxing jurisdiction.

#### RECENTLY ADOPTED ACCOUNTING STANDARDS

In 2018, the FASB issued Accounting Standards Update (ASU) No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The Seminary adopted the provisions of this new standard during the year ended June 30, 2020, and has implemented the guidance on a modified retrospective approach, meaning, changes are only applied to the portion of revenue that has not yet been recognized before the adoption of this ASU. The new standard clarifies and improves current guidance about whether a transfer of assets (or the reduction, settlement, or cancellation of liabilities) is a contribution or an exchange transaction. Adoption of this standard had no effect on change in net assets or net assets in total as of June 30, 2020 and 2019.

#### RECENT ACCOUNTING PRONOUNCEMENTS

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers*, which supersedes nearly all existing revenue recognition guidance under GAAP. The core principle of ASU 2014-09 is to recognize revenues when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled for those goods and services. ASU 2014-09 defines a five-step process to achieve this and, in doing so, more judgement and estimates may be required within the revenue recognition process than are required under existing GAAP. The standard is effective for annual periods beginning after December 31, 2019, using either of the following transition methods: (i) a full retrospective approach reflecting the application of the standard in each prior reporting period with the option to elect certain practical expedients, or (ii) a retrospective approach with the cumulative effect of initially adopting ASU 2014-09 recognized at the date of adoption (which includes additional footnote disclosures). The Seminary is currently evaluating the impact of its pending adoption of ASU 2014-09 on the financial statements and has not yet determined the method by which the Seminary will adopt the standard for the fiscal year ending June 30, 2021.

# ST. VLADIMIR'S ORTHODOX THEOLOGICAL SEMINARY

## Notes to Financial Statements

June 30, 2020 and 2019

### 3. LIQUIDITY AND FUNDS AVAILABLE:

The following table reflects the Seminary's financial assets, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year, perpetual endowments and accumulated earnings net of appropriations within one year, or because the governing board has set aside the funds for specific purposes.

	June 30,	
	2020	2019
Financial assets:		
Cash and cash equivalents	\$ 448,618	\$ 41,884
Accounts receivable, net	237,552	175,081
Pledges receivable, net	38,973	51,374
Investments	12,582,476	12,523,280
Cash surrender value of life insurance	185,037	181,970
Financial assets, at year end	13,492,656	12,973,589
Less those unavailable for general expenditure within one year, due to:		
Cash surrender value of life insurance not expected to be converted within one year	(185,037)	(181,970)
Pledges receivable expected to be collected beyond one year	(20,125)	(53,076)
Perpetual and board designated endowments and accumulated earnings, net of underwater endowments and internal borrowing from endowments	(12,582,476)	(12,470,799)
Financial assets available to meet cash needs for general expenditures within one year	\$ 705,018	\$ 267,744

In addition to tuition, fees, and auxiliary enterprises, the Seminary is substantially supported by contributions without and with donor restrictions. Those contributions with donor restriction require resources to be used in a particular manner or in a future period. The Seminary must maintain sufficient resources to meet those responsibilities to its donors. Thus, at times financial assets may not be available for general expenditure within one year. The Seminary has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. To help manage liquidity needs, the Seminary has available a margin loan with its primary investment brokerage of approximately \$3,060,000 (Note 8), which was fully available as of both June 30, 2020 and 2019.



# ST. VLADIMIR'S ORTHODOX THEOLOGICAL SEMINARY

## Notes to Financial Statements

June 30, 2020 and 2019

4. PLEDGES RECEIVABLE-NET:

Pledges receivable-net consist of the following:

	June 30,	
	2020	2019
Due in less than one year	\$ 22,618	\$ 28,202
Due in one to five years	20,125	53,076
	42,743	81,278
Less: allowance for uncollectible pledges	-	(25,108)
Less: unamortized discount	(3,770)	(4,796)
	\$ 38,973	\$ 51,374

5. INVESTMENTS:

Investments consist of the following:

	June 30,	
	2020	2019
Cash and money market funds	\$ 1,035,334	\$ 322,320
Equity securities	2,270,754	2,414,144
Mutual and exchange traded funds	8,653,613	9,341,816
Note receivable, at cost	250,000	-
Investment in limited partnership, at NAV	372,775	445,000
	\$ 12,582,476	\$ 12,523,280

Endowment and investment income consists of the following:

	Year Ended June 30,	
	2020	2019
Interest and dividends	\$ 458,340	\$ 439,506
Realized gains and unrealized gains (losses)	(523,992)	75,410
Investment fees	(54,043)	(32,994)
	\$ (119,695)	\$ 481,922

# ST. VLADIMIR'S ORTHODOX THEOLOGICAL SEMINARY

## Notes to Financial Statements

June 30, 2020 and 2019

6. FAIR VALUE MEASUREMENTS:

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

	June 30, 2020			
	Total	Fair Value Disclosure		
		Level 1	Level 2	Level 3
Investments measured using hierarchical valuation techniques:				
Money market funds	\$ 908,575	\$ 908,575	\$ -	\$ -
Equity securities	2,270,754	2,270,754	-	-
Mutual and exchange traded funds	8,653,613	8,653,613	-	-
	11,832,942	\$ 11,832,942	\$ -	\$ -
Investments measured at NAV:				
Limited partnership	372,775			
Investments measured at cost:				
Note receivable	250,000			
Cash held in brokerage accounts	126,759			
	376,759			
	\$ 12,582,476			

The Seminary uses Net Asset Value (NAV) to determine the fair value of all underlying investments which (a) do not have a readily determinable fair value and (b) prepare their financial statements consistent with measurement principles of an investment company or have attributes of an investment company. The Seminary is invested in one fund measured at NAV as of June 30, 2020:

<u>Strategy</u>	<u>NAV in fund</u>	<u>Remaining life</u>	<u>Redemption terms / restrictions</u>
Limited partnership focusing on investments in natural resources	\$ 372,775	2.5 years	N/A - this fund is in a partnership structure with no ability to redeem.

# ST. VLADIMIR'S ORTHODOX THEOLOGICAL SEMINARY

## Notes to Financial Statements

June 30, 2020 and 2019

6. FAIR VALUE MEASUREMENTS, continued:

	June 30, 2019			
	Total	Fair Value Disclosure		
		Level 1	Level 2	Level 3
Investments measured using hierarchical valuation techniques:				
Money market funds	\$ 284,201	\$ 284,201	\$ -	\$ -
Equity securities	2,414,144	2,414,144	-	-
Mutual and exchange traded funds	9,341,816	9,341,816	-	-
	12,040,161	12,040,161	-	-
Investments measured at NAV:				
Limited partnership	445,000			
Investments measured at cost:				
Cash held in brokerage accounts	38,119			
	\$ 12,523,280			

The Seminary uses Net Asset Value (NAV) to determine the fair value of all underlying investments which (a) do not have a readily determinable fair value and (b) prepare their financial statements consistent with measurement principles of an investment company or have attributes of an investment company. The Seminary is invested in one fund measured at NAV as of June 30, 2019:

<u>Strategy</u>	<u>NAV in fund</u>	<u>Remaining life</u>	<u>Redemption terms / restrictions</u>
Limited partnership focusing on investments in natural resources	\$ 445,000	3.5 years	N/A - this fund is in a partnership structure with no ability to redeem.

# ST. VLADIMIR'S ORTHODOX THEOLOGICAL SEMINARY

## Notes to Financial Statements

June 30, 2020 and 2019

7. PROPERTY AND EQUIPMENT-NET:

Property and equipment-net is summarized as follows:

	June 30,	
	2020	2019
Land	\$ 698,340	\$ 698,340
Land improvements	649,602	649,602
Building and improvements	19,509,881	19,463,649
Library books and media	1,408,079	1,394,074
Furniture and equipment	922,059	886,964
Vehicles	61,694	61,694
	23,249,655	23,154,323
Less: accumulated depreciation	(12,840,221)	(12,308,809)
	\$ 10,409,434	\$ 10,845,514

Depreciation expense for the years ended June 30, 2020 and 2019, amounted to \$531,412 and \$527,667, respectively.

8. COMMITMENTS:

The Seminary has available an open ended margin loan with its primary brokerage, with no fixed maturity date. Interest on any outstanding balances is at 3% below the brokerage's base lending rate. The loan is secured by the value of a specified investment account at the brokerage. There were no outstanding borrowings on this loan as of June 30, 2020 and 2019.

9. NET ASSETS:

Net assets consist of:

	June 30,	
	2020	2019
Net assets without donor restrictions:		
Undesignated	\$ 6,920,664	\$ 7,086,455
Board designated for endowment	949,261	951,227
Total net assets without donor restrictions	7,869,925	8,037,682
Net assets with donor restrictions:		
Subject to expenditure for a specified time or purpose:		
Scholarship and student aid funds	206,689	225,245
Other restricted purposes	54,598	35,507
Pledges receivable, net	38,973	51,374
	300,260	312,126

(continued)

# ST. VLADIMIR'S ORTHODOX THEOLOGICAL SEMINARY

## Notes to Financial Statements

June 30, 2020 and 2019

9. NET ASSETS, continued:

	June 30,	
	2020	2019
Subject to the Seminary's endowment spending policy and appropriation:		
Accumulated gains on endowment assets	2,754,549	3,217,317
Endowment funds restricted in perpetuity	12,654,825	12,491,675
	15,409,374	15,708,992
Total net assets with donor restrictions	15,709,634	16,021,118
Total net assets	\$ 23,579,559	\$ 24,058,800

Net assets released from restrictions consists of the following:

	Year Ended June 30,	
	2020	2019
Purpose and time restrictions:		
Scholarship and student aid funds	\$ 250,933	\$ 321,768
Endowment appropriations for expenditure	359,198	366,685
Other restricted purposes	126,809	63,035
Pledges receivable, net	20,000	191,103
	\$ 756,940	\$ 942,591

10. ENDOWMENT FUNDS:

The Seminary maintains various donor-restricted and board designated funds whose purpose is to provide long-term support for its programs. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions as specified in the summary of Significant Accounting Policies outlined in these notes.

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 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.

# ST. VLADIMIR'S ORTHODOX THEOLOGICAL SEMINARY

## Notes to Financial Statements

June 30, 2020 and 2019

10. ENDOWMENT FUNDS, continued:

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

### ENDOWMENT INVESTMENT AND SPENDING POLICIES

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 nine percent (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.

Endowment net assets by type of fund as of June 30, 2020, are as follows:

	Without Donor Restrictions	With Donor Restrictions		Total With Donor Restrictions	Total Funds
		Original Gift Amount	Accumulated Gains (Losses) and Other		
Board-designated funds	\$ 949,261	\$ -	\$ -	\$ -	\$ 949,261
Donor-restricted funds	-	12,654,825	2,754,549	15,409,374	15,409,374
	\$ 949,261	\$ 12,654,825	\$ 2,754,549	\$ 15,409,374	\$ 16,358,635

# ST. VLADIMIR'S ORTHODOX THEOLOGICAL SEMINARY

## Notes to Financial Statements

June 30, 2020 and 2019

10. ENDOWMENT FUNDS, continued:

Changes in endowment net assets for the year ended June 30, 2020, are as follows:

	Without Donor Restrictions	With Donor Restrictions			Total Funds
		Original Gift Amount	Accumulated Gains (Losses) and Other	Total With Donor Restrictions	
Endowment net assets - beginning of year	\$ 951,227	\$ 12,491,675	\$ 3,217,317	\$ 15,708,992	\$ 16,660,219
Contributions	-	163,150	18,641	181,791	181,791
Investment return, net	(1,966)	-	(122,211)	(122,211)	(124,177)
Amounts appropriated for expenditure	-	-	(359,198)	(359,198)	(359,198)
	<u>(1,966)</u>	<u>163,150</u>	<u>(462,768)</u>	<u>(299,618)</u>	<u>(301,584)</u>
Endowment net assets - end of year	<u>\$ 949,261</u>	<u>\$ 12,654,825</u>	<u>\$ 2,754,549</u>	<u>\$ 15,409,374</u>	<u>\$ 16,358,635</u>

Endowment net assets by type of fund as of June 30, 2019, are as follows:

	Without Donor Restrictions	With Donor Restrictions			Total Funds
		Original Gift Amount	Accumulated Gains (Losses) and Other	Total With Donor Restrictions	
Board-designated funds	\$ 951,227	\$ -	\$ -	\$ -	\$ 951,227
Donor-restricted funds	-	12,491,675	3,217,317	15,708,992	15,708,992
	<u>\$ 951,227</u>	<u>\$ 12,491,675</u>	<u>\$ 3,217,317</u>	<u>\$ 15,708,992</u>	<u>\$ 16,660,219</u>

# ST. VLADIMIR'S ORTHODOX THEOLOGICAL SEMINARY

## Notes to Financial Statements

June 30, 2020 and 2019

10. ENDOWMENT FUNDS, continued:

Changes in endowment net assets for the year ended June 30, 2019, are as follows:

	With Donor Restrictions				Total Funds
	Without Donor Restrictions	Original Gift Amount	Accumulated Gains (Losses) and Other	Total With Donor Restrictions	
Endowment net assets - beginning of year	\$ 1,106,317	\$ 12,273,916	\$ 3,091,901	\$ 15,365,817	\$ 16,472,134
Contributions	100,000	217,759	44,934	262,693	362,693
Investment return, net	32,314	-	447,167	447,167	479,481
Amounts appropriated for expenditure	(287,404)	-	(366,685)	(366,685)	(654,089)
	(155,090)	217,759	125,416	343,175	188,085
Endowment net assets - end of year	\$ 951,227	\$ 12,491,675	\$ 3,217,317	\$ 15,708,992	\$ 16,660,219

Endowment assets consist of the following components:

	June 30,	
	2020	2019
Investments	\$ 12,582,476	\$ 12,470,799
Loan to operations from endowment pool investments to fund:		
Debt repayment	2,639,503	2,639,503
Operating deficits	1,136,656	1,549,917
	\$ 16,358,635	\$ 16,660,219

### FUNDS WITH DEFICIENCIES

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 use of endowment assets by the Seminary to fund debt repayment and prior year operating deficits.

	June 30,	
	2020	2019
Number of individual endowment funds underwater	19	7
Original gift value of individual endowment funds underwater	\$ 2,058,394	\$ 735,135
Less: fair market value of individual endowment funds underwater	(1,736,451)	(485,567)
Underwater endowments	\$ 321,962	\$ 249,575



# ST. VLADIMIR'S ORTHODOX THEOLOGICAL SEMINARY

## Notes to Financial Statements

June 30, 2020 and 2019

### 11. MULTIPLE 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 8% of each employee's salary, and the employee contributes 6%. 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:

- a) Assets contributed to the Plan by one employer may be used to provide benefits to employees of other participating employers;
- b) If a participating employer stops contributing to the Plan, the unfunded obligations of the Plan may be borne by the remaining participating employers;
- c) 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.

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 \$99,545 and \$104,897 for the years ended June 30, 2020 and 2019, respectively. The contribution made by the Seminary represented approximately 3.8% and 4.1% for the years ended June 30, 2020 and 2019, 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, 2019. 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 from all employers to the Plan during the Plan year are as follows:

	<u>FEIN</u>	<u>2019</u>	<u>2018</u>
Orthodox Church in America Pension Plan	06-1455789	<u>\$ 2,642,534</u>	<u>\$ 2,567,215</u>

As of the Plan years ending December 31, 2019 and 2018, the Plan's total net assets available for benefits were \$25,561,831 and \$22,589,895, respectively, and the actuarial present value of accumulated Plan benefits was \$55,648,391 and \$52,989,527, respectively. As of both Plan years ending December 31, 2019 and 2018, the Plan was less than 65% funded.

# ST. VLADIMIR'S ORTHODOX THEOLOGICAL SEMINARY

## Notes to Financial Statements

June 30, 2020 and 2019

12. RELATED PARTY TRANSACTIONS:

Members of the Board of Trustees contributed approximately \$278,154 and \$342,000 to the Seminary during the years ended June 30, 2020 and 2019, respectively. These contributions represent 13% and 18% of total contributions and 5% and 7% of total revenue for the years ended June 30, 2020 and 2019, respectively.

13. RISKS AND UNCERTAINTIES:

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic which continues to spread throughout the United States and has caused disruption through mandated and voluntary closings and/or transitions to remote work for numerous businesses and nonprofits, including the Seminary. While the disruptions are currently expected to be temporary, there is considerable uncertainty around the duration of these disruptions. Therefore, the Seminary anticipates that this could have a negative effect on its operations. Further, the Seminary also anticipates this could negatively impact contributions as well. However, the extent to which the COVID-19 outbreak will financially impact the Seminary's operations or financial results cannot be reasonably estimated at this time. In response to the COVID-19 outbreak, on April 18, 2020, the Seminary received a Paycheck Protection Program loan through the Small Business Administration (see Note 2).

14. CONTINGENCIES:

The Seminary is subject to claims, legal proceedings and investigations of matters that arise in the ordinary course of operations. In the opinion of management, as of the date of the financial statements, there were no matters outstanding for which an unfavorable outcome is probable and/or estimable.

15. SUBSEQUENT EVENTS:

Management has evaluated subsequent events through November 4, 2020, which is the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.

Subsequent to year end, on September 1, 2020, the Seminary applied for and received approximately \$475,000 in funding from the Department of Education (ED) through the Higher Education Emergency Relief Fund (HEERF), which is a component of the Coronavirus Aid, Relief and Economic Security (CARES) Act funding.

## **SUPPLEMENTARY INFORMATION**

**INDEPENDENT AUDITORS' REPORT  
ON SUPPLEMENTARY INFORMATION**

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

We have audited the financial statements of St. Vladimir's Orthodox Theological Seminary as of and for the year ended June 30, 2020, and have issued our report thereon dated November 4, 2020, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole.

The financial responsibility supplemental schedule is presented for the purposes of additional analysis as required by the U.S. Department of Education and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Capin Crouse LLP*

New York, New York  
November 4, 2020

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

**Financial Responsibility Supplemental Schedule**

Year Ended June 30, 2020

<b>Primary Reserve Ratio:</b>			
		<b>Expendable Net Assets:</b>	
1	Statements of Financial Position - Net assets without donor restrictions, page 3	<b>Net assets without donor restrictions</b>	\$ 7,869,925
2	Statements of Financial Position - Net assets with donor restrictions, page 3	<b>Net assets with donor restrictions</b>	\$ 15,709,634
3	None	<b>Secured and Unsecured related party receivable</b>	\$ -
4	None	Unsecured related party receivable	\$ -
5	Statements of Financial Position - Property and equipment-net, page 3	<b>Property, plant and equipment, net (includes Construction in progress)</b>	\$ 10,409,434
6	Financial Responsibility Reconciliation, Line 1c	Property, plant and equipment pre-implementation	\$ 10,314,102
7	None	Property, plant and equipment post-implementation with outstanding debt for original purchase	\$ -
8	Financial Responsibility Reconciliation, Line 2a	Property, plant and equipment post-implementation without outstanding debt for original purchase	\$ 95,332
9	None	Construction in progress	\$ -
10	None - ASU 2016-02 has not been implemented as of June 30, 2020	<b>Lease right-of-use asset, net</b>	\$ -
11	None - ASU 2016-02 has not been implemented as of June 30, 2020	Lease right-of-use asset, pre-implementation	\$ -
12	None - ASU 2016-02 has not been implemented as of June 30, 2020	Lease right-of-use asset, post-implementation	\$ -
13	None	Intangible assets	\$ -
14	None	Post-employment and pension liabilities	\$ -
15	None	<b>Long-term debt - for long term purposes</b>	\$ -
16	None	Long-term debt - for long term purposes pre-implementation	\$ -
17	None	Long-term debt - for long term purposes post-implementation	\$ -
18	None	Line of Credit for Construction in progress	\$ -
19	None - ASU 2016-02 has not been implemented as of June 30, 2020	<b>Lease right-of-use asset liability</b>	\$ -
20	None - ASU 2016-02 has not been implemented as of June 30, 2020	Pre-implementation right-of-use asset liability	\$ -
21	None - ASU 2016-02 has not been implemented as of June 30, 2020	Post-implementation right-of-use asset liability	\$ -
22	None	<b>Annuities, term endowments and life income with donor restrictions</b>	\$ -
23	None	Annuities with donor restrictions	\$ -
24	None	Term endowments with donor restrictions	\$ -
25	None	Life income funds with donor restrictions	\$ -
26	Notes to Financial Statements, Note 9: Net Assets, page 19	Net assets with donor restrictions: restricted in perpetuity	\$ 12,654,825
		<b>Total Expenses and Losses:</b>	
27	Statements of Activities - Total Expenses, page 4	Total expenses without donor restrictions - taken directly from Statements of Activities	\$ 5,201,278
28	None	Non-Operating and Net Investment (loss)	\$ -
29	None	Net investment losses	\$ -
30	None	Pension -related changes other than net periodic costs	\$ -

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

**Financial Responsibility Supplemental Schedule**

Year Ended June 30, 2020

<b>Equity Ratio:</b>			
		<b>Modified Net Assets:</b>	
31	Statements of Financial Position - Net Assets without Donor Restrictions, page 3.	<b>Net assets without donor restrictions</b>	\$ 7,869,925
32	Statements of Financial Position - Total Net Assets with Donor Restrictions, page 3.	<b>Net assets with donor restrictions</b>	\$ 15,709,634
33	Intangible Assets - (None)	<b>Intangible assets</b>	\$ -
34	Goodwill - (None)	<b>Intangible assets</b>	\$ -
35	None	<b>Secured and Unsecured related party receivables</b>	\$ -
36	None	Unsecured related party receivables	\$ -
		<b>Modified Assets:</b>	
37	Statements of Financial Position - Total assets, page 3	Total assets	\$ 24,582,774
38	None - ASU 2016-02 has not been implemented as of June 30, 2020	Lease right-of-use asset pre-implementation	\$ -
39	None - ASU 2016-02 has not been implemented as of June 30, 2020	Pre-implementation right-of-use asset liability	\$ -
40	Intangible Assets - (None)	Intangible assets	\$ -
41	None	Secured and Unsecured related party receivables	\$ -
42	None	Unsecured related party receivables	\$ -
		<b>Net Income Ratio:</b>	
43	Statements of Activities - Change in Net Assets Without Donor Restrictions, page 4	<b>Change in Net Assets Without Donor Restrictions</b>	\$ (167,757)
44	Statements of Activities - Net Assets Without Donor Restrictions - Total Revenue, Support, and Reclassifications, less endowment and investment income-net, page 4	Total Revenue, Support, and Reclassifications less: endowment and investment income-net (see #45 below) and gain on sale of assets held for sale (see #46 below)	\$ 4,535,769
45	Statements of Activities - Net Assets Without Donor Restrictions - Endowment and investment income-net, page 4	Endowment and investment income-net	\$ 2,516
46	Statements of Activities - Net Assets Without Donor Restrictions - Gain on sale of assets held for sale, page 4	Gain on sale of assets held for sale	\$ 495,236
47	Statements of Activities - Net Assets Without Donor Restrictions - Total Revenue, Support, and Reclassifications, page 4	<b>Total Revenues and Gains</b>	\$ 5,033,521

# ST. VLADIMIR'S ORTHODOX THEOLOGICAL SEMINARY

## Financial Responsibility Reconciliation

Year Ended June 30, 2020

The Department of Education issued regulations, effective July 1, 2020, regarding additional disclosures deemed necessary to calculate certain ratios for determining sufficient financial responsibility under Title IV. These reconciliation disclosures are not required by accounting principles generally accepted in the United States of America but are intended for use by the Department of Education and to ensure compliance with Federal Title IV regulations.

### Property, Plant and Equipment, net

1	Pre-implementation property, plant and equipment, net (PP&E, net)	
	a. Ending balance of last financial statements (June 30, 2019)	\$ 10,845,514
	b. Less subsequent depreciation and disposals	<u>(531,412)</u>
	c. Balance Pre-implementation property, plant and equipment, net	<u>10,314,102</u>
2	Post-implementation property, plant and equipment, net, acquired without debt:	
	a. Long-lived assets acquired without use of debt subsequent to June 30, 2019	<u>95,332</u>
3	Total Property, Plant and Equipment, net - June 30, 2020	<u><u>\$ 10,409,434</u></u>