

St. Tikhon's Orthodox Monastery

Financial Statements and
Supplementary Information

December 31, 2023 and 2022

St. Tikhon's Orthodox Monastery

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Independent Accountants' Review Report

To the Board of Directors of
St. Tikhon's Orthodox Monastery

We have reviewed the accompanying financial statements of St. Tikhon's Orthodox Monastery, which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountants' Responsibility

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of St. Tikhon's Orthodox Monastery and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our reviews.

Basis for Qualified Conclusion

As disclosed in Note 1 to the financial statements, accounting principles generally accepted in the United States of America require that a portion of the revenue from the sale of cemetery property be allocated to reduce the land cost and the remaining balance held to provide perpetual care. Management has informed us that they do not have the resources to provide an estimate of land available for sale or the reserve for perpetual care. Management has not determined the effects of this departure from accounting principles generally accepted in the United States of America on financial position, changes in net assets and cash flows.

Qualified Conclusion

Based on our reviews, except for the effect of the matter described in the Basis for Qualified Conclusion paragraph, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Other Matter

The departmental schedules of financial position, activities and operating, personnel and administrative expenses are presented for purposes of additional analysis and are not a required part of the basic 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 supplementary information has been subjected to the review procedures applied in our review of the basic financial statements. Except for the effects of the matter described in the Basis for Qualified Conclusion paragraph, if any, we are not aware of any material modifications that should be made to the supplementary information. We have not audited the supplementary information and do not express an opinion on such information.

Baker Tilly US, LLP

Pittston, Pennsylvania
June 25, 2024

St. Tikhon's Orthodox Monastery

Statements of Financial Position

December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 660,556	\$ 710,922
Investments	1,477,426	2,328,737
Accounts receivable	13,748	12,778
Inventories	245,866	204,158
	<u>2,397,596</u>	<u>3,256,595</u>
Total current assets	2,397,596	3,256,595
Property and Equipment, Net		
	<u>4,895,362</u>	<u>2,994,444</u>
Total assets	<u>\$ 7,292,958</u>	<u>\$ 6,251,039</u>
Liabilities and Net Assets		
Current Liabilities		
Current portion of long-term debt	\$ 84,898	\$ 75,765
Construction contracts payable	243,201	-
Accounts payable	35,417	81,782
Accrued expense	49,011	-
Payroll taxes payable	9,102	6,549
Sales tax payable	1,253	821
Deferred revenue	8,447	4,061
	<u>431,329</u>	<u>168,978</u>
Total current liabilities	431,329	168,978
Long-Term Debt		
	<u>589,311</u>	<u>610,898</u>
Total liabilities	<u>1,020,640</u>	<u>779,876</u>
Net Assets		
Without donor restrictions	3,131,876	2,334,331
With donor restrictions	3,140,442	3,136,832
	<u>6,272,318</u>	<u>5,471,163</u>
Total net assets	6,272,318	5,471,163
Total liabilities and net assets	<u>\$ 7,292,958</u>	<u>\$ 6,251,039</u>

See notes to financial statements

St. Tikhon's Orthodox Monastery

Statement of Activities

Year Ended December 31, 2023

(With Comparative Total for the Year Ended December 31, 2022)

	Without Donor Restrictions	With Donor Restrictions	2023 Total	2022 Total
Support and Revenue				
Contributions	\$ 1,504,318	\$ 45,712	\$ 1,550,030	\$ 1,045,465
Bookstore	1,005,961	-	1,005,961	834,471
Investment income (loss), net	321,283	-	321,283	(270,724)
Bequests	142,284	-	142,284	21,562
Cemetery plots	66,833	-	66,833	85,350
Other income	6,311	-	6,311	114
Iconography projects	2,550	-	2,550	9,940
Activities	2,514	-	2,514	88,333
Gain on sale of equipment	-	-	-	20,417
Assessment and dues	-	-	-	6,200
Net assets released from restrictions	42,102	(42,102)	-	-
	<u>3,094,156</u>	<u>3,610</u>	<u>3,097,766</u>	<u>1,841,128</u>
Expenses				
Operating	1,034,728	-	1,034,728	1,093,861
Personnel	614,501	-	614,501	569,065
Cost of goods sold	408,416	-	408,416	348,560
Administrative	133,511	-	133,511	173,224
Fundraising, special events	78,448	-	78,448	94,238
Interest	25,805	-	25,805	20,223
Royalties expense	1,202	-	1,202	962
	<u>2,296,611</u>	<u>-</u>	<u>2,296,611</u>	<u>2,300,133</u>
Change in net assets	797,545	3,610	801,155	(459,005)
Net Assets, Beginning	<u>2,334,331</u>	<u>3,136,832</u>	<u>5,471,163</u>	<u>5,930,168</u>
Net Assets, Ending	<u>\$ 3,131,876</u>	<u>\$ 3,140,442</u>	<u>\$ 6,272,318</u>	<u>\$ 5,471,163</u>

See notes to financial statements

St. Tikhon's Orthodox Monastery

Statement of Activities

Year Ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue			
Contributions	\$ 1,022,239	\$ 23,226	\$ 1,045,465
Bookstore	834,471	-	834,471
Activities	88,333	-	88,333
Cemetery plots	85,350	-	85,350
Bequests	21,562	-	21,562
Gain on sale of equipment	20,417	-	20,417
Assessment and dues	6,200	-	6,200
Other income	114	-	114
Iconography projects	9,940	-	9,940
Investment loss, net	(270,724)	-	(270,724)
Net assets released from restrictions	131,872	(131,872)	-
	<u>1,949,774</u>	<u>(108,646)</u>	<u>1,841,128</u>
Total support and revenue			
	1,949,774	(108,646)	1,841,128
Expenses			
Operating	1,093,861	-	1,093,861
Personnel	569,065	-	569,065
Cost of goods sold	348,560	-	348,560
Administrative	173,224	-	173,224
Fundraising, special events	94,238	-	94,238
Interest	20,223	-	20,223
Royalties expense	962	-	962
	<u>2,300,133</u>	<u>-</u>	<u>2,300,133</u>
Total expenses			
	2,300,133	-	2,300,133
Change in net assets	(350,359)	(108,646)	(459,005)
Net Assets, Beginning	<u>2,684,690</u>	<u>3,245,478</u>	<u>5,930,168</u>
Net Assets, Ending	<u>\$ 2,334,331</u>	<u>\$ 3,136,832</u>	<u>\$ 5,471,163</u>

See notes to financial statements

St. Tikhon's Orthodox Monastery

Statements of Cash Flows

Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash Flows From Operating Activities		
Change in net assets	\$ 801,155	\$ (459,005)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	218,377	176,961
Gifts restricted for long-term investments	(45,712)	(23,226)
Net realized and unrealized (gain) loss on investments	(262,508)	306,664
Gain on sale of equipment	-	(20,417)
Changes in assets and liabilities:		
Accounts receivable	(970)	936
Inventories	(41,708)	10,338
Accounts payable	(46,365)	31,102
Accrued expense	49,011	-
Payroll taxes payable	2,553	(451)
Deferred revenue	4,386	2,262
Sales tax payable	432	(96)
Net cash provided by operating activities	<u>678,651</u>	<u>25,068</u>
Cash Flows From Investing Activities		
Proceeds from sale of investments	1,718,105	427,226
Purchases of investments	(604,286)	-
Proceeds from sale of equipment	-	29,738
Purchases of property and equipment	<u>(1,811,444)</u>	<u>(620,008)</u>
Net cash used in investing activities	<u>(697,625)</u>	<u>(163,044)</u>
Cash Flows From Financing Activities		
Gifts restricted for long-term investments	45,712	23,226
Repayments of long-term debt	<u>(77,104)</u>	<u>(63,574)</u>
Net cash used in financing activities	<u>(31,392)</u>	<u>(40,348)</u>
Change in cash and cash equivalents	(50,366)	(178,324)
Cash and Cash Equivalents, Beginning	<u>710,922</u>	<u>889,246</u>
Cash and Cash Equivalents, Ending	<u>\$ 660,556</u>	<u>\$ 710,922</u>
Supplemental Disclosure of Cash Flow Information		
Interest paid	<u>\$ 25,805</u>	<u>\$ 20,223</u>
Supplemental Disclosure of Noncash Investing Activities and Financing Activities		
Vehicle acquisitions financed	<u>\$ 42,056</u>	<u>\$ 79,652</u>
Construction contracts payable	<u>\$ 243,201</u>	<u>\$ -</u>

See notes to financial statements

St. Tikhon's Orthodox Monastery

Notes to Financial Statements

December 31, 2023 and 2022

1. Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

St. Tikhon's Orthodox Theological Monastery (the Monastery) was founded in 1905 by St. Tikhon, Patriarch of Moscow.

The Monastery is a brotherhood of Orthodox Christian monks leading a life of prayer and repentance. The primary mission of the Monastery lies in providing the necessary theological, liturgical, spiritual and moral foundations for its members.

The Monastery also owns and operates a cemetery. The Monastery sells the right to be buried on its land and this service is restricted to the Monastery's members and their relatives.

In addition, the Monastery operates a bookstore selling religious books and icons to customers throughout the world.

Subsequent Events

The Monastery evaluated subsequent events for recognition or disclosure through June 25, 2024, the date the financial statements were available to be issued.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include certain investments in highly liquid debt instruments with a maturity of three months or less when purchased.

Investments and Investment Risk

Investments are carried at fair value. Investment income or loss (including realized and unrealized gains and losses on investments, interest and dividends) is included in the statement of activities as income without donor restrictions unless the income or loss is restricted by donor or law.

The Monastery's investments are comprised of a variety of financial instruments and are managed by investment advisors. The fair values reported in the statements of financial position are subject to various risks including changes in the equity markets, the interest rate environment and general economic conditions. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the fair value of investment securities, it is reasonably possible that the amounts reported in the accompanying financial statements could change materially in the near future.

St. Tikhon's Orthodox Monastery

Notes to Financial Statements
December 31, 2023 and 2022

Accounts Receivable

Accounts receivable, net are reported at net realizable value. The Monastery recognizes an allowance for credit losses, if needed, for trade receivables to present the net amount expected to be collected as of the statement of financial position date. Such allowance is based on the credit losses expected to arise over the life of the asset which includes consideration of past events and historical loss experience, current events and also future events based on our expectation as of the statement of financial position date. Receivables are written off when the Monastery determined that such receivables are deemed uncollectible.

The Monastery utilizes the loss rate method in determining its lifetime expected credit losses on its receivables. This method is used for calculating an estimate of losses based primarily on the Monastery's historical loss experience. In determining its loss rates, the Monastery evaluates information related to its historical losses, adjusted for current conditions and further adjusted for the period of time that can be reasonably forecasted. Qualitative and quantitative adjustments related to current conditions and the reasonable and supportable forecast period consider all the following: past due receivables, the customer creditworthiness, changes in the terms of receivables, effect of other external forces such as competition, and legal and regulatory requirements on the level of estimated credit losses in the existing receivables. There was no allowance for credit losses at December 31, 2023 and 2022.

Inventories

Inventories consist primarily of religious books and icons available for sale. Inventories are valued at the lower of cost (first-in, first-out method) or net realizable value.

Property and Equipment

Property and equipment acquisitions are recorded at cost. Depreciation is computed using the straight-line method based on the estimated useful life of each classification of depreciable asset.

Gifts of long-lived assets such as land, buildings or equipment are reported as without donor restrictions unless explicit donor stipulations specify how the donated assets must be used.

Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

Classification of Net Assets

Net Assets Without Donor Restrictions - The Monastery's net assets without donor restrictions represent the portion of expendable funds that are available for support of the Monastery's general operations.

Net Assets With Donor Restrictions - The Monastery's net assets with donor restrictions include contributions received that are restricted for specific time periods, uses and purposes as specified by the donors. The Monastery reports release of donor restricted net assets when the donor stipulations or time restrictions have been met. Net assets with donor restrictions include contributions to fund construction of the Liturgical Arts Center, the Waterfall project, and landscaping.

St. Tikhon's Orthodox Monastery

Notes to Financial Statements
December 31, 2023 and 2022

Revenue Recognition

Revenue derived from bookstore sales is recognized when merchandise is delivered to the buyer.

Revenue derived from iconography project sales is recognized when the performance obligation of the project is satisfied.

The Monastery recognizes contributions when cash, securities or other assets, an unconditional promise to give or notification of a beneficial interest or bequest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

Departure From U.S. GAAP

U.S. GAAP requires that a portion of the revenue from the sale of cemetery property be allocated to reduce the land cost and the remaining balance held to provide perpetual care. The Monastery does not calculate estimated land available for sale and does not record perpetual care reserves as required under U.S. GAAP.

The effect of these departures on the financial position, changes in net assets and cash flows of the Monastery have not been determined.

Sales and Similar Taxes

The Monastery collects sales and similar taxes imposed on nonexempt customers by various states. The Monastery's policy is to exclude the tax collected and remitted from sales and cost of sales.

Shipping and Handling Fees and Costs

Inbound and outbound freight costs are included in cost of sales.

Functional Expenses

The costs of operating the Monastery have been summarized on the statements of activities. All expenses are directly identifiable and are charged to programs and supporting services.

Donor Restricted Gifts

Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received. The gifts are reported as donor restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, 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 restrictions.

Collections of Religious Artifacts

The Monastery has elected not to capitalize its collection of religious artifacts. These items include religious clothing, books, statues and related jewels. The Monastery protects and preserves these items. These items have lasting historical significance and, as such, appreciate with age. No appreciation has been provided for these items.

St. Tikhon's Orthodox Monastery

Notes to Financial Statements
December 31, 2023 and 2022

Deferred Financing Costs

Costs incurred in connection with debt financing are deferred and amortized over the term of the related debt using the straight-line method, which approximates the interest method. Amortization expense was \$837 in 2023 and 2022. Deferred financing costs are presented as a reduction in the carrying amount of the debt liability on the statements of financial position. See Note 4.

Income Taxes

The Monastery is a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code (IRC) and is exempt from federal income taxes on its exempt income under Section 501(a) of the IRC.

The Monastery accounts for uncertainty in income taxes by prescribing a recognition threshold of more-likely-than-not to be sustained upon examination by the appropriate taxing authority. Measurement of the tax uncertainty occurs if the recognition threshold has been met. Management determined that there were no tax uncertainties that met the recognition threshold in 2023 and 2022.

2. Investments and Fair Value Measurements

The composition of investments is as follows at December 31:

	<u>2023</u>	<u>2022</u>
Money market	\$ 522,867	\$ 944,454
Marketable equity securities	954,559	1,384,283
Total	<u>\$ 1,477,426</u>	<u>\$ 2,328,737</u>

Investment return is comprised of the following for the years ended December 31:

	<u>2023</u>		
	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>
Interest and dividend income	\$ 58,775	\$ -	\$ 58,775
Realized and unrealized gains on investments	262,508	-	262,508
Total investment return	<u>\$ 321,283</u>	<u>\$ -</u>	<u>\$ 321,283</u>
	<u>2022</u>		
	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>
Interest and dividend income	\$ 35,940	\$ -	\$ 35,940
Realized and unrealized losses on investments	(306,664)	-	(306,664)
Total investment return	<u>\$ (270,724)</u>	<u>\$ -</u>	<u>\$ (270,724)</u>

Investment fees are netted against interest and dividend income without donor restriction.

St. Tikhon's Orthodox Monastery

Notes to Financial Statements
December 31, 2023 and 2022

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The valuation hierarchy for disclosure of the inputs to valuation used to measure fair value prioritizes the inputs into three broad levels as follows:

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 - Quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active or inputs that are observable for the asset or liability, either directly or indirectly through market corroboration for substantially the full term of the financial instrument;

Level 3 - Prices or valuation techniques that are unobservable in the market and require significant management judgment or estimation to measure fair value.

An asset or liability's classification within the hierarchy is determined based on the lowest level input that is significant to the fair value measurement.

The Monastery's investments as of December 31 are all Level 1 assets.

The following is a description of the valuation methodologies used to determine fair value:

The carrying value of money market accounts approximates fair value because of the short-term maturity of these instruments. Marketable equity securities are measured at fair value based on quoted market prices in active markets for identical assets and are Level 1 inputs.

3. Property and Equipment, Net

Property and equipment, net as of December 31 are as follows:

	<u>2023</u>	<u>2022</u>
Land	\$ 5,300	\$ 5,300
Land improvements	41,427	41,427
Buildings and improvements	4,869,871	4,290,299
Furniture	37,306	37,306
Equipment	187,277	152,126
Vehicles	247,435	220,876
Construction in progress	<u>2,173,909</u>	<u>718,490</u>
Total	7,562,525	5,465,824
Less accumulated depreciation	<u>2,667,163</u>	<u>2,471,380</u>
Property and equipment, net	<u>\$ 4,895,362</u>	<u>\$ 2,994,444</u>

Depreciation expense was \$195,783 in 2023 and \$176,124 in 2022.

Included in construction in progress is an amount owed on a construction contract in the amount of \$243,201. In addition, the Organization is committed to pay \$330,269 relating to this construction contract, for which completion is expected during 2024.

St. Tikhon's Orthodox Monastery

Notes to Financial Statements
December 31, 2023 and 2022

4. Long-Term Debt

Long-term debt consists of the following at December 31:

	<u>2023</u>	<u>2022</u>
Bookstore		
<u>Honesdale National Bank</u>		
Mortgage loan, monthly payments of \$2,804, including interest at 4.70% for 84 months then adjusting to the prime rate plus 1.45%, maturing January 2032; secured by real estate	\$ 217,404	\$ 238,646
Monastery		
<u>Term note</u>		
Note payable in monthly installments of \$3,030, including interest at 1.17% for 180 months, maturing November 2035; unsecured	333,149	342,853
<u>Honesdale National Bank</u>		
Note payable in monthly installments of \$525, including interest at 4.00% for 60 months, maturing November 2025; secured by vehicle	11,600	17,311
<u>Volkswagen Credit</u>		
Note payable in monthly installments of \$401, including interest at 6.76% for 76 months, maturing February 2028, secured by vehicle	17,395	20,902
Note payable in monthly installments of \$357, including interest at 5.50% for 72 months, maturing December 2028, secured by vehicle	24,831	-
<u>Polaris Credit</u>		
Note payable in monthly installments of \$275, including interest at 9.99% for 84 months, maturing June 2030, secured by vehicle	15,774	-
Note payable in monthly installments of \$357, including interest at 5.50% for 72 months, maturing December 2028, secured by vehicle	18,965	21,834
<u>People's Security</u>		
Note payable in monthly installments of \$443, including interest at 3.29% for 60 months, maturing May 2027, secured by vehicle	17,138	21,805
<u>Fidelity Bank</u>		
Note payable in monthly installments of \$623, including interest at 4.60% for 60 months, maturing August 2027, secured by vehicle	24,650	30,846
	680,906	694,197
Less deferred financing costs	6,697	7,534
Less current portion	84,898	75,765
Long-term debt	<u>\$ 589,311</u>	<u>\$ 610,898</u>

St. Tikhon's Orthodox Monastery

Notes to Financial Statements
December 31, 2023 and 2022

Scheduled principal repayments for periods subsequent to December 31, 2023 are as follows:

Years ending December 31:		
2024	\$	84,898
2025		87,581
2026		85,051
2027		82,155
2028		73,737
Thereafter		267,484
Total	\$	<u>680,906</u>

5. Net Assets

Net assets with donor restrictions at December 31 are as follows:

	<u>2023</u>	<u>2022</u>
Liturgical Arts Center	\$ 3,131,833	\$ 3,131,832
Landscaping	8,609	-
Waterfall project	-	5,000
	<u>\$ 3,140,442</u>	<u>\$ 3,136,832</u>

Net assets are released from restrictions by incurring expenses satisfying restricted purposes or by the occurrence of events specified by the donors. Net assets released of \$42,102 and \$131,872 during 2023 and 2022, respectively, related to the trapeza repair and waterfall project during 2023 and monks housing project and church roof repair during 2022.

6. Functional Expenses

The Monastery provides theological teachings and services to individuals within its geographic area. Expenses related to providing these services are as follows:

	<u>2023</u>		
	<u>Monastery</u>	<u>Bookstore</u>	<u>Total</u>
Other operating	\$ 488,021	\$ 65,266	\$ 553,287
Salary and wages	-	384,147	384,147
Cost of goods sold	-	408,416	408,416
Depreciation and amortization	173,497	44,880	218,377
Supplies	100,499	15,479	115,978
Repairs and maintenance	125,158	468	125,626
Insurance	67,808	42,000	109,808
Utilities	77,624	17,814	95,438
Fundraising, special events	59,469	18,967	78,436
Memberships	30,912	11,992	42,904
Security	38,456	-	38,456
Interest	10,939	14,866	25,805
Professional fees	23,968	8,105	32,073
Payroll taxes	-	29,424	29,424
Conferences	18,770	2,666	21,436
Advertising	7,684	934	8,618
Miscellaneous	7,168	-	7,168
Royalties expense	-	1,202	1,202
Meals and entertainment	-	12	12
Total expenses	<u>\$ 1,229,973</u>	<u>\$ 1,066,638</u>	<u>\$ 2,296,611</u>

St. Tikhon's Orthodox Monastery

Notes to Financial Statements
December 31, 2023 and 2022

	2022		
	Monastery	Bookstore	Total
Other operating	\$ 546,314	\$ 115,481	\$ 661,795
Salary and wages	-	354,888	354,888
Cost of goods sold	-	348,560	348,560
Depreciation and amortization	129,562	47,399	176,961
Repairs and maintenance	143,794	857	144,651
Supplies	112,964	19,963	132,927
Insurance	60,083	43,948	104,031
Fundraising, special events	79,367	14,871	94,238
Utilities	78,461	14,064	92,525
Travel	38,534	4,270	42,804
Security	31,819	-	31,819
Interest	8,688	11,535	20,223
Memberships	22,305	8,640	30,945
Payroll taxes	-	26,597	26,597
Professional fees	13,281	11,699	24,980
Advertising	7,342	1,233	8,575
Miscellaneous	2,652	-	2,652
Royalties expense	-	962	962
Total expenses	<u>\$ 1,275,166</u>	<u>\$ 1,024,967</u>	<u>\$ 2,300,133</u>

7. Related-Party Transactions

The Monastery made payments to St. Tikhon's Orthodox Theological Seminary; an entity related through church affiliation. Payments were expensed for liability insurance reimbursement for \$42,000 during 2023 and 2022.

8. Concentrations

Amounts on deposit with any one financial institution are insured up to the Federal Deposit Insurance Corporation limits. The Monastery periodically has cash and cash equivalents on deposit in excess of insured amounts. The Monastery has not experienced any loss in such accounts and does not believe it is exposed to any significant risk related to its cash and cash equivalents.

9. Liquidity and Availability of Resources

The Monastery's financial assets available for general expenditures within one year of the statements of financial position date for general expenditures are as follows at December 31:

	2023	2022
Cash and cash equivalents	\$ 660,556	\$ 710,922
Accounts receivable	13,748	12,778
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 674,304</u>	<u>\$ 723,700</u>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

St. Tikhon's Orthodox Monastery

Schedule of Financial Position by Department
December 31, 2023

	<u>Monastery</u>	<u>Bookstore</u>	<u>Total</u>
Assets			
Current Assets			
Cash and cash equivalents	\$ 520,531	\$ 140,025	\$ 660,556
Investments	1,477,426	-	1,477,426
Accounts receivable	-	13,748	13,748
Inventories	-	245,866	245,866
	<hr/>	<hr/>	<hr/>
Total current assets	1,997,957	399,639	2,397,596
Property and Equipment, Net			
	<hr/>	<hr/>	<hr/>
Total assets	\$ 6,481,067	\$ 811,891	\$ 7,292,958
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Liabilities and Net Assets			
Current Liabilities			
Current portion of long-term debt	\$ 62,580	\$ 22,318	\$ 84,898
Construction contracts payable	243,201	-	243,201
Accounts payable	27,085	8,332	35,417
Accrued expense	-	49,011	49,011
Interdepartmental (receivable) payable	(1,185,801)	1,185,801	-
Payroll taxes payable	-	9,102	9,102
Sales tax payable	-	1,253	1,253
Deferred revenue	-	8,447	8,447
	<hr/>	<hr/>	<hr/>
Total current liabilities	(852,935)	1,284,264	431,329
Long-Term Debt			
	<hr/>	<hr/>	<hr/>
Total liabilities	(452,013)	1,472,653	1,020,640
	<hr/>	<hr/>	<hr/>
Net Assets			
Without donor restrictions	3,792,638	(660,762)	3,131,876
With donor restrictions	3,140,442	-	3,140,442
	<hr/>	<hr/>	<hr/>
Total net assets	6,933,080	(660,762)	6,272,318
	<hr/>	<hr/>	<hr/>
Total liabilities and net assets	\$ 6,481,067	\$ 811,891	\$ 7,292,958
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

St. Tikhon's Orthodox Monastery

Schedule of Financial Position by Department
December 31, 2022

	<u>Monastery</u>	<u>Bookstore</u>	<u>Total</u>
Assets			
Current Assets			
Cash and cash equivalents	\$ 639,443	\$ 71,479	\$ 710,922
Investments	2,328,737	-	2,328,737
Accounts receivable	7,738	5,040	12,778
Inventories	-	204,158	204,158
	<hr/>	<hr/>	<hr/>
Total current assets	2,975,918	280,677	3,256,595
	<hr/>	<hr/>	<hr/>
Property and Equipment, Net	2,538,148	456,296	2,994,444
	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 5,514,066</u>	<u>\$ 736,973</u>	<u>\$ 6,251,039</u>
Liabilities and Net Assets			
Current Liabilities			
Current portion of long-term debt	\$ 54,639	\$ 21,126	\$ 75,765
Accounts payable	39,941	41,841	81,782
Interdepartmental (receivable) payable	(1,068,536)	1,068,536	-
Payroll taxes payable	-	6,549	6,549
Sales tax payable	-	821	821
Deferred revenue	-	4,061	4,061
	<hr/>	<hr/>	<hr/>
Total current liabilities	(973,956)	1,142,934	168,978
	<hr/>	<hr/>	<hr/>
Long-Term Debt	400,912	209,986	610,898
	<hr/>	<hr/>	<hr/>
Total liabilities	(573,044)	1,352,920	779,876
	<hr/>	<hr/>	<hr/>
Net Assets			
Without donor restrictions	2,950,278	(615,947)	2,334,331
With donor restrictions	3,136,832	-	3,136,832
	<hr/>	<hr/>	<hr/>
Total net assets	6,087,110	(615,947)	5,471,163
	<hr/>	<hr/>	<hr/>
Total liabilities and net assets	<u>\$ 5,514,066</u>	<u>\$ 736,973</u>	<u>\$ 6,251,039</u>

St. Tikhon's Orthodox Monastery

Schedule of Activities by Department

Year Ended December 31, 2023

	Without Donor Restrictions Monastery	With Donor Restrictions Monastery	Without Donor Restrictions Bookstore	Total
Support and Revenue				
Contributions	\$ 1,498,098	\$ 45,712	\$ 6,220	\$ 1,550,030
Bookstore	-	-	1,005,961	1,005,961
Investment loss	321,119	-	164	321,283
Bequests	142,284	-	-	142,284
Cemetery plots	66,833	-	-	66,833
Other income	-	-	6,311	6,311
Iconography projects	-	-	2,550	2,550
Activities	1,897	-	617	2,514
Net assets released from restrictions	42,102	(42,102)	-	-
	<u>2,072,333</u>	<u>3,610</u>	<u>1,021,823</u>	<u>3,097,766</u>
Total support and revenue				
Expenses				
Operating	852,866	-	181,862	1,034,728
Personnel	213,127	-	401,374	614,501
Cost of goods sold	-	-	408,416	408,416
Administrative	93,572	-	39,939	133,511
Fundraising, special events	59,469	-	18,979	78,448
Interest	10,939	-	14,866	25,805
Royalties expense	-	-	1,202	1,202
	<u>1,229,973</u>	<u>-</u>	<u>1,066,638</u>	<u>2,296,611</u>
Total expenses				
Increase in net assets	<u>\$ 842,360</u>	<u>\$ 3,610</u>	<u>\$ (44,815)</u>	<u>\$ 801,155</u>

St. Tikhon's Orthodox Monastery

Schedule of Activities by Department

Year Ended December 31, 2022

	Without Donor Restrictions Monastery	With Donor Restrictions Monastery	Without Donor Restrictions Bookstore	Total
Support and Revenue				
Contributions	\$ 1,021,072	\$ 23,226	\$ 1,167	\$ 1,045,465
Bookstore	-	-	834,471	834,471
Activities	9,841	-	78,492	88,333
Cemetery plots	85,350	-	-	85,350
Bequests	21,562	-	-	21,562
Gain on sale of equipment	20,417	-	-	20,417
Iconography projects	-	-	9,940	9,940
Assessment and dues	6,200	-	-	6,200
Other income	-	-	114	114
Investment loss	(270,745)	-	21	(270,724)
Net assets released from restrictions	131,872	(131,872)	-	-
	<u>1,025,569</u>	<u>(108,646)</u>	<u>924,205</u>	<u>1,841,128</u>
Total support and revenue				
	<u>1,025,569</u>	<u>(108,646)</u>	<u>924,205</u>	<u>1,841,128</u>
Expenses				
Operating	863,327	-	230,534	1,093,861
Personnel	203,279	-	365,786	569,065
Cost of goods sold	-	-	348,560	348,560
Administrative	120,505	-	52,719	173,224
Fundraising, special events	79,367	-	14,871	94,238
Interest	8,688	-	11,535	20,223
Royalties expense	-	-	962	962
	<u>1,275,166</u>	<u>-</u>	<u>1,024,967</u>	<u>2,300,133</u>
Total expenses				
	<u>1,275,166</u>	<u>-</u>	<u>1,024,967</u>	<u>2,300,133</u>
Decrease in net assets	<u>\$ (249,597)</u>	<u>\$ (108,646)</u>	<u>\$ (100,762)</u>	<u>\$ (459,005)</u>

St. Tikhon's Orthodox Monastery

Schedule of Operating, Personnel and Administrative Expenses by Department

Year Ended December 31, 2023

	<u>Monastery</u>	<u>Bookstore</u>	<u>Total</u>
Operating			
Depreciation and amortization	\$ 173,497	\$ 44,880	\$ 218,377
Contributions and stipends	141,707	-	141,707
Repairs and maintenance	125,155	467	125,622
Utilities	77,624	17,814	95,438
Supplies	88,190	210	88,400
Liturgical	88,234	-	88,234
Assessments and dues	33,836	11,992	45,828
Insurance	576	42,000	42,576
Security	38,456	-	38,456
Equipment	36,451	-	36,451
Chamber choir	-	30,967	30,967
Telephone	16,901	9,665	26,566
Credit card fees	-	22,972	22,972
Cemetery costs	16,700	-	16,700
Bank fees	8,371	895	9,266
Miscellaneous	7,168	-	7,168
	<u>852,866</u>	<u>181,862</u>	<u>1,034,728</u>
Total operating	<u>\$ 852,866</u>	<u>\$ 181,862</u>	<u>\$ 1,034,728</u>
Personnel			
Salary and wages	\$ -	\$ 373,132	\$ 373,132
Maintenance and support	145,895	-	145,895
Health insurance	67,232	-	67,232
Payroll taxes	-	28,242	28,242
	<u>-</u>	<u>28,242</u>	<u>28,242</u>
Total personnel	<u>\$ 213,127</u>	<u>\$ 401,374</u>	<u>\$ 614,501</u>
Administrative			
Automobile	\$ 30,838	\$ -	\$ 30,838
Travel	18,770	2,666	21,436
Office supplies	12,312	16,037	28,349
Professional fees	23,968	8,105	32,073
Salary and wages	-	12,197	12,197
Advertising	7,684	934	8,618
	<u>7,684</u>	<u>934</u>	<u>8,618</u>
Total administrative	<u>\$ 93,572</u>	<u>\$ 39,939</u>	<u>\$ 133,511</u>

St. Tikhon's Orthodox Monastery

Schedule of Operating, Personnel and Administrative Expenses by Department
Year Ended December 31, 2022

	<u>Monastery</u>	<u>Bookstore</u>	<u>Total</u>
Operating			
Contributions and stipends	\$ 179,136	\$ 67	\$ 179,203
Depreciation and amortization	129,561	47,400	176,961
Repairs and maintenance	143,794	857	144,651
Supplies	100,297	1,145	101,442
Utilities	78,461	14,064	92,525
Liturgical	89,981	-	89,981
Chamber choir	-	82,101	82,101
Equipment	50,356	-	50,356
Insurance	1,081	43,948	45,029
Security	31,819	-	31,819
Assessments and dues	22,305	8,640	30,945
Telephone	16,120	9,358	25,478
Credit card fees	(707)	19,641	18,934
Cemetery costs	17,000	-	17,000
Bank fees	1,471	3,313	4,784
Miscellaneous	2,652	-	2,652
	<u>\$ 863,327</u>	<u>\$ 230,534</u>	<u>\$ 1,093,861</u>
Total operating	<u>\$ 863,327</u>	<u>\$ 230,534</u>	<u>\$ 1,093,861</u>
Personnel			
Salary and wages	\$ -	\$ 339,189	\$ 339,189
Maintenance and support	144,277	-	144,277
Health insurance	59,002	-	59,002
Payroll taxes	-	26,597	26,597
	<u>-</u>	<u>26,597</u>	<u>26,597</u>
Total personnel	<u>\$ 203,279</u>	<u>\$ 365,786</u>	<u>\$ 569,065</u>
Administrative			
Automobile	\$ 48,680	\$ -	\$ 48,680
Travel	38,534	4,270	42,804
Office supplies	12,667	19,818	32,485
Professional fees	13,281	11,699	24,980
Salary and wages	-	15,699	15,699
Advertising	7,343	1,233	8,576
	<u>7,343</u>	<u>1,233</u>	<u>8,576</u>
Total administrative	<u>\$ 120,505</u>	<u>\$ 52,719</u>	<u>\$ 173,224</u>