

**ASSEMBLY OF CANONICAL ORTHODOX  
BISHOPS**

**AUDITED FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2012 AND  
FROM INCEPTION OF OCTOBER 18, 2011  
THROUGH DECEMBER 31, 2011**

# ASSEMBLY OF CANONICAL ORTHODOX BISHOPS

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## Table of Contents

Independent Auditors' Report.....	1 - 2
<u>Financial Statements:</u>	
Statements of Financial Position.....	3
Statements of Activities and Changes in Net Assets.....	4 - 5
Statements of Cash Flows.....	6
Notes to Financial Statements.....	7 - 9

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Assembly of Canonical Orthodox Bishops  
Somerset, NJ

We have audited the accompanying financial statements of Assembly of Canonical Orthodox Bishops (a nonprofit organization), which comprise the statements of financial position as of December 31, 2012 and 2011, and the related statements of activities and changes in net assets, and cash flows for the year ended December 31, 2012 and from the inception of October 18, 2011 through December 31, 2011, 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 of 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 auditors' 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.



*Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Assembly of Canonical Orthodox Bishops as of December 31, 2012 and 2011, and the changes in its net assets and its cash flows for the year ended December 31, 2012 and from inception of October 18, 2011 through December 31, 2011 in accordance with accounting principles generally accepted in the United States of America.

*Barnes Wendling CPAs, Inc.*

November 22, 2013  
Sheffield Village, Ohio

# ASSEMBLY OF CANONICAL ORTHODOX BISHOPS

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## Statements of Financial Position

	December 31,	
	<u>2012</u>	<u>2011</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 129,979	\$ 92,221
Promises to give	<u>25,000</u>	<u>50,000</u>
	<b><u>\$ 154,979</u></b>	<b><u>\$ 142,221</u></b>
<b>LIABILITIES</b>		
Accounts payable	\$ 150	\$ 1,990
<b>NET ASSETS</b>		
Unrestricted	129,829	90,231
Temporarily restricted	<u>25,000</u>	<u>50,000</u>
	<u>154,829</u>	<u>140,231</u>
	<b><u>\$ 154,979</u></b>	<b><u>\$ 142,221</u></b>

See Notes to Financial Statements

## ASSEMBLY OF CANONICAL ORTHODOX BISHOPS

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### Statements of Activities and Changes in Net Assets

	Year Ended December 31, 2012		
	Unrestricted	Temporarily Restricted	Total
<b>Revenue</b>			
Contributions	\$ 71,076	\$ -0-	\$ 71,076
Jurisdictional contributions	43,000	-0-	43,000
Investment income	192	-0-	192
Miscellaneous	4,195	-0-	4,195
	118,463	-0-	118,463
 Net assets released from restriction	 25,000	 ( 25,000)	 -0-
	143,463	( 25,000)	118,463
 <b>Expenses</b>			
Conferences, conventions, meetings & travel	99,641	-0-	99,641
Contract services	1,360	-0-	1,360
Professional fees	2,235	-0-	2,235
Office supplies	629	-0-	629
	103,865	-0-	103,865
 Changes in net assets	 39,598	 ( 25,000)	 14,598
 Net assets, beginning of the year	 90,231	 50,000	 140,231
 <b>Net assets, end of the year</b>	 <b>\$ 129,829</b>	 <b>\$ 25,000</b>	 <b>\$ 154,829</b>

See Notes to Financial Statements

	Inception of October 18, 2011 through December 31, 2011		
	Unrestricted	Temporarily Restricted	Total
<b>Revenue</b>			
Contributions	\$ -0-	\$ 100,000	\$ 100,000
Jurisdictional contributions	44,300	-0-	44,300
Investment income	11	-0-	11
Miscellaneous	100	-0-	100
	<u>44,411</u>	<u>100,000</u>	<u>144,411</u>
 Net assets released from restriction	 50,000	 ( 50,000)	 -0-
	<u>94,411</u>	<u>50,000</u>	<u>144,511</u>
 <b>Expenses</b>			
Conferences, conventions, meetings & travel	3,680	-0-	3,680
Contract services	-0-	-0-	-0-
Professional fees	75	-0-	75
Office supplies	425	-0-	425
	<u>4,180</u>	<u>-0-</u>	<u>4,180</u>
 Changes in net assets	 90,231	 50,000	 140,231
 Net assets, from inception date of October 18, 2011	 <u>-0-</u>	 <u>-0-</u>	 <u>-0-</u>
 <b>Net assets, end of the year</b>	 <u><u>\$ 90,231</u></u>	 <u><u>\$ 50,000</u></u>	 <u><u>\$ 140,231</u></u>

## **ASSEMBLY OF CANONICAL ORTHODOX BISHOPS**

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### **Statements of Cash Flows**

**For the Year Ended December 31, 2012 and From Inception of  
October 18, 2011 through December 31, 2011**

	<u>2012</u>	<u>2011</u>
<b>Cash Flows From Operating Activities</b>		
Changes in net assets	\$ 14,598	\$ 140,231
Adjustment to reconcile changes in net assets to net cash provided by operating activities:		
(Increase) decrease in assets:		
Promises to give	25,000	( 50,000)
Increase (decrease) in liabilities:		
Accounts payable	( 1,840)	1,990
Net cash provided by operating activities	<u>37,758</u>	<u>92,221</u>
Net increase in cash	37,758	92,221
Cash at beginning of the year	<u>92,221</u>	<u>-0-</u>
<b>Cash at end of the year</b>	<u><b>\$ 129,979</b></u>	<u><b>\$ 92,221</b></u>

See Notes to Financial Statements



# ASSEMBLY OF CANONICAL ORTHODOX BISHOPS

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## Notes to Financial Statements

Year Ended December 31, 2012 and From Inception of October 18, 2011  
Through December 31, 2011

### NOTE A - ORGANIZATION BACKGROUND

Assembly of Canonical Orthodox Bishops of North and Central America (the "Organization") is one of twelve bishops' assemblies which have been established in different geographical regions throughout the world. The purpose of the Organization is to preserve and contribute to the unity of the Orthodox Church by helping to further her spiritual, theological, ecclesiological, canonical, educational, missionary, and philanthropic aims.

The Organization's main program is funding various travel and meeting costs of the committees and the Annual Assembly of Bishops.

### NOTE B - ACCOUNTING POLICIES

#### **Basis of Accounting**

The financial statements have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities. Furthermore, the accounting policies adhered to by the Organization are generally consistent with the *Audit and Accounting Guide Not-for-Profit Organizations* issued by the American Institute of Certified Public Accountants.

#### **Basis of Presentation**

The Organization's financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its accounting standards for *Not-for-Profit Entities*. Under these standards, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

#### **Unrestricted Net Assets**

Unrestricted net assets are not subject to donor-imposed restrictions.

#### **Temporarily Restricted Net Assets**

Temporarily restricted net assets are subject to donor-imposed restrictions. These restrictions may be removed by the passage of time or actions of the Organization to meet the restrictions.

#### **Permanently Restricted Net Assets**

Permanently restricted net assets are those contributions that the donor stipulates must be held in perpetuity for a particular purpose. The Organization has no permanently restricted net assets as of December 31, 2012 and 2011.

# ASSEMBLY OF CANONICAL ORTHODOX BISHOPS

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## Notes to Financial Statements

Year Ended December 31, 2012 and From Inception of October 18, 2011  
Through December 31, 2011

### NOTE B - ACCOUNTING POLICIES (CONTINUED)

#### Management Estimates

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

#### Cash and Cash Equivalents

The Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. The Organization's cash balances on deposit with financial institutions may occasionally exceed Federal Deposit Insurance Corporation limits.

#### Promises to Give

Conditional promises to give are recognized when the conditions on which they depend are substantially met. Unconditional promises to give are recognized as pledges receivable and a related contribution when made. Management individually reviews pledges and those deemed uncollectible are written off to bad debt expense. Bad debt expense related to pledges was \$-0- for the years ended December 31, 2012 and 2011. Promises to give at December 31, 2012 are expected to be collected within one year.

#### Contributions

The Organization recognizes revenue in the period in which the pledge or grant (promise to give) is received. Contributions with donor-imposed restrictions that are met in the same period are reported as unrestricted contributions.

#### Functional Allocation of Expenses

Direct costs of providing the Organization's various programs and other activities have been summarized on a functional basis and reflected in the statements of functional expenses. Indirect costs have been allocated between the various programs and support services. Although the methods of allocation used are considered appropriate, other methods could be used that would produce a different result.

#### Income Taxes

The Organization is a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from Federal income taxes.

# ASSEMBLY OF CANONICAL ORTHODOX BISHOPS

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## Notes to Financial Statements

Year Ended December 31, 2012 and From Inception of October 18, 2011  
Through December 31, 2011

### NOTE B - ACCOUNTING POLICIES (CONTINUED)

The Organization did not identify any material unrecognized tax benefits upon evaluation of tax positions taken and therefore, there was no material effect on the Organization's financial condition or results of operations. The Organization evaluates at each balance sheet date uncertain tax positions taken, if any, to determine the need to record liabilities for taxes, penalties, and interest. The Organization's policy is to record interest and penalties on uncertain tax provisions as income tax expense. As of December 31, 2012 and 2011, the Organization had no accrued taxes, interest or penalties related to uncertain tax positions. The Organization estimates the unrecognized tax benefit will not change significantly within the next twelve months.

#### Subsequent Events

The Organization has evaluated subsequent events through November 22, 2013, the date which the financial statements were available to be issued.

### NOTE C - TEMPORARILY RESTRICTED NET ASSETS

Net assets as of December 31, 2012 and 2011 were temporarily restricted for passage of time.

### NOTE D - FUNCTIONAL EXPENSES

Management has allocated expenses of the Organization into the following functional classifications:

	Years Ended December 31,	
	2012	2011
Program services	\$ 99,956	\$ 3,893
Administrative expense	3,909	287
Total expenses	\$ 103,865	\$ 4,180