

**ASSEMBLY OF CANONICAL
ORTHODOX BISHOPS**

**AUDITED
FINANCIAL STATEMENTS**

**YEARS ENDED
DECEMBER 31, 2013 AND 2012**

ASSEMBLY OF CANONICAL ORTHODOX BISHOPS

Table of Contents

Independent Auditors' Report..... 1 - 2

Financial Statements:

 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, 2013 and 2012, and the related statements of activities and changes in net assets, 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 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, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Barnes Wendling CPAs, Inc.

October 17, 2014
Sheffield Village, Ohio

ASSEMBLY OF CANONICAL ORTHODOX BISHOPS

Statements of Financial Position

	December 31,	
	<u>2013</u>	<u>2012</u>
ASSETS		
Cash and cash equivalents	\$ 95,418	\$ 129,979
Prepaid	3,008	-0-
Promises to give	-0-	25,000
	<u>\$ 98,426</u>	<u>\$ 154,979</u>
LIABILITIES		
Accounts payable	\$ 7,337	\$ 150
NET ASSETS		
Unrestricted	91,089	129,829
Temporarily restricted	-0-	25,000
	<u>91,089</u>	<u>154,829</u>
	<u>\$ 98,426</u>	<u>\$ 154,979</u>

See Notes to Financial Statements

ASSEMBLY OF CANONICAL ORTHODOX BISHOPS

Statements of Activities and Changes in Net Assets

	Year Ended December 31, 2013		
	Unrestricted	Temporarily Restricted	Total
Revenue			
Contributions	\$ 21,683	\$ -0-	\$ 21,683
Jurisdictional contributions	44,500	-0-	44,500
Investment income	61	-0-	61
Miscellaneous	-0-	-0-	-0-
	<u>66,244</u>	<u>-0-</u>	<u>66,244</u>
Net assets released from restriction	25,000	(25,000)	-0-
	<u>91,244</u>	<u>(25,000)</u>	<u>66,244</u>
Expenses			
Conferences, conventions, meetings & travel	94,239	-0-	94,239
Contract services	31,190	-0-	31,190
Insurance	1,003	-0-	1,003
Membership dues	3,190	-0-	3,190
Office supplies	362	-0-	362
	<u>129,984</u>	<u>-0-</u>	<u>129,984</u>
Changes in net assets	(38,740)	(25,000)	(63,740)
Net assets, beginning of the year	<u>129,829</u>	<u>25,000</u>	<u>154,829</u>
Net assets, end of the year	<u>\$ 91,089</u>	<u>\$ -0-</u>	<u>\$ 91,089</u>

	Year Ended December 31, 2012		
	Unrestricted	Temporarily Restricted	Total
Revenue			
Contributions	\$ 71,076	\$ -0-	\$ 71,076
Jurisdictional contributions	43,000	-0-	43,000
Investment income	192	-0-	192
Miscellaneous	4,195	-0-	4,195
	<u>118,463</u>	<u>-0-</u>	<u>118,463</u>
Net assets released from restriction	<u>25,000</u>	<u>(25,000)</u>	<u>-0-</u>
	143,463	(25,000)	118,463
Expenses			
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
	<u>103,865</u>	<u>-0-</u>	<u>103,865</u>
Changes in net assets	39,598	(25,000)	14,598
Net assets, beginning of the year	<u>90,231</u>	<u>50,000</u>	<u>140,231</u>
Net assets, end of the year	<u>\$ 129,829</u>	<u>\$ 25,000</u>	<u>\$ 154,829</u>

ASSEMBLY OF CANONICAL ORTHODOX BISHOPS

Statements of Cash Flows

For the Year Ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Cash Flows From Operating Activities		
Changes in net assets	(\$ 63,740)	\$ 14,598
Adjustment to reconcile changes in net assets to net cash provided by operating activities:		
(Increase) decrease in assets:		
Prepays	(3,008)	-0-
Promises to give	25,000	25,000
Increase (decrease) in liabilities:		
Accounts payable	<u>7,187</u>	<u>(1,840)</u>
Net cash provided by (used in) operating activities	<u>(34,561)</u>	<u>37,758</u>
Net (decrease) increase in cash	(34,561)	37,758
Cash at beginning of the year	<u>129,979</u>	<u>92,221</u>
Cash at end of the year	<u>\$ 95,418</u>	<u>\$ 129,979</u>

See Notes to Financial Statements

ASSEMBLY OF CANONICAL ORTHODOX BISHOPS

Notes to Financial Statements Years Ended December 31, 2013 and 2012

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 – SUMMARY OF SIGNIFICANT 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' 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, 2013 and 2012.

ASSEMBLY OF CANONICAL ORTHODOX BISHOPS

Notes to Financial Statements Years Ended December 31, 2013 and 2012

NOTE B - SUMMARY OF SIGNIFICANT 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, December 31, 2013 and 2012.

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

Notes to Financial Statements Years Ended December 31, 2013 and 2012

NOTE B – SUMMARY OF SIGNIFICANT 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, 2013 and 2012, 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 October 17, 2014, the date which the financial statements were available to be issued.

NOTE C - TEMPORARILY RESTRICTED NET ASSETS

Net assets as of December 31, 2012 were temporarily restricted for passage of time. There were no temporarily restricted net assets as of December 31, 2013.

NOTE D - FUNCTIONAL EXPENSES

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

	Years Ended December 31,	
	2013	2012
Program services	\$ 125,610	\$ 99,956
Administrative expense	4,374	3,909
Total expenses	<u>\$ 129,984</u>	<u>\$ 103,865</u>