

FINANCIAL STATEMENTS TOGETHER WITH  
REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

**THE PENSION PLAN FOR CLERGYMEN AND LAY EMPLOYEES  
OF THE GREEK ORTHODOX ARCHDIOCESE OF AMERICA**

For the years ended December 31, 2008 and 2007

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## REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Archdiocese Benefits Committee of the  
**Greek Orthodox Archdiocese of America:**

We have audited the accompanying statements of net assets available for benefits of The Pension Plan for Clergymen and Lay Employees of the Greek Orthodox Archdiocese of America (the “Plan”) as of December 31, 2008 and 2007, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan’s management. 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 audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan’s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial status of The Pension Plan for Clergymen and Lay Employees of the Greek Orthodox Archdiocese of America as of December 31, 2008 and 2007, and the changes in its financial status for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

*Grant Thornton LLP*

New York, New York  
November 30, 2010

The Pension Plan for Clergymen and Lay Employees  
of the Greek Orthodox Archdiocese of America

**STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS**

As of December 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Assets:		
Cash - Atlantic Bank of New York	\$ 107,295	\$ 10,122
Investments:		
Investments held by New York Life Trust Company:		
Mutual funds	36,898,666	54,642,918
Money market account	<u>432,416</u>	<u>413,245</u>
	37,331,082	55,056,163
Investments held by MJ Whitman Co., LLC:		
Money market account	257	16,342
Investments held by Ascent Meredith Inc:		
Money market account	<u>33,450</u>	<u>-</u>
Total investments	<u>37,364,789</u>	<u>55,072,505</u>
Net assets available for benefits	<u>\$ 37,472,084</u>	<u>\$ 55,082,627</u>

*The accompanying notes are an integral part of these statements.*

The Pension Plan for Clergymen and Lay Employees  
of the Greek Orthodox Archdiocese of America

**STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS**

For the years ended December 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Additions (reductions):		
Investment income (loss):		
Net (depreciation) appreciation in fair value of investments (Note F)	<b>\$ (16,663,812)</b>	\$ 2,356,502
Interest and dividend income	<u>1,093,644</u>	<u>1,306,853</u>
Total investment (loss) income	<u><b>(15,570,168)</b></u>	<u>3,663,355</u>
Contributions:		
Contributions from retirement plan participants	<b>1,549,193</b>	1,462,418
Contributions from Archdiocese and affiliates	<u>1,953,932</u>	<u>2,113,396</u>
Total contributions	<u><b>3,503,125</b></u>	<u>3,575,814</u>
Total (reductions) additions	<u><b>(12,067,043)</b></u>	<u>7,239,169</u>
Deductions:		
Benefits paid to retired participants	<b>5,321,545</b>	4,911,681
Actuarial and administration fees	<u>221,955</u>	<u>294,576</u>
Total deductions	<u><b>5,543,500</b></u>	<u>5,206,257</u>
Net (decrease) increase	<b>(17,610,543)</b>	2,032,912
Net assets available for benefits, beginning of year	<u>55,082,627</u>	<u>53,049,715</u>
Net assets available for benefits, end of year	<u><b>\$ 37,472,084</b></u>	<u>\$ 55,082,627</u>

*The accompanying notes are an integral part of these statements.*

The Pension Plan for Clergymen and Lay Employees  
of the Greek Orthodox Archdiocese of America

**NOTES TO FINANCIAL STATEMENTS**

December 31, 2008 and 2007

**NOTE A - DESCRIPTION OF THE PENSION PLAN**

*1. General*

The following description of The Pension Plan for Clergymen and Lay Employees of the Greek Orthodox Archdiocese of America (the “Plan”) is provided for general information purposes only. Participants should refer to the Archdiocese benefits office at the Greek Orthodox Archdiocese of America (the “Archdiocese”) for complete information.

The Plan is administered by the Archdiocese Benefits Committee (the “ABC”).

*2. Eligibility*

The Plan is a contributory defined benefit pension plan that was adopted in 1973; restated effective January 1, 1983, January 1, 1996, and January 1, 2006; and amended effective January 1, 1991, 1997, 1999, 2000, 2001, 2003, 2004 and 2006. The Plan covers the majority of clergymen and lay employees of the Archdiocese, as well as employees of participating affiliated organizations.

*3. Pension Benefits and Vesting*

The accompanying financial statements have been prepared on the basis that the Plan, as amended on January 1, 1991, provides for 100% vesting after five years of service. Amounts withheld from employees’ compensation and contributed by them are fully refunded along with accrued interest at rates specified by the Plan if such employee terminates from service prior to full vesting. Benefits for participants retiring at normal (age 65), early or delayed retirement age and disability or death benefits are calculated as set forth in the Plan.

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*1. Basis of Presentation*

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America using the accrual basis of accounting.

*2. Investments Valuation and Income Recognition*

The Plan’s investments are stated at fair value. Shares of mutual funds are valued at quoted market prices, which represent the net asset value of shares held by the Plan at year-end.

The Pension Plan for Clergymen and Lay Employees  
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**NOTES TO FINANCIAL STATEMENTS (continued)**

December 31, 2008 and 2007

**NOTE B (continued)**

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

3. *Participant Contributions*

A participant may elect to make contributions in an amount equal to 3½% to 5% of earnings in accordance with the rules established by the ABC.

4. *Administrative Expenses*

Administrative expenses which consist of investment fees, salaries, and professional fees, are paid by the Plan, as permitted by the Plan document.

5. *Benefits Paid to Participants*

Benefits paid to participants are recorded when paid.

6. *Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, expenses and other disclosures during the reporting period. Actual results could differ from those estimates.

7. *Actuarial Assumptions*

Accumulated plan benefits are those future periodic payments, including lump-sum distributions, that are attributable under the Plan's provisions to the service employees have rendered. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died, and (c) present employees or their beneficiaries. Benefits under the Plan are based on employees' compensation during their last five years of credited service. The accumulated plan benefits for active employees are based on their average compensation during the five years ending on the date as of which the benefit information is presented (the valuation date). Benefits payable under all circumstances - retirement, death, disability, and termination of employment - are included, to the extent they are deemed attributable to employee service rendered to the valuation date. Benefits to be provided via annuity contracts excluded from Plan assets are excluded from accumulated Plan benefits.

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**NOTES TO FINANCIAL STATEMENTS (continued)**

December 31, 2008 and 2007

**NOTE B (continued)**

The actuarial present value of accumulated plan benefits is determined by an actuary from New York Life Investment Management LLC and is that amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment.

Significant assumptions underlying the 2008 and 2007 actuarial computations are as follows:

Actuarial cost method	Unit credit cost method
Rate of investment return	8% compounded annually for 2008 and 2007
Rate of compensation	5% compounded annually
Mortality	1983 Group Annuity Mortality Table for males, set back six years in age for females
Retirement age	The later of age 65 or completion of five years of service

**NOTE C - FUNDING POLICY**

The Plan is funded in accordance with the initial minimum standards of the Employee Retirement Income Security Act (“ERISA”), as originally in effect in 1974.

**NOTE D - PLAN TERMINATION**

Although no intentions to terminate the Plan have been expressed, the Plan may be terminated at any time by the ABC, at which time the assets of the Plan would be liquidated, allocated and distributed in accordance with the provisions of the Plan.



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**NOTES TO FINANCIAL STATEMENTS (continued)**

December 31, 2008 and 2007

**NOTE E - ACCUMULATED BENEFITS**

The actuarial present value of accumulated plan benefits as of the dates indicated, is summarized as follows:

	<b>January 1, 2008</b>	January 1, 2007
Actuarial present value of accumulated plan benefits:		
Vested benefits:		
Participants currently receiving payments	<b>\$ 38,936,877</b>	\$ 38,648,836
Other participants	<u>24,657,202</u>	<u>21,912,653</u>
Total vested benefits	<b>63,594,079</b>	60,561,489
Nonvested benefits	<u>500,232</u>	<u>1,688,335</u>
Total actuarial present value of accumulated plan benefits	<b><u>\$ 64,094,311</u></b>	<b><u>\$ 62,249,824</u></b>

Accumulated contributions of active employees, including credited interest on those contributions, amounted to approximately \$16,764,000 and \$15,564,000 as of December 31, 2008 and 2007, respectively.

The changes accumulated plan benefits during the years ended as of the dates indicated are summarized as follows:

	<b>January 1, 2008</b>	January 1, 2007
Actuarial present value of accumulated plan benefits, beginning of year	<b><u>\$ 62,249,824</u></b>	<b><u>\$ 59,591,220</u></b>
Changes in actuarial assumptions	-	665,391
Benefits accumulated and (gains) losses	<b>1,972,649</b>	2,173,652
Benefits paid	<b>(4,911,681)</b>	(4,824,940)
Interest	<u>4,783,519</u>	<u>4,644,501</u>
Net increase	<b><u>1,844,487</u></b>	<b><u>2,658,604</u></b>
Actuarial present value of accumulated plan benefits, end of year	<b><u>\$ 64,094,311</u></b>	<b><u>\$ 62,249,824</u></b>

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of the Greek Orthodox Archdiocese of America

**NOTES TO FINANCIAL STATEMENTS (continued)**

December 31, 2008 and 2007

**NOTE F - CASH AND INVESTMENTS**

The following table presents investments by type as of December 31, 2008 and 2007:

	<u>2008</u>	<u>2007</u>
New York Life Trust Company Money Market Account	\$ 432,416	\$ 413,245
MJ Whitman Co., LLC Money Market Account	257	16,342
Ascent Meredith Inc. Money Market Account	33,450	-
Mutual Funds	<u>36,898,666</u>	<u>54,642,918</u>
	<u>\$ 37,364,789</u>	<u>\$ 55,072,505</u>

The following table presents individual investments that represent 5% or more of the Plan's net assets at December 31, 2008 and 2007:

	<u>2008</u>	<u>2007</u>
PIMCO Real Return Admin	\$ 4,804,578	\$ -
The Growth Fund of America (R4)	4,949,754	8,123,734
American Beacon Large Cap Value	5,132,802	8,495,776
Davis New York Venture Fund	4,006,130	6,660,083
Harbor International Fund Institutional	6,604,795	11,518,419
Vanguard Short Term Treasury	3,111,758	7,954,285
MainStay Institutional Bond I	6,534,033	9,580,614

The Plan's investment (including gains and losses on investments bought and sold, as well as held during the year) (depreciated) appreciated in value by (\$16,663,812) and \$2,356,502 for the years ended December 31, 2008 and 2007, all of which is attributable to mutual funds.

**NOTE G - TAX STATUS**

The Internal Revenue Service has determined and informed the Plan's management by a letter dated January 28, 2008, that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code ("IRC").

The Pension Plan for Clergymen and Lay Employees  
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**NOTES TO FINANCIAL STATEMENTS (continued)**

December 31, 2008 and 2007

**NOTE H - RISK AND UNCERTAINTITIES**

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least 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 statement of net assets available for benefits.

Plan contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

Subsequent to December 31, 2008, the investment and credit markets in general have experienced significant volatility. As a result of this condition, a substantial portion of the Plan's investments have experienced significant declines subsequent to December 31, 2008.