Financial Statements Together with
Report of Independent Certified Public Accountants

GREEK ORTHODOX ARCHDIOCESE OF AMERICA

December 31, 2010 and 2009

GREEK ORTHODOX ARCHDIOCESE OF AMERICA

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Audit • Tax • Advisory

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To His Eminence Archbishop Demetrios of America
and the Members of the Archdiocesan Council of the
Greek Orthodox Archdiocese of America:

We have audited the accompanying statements of financial position of the Greek Orthodox Archdiocese of America (the "Archdiocese") as of December 31, 2010 and 2009, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Archdiocese'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 established by the American Institute of Certified Public Accountants. 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 Archdiocese'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.

As explained in Note 1, the financial statements presented are only for the Archdiocese as referred to above and do not include the financial position, changes in net assets and cash flows of any affiliates of the Archdiocese. Accordingly, the accompanying financial statements are not intended to present the combined financial position of the Archdiocese and affiliates as of December 31, 2010 and 2009, or the changes in their combined net assets, or their combined cash flows for the years then ended.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Greek Orthodox Archdiocese of America as of December 31, 2010 and 2009, and the changes in its net assets and its cash flows 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
February 18, 2013

GREEK ORTHODOX ARCHDIOCESE OF AMERICA
Statements of Financial Position
As of December 31, 2010 and 2009

ASSETS	2010	2009
Cash and cash equivalents	$ 1,055,366	$ 2,210,722
Investments, at fair value	12,517,265	12,313,345
Inventory, net of reserve for obsolesence of $0 and $9,000 at December 31, 2010 and 2009, respectively.	550,327	599,862
Due from related entities, net of allowance for doubtful accounts of $1,268,915 and $1,240,700 at December 31, 2010 and 2009, respectively	59,500	34,156
Miscellaneous receivables and other assets	188,939	178,795
Deferred expenses	-	15,009
Prepaid expenses	73,346	43,947
Land, buildings and equipment, net	4,025,997	3,251,412
Beneficial interest in split-interest agreement	330,272	325,600
Investments held for others	4,983,964	5,263,396
Total assets	$ 23,784,976	$ 24,236,244
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	$ 3,835,847	$ 4,335,888
Deferred revenue	9,603	6,974
Grants payable	80,000	337,500
Notes payable	1,916,114	1,955,781
Other accrued retirement benefits	1,197,295	1,261,303
Custody funds held for others	4,983,964	5,263,396
Total liabilities	12,022,823	13,160,842
Contingencies and contingencies		
NET ASSETS		
Unrestricted	1,980,611	1,003,566
Temporarily restricted	7,458,191	7,753,704
Permanently restricted	2,323,351	2,318,132
Total net assets	11,762,153	11,075,402
Total liabilities and net assets	$ 23,784,976	$ 24,236,244

The accompanying notes are an integral part of these statements.

GREEK ORTHODOX ARCHDIOCESE OF AMERICA
Statements of Activities
For the years ended December 31, 2010 and 2009

	2010				2009			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES AND OTHER SUPPORT								
National ministry commitment	$ 17,604,959	$ -	$ -	$ 17,604,959	$ 17,254,632	$ -	$ -	$ 17,254,632
Contributions and grants	3,273,641	1,034,893	-	4,308,534	4,417,424	414,621	-	4,832,045
Leadership 100 grants	-	25,000	-	25,000	-	119,900	-	119,900
Faith Endowment grants	467,900	-	-	467,900	1,000,000	-	-	1,000,000
Ministries, publications and registry	1,675,128	-	-	1,675,128	1,876,819	-	-	1,876,819
Department of Religious Education – sales	537,247	-	-	537,247	486,445	-	-	486,445
Department of Religious Education – other	109,352	-	-	109,352	110,121	-	-	110,121
Other income	60,322	-	-	60,322	20,753	-	-	20,753
Clergy Laity conference	669,437	-	-	669,437	-	-	-	-
Investment income	489,308	213,550	547	703,405	369,432	365,432	2,089	736,953
Change in fair value of beneficial interest in trust held by others	-	-	4,672	4,672	-	-	30,673	30,673
Net assets released from restrictions	1,568,956	(1,568,956)	-	-	1,148,562	(1,148,562)	-	-
Total revenues and other support	26,456,250	(295,513)	5,219	26,165,956	26,684,188	(248,609)	32,762	26,468,341
Expenses:								
Program services:								
Education	5,489,265	-	-	5,489,265	5,395,247	-	-	5,395,247
Metropolis Ministries	5,054,906	-	-	5,054,906	4,413,014	-	-	4,413,014
Orthodoxy in the World	1,709,804	-	-	1,709,804	1,712,228	-	-	1,712,228
Affiliate distributions	933,766	-	-	933,766	192,050	-	-	192,050
Communications	2,447,521	-	-	2,447,521	2,708,787	-	-	2,708,787
Community services	2,414,256	-	-	2,414,256	2,433,409	-	-	2,433,409
Clergy Laity conference	836,520	-	-	836,520	-	-	-	-
Retirement and clergy benefit expenses	816,103	-	-	816,103	681,002	-	-	681,002
Total program services	19,702,141	-	-	19,702,141	17,535,737	-	-	17,535,737
Fundraising	167,844	-	-	167,844	314,361	-	-	314,361
General and administrative expenses	5,609,220	-	-	5,609,220	6,782,502	-	-	6,782,502
Total expenses	25,479,205	-	-	25,479,205	24,632,600	-	-	24,632,600
Changes in net assets	977,045	(295,513)	5,219	686,751	2,051,588	(248,609)	32,762	1,835,741
Net assets (deficit), beginning of year	1,003,566	7,753,704	2,318,132	11,075,402	(1,048,022)	8,002,313	2,285,370	9,239,661
Net assets, end of year	$ 1,980,611	$ 7,458,191	$ 2,323,351	$ 11,762,153	$ 1,003,566	$ 7,753,704	$ 2,318,132	$ 11,075,402

The accompanying notes are an integral part of these statements.

GREEK ORTHODOX ARCHDIOCESE OF AMERICA
Statements of Cash Flows
For the years ended December 31, 2010 and 2009

	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	$ 686,751	$ 1,835,741
Adjustments to reconcile changes in net assets to net cash (used in) provided by operating activities:		
Depreciation	234,315	232,363
Donated stock	-	(614,267)
Net appreciation in fair value of investments	(494,267)	(432,032)
Change in fair value of beneficial interest in trust held by others	(4,672)	(30,673)
Changes in assets and liabilities:		
Inventory	49,535	82,287
Due from related entities	(25,344)	348,087
Miscellaneous receivables and other assets	(10,144)	(16,360)
Deferred expenses	15,009	(15,009)
Prepaid expenses	(29,399)	(20,908)
Accounts payable and accrued expenses	(500,041)	(514,738)
Deferred revenue	2,629	4,707
Grants payable	(257,500)	(12,500)
Due to related entities	-	(72,541)
Other accrued retirement benefits	(64,008)	(211,434)
Net cash (used in) provided by operating activities	(397,136)	562,723
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(4,798,824)	(4,503,847)
Proceeds from sales and maturities of investments	5,089,171	4,656,657
Purchases of fixed assets	(1,008,900)	(294,910)
Net cash used in investing activities	(718,553)	(142,100)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on notes payable	(39,667)	(18,893)
Net cash used in financing activities	(39,667)	(18,893)
Net (decrease) increase in cash and cash equivalents	(1,155,356)	401,730
Cash and cash equivalents, beginning of year	2,210,722	1,808,992
Cash and cash equivalents, end of year	$ 1,055,366	$ 2,210,722
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 110,716	$ 90,528

The accompanying notes are an integral part of these statements.

1. ORGANIZATION AND NATURE OF ACTIVITIES

The Greek Orthodox Archdiocese of America (the "Archdiocese") is the administrative body of the Greek Orthodox Church in America. The Archdiocese relies primarily on funding from its parishes located throughout the United States.

The Archdiocese is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and similar state and local provisions. Therefore, no provision for income taxes has been made in the accompanying financial statements. In addition, the Archdiocese has not been determined to be a private foundation within the meaning of Section 509(a) of the Internal Revenue Code.

The Archdiocese is related to a number of other entities by virtue of its charter with the Ecumenical Patriarchate, and by common board membership. The accompanying financial statements do not include the financial position, changes in net assets and cash flows of the following affiliated organizations:

- Holy Metropolises of Atlanta, Boston, Chicago, Denver, Detroit, New Jersey, Pittsburgh and San Francisco
- Hellenic College, Inc.
- The Cathedral School
- Greek Orthodox Archdiocesan Cathedral of the Holy Trinity ("Cathedral")
- Saint Basil Academy
- Greek Ladies Philoptochos Society, Inc.
- St. Michael's Home, Inc.
- Order of Saint Andrew the Apostle Archons of the Ecumenical Patriarchate
- The Archbishop Iakovos Leadership 100 Endowment Fund, Inc.
- FAITH: An Endowment for Orthodoxy & Hellenism

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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

Classifications of Net Assets

The net assets of the Archdiocese and changes therein are classified and reported based upon the existence or absence of donor-imposed restrictions as follows:

Unrestricted – Net assets that are not subject to donor-imposed stipulations and that may be expended for any purpose in performing the primary objectives of the Archdiocese. Included within unrestricted net assets is a board designated fund, the Cathedral Fund, that was designated by Archbishop Iakovos, to be used, upon approval, for the benefit of the Greek Orthodox Archdiocesan Cathedral of the Holy Trinity ("Cathedral") and Cathedral-related projects. As of December 31, 2010 and 2009, the Cathedral Fund was $2,694,689 and $2,661,500, respectively, and is included as part of the Archdiocese's investments in the accompanying statements of financial position.

Temporarily Restricted – Net assets resulting from contributions and other inflows of assets whose use by the Archdiocese is limited by donor-imposed stipulations that either expire by the passage of time or can be fulfilled and removed by the actions of the Archdiocese pursuant to those stipulations. When such stipulations end or are fulfilled, such temporarily restricted net assets are reclassified to unrestricted net assets and reported in the accompanying statements of activities.

Permanently Restricted – Net assets resulting from contributions whereby the principal has been restricted by the donor to be held and invested in perpetuity and the income used in accordance with the donor's stipulations, if any.

Cash and Cash Equivalents

The Archdiocese considers all highly liquid investments with original maturities of three months or less from the date of purchase to be cash and cash equivalents, except for those cash equivalents which are included in the Archdiocese's investment portfolio which are held for long-term investment purposes.

Investments

Investments in equity securities with readily determinable fair values are reported at fair value based on quoted market prices. Investments in debt securities are measured using quoted market prices where available. If quoted market prices for debt securities are not available, the fair value is determined using an income approach valuation technique that considers, among other things, rates currently observed in publicly traded markets for debt with similar terms to companies with comparable credit risk, the issuer's credit spread, and illiquidity by sector and maturity. All investments are managed by outside investment advisors subject to the review, approval, and control by the Archdiocese. Such valuations involve assumptions and methods that are reviewed by the Archdiocese.

Purchases and sales of securities are reflected on a trade-date basis. Gains and losses on sales of securities are determined based on average cost and are recorded in the statement of activities in the period in which the securities are sold. Dividends and interest are recognized as earned. Contributed investments are valued at their fair market value on the date received.

Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. 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 such changes could materially affect the amounts reported in the accompanying financial statements.

Fair Value Measurements

The Archdiocese follows guidance that defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the inputs used to measure fair value and enhances disclosure requirements for fair value measurements. This guidance maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available.

Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from independent sources. Unobservable inputs reflect assumptions that market participants would use in pricing the asset or liability based on the best information available in the circumstances. The hierarchy is broken down into three levels based on the transparency of inputs as follows:

Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the measurement date. A quoted price for an identical asset or liability in an active market provides the most reliable fair value measurement because it is directly observable to the market.

Level 2 - Pricing inputs other than quoted prices in active markets, which are either directly or indirectly observable as of the measurement date. The nature of these securities include investments for which quoted prices are available but traded less frequently and investments that are fair valued using other securities, the parameters of which can be directly observed. Also included in Level 2 are investments measured using a net asset value ("NAV") per share, or its equivalent, that may be redeemed at NAV at the statement of financial position date or in the near term, which the Archdiocese has determined to be within 90 days.

Level 3 - Securities that have little to no pricing observability as of the measurement date. These securities are measured using management's best estimate of fair value, where the inputs into the determination of fair value are not observable and require significant management judgment or estimation. Also included in Level 3 are investments measured using a NAV per share, or its equivalent, that can never be redeemed at NAV at the statement of financial position date or in the near term or for which redemption at NAV is uncertain due to lockup periods or other investment restrictions.

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad credit data, liquidity statistics, and other factors. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. However, the determination of what constitutes "observable" requires significant judgment by the Archdiocese. The Archdiocese considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. The categorization of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the Archdiocese's perceived risk of that instrument.

In January 2010, the FASB issued guidance for improving disclosures about fair value measurements. The guidance requires entities to disclose transfers of assets in and out of Levels 1 and 2 of the fair value hierarchy, and the reasons for such transfers. These disclosures were effective for the Archdiocese in 2010. In addition, the guidance requires a separate presentation of purchases and sales in the Level 3 asset reconciliation which will be effective for the Archdiocese in 2011. The adoption of this guidance in subsequent years is not expected to have a material effect on the Archdiocese's financial statements.

Inventory

Inventory is valued at the lower of cost or market. Such inventory consists primarily religious books, publications and other program-related literature and materials.

Receivables

Due to the uncertainty surrounding collection, management provides an allowance for doubtful accounts based on the consideration of the type of receivable, responsible party, the known financial condition of the respective party, historical collection patterns and comparative aging. These allowances are maintained at a level management considers adequate to provide for subsequent adjustments and potential uncollectible accounts. These estimates are reviewed periodically and, if the financial condition of a party changes significantly, management will evaluate the recoverability of any receivables from that organization and write off any amounts that are no longer considered to be recoverable. Any payments subsequently collected on such receivables are recorded as income in the period received.

Land, Buildings and Equipment, Net

Land, buildings and equipment, net are recorded at cost or, if donated, at fair market value, at the date of the gift, less accumulated depreciation. The Archdiocese capitalizes land, buildings and equipment costing $1,000 or more, which have a useful life of more than one year. Depreciation is calculated on a straight-line basis over the estimated useful lives of the related assets, ranging from 3 to 50 years. Works of art are not depreciated.

Due To/From Related Entities

Amounts due to/from related entities represent amounts loaned to/from and or expenses paid on behalf of Archdiocesan affiliates.

Beneficial Interest in Trust Held by Others

The Archdiocese is the beneficiary of a perpetual trust whereby the donor contributed assets to a third-party trustee. The trustee distributes investment income annually to the Archdiocese and the other named beneficiaries in the percentages specified in the trust documents. These distributions are reported as an increase in unrestricted net assets.

The Archdiocese values the trust at its fair value, which is represented by the percentage ownership of the assets in the trust. Changes in the fair value of the trust's assets are reported in the accompanying statements of activities as increases (decreases) in permanently restricted net assets.

Investments Held for Others

The Archdiocese holds investments on behalf of others to be distributed in accordance with their direction. As these funds cannot be used or directed by the Archdiocese, a corresponding liability is recorded for the value of these investments and any unrealized gain or loss on these investments is recognized as an increase in the investments and an increase in the custody funds held for others liability.

Grants Payable

Grants payable represent unconditional promises to give that are expected to be paid within one year.

Conditional Asset Retirement Obligation

Asset retirement obligations include, but are not limited to, certain types of environmental issues that are legally required for remediation upon an asset's retirement as well as contractually required asset retirement obligations. Conditional asset retirement obligations ("CARO") are legal obligations associated with the retirement of tangible long-lived assets in which the timing and/or method of settlement is conditional on a future event that may or may not be within the control of the entity. An entity is required to recognize a liability for the fair value of a conditional asset retirement obligation if the fair value of the liability can be reasonably estimated, even if conditional on a future event. The Archdiocese has conditional asset retirement obligations primarily associated with the eventual remediation and abatement of asbestos located within the construct of their administration buildings. As of December 31, 2010 and 2009, the Archdiocese recorded a CARO of approximately $38,000 for both years.

Contributions and Grants

The Archdiocese records contributions of cash and other assets when an unconditional promise to give such assets is received from a donor. Contributions are recorded at the fair value of the assets received and are classified as either unrestricted, temporarily restricted or permanently restricted, depending on whether the donor has imposed a restriction on the use of such assets.

Contributions not expected to be received within one year are recognized as temporarily restricted support and are discounted using a credit-adjusted discount rate assigned in the year the pledge originates. Amortization of the discount is recorded as additional contribution revenue in accordance with the donor-imposed restrictions, if any, on the contributions.

Contributions are reported as an increase in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Contributions that are permanently restricted by donors for use as endowments are invested in perpetuity. The income is used for operating purposes when expenditures satisfy the donors' restrictions and such amounts are appropriated for expenditure by the Archdiocesan Council. Income amounts that exceed related expenditures during a fiscal period remain as temporarily restricted net assets.

The Archdiocese reports gifts of property, plant and equipment as unrestricted support 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 assets are reported as restricted support. Absent explicit donor stipulations about how long such assets must be maintained, the Archdiocese reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

National Ministry Commitment

Every parish with the Archdiocese is given a suggested annual financial assessment to help support the mission of the Church. Due to the uncertainty of collection, such assessments are recognized as revenue in the period they are received.

Other Revenue

The Archdiocese generates revenue from programs and the sales of religious books, publications and other program related literature and materials. Such income is recorded in the period the services are performed or upon the date of sale. Clergy Laity conference income is earned in the period which the conference takes place.

Functional Allocation of Expenses

Costs related to the various programs and activities of the Archdiocese have been summarized on a functional basis in the accompanying statements of activities.

Income Taxes

The Archdiocese adopted guidance that clarifies the accounting for uncertainty in tax positions taken or expected to be taken in a tax return, including issues relating to financial statement recognition and measurement as of January 1, 2009. This section provides that the tax effects from an uncertain tax position can be recognized in the financial statements only if the position is "more-likely-than-not" to be sustained if the position were to be challenged by a taxing authority. The assessment of the tax position is based solely on the technical merits of the position, without regard to the likelihood that the tax position may be challenged. Although the Archdiocese is exempt from income tax under Section 501(c)(3) of the Code, they are subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded under the Code. The tax years ending 2007, 2008, 2009 and 2010 are still open to audit for both federal and state purposes; however, the adoption of this guidance did not have an impact on the Archdiocese's financial statements as management believes the Archdiocese has not taken any uncertain tax positions.

Concentration of Credit Risk

Financial instruments that potentially subject the Archdiocese to concentrations of credit and market risk consist principally of cash and cash equivalents and investments on deposit with financial institutions, which from time to time may exceed the Federal Deposit Insurance Corporation ("FDIC") limit. Management does not believe that a significant risk of loss due to the failure of a financial institution the Archdiocese utilizes is likely.

Fair Value of Financial Instruments

The carrying value of cash, cash equivalents, receivables, prepaid expenses and accounts payable and accrued expenses is a reasonable estimate of their fair value due to their short-term nature. The carrying value of Archdiocese's beneficial interest in trusts held by others is estimated based on the present value of expected future cash flows, and thus approximates fair value.

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 and liabilities, the 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.

3. INVESTMENTS, AT FAIR VALUE

As of December 31, 2010 and 2009, investments, at fair value, by fair value hierarchy, consisted of the following:

	2010			
	Level 1	**Level 2**	**Level 3**	**Total**
Cash and cash equivalents	$ 3,462,015	$ -	$ -	$ 3,462,015
Common stock	2,954,307	-	-	2,954,307
Preferred stock	-	25,000	75,000	100,000
Mutual funds	1,023,410	-	-	1,023,410
Corporate bonds	-	2,937,561	-	2,937,561
Municipal bonds	-	657,511	1,070,534	1,728,045
U.S. government and agency securities	-	53,419	258,508	311,927
	$ 7,439,732	$ 3,673,491	$ 1,404,042	$ 12,517,265

	2009			
	Level 1	**Level 2**	**Level 3**	**Total**
Cash and cash equivalents	$ 3,577,946	$ -	$ -	$ 3,577,946
Common stock	2,699,304	-	-	2,699,304
Preferred stock	-	25,000	166,753	191,753
Mutual funds	681,847	-	-	681,847
Corporate bonds	-	1,846,785	-	1,846,785
Municipal bonds	-	184,377	1,988,833	2,173,210
U.S. government and agency securities	-	256,242	886,258	1,142,500
	$ 6,959,097	$ 2,312,404	$ 3,041,844	$ 12,313,345

The following table summarizes the changes in Archdiocese's Level 3 investments for the years ended December 31, 2010 and 2009:

Balance as of January 1, 2009	$ 2,018,185
Transfer from Level 2 (a) (b)	1,071,441
Sales	(75,880)
Net appreciation of investments	28,098
Balance as of December 31, 2009	$ 3,041,844
Sales	(1,704,683)
Net appreciation of investments	66,881
Balance as of December 31, 2010	$ 1,404,042

(a) Transferred from Level 2 to Level 3 as a result of the lack of pricing observability due to failure of the auction rate securities market.

(b) The Archdiocese's policy is to recognize transfers between the levels as of the actual date of the event or change in circumstances that caused the transfer.

Investment income consisted of the following for the years ended December 31, 2010 and 2009:

	2010	2009
Interest and dividends	$ 209,138	$ 304,921
Net realized and unrealized appreciation	494,267	432,032
	$ 703,405	$ 736,953

4. LAND, BUILDINGS AND EQUIPMENT, NET

Land, buildings and equipment, net, consisted of the following at December 31, 2010 and 2009:

	2010	2009
Land	$ 471,223	$ 471,223
Building and improvements	5,803,123	4,794,223
Furniture, fixtures and equipment	2,246,516	2,246,516
Website development costs	464,263	464,263
Fine arts	8,910	8,910
	8,994,035	7,985,135
Less: Accumulated depreciation	(4,968,038)	(4,733,723)
	$ 4,025,997	$ 3,251,412

Depreciation expense amounted to $234,315 and $232,363 for the years ended December 31, 2010 and 2009, respectively.

5. NOTES PAYABLE

On July 31, 2009, the Archdiocese converted their existing line of credit facility to an unsecured term loan with Two River Community Bank of approximately $1,967,000. Principal and interest of $12,480 are payable monthly commencing on August 31, 2009 with the remaining balance due at maturity on July 31, 2011. The interest rate of this loan is fixed at 5.75%. As of December 31, 2010 and 2009, amounts outstanding under this credit facility totaled $1,916,114 and $1,955,781, respectively.

Effective July 31, 2011, the term loan was extended to July 31, 2012 bearing a fixed interest rate of 5.75%. Effective July 31, 2012, the loan was extended further to July 31, 2015, bearing a fixed interest rate of 5.25%.

6. INVESTMENTS AND CUSTODY FUNDS HELD FOR OTHERS

As of December 31, 2010 and 2009, investments held for others, by fair value hierarchy, consisted of the following:

	2010			
	Level 1	**Level 2**	**Level 3**	**Total**
Cash and cash equivalents	$ 1,035,699	$ -	$ -	$ 1,035,699
Common stock	339,376	-	-	339,376
Mutual funds	1,029,228	-	-	1,029,228
Municipal bonds	-	-	306,600	306,600
U.S. government and agency securities	1,230,841	1,042,220	-	2,273,061
	$ 3,635,144	$ 1,042,220	$ 306,600	$ 4,983,964

	2009			
	Level 1	**Level 2**	**Level 3**	**Total**
Cash and cash equivalents	$ 1,025,419	$ -	$ -	$ 1,025,419
Common stock	302,903	-	-	302,903
Mutual funds	1,051,129	-	-	1,051,129
Corporate bonds	-	50,527	-	50,527
Municipal bonds	-	-	319,375	319,375
U.S. government and agency securities	1,111,080	1,402,963	-	2,514,043
	$ 3,490,531	$ 1,453,490	$ 319,375	$ 5,263,396

The following table summarizes the changes in Archdiocese's Level 3 investment held for others for the years ended December 31, 2010 and 2009:

Balance as of January 1, 2009	$ -
Transfer from Level 2 (a) (b)	350,000
Net depreciation of investments	(30,625)
Balance as of December 31, 2009	$ 319,375
Net depreciation of investments	(12,775)
Balance as of December 31, 2010	$ 306,600

(a) Transferred from Level 2 to Level 3 as a result of the lack of pricing observability due to failure of the auction rate securities market.

(b) The Archdiocese's policy is to recognize transfers between the levels as of the actual date of the event or change in circumstances that caused the transfer.

Additions, investment income (loss) and distributions of such accounts, which are excluded from the accompanying statements of activities, are shown below:

	Balance at January 1, 2010	Additions	Net Investment Income (Loss)	Release of Funds to Third Parties	Balance at December 31, 2010
Archbishop Iakovos Library Trust	$ 1,238,437	$ -	$ (10,788)	$ (100,000)	$ 1,127,649
St. Basil Spyropoulos Fund	541,522	-	42,913	(3,660)	580,775
Orthodox Health Plan Dividend Fund	2,419,400	-	8,647	(224,914)	2,203,133
Spyridon Trust IM	1,064,037	-	126,064	(117,694)	1,072,407
	$ 5,263,396	$ -	$ 166,836	$ (446,268)	$ 4,983,964

	Balance at January 1, 2009	Additions	Net Investment Income	Release of Funds to Third Parties	Balance at December 31, 2009
Archbishop Iakovos Library Trust	$ 1,286,038	$ -	$ 2,399	$ (50,000)	$ 1,238,437
St. Basil Spyropoulos Fund	479,734	-	65,084	(3,296)	541,522
Orthodox Health Plan Dividend Fund	2,418,151	-	14,045	(12,796)	2,419,400
Spyridon Trust IM	962,188	-	220,094	(118,245)	1,064,037
	$ 5,146,111	$ -	$ 301,622	$ (184,337)	$ 5,263,396

7. EMPLOYEE BENEFIT PLANS

Pension Plan

The Archdiocese participates in a noncontributory defined benefit pension plan covering substantially all full-time lay employees and clergy. Retirement benefits are based on years of service and the employees' compensation during those years of service. Plan assets are held by third party investment managers and are invested in various marketable debt, equity and money market accounts. Minimum funding requirements are determined by an independent actuary.

The plan is considered a church plan and is therefore exempt from the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"), as amended. Due to the nature of the plan, it is not practicable to determine the extent to which the assets of the plan cover the actuarially computed value of vested benefits for the Archdiocese, on a standalone basis. In addition, because the plan is considered a multi-employer plan, it is only subject to certain minimum reporting requirements. Pension expense allocated to the Archdiocese for the years ended December 31, 2010 and 2009 amounted to approximately $581,000 and $564,000, respectively. As of December 31, 2010 and 2009, amounts due to the pension plan totaled $1,450,844 and $1,078,325, respectively, and are included within accounts payable and accrued expenses in the accompanying statements of financial position.

Other Retirement Benefits

The Archdiocese also provides supplemental retirement benefits to certain hierarchs outside of the plan noted above. As of December 31, 2010 and 2009, the Archdiocese has recorded a liability of $1,197,295 and $1,261,303, respectively, for these benefits.

8. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets, at December 31, 2010 and 2009, consisted of the following:

	2010	2009
Taylor Scholarship Fund	$ 1,586,142	$ 1,724,564
St. Nicholas Relief Fund	2,608,233	2,806,410
Katrina Hurricane Fund	5,554	5,554
Katina Malta Scholarship Fund	420,551	120,412
Miscellaneous Leadership 100 Grants	108,394	487,908
Hellenic College Scholarship Fund	314,035	314,431
Teacher Training Program	10,070	10,070
OCF Campus Ministry	11,527	11,527
Niarchos Archival Grant Fund	257,036	257,341
Halki Theological School Fund	381	381
Florida Hurricane Fund	81,635	81,635
Educational Scholarship Fund	201,691	201,691
Gioles Scholarship Fund	39,187	47,687
Greek Fire Relief Fund	-	-
Greece Hurricane Relief Fund	119,337	119,337
James Tembelis Scholarship	105,548	68,292
Asian Disaster Fund	4,570	4,570
Clergy 100	1,000	1,000
St. John Chrysostom Fund	98,343	110,378
Xanthippi Stavros Fund	100,000	100,000
Niarchos Greek Education Fund	16,989	16,989
September 11th Relief Fund	25,903	25,903
Faith : An Endowment for Orthodoxy and Hellenism	-	146,013
Palelogos Scholarship fund	57,275	62,195
Ionian Village Capital Fund	5,000	5,000
Archbishop Iakovos Writing – Niarchos Grant	-	16,908
Trakatellis Fellowship Fund	200,000	200,000
Haiti Relief Fund	272,300	-
Various other funds	807,490	807,508
	$ 7,458,191	$ 7,753,704

Subsequent to December 31, 2010, the Archdiocese released approximately $2,300,000 of temporarily restricted net assets from the St. Nicholas Relief Fund pertaining to costs incurred associated with the planned redevelopment of St. Nicholas Greek Orthodox Church.

9. NET ASSETS RELEASED FROM RESTRICTIONS

Temporarily restricted net assets were released from donor-restrictions by either incurring expenses or satisfying the restricted purpose during the years ended December 31, 2010 and 2009 as follows:

	2010	2009
Miscellaneous Leadership 100 Grants	$ 404,514	$ 434,495
Taylor Scholarship Fund	271,302	168,404
Archbishop Iakovos Writing – Niarchos Grant	16,908	25,592
St. Nicholas Relief Fund	222,324	7,552
Katina Malta Scholarship Fund	24,995	24,000
Niarchos Archival Grant Fund	305	39,473
Gioles Scholarship Fund	8,500	-
Faith : An Endowment for Orthodoxy and Hellenism	146,013	387,641
Paleologos Scholarship Fund	45,000	50,000
Haiti Relief Fund	125,773	-
St John Chrysostom Fund	17,785	10,010
Ionian Village Capital Fund	284,836	-
Other	701	1,395
	$ 1,568,956	$ 1,148,562

10. PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets are restricted to investment in perpetuity. At December 31, 2010 and 2009, the Archdiocese's permanently restricted net assets consisted of the following:

	2010	2009
Taylor Scholarship Fund	$ 1,000,000	$ 1,000,000
Gioles Scholarship Fund*	243,166	242,576
Beneficial interest in George Marinos perpetual trust	330,272	325,600
James J. Tembelis Scholarship Fund*	506,917	507,371
Katina Malta Scholarship Fund*	92,363	91,959
Vlisidis Scholarship Fund	38,344	38,337
Other	112,289	112,289
	$ 2,323,351	$ 2,318,132

* Pursuant to the donor gift instrument, 90% of net income from the fund is to be distributed for individual scholarships and the remaining 10% of net income shall become permanently restricted and added to the corpus of the scholarship fund.

11. ENDOWMENT

The Archdiocese's donor-restricted (gifted) endowment consists of 7 individuals funds established for a variety of purposes, principally in support of the Archdiocese's mission; it excludes permanently restricted beneficial interests in trusts held by others. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

On September 17, 2010, New York State passed the New York State Prudent Management of Institutional Funds Act ("NYPMIFA"), its version of the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"). All not-for-profit organizations formed in New York must apply this law. The Archdiocese classifies donor-restricted endowment funds as permanently restricted net assets, unless otherwise stipulated by the donor: (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 funds.

The remaining portion of the donor-restricted endowment fund not classified in permanently restricted net assets is classified as temporarily restricted net assets, until such amounts are appropriated for expenditure by the Archdiocese in a manner consistent with the uses, benefits, purposes and duration for which the endowment is established and the standard of prudence prescribed by NYPMIFA.

In accordance with NYPMIFA, the Archdiocese considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: the purpose, duration, and preservation of the endowment fund; expected total return of investments; general economic conditions; the possible effects of inflation and deflation; other resources of the Archdiocese; and the investment policy of the Archdiocese.

The Archdiocese has adopted investment and spending policies for endowment assets that support the objective of providing a sustainable and increasing level of endowment income distribution to support the Archdiocese's activities while seeking to maintain the purchasing power of the endowment assets. The Archdiocese's primary investment objective is to maximize total return within reasonable and prudent levels of risk while maintaining sufficient liquidity to meet disbursement needs and ensure preservation of capital.

To satisfy its long-term rate-of-return objectives, the Archdiocese relies on a total return strategy, the objective of which is to achieve a return consisting of a combination of current income and capital appreciation, without regard to an emphasis on either, recognizing that changes in market conditions and interest rates will result in varying strategies in an attempt to optimize results. The endowment portfolio is diversified among various net asset classes and strategies to help reduce risk.

The following represents a detail of the endowment net asset composition, excluding third-party perpetual trusts in the amount of $330,272 and $325,600, as of December 31, 2010 and 2009, respectively.

	2010			
Composition of Endowment Net Assets by Type of Fund	**Unrestricted**	**Temporarily Restricted**	**Permanently Restricted**	**Total**
Donor-restricted endowment funds	$ -	$ 578,982	$ 1,993,079	$ 2,572,061
Changes in Endowment Net Assets				
Endowment net assets, beginning of year	$ -	$ 365,432	$ 1,992,532	$ 2,357,964
Investment return:				
Investment income	-	28,968	547	29,515
Net appreciation (realized and unrealized)	-	184,582	-	184,582
Appropriation of endowment assets for expenditure	-	-	-	-
Contributions	-	-	-	-
Endowment net assets, end of year	$ -	$ 578,982	$ 1,993,079	$ 2,572,061

	2009			
Composition of Endowment Net Assets by Type of Fund	**Unrestricted**	**Temporarily Restricted**	**Permanently Restricted**	**Total**
Donor-restricted endowment funds	$ -	$ 365,432	$ 1,992,532	$ 2,357,964
Changes in Endowment Net Assets				
Endowment net assets, beginning of year	$ -	$ -	$ 1,990,443	$ 1,990,443
Investment return:				
Investment income	-	39,188	2,089	41,277
Net appreciation (realized and unrealized)	-	326,244	-	326,244
Appropriation of endowment assets for expenditure	-	-	-	-
Contributions	-	-	-	-
Endowment net assets, end of year	$ -	$ 365,432	$ 1,992,532	$ 2,357,964

12. RELATED PARTY TRANSACTIONS

The Archdiocese provided $1,200,000 per annum to support the operations of Hellenic College in 2010 and 2009. As of December 31, 2010 and 2009, remaining amounts due to Hellenic College were $80,000 and $200,000, respectively, and are included as grants payable in the accompanying statements of financial position.

The Archdiocese provided $800,000 and $950,000 to support the operations of the Ecumenical Patriarchate in 2010 and 2009, respectively. As of December 31, 2010 and 2009, remaining amounts due to Ecumenical Patriarchate were $0 and $137,500, respectively, and are included as grants payable in the accompanying statements of financial position.

The Archdiocese also pays the salaries and health insurance expenses of certain employees within each metropolis. In addition, the Archdiocese provides monthly grants to eligible metropolises to cover other operating expenses. Total Metropolis Ministries expenses for the years ended December 31, 2010 and 2009 were $5,054,906 and $4,413,014, respectively, as reflected on the accompanying statements of activities.

13. GRANTS REVENUE

The Archbishop Iakovos Leadership 100 Endowment Fund, Inc. ("Leadership 100") provides grants to the Archdiocese in support of the national ministries of the Archdiocese. For the years ended December 31, 2010 and 2009, Leadership 100 provided grants totaling $25,000 and $119,900, respectively, for the following purposes:

Grant Name	2010	2009
Department of Outreach & Evangelism	$ -	$ 19,900
Archives-Digitization/Preservation Grant	-	100,000
Discretionary Missions Fund	25,000	-
	$ 25,000	$ 119,900

As of December 31, 2010 and 2009, all amounts had been received by the Archdiocese under these grants.

14. COMMITMENTS AND CONTINGENCIES

The Archdiocese is involved in various lawsuits, which it is prepared to vigorously defend. The ultimate outcome of these matters cannot be determined at this time. Accordingly, no provision for any liability that may result from these matters has been made in the accompanying financial statements. Management believes that the liability, if any, resulting from these matters would not have a material effect on the accompanying financial statements.

The Archdiocese has entered into various noncancellable operating leases primarily for office equipment.

Future minimum lease payments due under these arrangements are as follows:

Year Ending December 31:	
2011	$ 129,623
2012	51,440
2013	34,224
	$ 215,287

Rent expense amounted to approximately $191,000 and $194,000 for the years ended December 31, 2010 and 2009, respectively.

15. SUBSEQUENT EVENTS

The Archdiocese evaluated its December 31, 2010 financial statements for subsequent events through February 18, 2013, the date the financial statements were available to be issued. The Archdiocese is not aware of any material subsequent events which would require recognition or disclosure in the accompanying financial statements, except as disclosed in Notes 5 and 8.