

EPISCOPAL DIOCESE OF ALBANY

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INDEPENDENT AUDITOR'S REPORT

To the Bishop, Trustees and Council of the
Episcopal Diocese of Albany

We have audited the accompanying financial statements of Episcopal Diocese of Albany, which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities and changes in net assets, functional expenses 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.

Auditor's 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 audit to obtain reasonable assurance about whether the financial statements are free from 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 auditor's 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 Episcopal Diocese of Albany as of December 31, 2019 and 2018, 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.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of financial position by fund on pages 19 and 20 and the schedules of activities and changes in net assets by fund on pages 21 and 22 are presented for purposes of additional analysis and are not a required part of the 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 information has been subjected to the auditing procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Marvin and Company, P.C.

Queensbury, NY
July 21, 2020

**EPISCOPAL DIOCESE OF ALBANY
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2019 AND 2018**

ASSETS	<u>2019</u>	<u>2018</u>
ASSETS		
Cash	\$ 1,265,313	\$ 1,178,862
Accounts receivable	14,272	9,289
Other receivables	73,799	69,833
Prepaid expenses	25,437	20,126
Investments	7,532,027	6,335,903
Loans receivable from parishes	316,637	327,030
Net property and equipment	8,507,119	8,751,492
Cash - agency funds	35,588	48,356
Other assets	6,683	6,802
TOTAL ASSETS	<u>\$ 17,776,875</u>	<u>\$ 16,747,693</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued liabilities	\$ 104,268	\$ 150,733
Shareholder deposits	3,656	2,644
Agency funds payable	35,588	48,356
TOTAL LIABILITIES	<u>143,512</u>	<u>201,733</u>
NET ASSETS		
Without donor restrictions		
Unrestricted	10,638,625	10,640,501
Board Designated	205,204	142,647
With donor restrictions	6,789,534	5,762,812
TOTAL NET ASSETS	<u>17,633,363</u>	<u>16,545,960</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 17,776,875</u>	<u>\$ 16,747,693</u>

See accompanying notes to financial statements.

EPISCOPAL DIOCESE OF ALBANY
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	TOTAL	Without Donor Restrictions	With Donor Restrictions	TOTAL
REVENUES						
Investment return	\$ 251,192	\$ 1,298,897	\$ 1,550,089	\$ 78,914	\$ (37,674)	\$ 41,240
Fees and related income	1,159,295	-	1,159,295	1,250,532	-	1,250,532
Contributions and bequests	498,633	31,135	529,768	721,969	72,850	794,819
Fitch gilbert trust distributions	107,170	-	107,170	108,023	-	108,023
Parish assessments	1,052,852	9,049	1,061,901	1,140,741	7,738	1,148,479
Releases from restrictions	312,359	(312,359)	-	146,883	(146,883)	-
TOTAL REVENUES	3,381,501	1,026,722	4,408,223	3,447,062	(103,969)	3,343,093
EXPENSES						
Program						
Ministries and Initiatives	365,073	-	365,073	391,417	-	391,417
Clergy Benefits and Education	31,187	-	31,187	23,371	-	23,371
Healing Ministries	156,987	-	156,987	166,175	-	166,175
Youth Ministries	107,854	-	107,854	59,340	-	59,340
Day Care and Camps	422,492	-	422,492	481,814	-	481,814
Facility Operations	729,561	-	729,561	837,130	-	837,130
Supporting Services						
Management and General	1,514,575	-	1,514,575	1,652,506	-	1,652,506
TOTAL EXPENSES	3,329,729	-	3,329,729	3,611,753	-	3,611,753
INCREASE (DECREASE) IN NET ASSETS BEFORE OTHER ITEMS	51,772	1,026,722	1,078,494	(164,691)	(103,969)	(268,660)
OTHER ITEMS						
Gain on sale of property	8,909	-	8,909	-	-	-
TOTAL OTHER ITEMS	8,909	-	8,909	-	-	-
INCREASE (DECREASE) IN NET ASSETS	60,681	1,026,722	1,087,403	(164,691)	(103,969)	(268,660)
NET ASSETS						
Beginning of Year	10,783,148	5,762,812	16,545,960	10,947,839	5,866,781	16,814,620
End of Year	\$ 10,843,829	\$ 6,789,534	\$ 17,633,363	\$ 10,783,148	\$ 5,762,812	\$ 16,545,960

See accompanying notes to financial statements.

**EPISCOPAL DIOCESE OF ALBANY
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019**

EXPENSES	Ministries and Initiatives	Clergy Benefits and Education	Healing Ministries	Youth Ministries	Day Care and Camps	Facility Operations	Management and General	TOTAL
Grants	\$ 310,822	\$ 23,269	-	-	-	-	\$ 10,413	\$ 344,504
Travel	1,664	-	-	1,996	71	306	18,713	22,750
Office	2,580	-	2,134	2,049	3,656	1,317	27,211	38,947
Retreats, conferences and meetings	15,918	6,412	5,489	4,430	-	-	8,042	40,291
Apportionment	-	-	-	-	-	-	-	-
and assessments	5,745	-	-	-	-	-	-	5,745
Printing and postage	26,059	-	-	411	55	508	2,405	29,438
Advertising	673	-	221	397	2,278	-	35,693	39,262
Professional fees	1,612	-	-	-	-	-	86,654	88,266
Housing allowance	-	-	-	-	-	-	150,870	150,870
Fringe benefits	-	1,506	2,091	10,583	35,173	106,666	150,844	306,863
Pension	-	-	12,820	4,209	10,053	24,194	33,279	84,555
Salaries	-	-	85,041	49,551	231,110	297,876	469,495	1,133,073
Payroll taxes	-	-	2,532	5,595	24,271	35,158	46,125	113,681
Staff training	-	-	-	-	3,942	733	1,637	6,312
Telephone and utilities	-	-	11,085	4,267	8,022	102,987	46,153	172,514
Insurance	-	-	12,985	8,032	38,041	28,394	19,701	107,153
Food and beverages	-	-	7,083	5,412	31,178	46,049	-	89,722
Maintenance and repairs	-	-	668	485	8,951	67,051	33,745	110,900
Program expenses	-	-	16,042	9,845	24,765	7,885	14,155	72,712
Small equipment	-	-	-	-	-	7,895	1,499	9,394
Information technology	-	-	796	592	906	2,542	15,823	20,659
Lease	-	-	-	-	-	-	6,721	6,721
Depreciation	-	-	-	-	-	-	335,397	335,397
	<u>\$ 365,073</u>	<u>\$ 31,187</u>	<u>\$ 158,987</u>	<u>\$ 107,854</u>	<u>\$ 422,492</u>	<u>\$ 729,561</u>	<u>\$ 1,514,575</u>	<u>\$ 3,329,729</u>

See accompanying notes to financial statements.

**EPISCOPAL DIOCESE OF ALBANY
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018**

	Ministries and Initiatives	Clergy Benefits and Education	Healing Ministries	Youth Ministries	Day Care and Camps	Facility Operations	Management and General	TOTAL
EXPENSES								
Grants	\$ 284,740	\$ 6,700	-	-	\$ -	\$ 3,277	\$ 18,102	\$ 312,819
Travel	978	-	-	1,723	187	139	23,773	26,800
Office	4,004	-	598	4,041	3,159	2,573	26,209	40,584
Retreats, conferences and meetings	49,614	14,250	6,997	2,093	-	-	6,784	79,738
Apportionment	-	-	-	-	-	-	-	-
and assessments	6,007	-	-	-	-	-	-	6,007
Printing and postage	40,883	-	8	175	527	816	13,800	56,209
Advertising	730	-	3,862	296	3,131	1,811	588	10,418
Professional fees	4,002	-	-	-	-	-	76,428	80,430
Housing allowance	-	-	-	-	-	-	192,353	192,353
Fringe benefits	-	2,208	2,155	103	51,114	89,373	169,768	314,721
Pension	-	-	15,797	2,237	14,380	24,651	40,744	97,809
Salaries	-	-	84,807	25,550	259,433	353,146	532,645	1,255,581
Payroll taxes	-	-	3,841	5,199	29,023	39,118	53,017	130,198
Staff training	-	-	-	340	1,079	1,176	3,293	5,888
Telephone and utilities	-	-	16,200	3,465	5,778	106,232	37,152	168,827
Insurance	-	-	9,292	7,324	36,546	24,692	28,528	106,382
Food and beverages	-	-	3,592	413	41,792	52,960	-	98,757
Maintenance and repairs	-	-	1,385	588	5,621	104,949	34,586	147,129
Program expenses	459	213	16,715	2,896	26,592	8,630	25,412	80,917
Small equipment	-	-	-	-	50	14,218	764	15,032
Information technology	-	-	926	2,897	3,402	9,206	17,449	33,880
Taxes	-	-	-	-	-	163	-	163
Lease	-	-	-	-	-	-	6,956	6,956
Development	-	-	-	-	-	-	11,933	11,933
Depreciation	-	-	-	-	-	-	332,222	332,222
	\$ 391,417	\$ 23,371	\$ 166,175	\$ 59,340	\$ 481,814	\$ 837,130	\$ 1,652,506	\$ 3,611,753

See accompanying notes to financial statements.

**EPISCOPAL DIOCESE OF ALBANY
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 1,087,403	\$ (268,660)
Adjustments to reconcile change in net assets to cash provided by operating activities:		
Depreciation	335,397	332,222
Realized and unrealized (gain) loss on investments	(1,277,316)	223,612
Changes In		
Accounts receivable	(4,983)	(3,493)
Other receivables	(3,966)	24,475
Prepaid expenses	(5,311)	(8,807)
Other assets	119	3,249
Accounts payable and accrued liabilities	(46,465)	(20,675)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>84,878</u>	<u>281,923</u>
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(91,024)	(227,623)
Proceeds from sale of investments	207,269	285,025
Purchase of investments	(126,077)	(369,576)
Change in shareholder deposits	1,012	1,265
NET CASH USED BY INVESTING ACTIVITIES	<u>(8,820)</u>	<u>(310,909)</u>
 CASH FLOWS FROM FINANCING ACTIVITIES		
Loans to parishes	(22,000)	(146,690)
Parish loan repayments	32,393	35,162
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	<u>10,393</u>	<u>(111,528)</u>
 NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	 86,451	 (140,514)
 CASH AND CASH EQUIVALENTS		
Beginning of Year	<u>1,178,862</u>	<u>1,319,376</u>
End of Year	<u>\$ 1,265,313</u>	<u>\$ 1,178,862</u>
 SCHEDULE OF NONCASH INVESTING TRANSACTIONS		
Gain on trade in of vehicle	<u>\$ 8,909</u>	<u>\$ -</u>

See accompanying notes to financial statements.

**EPISCOPAL DIOCESE OF ALBANY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Episcopal Diocese of Albany (the "Diocese") is presented to assist in understanding the Diocese's financial statements. The Episcopal Diocese of Albany is the governing entity of the Episcopal Church in Northeast New York State. The financial operations of the Diocese are directed by the Bishop and the Diocesan Convention. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

Programs and Funds

The financial statements include all programs, funds and activities under the management of the Diocese. The following is a brief description of the various activities of the Diocese.

Trust Funds – These funds are comprised of trusts, legacies and certain other accounts, some of which are restricted to a specific use. The trust funds are managed by the Trustees of the Diocese.

Diocesan Development – This fund is used principally to make loans to parishes within the Diocese. The interest rate on these loans is 5.5%. The fund is managed by the Diocesan Development Fund Committee.

Diocesan Operations – Revenues are received from Parishes in the form of annual apportionments and contributions. Funds are disbursed primarily for administrative costs and to support various ministries of the Diocese. The net cost of real property and equipment owned by the Diocese (see Note 4), are also included in Diocesan operations. The operations of the Diocese are managed by the Bishop, the Diocesan Council and the Standing Committee of the Diocese.

Spiritual Life Center – Revenues are derived primarily from fees related to services provided at the Spiritual Life Center and donations. Expenses related to the operations and providing services by the Spiritual Life Center are included in facility operations. The operations of the Spiritual Life Center are managed by the Bishop and management of the Spiritual Life Center and Diocese.

All interfund transactions have been eliminated.

Financial Statement Presentation

The financial statements of EDC are presented in accordance with ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements for Not-for-Profit Entities*.

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

- Without donor restrictions – represents resources over which the Trustees of the Diocese have full discretion with respect to use.
- With donor restrictions – represents resources with donor-imposed restrictions that may or will be met either by the actions of the Diocese and/or the passage of time and resources subject to donor-imposed stipulations that they be maintained in perpetuity by the Diocese.

EPISCOPAL DIOCESE OF ALBANY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Diocese considers all highly liquid debt instruments with an initial maturity of three months or less to be cash equivalents.

Investments

Investments are comprised of shares in Albany Diocesan Investment Trust and are valued at net asset value in the statement of financial position. See Note 3 for further discussion. Unrealized gains and losses are included in the change in net assets.

Loans Receivable from Parishes

Loans receivable from parishes represents funds advanced to parishes of the Episcopal Diocese of Albany. Loans are stated at unpaid principal balances and carry a rate of interest of 5.5%. The Diocese accounts for uncollectible loans using the direct charge-off method which Management believes estimates the allowance method. Loans receivable from parishes outstanding at December 31, 2019 and 2018 were \$316,637 and \$327,030, respectively.

Property and Equipment

Property and equipment are stated at cost. Expenditures for maintenance and repairs are expensed as incurred. The cost and related accumulated depreciation of property and equipment sold or otherwise disposed of are removed from the accounts and any gain or loss is reported as current year revenue or expense. Depreciation is provided using the straight-line method over the estimated useful lives of the respective assets ranging from three to forty years.

Revenue Recognition

Fees and related income as presented in the statements of activities and changes in net assets consist of food and gift shop sales, lodging, daycare, and event registration income. Food and gift shop sales are recognized at the point in time when the exchange transaction is completed and the items are taken by the customer. Lodging, daycare, and event registration income is recognized when the activity takes place, at a point in time. Deposits received in advance are recorded as deferred revenue and are recognized as revenue when the activity takes place.

Contributions, including legally enforceable promises to give, are recognized as revenue when received and are considered to be available for use unless specifically restricted by the donor. Conditional contributions, when applicable, are recognized as revenue when the conditions on which they depend have been substantially met. There is a right of return of these funds if they are not spent on allowable expenditures. For the years ended December 31, 2019 and 2018, the Diocese received and recognized conditional contributions totaling \$13,500. Contributions receivable are recorded at their net realizable value. At December 31, 2019 and 2018, there were no contributions due in more than one year.

The Diocese records contributions as increases in net assets with donor restrictions if they are received with donor stipulations that limit their use either through purpose or time restrictions. When a donor time restriction ends or a purpose restriction is fulfilled, the net assets are reported in the statement of activities as net assets released from restrictions.

**EPISCOPAL DIOCESE OF ALBANY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue Recognition

When applicable, contributed services are recognized as revenue if the services create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and typically would need to be purchased if not provided by donation. Contributed services that do not meet the above criteria or are not quantifiable are not recognized as revenue and are not reported in the accompanying financial statements. During the years ended December 31, 2019 and 2018, there were no contributed services recognized as revenue.

Related Parties

The Diocese provides certain office facilities under an arrangement with two affiliates: Episcopal Charities of Albany, Inc. ("Charities") and Albany Diocesan Investment Trust ("ADIT"). These affiliates share some board members in common. During 2019 and 2018, Charities and ADIT provided the Diocese with reimbursement for certain allocated administrative costs of \$193,736 and \$183,197, respectively, shown on the statement of activities as part of fees and related income.

Functional Allocation of Expenses

The cost of providing the Diocese's programs and other activities have been summarized in the statements of functional expenses. Expenses that can be identified with a program or support service are considered program expenses. Management and general expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the Diocese. No costs have been allocated between the program and supporting services benefited.

Income Taxes

The Diocese is a religious organization exempt from income tax filing requirements; therefore no provision is made for income taxes.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

EPISCOPAL DIOCESE OF ALBANY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

2. ADOPTION OF NEW ACCOUNTING PRONOUNCEMENTS

The Diocese adopted ASU 2014-09, *Revenue from Contracts with Customers* on January 1, 2019. This standard implements a single framework for recognition of all revenue earned from customers. This framework ensures that entities appropriately reflect the consideration to which they expect to be entitled in exchange for goods and services by allocating the transaction price to identified performance obligations and recognizing revenue as performance obligations are satisfied. Qualitative and quantitative disclosures are required to enable users of the financial statements to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The Diocese adopted ASU 2014-09 using the full retrospective adoption method. This guidance did not have a material impact on the financial statements or timing of revenue recognition by the Diocese.

The Diocese adopted ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* effective January 1, 2019. This standard provides a more robust framework for determining whether a transaction should be accounted for as a contribution or as an exchange transaction. The guidance also helps determine whether a contribution is conditional and better distinguishes a donor-imposed condition from a donor-imposed restriction. The adoption did not result in a material change to how the Diocese accounts for revenue from contributions and bequests and therefore no change to previously issued audited financial statements was required as a result of implementation of this standard. Presentation and disclosure of revenue has been enhanced.

3. INVESTMENTS

The Diocese invests available funds with the Albany Diocesan Investment Trust (ADIT), which operates under the direction of the Trustees of the Diocese.

The combined net realized and unrealized gains (losses) on investments totaled \$1,277,316 and (\$223,612) for the years ended December 31, 2019 and 2018, respectively.

The Diocese owned 206,300 and 208,692 shares of ADIT at December 31, 2019 and 2018, respectively, or approximately 30% of total ADIT shares respectively, outstanding each year. At December 31, 2019, the net asset value per ADIT share was \$36.50, an increase of \$6.15 compared with the net asset value at December 31, 2018 of \$30.35.

ADIT made annual distributions, paid quarterly, of approximately \$1.20 and \$1.17 per share in 2019 and 2018, respectively. Distributions are received as either cash payments or reinvested in ADIT shares.

ADIT declares the quarterly distribution to shareholders as of the last day of each calendar quarter. Accordingly, the December 31, 2019 distribution paid in January 2020, is reflected on the December 31, 2019 statement of financial position under the caption "other receivables", and is also recorded in the 2019 statement of activities.

EPISCOPAL DIOCESE OF ALBANY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

3. INVESTMENTS

The investment in shares of the Albany Diocesan Investment Trust are as follows:

	<u>December 31, 2019</u>			<u>December 31, 2018</u>		
	<u>Trust Funds</u>	<u>Diocesan Development Fund</u>	<u>Total</u>	<u>Trust Funds</u>	<u>Diocesan Development Fund</u>	<u>Total</u>
Cost of Shares	\$ 4,799,050	\$ 132,545	\$ 4,931,595	\$ 4,776,399	\$ 132,545	\$4,908,944
Unrealized gain	<u>2,567,403</u>	<u>33,029</u>	<u>2,600,432</u>	<u>1,421,820</u>	<u>5,139</u>	<u>1,426,959</u>
Fair Value of Shares	<u>\$ 7,366,453</u>	<u>\$ 165,574</u>	<u>\$7,532,027</u>	<u>\$ 6,198,219</u>	<u>\$ 137,684</u>	<u>\$6,335,903</u>

4. PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	<u>2019</u>	<u>2018</u>
Buildings and Improvements	\$ 10,798,854	\$ 10,759,820
Furniture, Equipment and Other	365,824	225,603
Land	2,018,658	2,018,658
Construction In Progress	-	115,767
Total Property and Equipment	<u>13,183,336</u>	<u>13,119,848</u>
Less: Accumulated Depreciation	<u>4,676,217</u>	<u>4,368,356</u>
Net Property and Equipment	<u>\$ 8,507,119</u>	<u>\$ 8,751,492</u>

Construction in progress is related to the Spiritual Life Center audio infrastructure, which began in 2018, and was completed in 2019.

Depreciation expense was \$335,397 and \$332,222 for the years ended December 31, 2019 and 2018, respectively.

5. AGENCY FUNDS

Agency funds are contributions held by the Diocese for unrelated ministries and are only used for their benefit.

Agency funds at December 31, 2019 and 2018, consisted of the following:

	<u>2019</u>	<u>2018</u>
Oaks of Righteousness Ministry	\$ 35,588	\$ 45,881
Foreign Ministries	-	2,475
Total Agency Funds	<u>\$ 35,588</u>	<u>\$ 48,356</u>

**EPISCOPAL DIOCESE OF ALBANY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

6. CLERGY DISCRETIONARY FUNDS

Included in cash are certain amounts designated by the Diocese to be spent at the direction of specific Clergy. These amounts may be spent for charitable purposes by the designated Clergy and total \$16,559 and \$32,640 at December 31, 2019 and 2018, respectively.

7. SPECIAL FACILITIES

The Diocese owns and operates certain special facilities which are primarily included under Spiritual Life Center on the supplementary schedule of activities and changes in net assets by fund on pages 22 and 23. The Spiritual Life Center, located in the Adirondack region of upstate New York, is a conference and meeting facility which began operations in 2004. A schedule of special facilities operating revenues and expenses, the substantial portion of which relates to the Spiritual Life Center, follows:

	<u>2019</u>	<u>2018</u>
<u>Revenues</u>		
Dividends and Interest	\$ 15,516	\$ 14,329
Fees and Related Income	828,379	890,202
Contributions	479,680	461,489
Interfund Revenue	431,895	299,971
Total Revenues	<u>1,755,470</u>	<u>1,665,991</u>
<u>Expenses</u>		
Program Expenses:		
Beaver Cross Camp	152,081	175,306
Healing Ministry	159,324	166,639
Youth Ministry	107,854	59,340
Daycare	229,563	268,334
Activities	40,848	38,174
Facility Operations	718,630	754,228
Total Program Expenses	<u>1,408,300</u>	<u>1,462,021</u>
Management and General Expenses:		
Administration	192,868	249,137
Total Expenses	<u>1,601,168</u>	<u>1,711,158</u>
Net Increase (Decrease) in Net Assets From Operations	<u>\$ 154,302</u>	<u>\$ (45,167)</u>

The interfund revenue of \$431,895 and \$299,971 for the years ended December 31, 2019 and 2018, respectively, is eliminated in the statement of activities.

8. PENSION PLAN

The Diocese maintains a defined contribution pension plan (the "Plan"), which covers substantially all clergy and lay employees of Diocesan Headquarters, which allows employee contributions. The fiduciary of the Plan is The Church Pension Fund. Total pension plan expense for 2019 and 2018 was \$84,555 and \$97,809, respectively.

**EPISCOPAL DIOCESE OF ALBANY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

9. FAIR VALUE MEASUREMENTS

An asset's or liability's fair value measurement level within the hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels are described as follows:

- Level 1 - Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2 - Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The following is a description of the valuation methodologies used for the years ended December 31, 2019 and 2018.

The Diocese has adopted the provisions of Accounting Standards Update (ASU) 2009-12, *Investments in Certain Entities that Calculate Net Asset Value per Share (or its Equivalent)*. ASU 2009-12 allows for the estimation of fair value of certain investments which do not have readily determinable value by using net asset value (NAV) per share or its equivalent as a practical expedient.

All of the Diocese's investments are shares of the Albany Diocesan Investment Trust (See Note 3), the net asset value of which is the total fair value of ADIT's assets, less liabilities, divided by outstanding shares as of the balance sheet date. This method of valuation uses observable inputs such as fair value of underlying investments and shares outstanding. Assets valued using the NAV method described are not recognized within the fair value hierarchy. Since all of the Diocese's investments are investments in ADIT, there are no assets to report within the three levels of the fair value hierarchy.

The following table sets forth a summary of the Diocese's investments with a reported estimated fair value using net asset per share as of December 31, 2019 and 2018.

	Fair Value At December 31,		Unfunded Commitments	Redemption Frequency	Redemption Period Notice
	<u>2019</u>	<u>2018</u>			
Investment in ADIT	<u>\$ 7,532,027</u>	<u>\$ 6,335,903</u>	None	Monthly	3 Days Prior to Month End

**EPISCOPAL DIOCESE OF ALBANY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

10. EXTINCT PARISHES

Upon the closure of a parish, the assets and liabilities of that extinct parish revert to the stewardship of the Trustees of the Diocese and are maintained in a reserve account until sold or otherwise disposed. When the property of the extinct parish is disposed the Diocese reports the proceeds, net of expenses, as revenue on the statements of activities. A summary of proceeds, net of expenses from the disposal of extinct parishes is as follows:

	<u>2019</u>	<u>2018</u>
Proceeds from sale of building and property	\$ -	\$ 233,390

11. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of December 31, 2019 and 2018 consists of the following:

	<u>2019</u>	<u>2018</u>
New parish development	\$ 45,040	\$ 45,040
Missions	35,290	17,294
Capital reserve	-	117,676
Restricted in perpetuity	3,531,568	3,531,568
Earnings on perpetual endowments	3,177,636	2,051,234
TOTAL	<u>\$ 6,789,534</u>	<u>\$ 5,762,812</u>

Net assets with donor restrictions released during the years ended December 31, 2019 and 2018 by incurring expenses satisfying the restricted purposes, or by Board action for the release of accumulated earnings on perpetual endowments are as follows:

	<u>2019</u>	<u>2018</u>
Missions	\$ 8,688	\$ 11,200
Capital reserve	117,676	3,466
SLC Beaver Cross nurse	13,500	13,500
Appropriation of accumulated earnings	172,495	118,717
Release of net assets with donor restrictions	<u>\$ 312,359</u>	<u>\$ 146,883</u>

12. DONOR RESTRICTED ENDOWMENT FUNDS

The Diocese's endowment consists of individual funds established for a variety of purposes and includes funds that, under the terms of the relevant donor gift instruments, are restricted (i.e. not wholly expendable by the Organization on a current basis) and funds that are not restricted under donor gift instruments.

As required by accounting principles generally accepted in the United States of America (GAAP), net assets associated with endowment funds are classified and reported by the Diocese as net assets with donor restrictions based on the existence of donor-imposed restrictions.

Within the net assets with donor restrictions, the Diocese classifies restricted in perpetuity the original value of gifts donated to the endowment.

**EPISCOPAL DIOCESE OF ALBANY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

12. DONOR RESTRICTED ENDOWMENT FUNDS

The New York Prudent Management of Institutional Funds Act (NYPMIFA), effective September 17, 2010, applies to the Diocese and sets forth, among other things, rules governing appropriation for expenditure or accumulation of donor-restricted endowment funds. Under those rules (a) the Diocese may, subject to the intent of the donor expressed in the gift instrument, appropriate for expenditure or accumulate so much of a donor-restricted endowment fund as it determines is prudent for the uses, benefits, purposes, and duration for which the endowment fund is established and (b) in making a decision to appropriate or accumulate, the Diocese must act prudently and in good faith and must consider, if relevant, the following factors:

- (1) the duration and preservation of the endowment fund;
- (2) the purposes of the Diocese and the endowment fund;
- (3) general economic conditions;
- (4) the possible effect of inflation or deflation;
- (5) the expected total return from income and the appreciation of investments;
- (6) other resources of the Diocese;
- (7) where appropriate and circumstances would otherwise warrant, alternatives to expenditure of the endowment fund, giving due consideration to the effect that such alternatives have on the Diocese; and
- (8) the investment policy of the Diocese.

The Diocese has investment and spending practices for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. The income from the donor restricted endowments include, among other things, restrictions for the funding of clergy sabbaticals, educational programs, certain parish operations, and other Diocesan programs and expenditures.

The Diocese has invested all of its endowment assets in shares of ADIT (described in Note 3), and therefore, has effectively adopted the investment policy of ADIT. ADIT's investment policy seeks to generate a sustainable level of quarterly income, achieve long-term growth of principal, and achieve a long-term average annualized rate of total return that exceeds inflation by 5%.

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or law (underwater endowments). The board members of the Diocese has interpreted NYPMIFA to permit spending from underwater endowments in accordance with prudent measures required by law. During the years ended December 31, 2019 and 2018, the Diocese appropriated \$-0- and \$1,842 respectively, from underwater endowment funds.

As of December 31, 2019 and 2018, underwater endowments were as follows:

	<u>2019</u>	<u>2018</u>
Number of endowments underwater	-	11
Original value	\$ -	\$ 1,177,285
Market value	-	<u>993,513</u>
Endowment deficiency	<u>\$ -</u>	<u>\$ 183,772</u>

**EPISCOPAL DIOCESE OF ALBANY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

12. DONOR RESTRICTED ENDOWMENT FUNDS

Changes in donor restricted endowment funds for the years ended December 31, 2019 and 2018, are as follows:

	<u>2019</u>	<u>2018</u>
Original donor-restricted gift amount and amounts required to be maintained in perpetuity, beginning of year	\$ 3,531,568	\$ 3,522,268
Contributions	-	9,300
Accumulated investment earnings	3,350,131	2,169,951
Amounts appropriated for expenditure	<u>(172,495)</u>	<u>(118,717)</u>
Endowment with donor restrictions, end of year	<u>\$ 6,709,204</u>	<u>\$ 5,582,802</u>

13. NET ASSETS WITHOUT DONOR RESTRICTIONS - BOARD DESIGNATED

The board designated net assets without donor restrictions are designated for costs related to the Bishop's residence. The composition of and changes in board-designated net assets without donor restrictions for the years ended December 31, 2019 and 2018, were as follows:

	<u>2019</u>	<u>2018</u>
Board-designated funds, beginning of year	\$ 142,647	\$ 141,919
Contributions	24,480	-
Dividends	6,153	5,375
Net appreciation (depreciation)	<u>31,924</u>	<u>(4,647)</u>
Board-designated funds, end of year	<u>\$ 205,204</u>	<u>\$ 142,647</u>

14. CONCENTRATIONS OF RISK

The Diocese's investments consist solely of shares in ADIT, which are subject to various risks, such as interest rate, credit, and overall market volatility risks. Further, because of the significance of the investments to the Diocese's financial position and the level of risk inherent in most investments, it is reasonably possible that changes in the values of these investments could occur in the near term and such changes could materially affect the amounts reported in the financial statements. Management is of the opinion that ADIT's diversified portfolio should mitigate the impact of changes.

At times, the Diocese maintains deposits in excess of federally insured limits. ASC 825, *Financial Instruments*, identifies these items as a concentration of credit risk requiring disclosure, regardless of degree of risk. The risk is managed by maintaining all deposits in high quality financial institutions at, or close to, the Federal Deposit Insurance Corporation insured limit.

15. RECLASSIFICATION OF PRIOR YEAR'S FINANCIAL STATEMENTS

Certain items in the prior year financial statements have been reclassified to conform to the current year's presentation. The reclassifications have no effect on previously reported net assets or changes in net assets.

**EPISCOPAL DIOCESE OF ALBANY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

16. LIQUIDITY

The Diocese regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize its available funds. For purposes of analyzing resources available to meet general expenditures over the annual 12-month period, the Diocese considers all expenditures related to its ongoing program activities as well as the services undertaken to support these activities to be general expenditures. In addition to financial assets available to meet general expenditures over the next 12 months, the Diocese operates with a budget and anticipates collecting sufficient revenue to cover general expenditures. Refer to the statement of cash flows which identifies the sources and uses of the Diocese's cash and shows positive cash generated by operations for the years ended December 31, 2019 and 2018.

The following reflects the Diocese's financial assets as of the balance sheet date, including amounts not available within one year of the balance sheet date:

	<u>2019</u>	<u>2018</u>
Financial assets as of December 31	\$ 8,918,815	\$ 7,622,488
Less those unavailable for general expenditures within one year, due to:		
Board-imposed purpose restrictions	205,204	142,647
Donor-imposed purpose restrictions	<u>6,789,534</u>	<u>5,762,812</u>
Financial assets available within one year to meet cash needs for general expenditures within one year	<u>\$ 1,924,077</u>	<u>\$ 1,717,029</u>

17. SUBSEQUENT EVENTS

On March 11, 2020, the World Health Organization declared the outbreak of COVID-19, a respiratory disease, to be a pandemic. To assist the economy of the United States during the pandemic, the United States Congress passed the Coronavirus Aid, Relief and Economic Security (CARES) Act on March 27, 2020. Part of the CARES Act is the Payroll Protection Program (PPP), which is available to small businesses and not-for-profit entities that provides short term financial assistance to assist eligible entities to maintain payroll, hire back employees who may have been laid off, and cover applicable overhead. The Diocese applied for and received a PPP loan in the amount of \$322,400. These funds will be used by the Diocese in accordance with the rules and regulations of the PPP loan program to assist the Diocese during 2020. The full impact of the COVID-19 outbreak continues to evolve as of the date these financial statements were available to be issued. As such, it is uncertain as to the full magnitude that the pandemic will have on the Diocese's financial condition, liquidity, and future results of operations.

The Diocese has evaluated events and transactions that occurred between December 31, 2019 and July 21, 2020, which is the date the financial statements were available to be issued.

**EPISCOPAL DIOCESE OF ALBANY
SCHEDULE OF FINANCIAL POSITION BY FUND
DECEMBER 31, 2019**

ASSETS	TRUST FUNDS	DIOCESAN DEVELOPMENT	DIOCESAN OPERATIONS	SPIRITUAL LIFE	INTERFUND ELIMINATION	TOTAL
ASSETS						
Cash	\$ 100,971	\$ 370,735	\$ 652,296	\$ 141,311	\$ -	\$ 1,265,313
Accounts receivable	-	-	-	14,272	-	14,272
Other receivables	50,206	2,815	17,097	3,681	-	73,799
Prepaid expenses	-	-	18,280	7,157	-	25,437
Investments	7,366,453	165,574	-	-	-	7,532,027
Loans receivable from parishes	-	685,778	-	-	(369,141)	316,637
Net property and equipment	-	-	8,507,119	-	-	8,507,119
Cash - agency funds	-	-	35,588	-	-	35,588
Other assets	-	-	6,336	9,553	(9,206)	6,683
TOTAL ASSETS	\$ 7,517,630	\$ 1,224,902	\$ 9,236,716	\$ 175,974	\$ (378,347)	\$ 17,776,875
LIABILITIES AND NET ASSETS						
LIABILITIES						
Accounts payable and accrued liabilities	\$ 4,198	-	\$ 238,199	\$ 240,218	\$ (378,347)	\$ 104,268
Shareholder deposits	3,656	-	-	-	-	3,656
Agency funds payable	-	-	35,588	-	-	35,588
TOTAL LIABILITIES	7,854	-	273,787	240,218	(378,347)	143,512
NET ASSETS						
Without donor restriction	800,572	1,224,902	8,882,599	(64,244)	-	10,843,829
With donor restriction	6,709,204	-	80,330	-	-	6,789,534
TOTAL NET ASSETS	7,509,776	1,224,902	8,962,929	(64,244)	-	17,633,363
TOTAL LIABILITIES AND NET ASSETS	\$ 7,517,630	\$ 1,224,902	\$ 9,236,716	\$ 175,974	\$ (378,347)	\$ 17,776,875

EPISCOPAL DIOCESE OF ALBANY
SCHEDULE OF FINANCIAL POSITION BY FUND
DECEMBER 31, 2018

ASSETS	TRUST FUNDS	DIOCESAN DEVELOPMENT	DIOCESAN OPERATIONS	SPIRITUAL LIFE	INTERFUND ELIMINATION	TOTAL
ASSETS						
Cash	\$ 140,566	\$ 262,775	\$ 658,363	\$ 117,158	\$ -	\$ 1,178,862
Accounts receivable	-	-	-	9,289	-	9,289
Other receivables	48,312	2,484	13,858	5,214	(35)	69,833
Prepaid expenses	-	-	16,937	3,189	-	20,126
Investments	6,198,219	137,684	-	-	-	6,335,903
Loans receivable from parishes	-	769,529	-	-	(442,499)	327,030
Net property and equipment	-	-	8,751,492	-	-	8,751,492
Cash - agency funds	-	-	48,356	-	-	48,356
Other assets	-	-	5,517	9,428	(8,143)	6,802
TOTAL ASSETS	\$ 6,387,097	\$ 1,172,472	\$ 9,494,523	\$ 144,278	\$ (450,677)	\$ 16,747,693
LIABILITIES AND NET ASSETS						
LIABILITIES						
Accounts payable and accrued liabilities	-	-	\$ 245,453	\$ 355,957	\$ (450,677)	\$ 150,733
Shareholder deposits	2,644	-	-	-	-	2,644
Agency funds payable	-	-	48,356	-	-	48,356
TOTAL LIABILITIES	2,644	-	293,809	355,957	(450,677)	201,733
NET ASSETS						
Without donor restriction	801,651	1,172,472	9,088,380	(279,355)	-	10,783,148
With donor restriction	5,582,802	-	112,334	67,676	-	5,762,812
TOTAL NET ASSETS	6,384,453	1,172,472	9,200,714	(211,679)	-	16,545,960
TOTAL LIABILITIES AND NET ASSETS	\$ 6,387,097	\$ 1,172,472	\$ 9,494,523	\$ 144,278	\$ (450,677)	\$ 16,747,693

EPISCOPAL DIOCESE OF ALBANY
SCHEDULE OF ACTIVITIES AND CHANGES IN NET ASSETS BY FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	Trust Funds		Diocesan Development		Diocesan Operations		Spiritual Life Center		Interfund Elimination	TOTAL
	Without Donor Restriction	With Donor Restriction	Without Donor Restriction	With Donor Restriction	Without Donor Restriction	With Donor Restriction	Without Donor Restriction	With Donor Restriction		
REVENUES										
Investment return	\$ 150,797	\$ 1,298,897	\$ 52,527	\$ 32,689	\$ -	\$ 15,516	\$ -	\$ -	\$ (337)	\$ 1,550,089
Fees and related income	-	-	-	330,916	-	833,649	-	-	(5,270)	1,159,295
Contributions and bequests	24,480	-	-	7,973	17,635	892,805	13,500	-	(426,625)	529,768
Fitch gilbert trust distributions	-	-	-	107,170	-	-	-	-	-	107,170
Parish assessments	-	-	-	1,165,863	9,049	-	-	-	(113,011)	1,061,901
Releases from restrictions	172,495	(172,495)	-	58,688	(58,688)	81,176	(81,176)	-	-	-
TOTAL REVENUES	347,772	1,126,402	52,527	1,703,299	(32,004)	1,823,146	(67,676)	(545,243)		4,408,223
EXPENSES										
Program										
Ministries and Initiatives	152,742	-	-	599,342	-	-	-	-	(387,011)	365,073
Clergy Benefits and Education	23,289	-	-	13,188	-	-	-	-	(5,270)	31,187
Healing Ministries	-	-	-	-	-	159,324	-	-	(337)	158,987
Youth Ministries	-	-	-	-	-	107,854	-	-	-	107,854
Day Care and Camps	-	-	-	-	-	422,492	-	-	-	422,492
Facility Operations	163,556	-	-	-	-	718,630	-	-	(152,625)	729,561
Supporting Services										
Management and General	9,284	-	-	1,312,423	-	192,868	-	-	-	1,514,575
TOTAL EXPENSES	348,851	-	-	1,924,953	-	1,601,188	-	(545,243)		3,329,729
INCREASE (DECREASE) IN NET ASSETS BEFORE OTHER ITEMS	(1,079)	1,126,402	52,527	(221,654)	(32,004)	221,978	(67,676)	-	-	1,078,494
OTHER ITEMS										
Gain on sale of property	-	-	-	8,909	-	-	-	-	-	8,909
Interfund transfer	-	-	(97)	6,964	-	(6,867)	-	-	-	-
TOTAL OTHER ITEMS	-	-	(97)	15,873	-	(6,867)	-	-	-	8,909
INCREASE (DECREASE) IN NET ASSETS	(1,079)	1,126,402	52,430	(205,781)	(32,004)	215,111	(67,676)	-	-	1,087,403
NET ASSETS										
Beginning of Year	801,651	5,582,802	1,172,472	9,088,380	112,334	(279,355)	67,676	-	-	16,545,960
End of Year	800,572	6,709,204	1,224,902	8,882,599	80,330	(64,244)	-	-	-	17,633,363

EPISCOPAL DIOCESE OF ALBANY
SCHEDULE OF ACTIVITIES AND CHANGES IN NET ASSETS BY FUND
FOR THE YEAR ENDED DECEMBER 31, 2018

	Trust Funds		Diocesan Development		Diocesan Operations		Spiritual Life Center		Interfund Elimination	TOTAL
	Without Donor Restriction	With Donor Restriction	Without Donor Restriction	With Donor Restriction	Without Donor Restriction	With Donor Restriction	Without Donor Restriction	With Donor Restriction		
REVENUES										
Dividends and interest	\$ (3,210)	\$ (37,674)	\$ 29,320	\$ 38,939	\$ -	\$ -	\$ 14,329	\$ -	\$ (464)	\$ 41,240
Fees and related income	7,660	-	-	352,670	-	-	916,173	-	(25,971)	1,250,532
Contributions and bequests	235,550	9,300	-	68,629	-	50,050	721,989	13,500	(304,199)	794,819
Fitch gilbert trust distributions	-	-	-	108,023	-	-	-	-	-	108,023
Parish assessments	-	-	-	1,265,231	-	7,738	-	-	(124,490)	1,148,479
Releases from restrictions	118,717	(118,717)	-	14,666	(14,666)	-	13,500	(13,500)	-	-
TOTAL REVENUES	<u>358,717</u>	<u>(147,091)</u>	<u>29,320</u>	<u>1,648,158</u>	<u>43,122</u>	<u>73,388</u>	<u>1,665,991</u>	<u>(13,500)</u>	<u>(455,124)</u>	<u>3,345,093</u>
EXPENSES										
Program										
Ministries and Initiatives	115,523	-	-	674,384	-	-	-	-	(398,490)	391,417
Clergy Benefits and Education	6,700	-	-	42,642	-	-	-	-	(25,971)	28,371
Healing Ministries	-	-	-	-	-	-	166,639	-	(464)	166,175
Youth Ministries	-	-	-	-	-	-	59,340	-	-	59,340
Day Care and Camps	-	-	-	-	-	-	481,814	-	-	481,814
Facility Operations	113,101	-	-	-	-	-	754,228	-	(30,199)	837,130
Supporting Services										
Management and General	9,872	-	-	1,393,497	-	-	249,137	-	-	1,652,506
TOTAL EXPENSES	<u>245,196</u>	<u>-</u>	<u>-</u>	<u>2,110,523</u>	<u>-</u>	<u>-</u>	<u>1,711,158</u>	<u>-</u>	<u>(455,124)</u>	<u>3,611,753</u>
INCREASE (DECREASE) IN NET ASSETS BEFORE OTHER ITEMS	<u>113,521</u>	<u>(147,091)</u>	<u>29,320</u>	<u>(262,365)</u>	<u>43,122</u>	<u>(45,167)</u>	<u>(45,167)</u>	<u>-</u>	<u>-</u>	<u>(268,660)</u>
OTHER ITEMS										
Interfund transfer	-	-	-	19,121	-	-	(19,121)	-	-	-
TOTAL OTHER ITEMS	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,121</u>	<u>-</u>	<u>-</u>	<u>(19,121)</u>	<u>-</u>	<u>-</u>	<u>-</u>
INCREASE (DECREASE) IN NET ASSETS	<u>113,521</u>	<u>(147,091)</u>	<u>29,320</u>	<u>(243,244)</u>	<u>43,122</u>	<u>(64,288)</u>	<u>(64,288)</u>	<u>-</u>	<u>-</u>	<u>(268,660)</u>
NET ASSETS:										
Beginning of Year	688,130	5,729,893	1,143,152	9,831,624	69,212	67,676	(215,067)	67,676	-	16,814,820
End of Year	<u>801,651</u>	<u>5,582,802</u>	<u>1,172,472</u>	<u>9,088,380</u>	<u>112,334</u>	<u>67,676</u>	<u>(279,355)</u>	<u>67,676</u>	<u>-</u>	<u>16,545,960</u>