

**EPISCOPAL DIOCESE OF ALBANY**  
**AUDITED FINANCIAL STATEMENTS**  
**SUPPLEMENTAL INFORMATION**  
**AND**  
**INDEPENDENT AUDITOR'S REPORT**  
**DECEMBER 31, 2023 AND 2022**

**EPISCOPAL DIOCESE OF ALBANY**

**TABLE OF CONTENTS**

<u>AUDITED FINANCIAL STATEMENTS</u>	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	1-2
STATEMENTS OF FINANCIAL POSITION	3
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS	4
STATEMENTS OF FUNCTIONAL EXPENSES	5-6
STATEMENTS OF CASH FLOWS	7
NOTES TO FINANCIAL STATEMENTS	8-20
 <u>SUPPLEMENTAL INFORMATION</u>	
SCHEDULES OF FINANCIAL POSITION BY FUND	21-22
SCHEDULES OF ACTIVITIES AND CHANGES IN NET ASSETS BY FUND	23-24



BUSINESS  
ADVISORS  
AND CPAS

## INDEPENDENT AUDITOR'S REPORT

To Trustees, Standing Committee and Council of the  
Episcopal Diocese of Albany

### ***Opinion***

We have audited the financial statements of Episcopal Diocese of Albany, which comprise the statements of financial position as of December 31, 2023 and 2022, 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Episcopal Diocese of Albany as of December 31, 2023 and 2022, 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.

### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Episcopal Diocese of Albany and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Change in Accounting Principle***

As discussed in Note 1 to the financial statements, in 2023, the Episcopal Diocese of Albany adopted new accounting guidance related to accounting for credit losses. Our opinion is not modified with respect to this matter.

### ***Prior Period Adjustment - Correction of Error***

As disclosed in Note 16 to the financial statements, during the year ended December 31, 2023, the Diocese determined that Financial Accounting Standards Board Accounting Standards Update 2016-02, *Leases (Topic 842)*, was applicable to the Diocese and should have been implemented on January 1, 2022. Accordingly, the Diocese has restated its 2022 financial statements and recorded right-of-use assets and lease liabilities relating to its three financing leases. Our opinion is not modified with respect to this matter.

### ***Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Episcopal Diocese of Albany's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Episcopal Diocese of Albany's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Episcopal Diocese of Albany's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

### **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 21 and 22 and the schedules of activities and changes in net assets by fund on pages 23 and 24 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 applied in the audit of the financial statements and certain additional 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.



Latham, NY  
September 17, 2024

**EPISCOPAL DIOCESE OF ALBANY**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2023 AND 2022**

	<b>ASSETS</b>		<b>2022 (Restated)</b>
	<b>2023</b>	<b>2023</b>	
<b>ASSETS</b>			
Cash	\$ 4,213,436	\$ 3,317,834	
Accounts receivable	19,421	18,141	
Other receivables	88,752	83,001	
Prepaid expenses	47,413	25,481	
Investments	8,778,586	7,855,905	
Loans receivable from parishes	278,225	287,001	
Net property and equipment	7,681,908	7,803,391	
Right-of-use assets - finance leases	14,116	22,183	
Other assets	<u>36,258</u>	<u>6,996</u>	
<b>TOTAL ASSETS</b>	<u><u>\$ 21,158,115</u></u>	<u><u>\$ 19,419,933</u></u>	
<b>LIABILITIES AND NET ASSETS</b>			
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	\$ 200,883	\$ 135,408	
Grants payable	28,000	15,500	
Shareholder deposits	11,737	9,721	
Lease liabilities - finance leases	14,677	22,517	
Deferred revenue	<u>23,135</u>	<u>25,807</u>	
<b>TOTAL LIABILITIES</b>	<u><u>278,432</u></u>	<u><u>208,953</u></u>	
<b>NET ASSETS</b>			
Without donor restrictions			
Unrestricted	11,499,235	11,855,887	
Board Designated	262,630	257,535	
With donor restrictions	<u>9,117,818</u>	<u>7,097,558</u>	
<b>TOTAL NET ASSETS</b>	<u><u>20,879,683</u></u>	<u><u>19,210,980</u></u>	
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 21,158,115</u></u>	<u><u>\$ 19,419,933</u></u>	

**EPISCOPAL DIOCESE OF ALBANY**  
**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

	<b>2023</b>			<b>2022 (Restated)</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>REVENUES</b>						
Investment return	\$ 312,560	\$ 964,302	\$ 1,276,862	\$ 234,854	\$ (1,024,486)	\$ (789,632)
Fees and related income	930,417	-	930,417	850,971	-	850,971
Contributions and bequests	335,758	1,250,000	1,585,758	1,527,314	-	1,527,314
Fitch Gilbert trust distributions	107,894	-	107,894	127,963	-	127,963
Parish assessments	1,074,605	8,439	1,083,044	1,072,860	10,307	1,083,167
Releases from restrictions	202,481	(202,481)	-	258,465	(258,465)	-
<b>TOTAL REVENUES</b>	<b>2,963,715</b>	<b>2,020,260</b>	<b>4,983,975</b>	<b>4,072,427</b>	<b>(1,272,644)</b>	<b>2,799,783</b>
<b>EXPENSES</b>						
<b>Program</b>						
Ministries and Initiatives	420,578	-	420,578	635,309	-	635,309
Clergy Benefits and Education	75,724	-	75,724	66,210	-	66,210
Healing Ministries	133,995	-	133,995	101,291	-	101,291
Youth Ministries	109,797	-	109,797	120,389	-	120,389
Camps and Activities	198,866	-	198,866	158,934	-	158,934
Facility Operations	916,311	-	916,311	830,597	-	830,597
<b>Supporting Services</b>						
Management and General	1,460,001	-	1,460,001	1,541,409	-	1,541,409
<b>TOTAL EXPENSES</b>	<b>3,315,272</b>	<b>-</b>	<b>3,315,272</b>	<b>3,454,139</b>	<b>-</b>	<b>3,454,139</b>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	<b>(351,557)</b>	<b>2,020,260</b>	<b>1,668,703</b>	<b>618,288</b>	<b>(1,272,644)</b>	<b>(654,356)</b>
<b>NET ASSETS</b>						
Beginning of Year	12,113,422	7,097,558	19,210,980	11,495,134	8,370,202	19,865,336
End of Year	<b>\$ 11,761,865</b>	<b>\$ 9,117,818</b>	<b>\$ 20,879,683</b>	<b>\$ 12,113,422</b>	<b>\$ 7,097,558</b>	<b>\$ 19,210,980</b>

See accompanying notes to financial statements.

**EPISCOPAL DIOCESE OF ALBANY**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	<b>Ministries and Initiatives</b>	<b>Clergy Benefits and Education</b>	<b>Healing Ministries</b>	<b>Youth Ministries</b>	<b>Camps and Activities</b>	<b>Facility Operations</b>	<b>Management and General</b>	<b>Total</b>
<b>EXPENSES</b>								
Grants	\$ 311,682	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,000	\$ 316,682
Travel	29	35	-	188	211	511	48,695	49,669
Office	2,222	1,777	1,475	734	967	6,936	33,615	47,726
Retreats, conferences and meetings	473	67,401	10,133	-	-	-	13,922	91,929
Apportionment and assessments	73,753	-	-	-	-	-	-	73,753
Printing and postage	31,225	-	-	64	38	325	5,473	37,125
Advertising	744	-	-	463	1,905	250	1,334	4,696
Professional fees	450	-	-	-	-	-	158,425	158,875
Housing allowance	-	-	-	-	-	-	12,546	12,546
Fringe benefits	-	436	-	15,548	7,825	96,942	108,290	229,041
Pension	-	-	7,015	4,537	2,902	27,149	46,642	88,245
Salaries	-	-	55,101	51,338	75,912	335,478	414,552	932,381
Payroll taxes	-	-	2,018	5,334	10,102	33,554	46,951	97,959
Staff training	-	-	-	1,763	1,959	-	-	3,722
Telephone and utilities	-	-	15,573	8,035	3,988	126,740	71,236	225,572
Insurance	-	-	20,894	15,381	41,961	61,651	28,114	168,001
Food and beverages	-	-	-	164	97	122,558	-	122,819
Maintenance and repairs	-	-	1,300	213	5,070	97,514	43,313	147,410
Program expenses	-	-	12,700	4,794	29,927	4,252	-	51,673
Small equipment	-	-	-	-	-	15,311	2,512	17,823
Information technology	-	-	361	116	-	11,692	50,497	62,666
Interest	-	-	-	-	-	-	248	248
Taxes	-	-	-	-	-	-	-	-
Lease	-	-	-	-	-	-	-	-
Development	-	-	-	-	-	-	801	801
Diocesan operations	-	6,075	-	-	-	-	-	6,075
Depreciation	-	-	-	-	-	-	359,768	359,768
Amortization	-	-	-	-	-	-	8,067	8,067
Maintenance allocation	-	-	7,425	1,125	16,002	(24,552)	-	-
	<b>\$ 420,578</b>	<b>\$ 75,724</b>	<b>\$ 133,995</b>	<b>\$ 109,797</b>	<b>\$ 198,866</b>	<b>\$ 916,311</b>	<b>\$ 1,460,001</b>	<b>\$ 3,315,272</b>

See accompanying notes to financial statements.

**EPISCOPAL DIOCESE OF ALBANY**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2022 (RESTATED)**

	Ministries and Initiatives	Clergy Benefits and Education	Healing Ministries	Youth Ministries	Camps and Activities	Facility Operations	Management and General	Total
<b>EXPENSES</b>								
Grants	\$ 517,112	\$ 11,664	\$ -	\$ -	\$ -	\$ -	\$ 5,820	\$ 534,596
Travel	187	767	-	689	62	-	22,409	24,114
Office	1,441	-	1,553	1,279	579	1,333	26,024	32,209
Retreats, conferences and meetings	14,482	30,343	5,674	2,157	-	-	1,218	53,874
Apportionment and assessments	73,597	-	-	-	-	-	-	73,597
Printing and postage	27,545	-	-	59	60	623	3,994	32,281
Advertising	720	-	116	508	304	-	22,170	23,818
Professional fees	225	-	-	-	-	-	141,434	141,659
Housing allowance	-	-	-	-	-	-	122,570	122,570
Fringe benefits	-	436	-	14,568	7,336	103,206	124,814	250,360
Pension	-	-	6,677	4,880	3,474	24,236	49,082	88,349
Salaries	-	23,000	44,728	64,579	71,485	271,457	470,804	946,053
Payroll taxes	-	-	1,666	6,431	9,981	29,067	45,265	92,410
Staff training	-	-	-	-	420	-	47	467
Telephone and utilities	-	-	13,297	5,034	2,293	118,577	57,823	197,024
Insurance	-	-	20,253	14,986	40,959	62,570	22,662	161,430
Food and beverages	-	-	770	37	53	75,312	-	76,172
Maintenance and repairs	-	-	-	364	1,910	113,434	38,670	154,378
Program expenses	-	-	6,502	4,266	20,018	8,903	9,530	49,219
Small equipment	-	-	-	-	-	9,817	1,486	11,303
Information technology	-	-	55	552	-	7,723	14,212	22,542
Interest	-	-	-	-	-	-	355	355
Taxes	-	-	-	-	-	4,339	-	4,339
Lease	-	-	-	-	-	-	5,299	5,299
Development	-	-	-	-	-	-	1,029	1,029
Depreciation	-	-	-	-	-	-	346,625	346,625
Amortization	-	-	-	-	-	-	8,067	8,067
	<b>\$ 635,309</b>	<b>\$ 66,210</b>	<b>\$ 101,291</b>	<b>\$ 120,389</b>	<b>\$ 158,934</b>	<b>\$ 830,597</b>	<b>\$ 1,541,409</b>	<b>\$ 3,454,139</b>

See accompanying notes to financial statements.

**EPISCOPAL DIOCESE OF ALBANY**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

	<b>2023</b>	<b>2022</b>
		<b>(Restated)</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 1,668,703	\$ (654,236)
Adjustments to reconcile change in net assets to cash provided by operating activities:		
Depreciation	359,768	346,625
Amortization	8,067	8,067
Realized and unrealized (gain) loss on investments	(885,313)	1,143,136
Changes In		
Accounts receivable	(1,280)	(4,434)
Other receivables	(5,751)	1,242
Prepaid expenses	(21,932)	(2,713)
Other assets	(29,262)	(4,296)
Accounts payable and accrued liabilities	65,475	59,147
Grants payable	12,500	(81,035)
Deferred revenue	(2,672)	(9,029)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b><u>1,168,303</u></b>	<b><u>802,474</u></b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of property and equipment	(238,285)	(188,941)
Proceeds from sale of investments	254,203	431,585
Purchase of investments	(291,571)	(341,486)
Change in shareholder deposits	2,016	2,358
<b>NET CASH USED BY INVESTING ACTIVITIES</b>	<b><u>(273,637)</u></b>	<b><u>(96,484)</u></b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Loans to parishes	(55,000)	(20,000)
Parish loan repayments	63,776	61,081
Principal payments - finance leases	(7,840)	(7,733)
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>	<b><u>936</u></b>	<b><u>33,348</u></b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>895,602</b>	<b>739,338</b>
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning of Year	<u>3,317,834</u>	<u>2,578,496</u>
End of Year	<u>\$ 4,213,436</u>	<u>\$ 3,317,834</u>

**EPISCOPAL DIOCESE OF ALBANY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022**

**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 costs of real property and equipment owned by the Diocese (see Note 3), 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 the Diocese 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 Diocese 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 FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022**

**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 statements of financial position. See Note 2 for further discussion. Unrealized gains and losses are included in the change in net assets.

***Loans Receivable from Parishes and Allowance for Credit Losses***

Loans receivable from parishes represents funds advanced to parishes of the Episcopal Diocese of Albany. Loans are stated at the unpaid principal balance less an allowance for loan losses and carry a rate of interest of 5.5%. Interest on loans is recognized over the term of the loan and is calculated using the simple-interest method on principal amounts outstanding. The Diocese periodically evaluates the loan for collectability based on inherent collection risks and adverse situations that may affect the borrower's ability to repay.

The allowance for credit losses is derived from a review of the Diocese's historical losses based on the aging of receivables. This estimate is adjusted for management's assessment of current conditions, reasonable and supportable forecasts regarding future events, and any other factors deemed relevant by the Diocese. The Diocese believes historical loss information is a reasonable starting point in which to calculate the expected allowance for credit losses as the Diocese's customers have remained constant since the Diocese's inception. The Diocese believes that no allowance for credit loss is necessary at December 31, 2023 and 2022.

The Diocese writes off loan receivables when there is information that indicates the debtor is facing significant financial difficulty and there is no possibility of recovery. If any recoveries are made from any accounts previously written off, they will be recognized as an offset to credit loss expense in the year of recovery. Loans for which no contractual payments have been received for a period of time are considered delinquent. After all collection efforts are exhausted, any amounts deemed uncollectible based upon an assessment of the debtor's financial condition are written off. There were no write-offs during the year ended December 31, 2023.

Loans receivable from parishes outstanding at December 31, 2023 and 2022 were \$278,225 and \$287,001, 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.

**EPISCOPAL DIOCESE OF ALBANY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Revenue Recognition***

The Diocese has adopted ASU 2014-09, *Revenue from Contracts with Customers*. This standard implements a single framework for recognition of all revenue earned from customers. Fees and related income received from customers, as presented in the statements of activities and changes in net assets consist of food and gift shop sales, lodging, camps and activities, 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, camps and activities, and event registration income is recognized when the activity takes place, at a point in time. Contract liabilities for deposits received in advance are recorded as deferred revenue and are recognized as revenue when the activity takes place. Revenue recognized for the years ended December 31, 2023 and 2022, that was included in deferred revenue at the beginning of the year was \$25,807 and \$34,836, respectively.

The Diocese has adopted ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This standard provides a more robust framework for determining whether a transaction should be accounted for as a contribution or as an exchange transaction. 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, 2023 and 2022, the Diocese received and recognized conditional contributions totaling \$1,250,000 and \$-0-, respectively.

Contributions receivable are recorded at their net realizable value. At December 31, 2023 and 2022, 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 statements of activities as net assets released from restrictions.

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, 2023 and 2022, 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 2023 and 2022, Charities and ADIT provided the Diocese with reimbursement for certain allocated administrative costs of \$149,787 and \$180,128, respectively, shown on the statements of activities as part of fees and related income.

**EPISCOPAL DIOCESE OF ALBANY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***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.

***Leases***

The Diocese leases office equipment and determines if an arrangement is a lease at inception. Finance leases are included in finance lease right-of-use (ROU) assets - finance leases and lease liabilities - finance leases in the accompanying statements of financial position. The Diocese does not have any operating leases as of December 31, 2023 or 2022.

ROU assets represent the Diocese's right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Financing lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. The Diocese uses the implicit rate in a lease agreement when it is available and when not available, the risk-free rate based on the information available at commencement date or January 1, 2022, whichever is later, in determining the present value of lease payments. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Diocese will exercise that option. Lease expense for finance leases is recognized as amortization expense and interest expense.

The Diocese's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

The Diocese has elected to account for the lease and non-lease components as a single lease component.

In evaluating contracts to determine if they qualify as a lease, the Diocese considers factors such as if the Diocese has obtained substantially all of the rights to the underlying asset through exclusivity, if the Diocese can direct the use of the asset by making decisions about how and for what purpose the asset will be used and if the lessor has substantive substitution rights. This evaluation may require significant judgment.

**EPISCOPAL DIOCESE OF ALBANY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Adoption of New Accounting Standards - Leases*

In February 2016, the FASB issued a new standard related to leases to increase transparency and comparability among entities by requiring the recognition of ROU assets and lease liabilities on the statement of financial position. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases under current U.S. GAAP. For nonpublic entities, the FASB voted on May 20, 2020, to extend the guidance in this new standard to be effective for fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. The Diocese has restated their accompanying 2022 financial statements in order to adopt ASC 842 with the date of initial application of January 1, 2022 (see Note 16).

The Diocese recognized and measured leases existing at January 1, 2022 (the beginning of the period of adoption) using the modified retrospective approach and there was no need for a cumulative effect adjustment.

As part of the adoption of ASC 842, the Diocese elected practical expedients to account for the existing financing leases as financing leases, under the new guidance, without reassessing (a) whether the contracts contain leases under the new standard; (b) whether classification of the capital leases would be different in accordance with the new guidance; or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in the new guidance at lease commencement.

As a result of the adoption of the lease accounting guidance, the Diocese recognized on January 1, 2022, a financing lease liability of \$30,250, which represents the present value of the remaining financing lease payments of \$31,027, discounted using the U.S. treasury risk-free rate of 1.37%, and a right-of-use asset of \$30,250.

The standard had a material impact on the accompanying 2022 statement of financial position, but did not have a material impact on the 2022 statement of activities and changes in net assets. The most significant impact was the recognition of ROU assets and lease liabilities for financing leases.

*Adoption of New Accounting Standard - Credit Losses*

In June 2016, the FASB issued guidance (FASB ASC 326) which significantly changed how entities measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Diocese that are subject to the guidance in FASB ASC 326 were loans receivable.

The Diocese adopted the standard effective January 1, 2023. The impact of adoption was not considered material to the financial statements and primarily resulted in enhanced disclosures only.

**2. INVESTMENTS**

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

**EPISCOPAL DIOCESE OF ALBANY**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**

**2. INVESTMENTS**

The combined net realized and unrealized gains (losses) on investments totaled \$885,313 and \$(1,143,136) for the years ended December 31, 2023 and 2022, respectively.

The Diocese owned 206,701 and 205,975 shares of ADIT at December 31, 2023 and 2022, respectively, or approximately 33% and 30% of total ADIT shares respectively, outstanding each year. At December 31, 2023, the net asset value per ADIT share was \$42.47, an increase of \$4.33 compared with the net asset value at December 31, 2022 of \$38.14.

ADIT made annual distributions, paid quarterly, of approximately \$1.56 and \$1.53 per share in 2023 and 2022, 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, 2023 distribution paid in January 2024, is reflected on the December 31, 2023 statement of financial position under the caption “other receivables”, and is also recorded in the 2023 statement of activities under the caption “investment return”.

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

	<u>December 31, 2023</u>			<u>December 31, 2022</u>		
	Diocesan Trust <u>Funds</u>	Diocesan Development <u>Fund</u>	Total	Diocesan Trust <u>Funds</u>	Diocesan Development <u>Fund</u>	Total
Cost of Shares	\$4,833,458	\$ 382,545	\$5,216,003	\$4,735,395	\$ 382,545	\$5,117,940
Unrealized gain	<u>3,501,698</u>	<u>60,885</u>	<u>3,562,583</u>	<u>2,721,768</u>	<u>16,197</u>	<u>2,737,965</u>
Fair Value of Shares	<u><u>\$8,335,156</u></u>	<u><u>\$ 443,430</u></u>	<u><u>\$8,778,586</u></u>	<u><u>\$7,457,163</u></u>	<u><u>\$ 398,742</u></u>	<u><u>\$7,855,905</u></u>

**3. PROPERTY AND EQUIPMENT**

Property and equipment consist of the following:

	<u>2023</u>	<u>2022</u>
Buildings and Improvements	\$11,193,755	\$11,036,644
Furniture, Equipment and Other	519,352	438,178
Land	<u>2,018,658</u>	<u>2,018,658</u>
Total Property and Equipment	<u>13,731,765</u>	<u>13,493,480</u>
Less: Accumulated Depreciation	<u>6,049,857</u>	<u>5,690,089</u>
Net Property and Equipment	<u><u>\$ 7,681,908</u></u>	<u><u>\$ 7,803,391</u></u>

Depreciation expense was \$359,768 and \$346,625 for the years ended December 31, 2023 and 2022, respectively.

**EPISCOPAL DIOCESE OF ALBANY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022**

**4. AGENCY FUNDS**

Agency funds are contributions held by the Diocese for unrelated ministries and are only used for their benefit. As of December 31, 2023 and 2022, the Diocese had \$-0- in Agency Funds.

**5. 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 \$- and \$2,389 at December 31, 2023 and 2022, respectively.

**6. 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 21 and 22.

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>2023</u>	<u>2022</u>
<b><u>Revenues</u></b>		
Dividends and Interest	\$ 19,107	\$ 18,589
Fees and Related Income	759,797	578,509
Contributions	476,415	299,574
Interfund Revenue	250,000	412,900
<b>Total Revenues</b>	<u>1,505,319</u>	<u>1,309,572</u>
<b><u>Expenses</u></b>		
<b>Program Expenses:</b>		
Beaver Cross Camp	123,935	92,007
Healing Ministry	133,995	101,352
Youth Ministry	109,797	120,389
Activities	74,931	66,927
Facility Operations	903,036	794,208
<b>Total Program Expenses</b>	<u>1,345,694</u>	<u>1,174,883</u>
<b>Management and General Expenses:</b>		
Administration	111,641	185,813
<b>Total Expenses</b>	<u>1,457,335</u>	<u>1,360,696</u>
<b>Other Items Income (Expense)</b>		
Interfund Transfer	(78,318)	(81,264)
<b>Total Other Items Income (Expense)</b>	<u>(78,318)</u>	<u>(81,264)</u>
<b>Net Decrease in Net Assets From Operations</b>	<u>\$ (30,334)</u>	<u>\$ (132,388)</u>

**EPISCOPAL DIOCESE OF ALBANY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022**

**6. SPECIAL FACILITIES**

The net interfund revenue and interfund transfer of \$171,682 and \$331,636 for the years ended December 31, 2023 and 2022, respectively, are eliminated in the statements of activities.

**7. 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 2023 and 2022 was \$88,245 and \$88,349, respectively.

**8. FAIR VALUE MEASUREMENTS**

The Diocese has adopted ASC 820, which provides a framework for measuring fair value under U.S. GAAP. ASC 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

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 to determine fair value at December 31, 2023 and 2022.

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 2), 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.

**EPISCOPAL DIOCESE OF ALBANY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022**

**8. FAIR VALUE MEASUREMENTS**

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, 2023 and 2022.

	<b>Fair Value</b>		<b>Unfunded Commitments</b>	<b>Redemption Frequency</b>	<b>Redemption Period Notice</b>
	<b>At December 31, 2023</b>	<b>2022</b>			
Investment in ADIT	<u>\$8,778,586</u>	<u>\$7,855,905</u>	None	Monthly	Three Days Prior to Month End

**9. 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 of. When the property of the extinct parish is disposed of, the Diocese reports the proceeds, net of expenses, as revenue on the statements of activities under contributions and bequests. A summary of proceeds, net of expenses from the disposal of extinct parishes is as follows:

	<b>2023</b>	<b>2022</b>
Proceeds from sale of building and property	\$ _____ -	\$ 527,718

**10. NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions as of December 31, 2023 and 2022, consists of the following:

	<b>2023</b>	<b>2022</b>
New parish development	\$ 1,295,040	\$ 45,040
Missions	49,935	49,496
Restricted in perpetuity	3,531,568	3,531,568
Earnings on perpetual endowments	4,241,275	3,471,454
<b>Total</b>	<b>\$ 9,117,818</b>	<b>\$ 7,097,558</b>

Net assets with donor restrictions released during the years ended December 31, 2023 and 2022, by incurring expenses satisfying the restricted purposes, or by Board action for the release of accumulated earnings on perpetual endowments are as follows:

	<b>2023</b>	<b>2022</b>
Missions	\$ 8,000	\$ 5,600
Appropriation of accumulated earnings	194,481	252,865
<b>Release of Net Assets With Donor Restrictions</b>	<b>\$ 202,481</b>	<b>\$ 258,465</b>

**EPISCOPAL DIOCESE OF ALBANY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022**

**11. 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 Diocese 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.

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 includes, 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 2), 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, 2023 and 2022, there were no underwater endowment funds.

**EPISCOPAL DIOCESE OF ALBANY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022**

**11. DONOR RESTRICTED ENDOWMENT FUNDS**

Changes in donor restricted endowment funds for the years ended December 31, 2023 and 2022, are as follows:

	<u>2023</u>	<u>2022</u>
Original donor-restricted gift amount and amounts required to be maintained in perpetuity, beginning of year	\$ 3,531,568	\$ 3,531,568
Accumulated investment earnings	4,435,756	3,724,319
Amounts appropriated for expenditure	(194,481)	(252,865)
Endowment with Donor Restrictions, End of Year	<u>\$ 7,772,843</u>	<u>\$ 7,003,022</u>

**12. 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, 2023 and 2022, were as follows:

	<u>2023</u>	<u>2022</u>
Board-designated funds, beginning of year	\$ 257,535	\$ 261,912
Dividends	1,412	1,307
Net appreciation	3,683	(5,684)
Board-Designated Funds, End of Year	<u>\$ 262,630</u>	<u>\$ 257,535</u>

**13. 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.

The Diocese has cash balances in various financial institutions in excess of federally insured limits. The uninsured balances totaled approximately \$2,175,000 at December 31, 2023. The risk is managed by maintaining all deposits in high quality financial institutions which the Diocese believes limits these risks.

**14. 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

**EPISCOPAL DIOCESE OF ALBANY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022**

**14. LIQUIDITY**

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, 2023 and 2022.

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

	<b><u>2023</u></b>	<b><u>2022</u></b>
Financial assets as of December 31	\$ 13,135,273	\$ 11,318,353
Less those unavailable for general expenditures within one year, due to:		
Board-imposed purpose restrictions	262,630	257,535
Donor-imposed purpose restrictions	<u>9,117,818</u>	<u>7,097,558</u>
Financial assets available within one year to meet cash needs for general expenditures within one year	<u><u>\$ 3,754,825</u></u>	<u><u>\$ 3,963,260</u></u>

**15. LEASES**

The Diocese leases office equipment, two copiers and a postage meter, through financing leases. One of the copier leases expires in September 2025 and the other copier lease and the postage meter lease expire in October 2025. The leases do not contain any renewal or early termination options.

The components of lease expense for the years ended December 31, 2023 and 2022, are as follows:

Finance lease cost:

Amortization of right-of use assets	\$ 8,067	\$ 8,067
Interest on lease liabilities	248	355
Total Finance Lease Costs	<u><u>\$ 8,315</u></u>	<u><u>\$ 8,422</u></u>

As of December 31, 2023, minimum lease payments due for the Diocese's financing lease liabilities are each of the following five succeeding years and thereafter are as follows:

	<b><u>2023</u></b>
2024	\$ 8,088
2025	6,763
2026 and thereafter	<u>-</u>
Total lease payments (Undiscounted)	14,851
Less: Present value discount	174
Present Value of Lease Liabilities	<u><u>\$ 14,677</u></u>

**EPISCOPAL DIOCESE OF ALBANY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2023 AND 2022**

**15. LEASES**

Supplemental information as of or for the year ended December 31:

	<u>2023</u>	<u>2022</u>
Operating cash flows paid for finance leases	\$ 261	\$ 319
Financing cash flows paid for finance leases	\$ 7,840	\$ 7,733
Right-of-use assets obtained in exchange for new lease liabilities:		
Finance leases	\$ -	\$ 30,250
Weighted-average remaining lease term:		
Finance leases	1.81 years	2.81 years
Weighted-average discount rate:		
Finance leases	1.37%	1.37%

**16. RESTATEMENT OF FINANCIAL STATEMENTS AND PRIOR PERIOD ADJUSTMENT**

During the year ended December 31, 2023, the Diocese determined that it had leasing arrangements in which Accounting Standards Update 2016-02, *Leases (Topic 842)* was applicable and should have been implemented as of January 1, 2022. The accompanying statement of financial position as of December 31, 2022, has been restated to include right-of-use assets – financing leases of \$22,183 and lease liabilities – financing leases of \$22,517. Additionally, the accompanying statement of activities and changes in net assets for the year ended December 31, 2022, have been restated to include \$8,422 of financing lease costs, which increased the increase (decrease) in net assets by that amount.

**17. SUBSEQUENT EVENTS**

Subsequent to December 31, 2023, the Diocese entered into an agreement to settle one of the cases brought against it under the State's Child Victims Act. The amount paid by the Diocese is not considered material to the Diocese's financial statements and therefore, not recorded or disclosed in the accompanying financial statements.

Subsequent to December 31, 2023 and through July 31, 2024, shareholders redeemed 15,143 shares of ADIT with a fair market value of \$672,454. The redemption of shares is part of management's plan to eventually redeem all shares of ADIT not required to be held in trust.

The Diocese has evaluated events and transactions that occurred between December 31, 2023 and September 17, 2024, which is the date the financial statements were available to be issued and has determined that there are no other subsequent events that require recording or disclosure.

**EPISCOPAL DIOCESE OF ALBANY**  
**SCHEDULE OF FINANCIAL POSITION BY FUND**  
**DECEMBER 31, 2023**

ASSETS	Trust Funds	Diocesan Development	Diocesan Operations	Spiritual Life	Interfund Elimination	Total
<b>ASSETS</b>						
Cash	\$ 787,812	\$ 364,371	\$ 2,962,441	\$ 98,812	\$ -	\$ 4,213,436
Accounts receivable	-	-	-	19,421	-	19,421
Other receivables	67,162	6,672	19,378	6,284	(10,744)	88,752
Prepaid expenses	-	-	39,028	8,385	-	47,413
Investments	8,335,156	443,430	-	-	-	8,778,586
Loans receivable from parishes	-	550,110	-	-	(271,885)	278,225
Net property and equipment	-	-	7,681,908	-	-	7,681,908
Right-of-use assets - finance leases	-	-	14,116	-	-	14,116
Other assets	-	2,181	26,406	9,574	(1,903)	36,258
<b>TOTAL ASSETS</b>	<b>\$ 9,190,130</b>	<b>\$ 1,366,764</b>	<b>\$ 10,743,277</b>	<b>\$ 142,476</b>	<b>\$ (284,532)</b>	<b>\$ 21,158,115</b>
<b>LIABILITIES AND NET ASSETS</b>						
<b>LIABILITIES</b>						
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 314,605	\$ 170,810	\$ (284,532)	\$ 200,883
Grants payable	-	-	28,000	-	-	28,000
Shareholder deposits	11,737	-	-	-	-	11,737
Lease liabilities - finance leases	-	-	14,677	-	-	14,677
Deferred revenue	-	-	-	23,135	-	23,135
<b>TOTAL LIABILITIES</b>	<b>11,737</b>	<b>-</b>	<b>357,282</b>	<b>193,945</b>	<b>(284,532)</b>	<b>278,432</b>
<b>NET ASSETS</b>						
Without donor restrictions	1,405,550	1,366,764	9,041,020	(51,469)	-	11,761,865
With donor restrictions	7,772,843	-	1,344,975	-	-	9,117,818
<b>TOTAL NET ASSETS</b>	<b>9,178,393</b>	<b>1,366,764</b>	<b>10,385,995</b>	<b>(51,469)</b>	<b>-</b>	<b>20,879,683</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 9,190,130</b>	<b>\$ 1,366,764</b>	<b>\$ 10,743,277</b>	<b>\$ 142,476</b>	<b>\$ (284,532)</b>	<b>\$ 21,158,115</b>

**EPISCOPAL DIOCESE OF ALBANY**  
**SCHEDULE OF FINANCIAL POSITION BY FUND**  
**DECEMBER 31, 2022 (RESTATED)**

ASSETS	Trust Funds	Diocesan Development	Diocesan Operations	Spiritual Life	Interfund Elimination	Total
<b>ASSETS</b>						
Cash	\$ 788,273	\$ 312,004	\$ 2,105,822	\$ 111,735	\$ -	\$ 3,317,834
Accounts receivable	-	-	-	18,141	-	18,141
Other receivables	61,278	6,626	10,213	4,884	-	83,001
Prepaid expenses	-	-	17,939	7,542	-	25,481
Investments	7,457,163	398,742	-	-	-	7,855,905
Loans receivable from parishes	-	572,110	-	-	(285,109)	287,001
Net property and equipment	-	-	7,803,391	-	-	7,803,391
Right-of-use assets - finance leases	-	-	22,183	-	-	22,183
Other assets	-	-	918	10,525	(4,447)	6,996
<b>TOTAL ASSETS</b>	<b>\$ 8,306,714</b>	<b>\$ 1,289,482</b>	<b>\$ 9,960,466</b>	<b>\$ 152,827</b>	<b>\$ (289,556)</b>	<b>\$ 19,419,933</b>
<b>LIABILITIES AND NET ASSETS</b>						
<b>LIABILITIES</b>						
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 276,809	\$ 148,155	\$ (289,556)	\$ 135,408
Grants payable	-	-	15,500.00	-	-	15,500
Shareholder deposits	9,721	-	-	-	-	9,721
Lease liabilities - finance leases	-	-	22,517	-	-	22,517
Deferred revenue	-	-	-	25,807	-	25,807
<b>TOTAL LIABILITIES</b>	<b>9,721</b>	<b>-</b>	<b>314,826</b>	<b>173,962</b>	<b>(289,556)</b>	<b>208,953</b>
<b>NET ASSETS</b>						
Without donor restrictions	1,293,971	1,289,482	9,551,104	(21,135)	-	12,113,422
With donor restrictions	7,003,022	-	94,536	-	-	7,097,558
<b>TOTAL NET ASSETS</b>	<b>8,296,993</b>	<b>1,289,482</b>	<b>9,645,640</b>	<b>(21,135)</b>	<b>-</b>	<b>19,210,980</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 8,306,714</b>	<b>\$ 1,289,482</b>	<b>\$ 9,960,466</b>	<b>\$ 152,827</b>	<b>\$ (289,556)</b>	<b>\$ 19,419,933</b>

**EPISCOPAL DIOCESE OF ALBANY**  
**SCHEDULE OF ACTIVITIES AND CHANGES IN NET ASSETS BY FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	Diocesan Operations										Interfund Elimination	Total		
	Trust Funds		Diocesan Development		Diocesan Operations		Spiritual Life Center		Without Donor Restriction	With Donor Restriction				
	Without Donor Restriction	With Donor Restriction												
<b>REVENUES</b>														
Investment return	\$ 128,536	\$ 964,302	\$ 77,381	\$ 87,536	\$ -	\$ 19,107	\$ -	\$ -	\$ -	\$ -	\$ 1,276,862			
Fees and related income	-	-	-	170,620	-	759,797	-	-	-	-	930,417			
Contributions and bequests	1,200	-	-	(60,386)	1,250,000	644,944	-	-	(250,000)	-	1,585,758			
Fitch Gilbert trust distributions	-	-	-	107,894	-	-	-	-	-	-	107,894			
Parish assessments	-	-	-	1,116,922	8,439	81,471	-	-	(123,788)	-	1,083,044			
Releases from restrictions	194,481	(194,481)	-	8,000	(8,000)	-	-	-	-	-	-			
<b>TOTAL REVENUES</b>	<b>324,217</b>	<b>769,821</b>	<b>77,381</b>	<b>1,430,586</b>	<b>1,250,439</b>	<b>1,505,319</b>	<b>-</b>	<b>-</b>	<b>(373,788)</b>	<b>-</b>	<b>4,983,975</b>			
<b>EXPENSES</b>														
<b>Program</b>														
Ministries and Initiatives	197,837	-	-	596,529	-	-	-	-	(373,788)	-	420,578			
Clergy Benefits and Education	-	-	-	75,724	-	-	-	-	-	-	75,724			
Healing Ministries	-	-	-	-	-	133,995	-	-	-	-	133,995			
Youth Ministries	-	-	-	-	-	109,797	-	-	-	-	109,797			
Camps and Activities	-	-	-	-	-	198,866	-	-	-	-	198,866			
Facility Operations	13,275	-	-	-	-	903,036	-	-	-	-	916,311			
Total Program	211,112	-	-	672,253	-	1,345,694	-	-	(373,788)	-	1,855,271			
<b>Supporting Services</b>														
Management and General	1,526	-	99	1,346,735	-	111,641	-	-	-	-	1,460,001			
<b>TOTAL EXPENSES</b>	<b>212,638</b>	<b>-</b>	<b>99</b>	<b>2,018,988</b>	<b>-</b>	<b>1,457,335</b>	<b>-</b>	<b>-</b>	<b>(373,788)</b>	<b>-</b>	<b>3,315,272</b>			
<b>INCREASE (DECREASE) IN NET ASSETS</b>														
<b>BEFORE OTHER ITEMS</b>	<b>111,579</b>	<b>769,821</b>	<b>77,282</b>	<b>(588,402)</b>	<b>1,250,439</b>	<b>47,984</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,668,703</b>			
<b>OTHER ITEMS INCOME/(EXPENSE)</b>														
Interfund transfer	-	-	-	78,318	-	(78,318)	-	-	-	-	-			
<b>TOTAL OTHER ITEMS INCOME/(EXPENSE)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>78,318</b>	<b>-</b>	<b>(78,318)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>			
<b>INCREASE (DECREASE) IN NET ASSETS</b>	<b>111,579</b>	<b>769,821</b>	<b>77,282</b>	<b>(510,084)</b>	<b>1,250,439</b>	<b>(30,334)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,668,703</b>			
<b>NET ASSETS</b>														
Beginning of Year	1,293,971	7,003,022	1,289,482	9,551,104	94,536	(21,135)	-	-	-	-	19,210,980			
End of Year	\$ 1,405,550	\$ 7,772,843	\$ 1,366,764	\$ 9,041,020	\$ 1,344,975	\$ (51,469)	\$ -	\$ -	\$ -	\$ -	\$ 20,879,683			

**EPISCOPAL DIOCESE OF ALBANY**  
**SCHEDULE OF ACTIVITIES AND CHANGES IN NET ASSETS BY FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2022 (RESTATED)**

	Trust Funds		Diocesan Development		Diocesan Operations		Spiritual Life Center		Interfund Elimination	Total
	Without Donor Restriction	With Donor Restriction								
<b>REVENUES</b>										
Investment return	\$ 179,903	\$ (1,024,486)	\$ (20,079)	\$ 56,502	\$ -	\$ 18,589	\$ -	\$ (61)	\$ (789,632)	
Fees and related income	3,900	-	-	268,562	-	578,509	-	-	850,971	
Contributions and bequests	527,718	-	-	712,099	-	700,397	-	(412,900)	1,527,314	
Fitch Gilbert trust distributions	-	-	-	127,963	-	-	-	-	127,963	
Parish assessments	-	-	-	1,186,512	10,307	12,077	-	(125,729)	1,083,167	
Releases from restrictions	252,865	(252,865)	-	5,600	(5,600)	-	-	-	-	
<b>TOTAL REVENUES</b>	<b>964,386</b>	<b>(1,277,351)</b>	<b>(20,079)</b>	<b>2,357,238</b>	<b>4,707</b>	<b>1,309,572</b>	<b>-</b>	<b>(538,690)</b>	<b>2,799,783</b>	
<b>EXPENSES</b>										
<b>Program</b>										
Ministries and Initiatives	414,436	-	-	610,902	-	-	-	(390,029)	635,309	
Clergy Benefits and Education	34,931	-	-	31,279	-	-	-	-	66,210	
Healing Ministries	-	-	-	-	-	101,352	-	(61)	101,291	
Youth Ministries	-	-	-	-	-	120,389	-	-	120,389	
Camps and Activities	-	-	-	-	-	158,934	-	-	158,934	
Facility Operations	184,989	-	-	-	-	794,208	-	(148,600)	830,597	
<b>Total Program</b>	<b>634,356</b>	<b>-</b>	<b>-</b>	<b>642,181</b>	<b>-</b>	<b>1,174,883</b>	<b>-</b>	<b>(538,690)</b>	<b>1,912,730</b>	
<b>Supporting Services</b>										
Management and General	31,409	-	120	1,324,067	-	185,813	-	-	1,541,409	
<b>TOTAL EXPENSES</b>	<b>665,765</b>	<b>-</b>	<b>120</b>	<b>1,966,248</b>	<b>-</b>	<b>1,360,696</b>	<b>-</b>	<b>(538,690)</b>	<b>3,454,139</b>	
<b>INCREASE (DECREASE) IN NET ASSETS BEFORE OTHER ITEMS</b>										
	298,621	(1,277,351)	(20,199)	390,990	4,707	(51,124)	-	-	(654,236)	
<b>OTHER ITEMS INCOME/(EXPENSE)</b>										
Interfund transfer	-	-	-	81,264	-	(81,264)	-	-	-	
<b>TOTAL OTHER ITEMS INCOME/(EXPENSE)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>81,264</b>	<b>-</b>	<b>(81,264)</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>INCREASE (DECREASE) IN NET ASSETS</b>										
	298,621	(1,277,351)	(20,199)	472,254	4,707	(132,388)	-	-	(654,236)	
<b>NET ASSETS:</b>										
Beginning of Year	995,350	8,280,373	1,309,681	9,078,850	89,829	111,253	-	-	19,865,336	
End of Year	\$ 1,293,971	\$ 7,003,022	\$ 1,289,482	\$ 9,551,104	\$ 94,536	\$ (21,135)	\$ -	\$ -	\$ 19,211,100	