

**EPISCOPAL DIOCESE OF ALBANY  
FINANCIAL STATEMENTS  
DECEMBER 31, 2015**

# EPISCOPAL DIOCESE OF ALBANY

## TABLE OF CONTENTS

	<b>PAGE</b>
INDEPENDENT AUDITOR'S REPORT	1-2
STATEMENTS OF FINANCIAL POSITION	3
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS	4
STATEMENTS OF CASH FLOWS	5
NOTES TO THE FINANCIAL STATEMENTS	6-17
SUPPLEMENTARY INFORMATION	
SCHEDULES OF FINANCIAL POSITION BY FUND	18-19
SCHEDULES OF ACTIVITIES AND CHANGES IN NET ASSETS BY FUND	20-21

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## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Episcopal Diocese of Albany, which comprise the statements of financial position as of December 31, 2015 and 2014, and the related statements of activities and changes in net assets, and cash flows for the years then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **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, 2015 and 2014, 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 18 and 19 and the schedules of activities and changes in net assets by fund on pages 20 and 21 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

June 1, 2016

**EPISCOPAL DIOCESE OF ALBANY  
STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2015 AND 2014**

<b>ASSETS</b>	<u>2015</u>	<u>2014</u>
<b>ASSETS</b>		
Cash	\$ 1,111,240	\$ 1,161,045
Accounts receivable	18,207	13,178
Other receivables	64,438	65,302
Prepaid expenses	27,431	12,507
Investments	6,065,325	5,944,489
Loans receivable from parishes	198,262	251,780
Net property and equipment	8,867,963	9,064,748
Other assets	<u>15,265</u>	<u>19,804</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 16,368,131</u></u>	<u><u>\$ 16,532,853</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 200,435	\$ 209,260
Shareholder deposits	3,547	5,502
Post-retirement health care liability	<u>791,980</u>	<u>989,364</u>
<b>TOTAL LIABILITIES</b>	<u>995,962</u>	<u>1,204,126</u>
<b>NET ASSETS</b>		
Unrestricted		
Available for general activities	10,097,334	9,959,727
Board designated - Bishop's residence	119,415	119,318
Temporarily restricted	1,633,152	1,727,414
Permanently restricted	<u>3,522,268</u>	<u>3,522,268</u>
<b>TOTAL NET ASSETS</b>	<u>15,372,169</u>	<u>15,328,727</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 16,368,131</u></u>	<u><u>\$ 16,532,853</u></u>

**EPISCOPAL DIOCESE OF ALBANY**  
**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

	2015				2014			
	Unrestricted	Temporarily Restricted	Permanently Restricted	TOTAL	Unrestricted	Temporarily Restricted	Permanently Restricted	TOTAL
<b>REVENUES</b>								
Dividends and interest	\$ 97,501	\$ 157,488	\$ -	\$ 254,989	\$ 93,229	\$ 153,276	\$ -	\$ 246,505
Fees and related income	1,359,202	-	-	1,359,202	1,456,079	-	-	1,456,079
Contributions and bequests	559,871	55,025	-	614,896	167,362	47,112	-	214,474
Fitch gilbert trust distributions	125,420	-	-	125,420	109,552	-	-	109,552
Extinct parishes - net	-	-	-	-	43,305	-	-	43,305
Parish assessments	1,244,969	9,927	-	1,254,896	1,289,666	22,336	-	1,312,002
Releases from restrictions	134,587	(134,587)	-	-	105,524	(105,524)	-	-
<b>TOTAL REVENUES</b>	<b>3,521,550</b>	<b>87,853</b>	<b>-</b>	<b>3,609,403</b>	<b>3,264,717</b>	<b>117,200</b>	<b>-</b>	<b>3,381,917</b>
<b>EXPENSES</b>								
<b>Program</b>								
Distributions from trust accounts	85,104	-	-	85,104	82,507	-	-	82,507
Ministries and new initiatives	396,386	-	-	396,386	356,284	-	-	356,284
Clergy benefits and education	92,859	-	-	92,859	91,011	-	-	91,011
Special facilities costs	1,704,795	-	-	1,704,795	1,637,099	-	-	1,637,099
<b>Management and General</b>								
Diocesan headquarters operations	927,505	-	-	927,505	916,512	-	-	916,512
Professional fees	45,054	-	-	45,054	62,803	-	-	62,803
Depreciation	303,812	-	-	303,812	297,290	-	-	297,290
<b>TOTAL EXPENSES</b>	<b>3,555,515</b>	<b>-</b>	<b>-</b>	<b>3,555,515</b>	<b>3,443,506</b>	<b>-</b>	<b>-</b>	<b>3,443,506</b>
<b>INCREASE (DECREASE) IN NET ASSETS BEFORE OTHER ITEMS</b>	<b>(33,965)</b>	<b>87,853</b>	<b>-</b>	<b>53,888</b>	<b>(178,789)</b>	<b>117,200</b>	<b>-</b>	<b>(61,589)</b>
<b>OTHER ITEMS</b>								
Net realized and unrealized loss on investments	(36,086)	(182,115)	-	(218,201)	(524)	(5,416)	-	(5,940)
Post-retirement health care recovery	197,384	-	-	197,384	189,669	-	-	189,669
Gain on sale of property	10,371	-	-	10,371	96,984	-	-	96,984
<b>INCREASE IN NET ASSETS</b>	<b>137,704</b>	<b>(94,262)</b>	<b>-</b>	<b>43,442</b>	<b>107,340</b>	<b>111,784</b>	<b>-</b>	<b>219,124</b>
<b>NET ASSETS</b>								
Beginning of Year	10,079,045	1,727,414	3,522,268	15,328,727	9,971,705	1,615,630	3,522,268	15,109,603
End of Year	<u>\$ 10,216,749</u>	<u>\$ 1,633,152</u>	<u>\$ 3,522,268</u>	<u>\$ 15,372,169</u>	<u>\$ 10,079,045</u>	<u>\$ 1,727,414</u>	<u>\$ 3,522,268</u>	<u>\$ 15,328,727</u>

See accompanying notes to financial statements.

**EPISCOPAL DIOCESE OF ALBANY  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

	<b>2015</b>	<b>2014</b>
<b>CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Change in net assets	\$ 43,442	\$ 219,124
Adjustments to reconcile increase in net assets to cash provided by operating activities:		
Depreciation	303,812	297,290
Realized and unrealized loss on investments	218,201	5,940
Gain on disposition of property and equipment	(10,371)	(96,984)
Bad debt expense - loans to parishes	2,501	-
Post-retirement health care liability	(197,384)	(189,669)
Donation of equipment	-	(1,600)
Changes In		
Accounts receivable	(5,029)	5,319
Other receivables	864	9,414
Prepaid expenses	(14,924)	8,085
Other assets	4,539	(5,840)
Accounts payable and accrued liabilities	(8,825)	9,162
Shareholder deposits	(1,955)	2,746
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>334,871</b>	<b>262,987</b>
<b>CASH FLOWS USED BY INVESTING ACTIVITIES</b>		
Purchases of property and equipment	(109,656)	(54,611)
Proceeds from sale of property and equipment	13,000	269,705
Proceeds from sale of investments	85,726	123,100
Purchase of investments	(424,763)	(380,608)
<b>NET CASH USED BY INVESTING ACTIVITIES</b>	<b>(435,693)</b>	<b>(42,414)</b>
<b>CASH FLOWS PROVIDED BY FINANCING ACTIVITIES</b>		
Loans to parishes	(7,229)	-
Parish loan repayments	58,246	84,752
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>	<b>51,017</b>	<b>84,752</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>\$ (49,805)</b>	<b>\$ 305,325</b>
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning of Year	1,161,045	855,720
End of Year	<b>\$ 1,111,240</b>	<b>\$ 1,161,045</b>
<b>SCHEDULE OF NONCASH INVESTING TRANSACTIONS</b>		
Donation of equipment	\$ -	\$ 1,600

See accompanying notes to financial statements.

**EPISCOPAL DIOCESE OF ALBANY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015 AND 2014**

**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 average interest rate on these loans approximates 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 and certain special facilities (see Note 4 and 5), 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 special facilities costs. 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.

***Net Asset Classifications***

In the accompanying financial statements, net assets are reported under the following three classes:

- **Unrestricted** – represents resources over which the Trustees of the Diocese have full discretion with respect to use.
- **Temporarily restricted** – represents donor-imposed restrictions that permit the Diocese to use or expend the assets as specified. Donor-imposed restrictions for temporarily restricted net assets include restrictions for the funding of clergy sabbaticals, retired clergy, seminarians, counseling, new parish development, and other Diocesan programs and expenditures. The restrictions are satisfied either by the passage of time or by the actions of the Diocese. Temporarily restricted net assets also include the fair value appreciation of those investments, and related dividends and interest for those funds, held as permanently restricted. At December 31, 2015 and 2014, all of the temporarily restricted net assets were purpose restrictions.



**EPISCOPAL DIOCESE OF ALBANY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015 AND 2014**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Net Asset Classifications (Continued)***

- Permanently restricted – represents endowment funds which contain donor-imposed restrictions that stipulate that the principal be maintained in perpetuity, but permit the Diocese to expend part or all of the income derived from the donated assets for either specified or unspecified purposes. Permanently restricted net assets are comprised of restricted trusts and funds, with each providing for the expenditure of current income for board designated purposes. Donor-imposed restrictions for permanently restricted net assets include, among other things, restrictions for the funding of clergy sabbaticals, educational programs, certain parish operations, and other Diocesan programs and expenditures. Such expenditures are included in distributions from trust accounts on the statements of activities.

***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.

***Contributions***

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. Contributions receivable are recorded at their net realizable value. At December 31, 2015 and 2014, there were no contributions due in more than one year.

The Diocese records contributions as temporarily restricted 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 temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

***Contributed Services and Facilities***

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, 2015 and 2014, there were no contributed services recognized as revenue.

**EPISCOPAL DIOCESE OF ALBANY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015 AND 2014**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***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 2015 and 2014, Charities and ADIT provided the Diocese with reimbursement for certain allocated administrative costs of \$204,426 and \$215,299, respectively, shown on the statement of activities as part of fees and related income.

***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 rates of interest ranging from approximately 3% to 6%. 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, 2015 and 2014 were \$198,262 and \$251,780, respectively.

***Investments***

Investments are comprised of investments in Albany Diocesan Investment Trust and are valued at net asset value in the statement of financial position. See note 8 for further discussion. Unrealized gains and losses are included in the change in net assets.

***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 thirty-nine years.

***Post-Retirement Health Care Costs***

Post-retirement health care costs, are estimated, and are based on the most recent actuarial calculations.

***Income Taxes***

No provision is made for income taxes as the Diocese is exempt from taxes under the Internal Revenue Code.

***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, 2015 AND 2014**

**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. The Trustees have engaged the professional services of J.P. Morgan Chase Bank and have implemented performance objectives that seek a sustainable, balanced return of growth and income.

The combined net realized and unrealized losses on investments totaled \$218,201 and \$5,940 for the years ended December 31, 2015 and 2014, respectively.

The Diocese owned 212,446 and 200,489 shares of ADIT at December 31, 2015 and 2014, respectively, or approximately 28% and 30% of total ADIT shares respectively, outstanding each year. At December 31, 2015, the net asset value per ADIT share was \$28.26, a decrease of \$1.39 compared with the net asset value at December 31, 2014 of \$29.65.

ADIT made annual distributions, paid quarterly, of \$1.15 and \$1.12 per share in 2015 and 2014, 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, 2015 distribution paid in January 2016 is reflected on the December 31, 2015 statement of financial position under the caption "other receivables", and is also recorded in the 2015 statement of activities.

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

	<u>December 31, 2015</u>			<u>December 31, 2014</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	\$ 4,465,617	\$ 470,839	\$ 4,936,456	\$ 4,242,146	\$ 355,839	\$4,597,985
Unrealized gain/(loss)	<u>1,139,774</u>	<u>(10,905)</u>	<u>1,128,869</u>	<u>1,338,271</u>	<u>8,233</u>	<u>1,346,504</u>
Fair Value of Shares	<u>\$ 5,605,391</u>	<u>\$ 459,934</u>	<u>\$6,065,325</u>	<u>\$ 5,580,417</u>	<u>\$ 364,072</u>	<u>\$5,944,489</u>

**EPISCOPAL DIOCESE OF ALBANY  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014**

**3. LOAN GUARANTEES**

From time to time, ADIT may purchase Diocesan Development Fund loans. Loans are purchased from the Diocese at face value (the unamortized amount of principal) with a guarantee of full recourse, by the Diocese, including interest, in the event of a default. For the years ended December 31, 2015 and 2014, no such losses have been recorded. The balance of outstanding loans plus accrued interest held by ADIT and guaranteed by the Diocese on December 31, 2015 and 2014 was \$46,558 and \$78,354, respectively.

**4. PROPERTY AND EQUIPMENT**

Property and equipment consist of the following:

	<u>2015</u>	<u>2014</u>
Buildings, Improvements and Equipment	\$ 957,097	\$ 1,403,816
Furniture, Equipment and Other	501,352	451,605
Spiritual Life Center	<u>10,843,221</u>	<u>11,095,610</u>
 Total Property and Equipment	 12,301,670	 12,951,031
 Less: Accumulated Depreciation	 <u>3,433,707</u>	 <u>3,886,283</u>
 <b>Net Property and Equipment</b>	 <u>\$ 8,867,963</u>	 <u>\$ 9,064,748</u>

Depreciation expense was \$303,812 and \$297,290 for the years ended December 31, 2015 and 2014, respectively. The cost of land held by the Diocese was \$2,139,282 at December 31, 2015 and 2014. This amount is included in the figures above and is not subject to depreciation.

**EPISCOPAL DIOCESE OF ALBANY  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014**

**5. 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 20 and 21. The Spiritual Life Center, located in the Adirondack region of upstate New York, is a conference and meeting facility which began operations in late 2004. A schedule of special facilities operating revenues and expenses, the substantial portion of which relates to the Spiritual Life Center, follows:

	<u>2015</u>	<u>2014</u>
<b><u>Revenues:</u></b>		
Dividends and Interest	\$ 13,898	\$ 13,679
Fees and Related Income	1,018,218	947,889
Contributions	329,982	167,047
Interfund Contributions	<u>274,000</u>	<u>274,000</u>
<b>Total Revenues:</b>	<u>1,636,098</u>	<u>1,402,615</u>
<b><u>Expenses:</u></b>		
<b>Program Expenses:</b>		
Beaver Cross Camp	145,829	128,116
Healing Ministry	192,067	181,224
Kitchen	289,987	316,079
Lodging and Activities	273,688	292,348
Youth Ministry	179,474	166,341
Daycare	225,276	221,702
Gift Shop	<u>16,685</u>	<u>18,468</u>
<b>Total Program Expenses:</b>	<u>1,323,006</u>	<u>1,324,278</u>
<b>Management and General Expenses:</b>		
Facility Operations	272,588	194,437
Administration and Development	<u>53,688</u>	<u>41,345</u>
<b>Total Management and General Expenses:</b>	<u>326,276</u>	<u>235,782</u>
<b>Total Expenses:</b>	<u>1,649,282</u>	<u>1,560,060</u>
<b>Net Increase (Decrease) in Net Assets From Operations</b>	<u>\$ (13,184)</u>	<u>\$ (157,445)</u>

In addition, depreciation related to special facilities for the years ended December 31, 2015 and 2014 was \$246,236 and \$237,551, respectively, and is included in the statement of activities.

The interfund contribution of \$274,000 for the years ended December 31, 2015 and 2014, is eliminated in the statement of activities.

Contributions were received in the amount of \$55,025 during 2015 related to a capital project reserve. This amount is included in revenue in the Spiritual Life Center fund on the schedule of activities and changes in net assets by fund but is not included in the operating revenues above.

**EPISCOPAL DIOCESE OF ALBANY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015 AND 2014**

**6. POST-RETIREMENT HEALTH CARE BENEFITS**

The Diocese provides post-retirement health care benefits covering substantially all clergy of the Diocese and their spouses through an unfunded plan. The following table, as determined by the Diocese's actuaries as of December 31, 2015 and 2014 (the most recently completed actuarial analysis), sets forth the plan's status and amounts shown in the Diocese's financial statements.

	<u>2015</u>	<u>2014</u>
Benefit obligation at beginning of year	\$ 800,715	\$ 803,627
Service cost	15,692	16,888
Interest cost	31,599	33,419
Assumption change loss	92,101	-
Actuarial loss (gain)	(40,464)	3,439
Benefits paid	<u>(57,297)</u>	<u>(56,658)</u>
Benefit obligation at end of year	<u>\$ 842,346</u>	<u>\$ 800,715</u>
Funded status	\$ (842,346)	\$ (800,715)
Unrecognized actuarial gain	719,127	745,496
Unrecognized prior service cost	<u>(668,761)</u>	<u>(934,145)</u>
Accrued benefit cost December 31,	<u>\$ (791,980)</u>	<u>\$ (989,364)</u>

The weighted average assumption as of December 31, 2015 and 2014 is as follows:

	<u>2015</u>	<u>2014</u>
Discount rate	3.83%	4.32%

The following table provides information related to the unrecognized prior service cost for the years ended December 31, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Unrecognized amount beginning of year	\$ 934,145	\$ 1,199,529
Amount recognized	<u>(265,384)</u>	<u>(265,384)</u>
Unrecognized prior service cost at end of year	<u>\$ 668,761</u>	<u>\$ 934,145</u>

The following table provides the components of net periodic benefit for the years ended December 31, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Service cost	\$ 15,692	\$ 16,888
Interest cost	31,599	33,419
Amortization of net loss from prior periods	78,006	82,066
Amortization of unrecognized prior service costs	<u>(265,384)</u>	<u>(265,384)</u>
<b>Net periodic benefit</b>	<u>\$ (140,087)</u>	<u>\$ (133,011)</u>

**EPISCOPAL DIOCESE OF ALBANY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015 AND 2014**

**6. POST-RETIREMENT HEALTH CARE BENEFITS**

The following estimated benefit payments, which reflect expected future service, are expected to be paid:

2016	\$ 57,752
2017	58,369
2018	58,188
2019	57,636
2020	57,658
Thereafter	289,468

Since the Diocese's cost is limited as described below, the assumed health care cost trend rates may not have a significant effect on the future amounts reported.

Prior to 2005, the Diocese paid a maximum of 80% of the Medicare Supplement cost and the elective enhanced premium plan. The plan was subsequently amended and, under this amendment, the Diocese's cost is limited to a \$71 monthly premium for those retirees and spouses that elect the enhanced premium plan. As a result of this plan amendment, the accumulated post-retirement benefit obligation was reduced by approximately \$3.7 million. This reduction in benefit obligation is being amortized into the net periodic post-retirement benefit cost over a 14 year period and, as such, a reduction in future years benefit expense will likely be realized.

**7. PENSION PLAN**

The Diocese maintains two pension plans (the "Plans") which cover substantially all clergy and lay employees of Diocesan Headquarters. One of the Plans is a non-contributory defined benefit plan; the other is a defined contribution plan which allows employee contributions. The fiduciaries of the Plans are The Church Life Insurance Company and The Church Pension Fund. Total pension plan expense for 2015 and 2014 was \$157,840 and \$166,338, respectively.

There is one employee covered by, "The Episcopal Church Lay Employees' Retirement Plan", the defined benefit plan, and the Diocese is not permitting new participants to this plan. This plan is a multiemployer plan and provides retirement benefits to employees based on years of service to the Diocese. This plan is managed by a board of trustees and is audited annually. Contributions of approximately \$3,800 were charged to expense for the ongoing participation in this pension plan.

The risks of participating in multiemployer defined benefit pension plans are different from single-employer plans because: (a) assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers, (b) if a participating employer stops contributing to the plan, the unfunded obligations of the plan may be required to be borne by the remaining participating employers, and (c) if an organization chooses to stop participating in one of its multiemployer plans, it may be required to pay a withdrawal liability to the plan. In connection with ongoing renegotiation of participation agreements, the organization may discuss and negotiate for the complete or partial withdrawal from one or more multiemployer pension plan. Depending on the number of employees withdrawn in any future period and the financial condition of the multiemployer plan at the time of withdrawal, the associated withdrawal liabilities could be material to the Diocese's change in net assets in the period of the withdrawal.

**EPISCOPAL DIOCESE OF ALBANY  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014**

**7. PENSION PLAN**

The Diocese's portion of the projected benefit obligation, plan assets and unfunded liability of the multiemployer pension plan is not material to its financial position; however, the failure of participating employers to remain solvent could affect its portion of the plan's unfunded liability. The plan is currently funded approximately 73% and is considered to be in the "yellow zone" according to the Pension Protection Act of 2006.

**8. FAIR VALUE MEASUREMENTS**

The 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 following is a description of the valuation methodologies used for the years ended December 31, 2015 and 2014.

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 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 Equivalents)*. 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 of its equivalents 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. For this reason, the fair value measurements of Diocese investment in ADIT are considered level 2.

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, 2015 and 2014.

	<b>Fair Value</b>		<b>Unfunded</b>	<b>Redemption</b>	<b>Redemption</b>
	<b>At December 31,</b>				
	<b><u>2015</u></b>	<b><u>2014</u></b>			<b><u>Notice</u></b>
Investment in ADIT	<b><u>\$ 6,065,325</u></b>	<b><u>\$ 5,944,489</u></b>	None	Monthly	3 Days Prior to Month End



**EPISCOPAL DIOCESE OF ALBANY  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014**

**9. 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 \$42,563 and \$75,611 at December 31, 2015 and 2014, respectively.

**10. UNCERTAIN INCOME TAX POSITIONS**

The Diocese is a religious organization exempt from income tax filing requirements.

Under ASC Section 740, *Income Taxes*, the tax status of tax-exempt entities is an uncertain tax position, since events could potentially occur that jeopardize tax-exempt status. Management of the Diocese is not aware of any events that could jeopardize the tax-exempt status. Therefore, no liability or provision for income tax has been reflected in the financial statements.

**11. 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>2015</u>	<u>2014</u>
Proceeds from sale of building and property	\$ -	\$ 43,305

**12. TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets restricted for purposes described below as of December 31, 2015 and 2014 consists of the following:

	<u>2015</u>	<u>2014</u>
Earnings from Permanently Restricted Net Assets	\$ 1,519,341	\$ 1,657,966
New Parish Development	45,040	45,040
Missions	13,746	18,539
Capital Reserve	55,025	-
Other	-	5,869
<b>TOTAL</b>	<u>\$ 1,633,152</u>	<u>\$ 1,727,414</u>

**EPISCOPAL DIOCESE OF ALBANY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015 AND 2014**

**13. ENDOWMENTS**

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. A description of the nature of the Diocese's endowment funds and related restrictions is found in Note 1, under the caption "Net Asset Classifications."

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 restricted or unrestricted based on the existence or absence of donor-imposed restrictions. Within the restricted category, the Diocese classifies as permanently restricted net assets the original value of gifts donated to the endowment. The portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets.

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 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%.

Endowment net assets are reflected in Note 2 under the "Trust Funds" column. Changes in donor-restricted net assets are reflected on the statements of activities.

**EPISCOPAL DIOCESE OF ALBANY  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2015 AND 2014**

**14. BOARD DESIGNATED NET ASSETS – BISHOP’S RESIDENCE**

The composition of and changes in board-designated net assets for the years ended December 31, 2015 and 2014 were as follows:

	<u>2015</u>	<u>2014</u>
Board-designated funds, beginning of year	\$ 119,318	\$ -
Contributions	-	118,955
Dividends	4,634	
Net appreciation (depreciation)	(4,537)	363
Board-designated funds, end of year	<u>\$ 119,415</u>	<u>\$ 119,318</u>

**15. 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.

**16. 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 changes in net assets or net assets.

**17. SUBSEQUENT EVENTS**

The Diocese has evaluated events and transactions that occurred between December 31, 2015 and June 1, 2016, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

**EPISCOPAL DIOCESE OF ALBANY  
SCHEDULE OF FINANCIAL POSITION BY FUND  
DECEMBER 31, 2015**

ASSETS	<u>TRUST FUNDS</u>	<u>DIOCESAN DEVELOPMENT</u>	<u>DIOCESAN OPERATIONS</u>	<u>SPIRITUAL LIFE</u>	<u>INTERFUND ELIMINATION</u>	<u>TOTAL</u>
<b>ASSETS</b>						
Cash	\$ 494,124	\$ 266,732	\$ 237,597	\$ 112,787	\$ -	\$ 1,111,240
Accounts receivable	-	-	-	18,207	-	18,207
Other receivables	44,462	5,852	10,724	3,456	(56)	64,438
Diocesan cash receivable	-	-	490,577	-	(490,577)	-
Prepaid expenses	-	-	17,990	9,441	-	27,431
Investments	5,605,391	459,934	-	-	-	6,065,325
Loans receivable from parishes	-	323,589	-	-	(125,327)	198,262
Net property and equipment	-	-	255,120	8,612,843	-	8,867,963
Other assets	-	-	38,624	16,801	(40,160)	15,265
<b>TOTAL ASSETS</b>	<u>\$ 6,143,977</u>	<u>\$ 1,056,107</u>	<u>\$ 1,050,632</u>	<u>\$ 8,773,535</u>	<u>\$ (656,120)</u>	<u>\$ 16,368,131</u>
<b>LIABILITIES AND NET ASSETS</b>						
<b>LIABILITIES</b>						
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 106,933	\$ 259,045	\$ (165,543)	\$ 200,435
Shareholder deposits	494,124	-	-	-	(490,577)	3,547
Post-retirement health care liability	-	-	791,980	-	-	791,980
<b>TOTAL LIABILITIES</b>	<u>494,124</u>	<u>-</u>	<u>898,913</u>	<u>259,045</u>	<u>(656,120)</u>	<u>995,962</u>
<b>NET ASSETS</b>						
Unrestricted net assets						
Available for general activities	488,830	1,056,107	92,932	8,459,465	-	10,097,334
Board designated - Bishop's residence	119,415	-	-	-	-	119,415
Temporarily restricted	1,519,340	-	58,787	55,025	-	1,633,152
Permanently restricted	3,522,268	-	-	-	-	3,522,268
<b>TOTAL NET ASSETS</b>	<u>5,649,853</u>	<u>1,056,107</u>	<u>151,719</u>	<u>8,514,490</u>	<u>-</u>	<u>15,372,169</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 6,143,977</u>	<u>\$ 1,056,107</u>	<u>\$ 1,050,632</u>	<u>\$ 8,773,535</u>	<u>\$ (656,120)</u>	<u>\$ 16,368,131</u>

**EPISCOPAL DIOCESE OF ALBANY  
SCHEDULE OF FINANCIAL POSITION BY FUND  
DECEMBER, 31, 2014**

<b>ASSETS</b>	<b>TRUST FUNDS</b>	<b>DIOCESAN DEVELOPMENT</b>	<b>DIOCESAN OPERATIONS</b>	<b>SPIRITUAL LIFE</b>	<b>INTERFUND ELIMINATION</b>	<b>TOTAL</b>
<b>ASSETS</b>						
Cash	\$ 427,706	\$ 399,478	\$ 280,530	\$ 53,331	\$ -	\$ 1,161,045
Accounts receivable	-	-	-	13,178	-	13,178
Other receivables	41,656	5,383	14,979	3,420	(136)	65,302
Diocesan cash receivable	-	-	422,204	-	(422,204)	-
Prepaid expenses	-	-	11,944	563	-	12,507
Investments	5,580,417	364,072	-	-	-	5,944,489
Loans receivable from parishes	-	276,617	-	-	(24,837)	251,780
Net property and equipment	-	-	252,269	8,812,479	-	9,064,748
Other assets	-	-	83,870	22,530	(86,596)	19,804
<b>TOTAL ASSETS</b>	<b>\$ 6,049,779</b>	<b>\$ 1,045,550</b>	<b>\$ 1,065,796</b>	<b>\$ 8,905,501</b>	<b>\$ (533,773)</b>	<b>\$ 16,532,853</b>
<b>LIABILITIES AND NET ASSETS</b>						
<b>LIABILITIES</b>						
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 134,213	\$ 186,616	\$ (111,569)	\$ 209,260
Shareholder deposits	427,706	-	-	-	(422,204)	5,502
Post-retirement health care liability	-	-	989,364	-	-	989,364
<b>TOTAL LIABILITIES</b>	<b>427,706</b>	<b>-</b>	<b>1,123,577</b>	<b>186,616</b>	<b>(533,773)</b>	<b>1,204,126</b>
<b>NET ASSETS</b>						
Unrestricted						
Available for general activities	322,521	1,045,550	(127,229)	8,718,885	-	9,959,727
Board designated - Bishop's residence	119,318	-	-	-	-	119,318
Temporarily restricted	1,657,966	-	69,448	-	-	1,727,414
Permanently restricted	3,522,268	-	-	-	-	3,522,268
<b>TOTAL NET ASSETS</b>	<b>5,622,073</b>	<b>1,045,550</b>	<b>(57,781)</b>	<b>8,718,885</b>	<b>-</b>	<b>15,328,727</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 6,049,779</b>	<b>\$ 1,045,550</b>	<b>\$ 1,065,796</b>	<b>\$ 8,905,501</b>	<b>\$ (533,773)</b>	<b>\$ 16,532,853</b>

**EPISCOPAL DIOCESE OF ALBANY**  
**SCHEDULE OF ACTIVITIES AND CHANGES IN NET ASSETS BY FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

	Trust Funds			Diocesan Development (Unrestricted)	Diocesan Operations		Spiritual Life Center		Interfund Elimination	TOTAL
	Unrestricted	Temporarily Restricted	Permanently Restricted		Unrestricted	Temporarily Restricted	Unrestricted	Temporarily Restricted		
<b>REVENUES</b>										
Dividends and interest	\$ 15,033	\$ 157,488	\$ -	\$ 32,305	\$ 37,470	\$ -	\$ 13,898	\$ -	\$ (1,205)	\$ 254,989
Fees and related income	18,400	-	-	-	322,584	-	1,018,218	-	-	1,359,202
Contributions and bequests	205,210	-	-	-	46,323	-	603,982	55,025	(295,644)	614,896
Fitch gilbert trust distributions	-	-	-	-	125,420	-	-	-	-	125,420
Extinct parishes - net	-	-	-	-	-	-	-	-	-	-
Parish assessments	-	-	-	-	1,244,969	9,927	-	-	-	1,254,896
Releases from restrictions	113,999	(113,999)	-	-	20,588	(20,588)	-	-	-	-
<b>TOTAL REVENUES</b>	<u>352,642</u>	<u>43,489</u>	<u>-</u>	<u>32,305</u>	<u>1,797,354</u>	<u>(10,661)</u>	<u>1,636,098</u>	<u>55,025</u>	<u>(296,849)</u>	<u>3,609,403</u>
<b>EXPENSES</b>										
<b>Program</b>										
Distributions from trust accounts	85,104	-	-	-	-	-	-	-	-	85,104
Ministries and new initiatives	9,541	-	-	2,610	679,879	-	-	-	(295,644)	396,386
Clergy benefits and education	6,000	-	-	-	86,859	-	-	-	-	92,859
Special facilities costs	63,523	-	-	-	-	-	1,642,477	-	(1,205)	1,704,795
<b>Management and General</b>										
Diocesan headquarters operations	-	-	-	-	927,505	-	-	-	-	927,505
Professional fees	5,120	-	-	-	33,129	-	6,805	-	-	45,054
Depreciation	-	-	-	-	57,576	-	246,236	-	-	303,812
<b>TOTAL EXPENSES</b>	<u>169,288</u>	<u>-</u>	<u>-</u>	<u>2,610</u>	<u>1,784,948</u>	<u>-</u>	<u>1,895,518</u>	<u>-</u>	<u>(296,849)</u>	<u>3,555,515</u>
<b>INCREASE (DECREASE) IN NET ASSETS BEFORE OTHER ITEMS</b>	183,354	43,489	-	29,695	12,406	(10,661)	(259,420)	55,025	-	53,888
<b>OTHER ITEMS</b>										
Realized and unrealized gain (loss) on investments	(16,948)	(182,115)	-	(19,138)	-	-	-	-	-	(218,201)
Post-retirement health care recovery	-	-	-	-	197,384	-	-	-	-	197,384
Gain (loss) on sale of property and equipment	-	-	-	-	10,371	-	-	-	-	10,371
<b>INCREASE (DECREASE) IN NET ASSETS</b>	166,406	(138,626)	-	10,557	220,161	(10,661)	(259,420)	55,025	-	43,442
<b>NET ASSETS</b>										
Beginning of Year	441,839	1,657,966	3,522,268	1,045,550	(127,229)	69,448	8,718,885	-	-	15,328,727
End of Year	<u>\$ 608,245</u>	<u>\$ 1,519,340</u>	<u>\$ 3,522,268</u>	<u>\$ 1,056,107</u>	<u>\$ 92,932</u>	<u>\$ 58,787</u>	<u>\$ 8,459,465</u>	<u>\$ 55,025</u>	<u>-</u>	<u>\$ 15,372,169</u>

**EPISCOPAL DIOCESE OF ALBANY**  
**SCHEDULE OF ACTIVITIES AND CHANGES IN NET ASSETS BY FUND**  
**FOR THE YEAR ENDED DECEMBER, 31, 2014**

	Trust Funds			Diocesan Development (Unrestricted)	Diocesan Operations		Spiritual Life Center		Interfund Elimination	TOTAL
	Unrestricted	Temporarily Restricted	Permanently Restricted		Unrestricted	Temporarily Restricted	Unrestricted	Temporarily Restricted		
<b>REVENUES</b>										
Dividends and interest	\$ 10,041	\$ 153,276	\$ -	\$ 34,345	\$ 37,159	\$ -	\$ 13,679	\$ -	\$ (1,995)	\$ 246,505
Fees and related income	248,292	-	-	-	259,898	-	947,889	-	-	1,456,079
Contributions and bequests	3,201	-	-	-	29,659	47,112	408,843	-	(274,341)	214,474
Fitch gilbert trust distributions	-	-	-	-	109,552	-	-	-	-	109,552
Extinct parishes - net	43,305	-	-	-	-	-	-	-	-	43,305
Parish assessments	-	-	-	-	1,257,462	22,336	32,204	-	-	1,312,002
Releases from restrictions	105,524	(105,524)	-	-	-	-	-	-	-	-
<b>TOTAL REVENUES</b>	<u>410,363</u>	<u>47,752</u>	<u>-</u>	<u>34,345</u>	<u>1,693,730</u>	<u>69,448</u>	<u>1,402,615</u>	<u>-</u>	<u>(276,336)</u>	<u>3,381,917</u>
<b>EXPENSES</b>										
<b>Program</b>										
Distributions from trust accounts	82,507	-	-	-	-	-	-	-	-	82,507
Ministries and new initiatives	9,625	-	-	-	621,000	-	-	-	(274,341)	356,284
Clergy benefits and education	4,024	-	-	-	86,987	-	-	-	-	91,011
Special facilities costs	87,710	-	-	-	-	-	1,551,384	-	(1,995)	1,637,099
<b>Management and General</b>										
Diocesan headquarters operations	-	-	-	-	916,512	-	-	-	-	916,512
Professional fees	14,310	-	-	-	39,817	-	8,676	-	-	62,803
Depreciation	-	-	-	-	59,739	-	237,551	-	-	297,290
<b>TOTAL EXPENSES</b>	<u>198,176</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,724,055</u>	<u>-</u>	<u>1,797,611</u>	<u>-</u>	<u>(276,336)</u>	<u>3,443,506</u>
<b>INCREASE (DECREASE) IN NET ASSETS BEFORE OTHER ITEMS</b>	212,187	47,752	-	34,345	(30,325)	69,448	(394,996)	-	-	(61,589)
<b>OTHER ITEMS</b>										
Realized and unrealized gain (loss) on investments	(155)	(5,416)	-	(369)	-	-	-	-	-	(5,940)
Post-retirement health care recovery	-	-	-	-	189,669	-	-	-	-	189,669
Gain (loss) on sale of property and equipment	-	-	-	-	115,672	-	(18,688)	-	-	96,984
<b>INCREASE (DECREASE) IN NET ASSETS</b>	212,032	42,336	-	33,976	275,016	69,448	(413,684)	-	-	219,124
<b>NET ASSETS:</b>										
Beginning of Year	229,807	1,615,630	3,522,268	1,011,574	(402,245)	-	9,132,569	-	-	15,109,603
End of Year	<u>\$ 441,839</u>	<u>\$ 1,657,966</u>	<u>\$ 3,522,268</u>	<u>\$ 1,045,550</u>	<u>\$ (127,229)</u>	<u>\$ 69,448</u>	<u>\$ 8,718,885</u>	<u>\$ -</u>	<u>-</u>	<u>\$ 15,328,727</u>