

**OWEN J. FLANAGAN & COMPANY, LLP**

CERTIFIED PUBLIC ACCOUNTANTS  
60 EAST 42<sup>ND</sup> STREET, SUITE 2810  
NEW YORK, NEW YORK 10165

OWEN J. FLANAGAN, CPA  
(1925-1996)

KEVIN C. SUNKEL, CPA  
JOHN L. CORCORAN, CPA  
MEREDITH A.F. KORN, CPA  
LAUREN A. MARCIN, CPA

(212) 682-2783  
FACSIMILE (212) 697-5843  
WWW.OJFLANAGAN.COM

MEMBERS  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC  
ACCOUNTANTS

Independent Auditor's Report

**Board of Directors of  
Episcopal Charities of the Diocese of New York**

We have audited the accompanying financial statements of Episcopal Charities of the Diocese of New York ("Episcopal Charities"), which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, functional expenses and cash flows for the year 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 audit. We conducted our audit 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 risk 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 opinion.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Episcopal Charities of the Diocese of New York as of December 31, 2019 and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

***Report on Summarized Comparative Information***

We have previously audited Episcopal Charities of the Diocese of New York's financial statements for the year ended December 31, 2018, and we have expressed an unmodified audit opinion on those audited financial statements in our report dated May 29, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018 is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Owen J. Flanagan & Co.*

July 17, 2020  
New York, New York

EPISCOPAL CHARITIES OF THE DIOCESE OF NEW YORK  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2019  
(WITH COMPARATIVE TOTALS FOR 2018)

<u>ASSETS</u>	<u>2019</u>	<u>2018</u>
Cash	\$ 1,062,019	\$ 1,185,054
Accrued income	52,200	132,010
Other receivables	484	8,978
Prepaid expenses	7,813	12,146
Investments	<u>1,981,726</u>	<u>1,768,432</u>
<u>Total Assets</u>	<u>3,104,242</u>	<u>3,106,620</u>
 <u>LIABILITIES AND NET ASSETS</u>		
<u>Liabilities</u>		
Grants payable	\$ 167,951	\$ 389,530
Accounts payable	<u>71,654</u>	<u>92,237</u>
<u>Total Liabilities</u>	<u>239,605</u>	<u>481,767</u>
 <u>Net Assets</u>		
Net assets without donor restriction		
Available for use	912,472	865,328
Board designated	<u>1,662,932</u>	<u>1,480,311</u>
	2,575,404	2,345,639
Net assets with donor restriction		
Time or purpose restriction	-	20,499
Perpetual endowment	<u>289,233</u>	<u>258,715</u>
<u>Total Net Assets</u>	<u>2,864,637</u>	<u>2,624,853</u>
 <u>Total Liabilities and Net Assets</u>	 <u>3,104,242</u>	 <u>3,106,620</u>

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

EPISCOPAL CHARITIES OF THE DIOCESE OF NEW YORK  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(WITH COMPARATIVE TOTALS FOR 2018)

	Net Assets without Donor Restriction	Net Assets with Donor Restriction		Total 2019	Total 2018
		Time or Purpose	Perpetual Endowment		
<u>Operating Revenue</u>					
Contributions					
General	\$ 192,073	\$ -	\$ -	\$ 192,073	\$ 247,116
Congregational gifts	63,191	25,000	-	88,191	111,782
Corporate and foundation	104,818	-	-	104,818	140,054
Endowment support	112,099	-	-	112,099	111,840
<u>Total Contributions</u>	<u>472,181</u>	<u>25,000</u>	<u>-</u>	<u>497,181</u>	<u>610,792</u>
Gala dinner					
Contributions and ticket sales	1,159,459	-	-	1,159,459	1,141,831
Less: Direct costs	237,894	-	-	237,894	231,167
	<u>921,565</u>	<u>-</u>	<u>-</u>	<u>921,565</u>	<u>910,664</u>
Diocesan support	100,000	-	-	100,000	100,000
Diocesan donated services and space	54,000	-	-	54,000	54,000
Investment income, spending policy	68,516	-	11,567	80,083	75,571
<u>Total Operating Revenue</u>	<u>1,616,262</u>	<u>25,000</u>	<u>11,567</u>	<u>1,652,829</u>	<u>1,751,027</u>
Net Assets Designated by Board	(8,000)	-	-	(8,000)	-
Net Assets Released From Restrictions	57,066	(45,499)	(11,567)	-	-
<u>Grants and Operating Expenses</u>					
Program					
Grant programs	964,834			964,834	1,274,939
Volunteer Program	84,048			84,048	95,615
	<u>1,048,882</u>			<u>1,048,882</u>	<u>1,370,554</u>
Management and general	215,023			215,023	169,729
Fundraising	354,279			354,279	387,630
<u>Total Grants and Operating Expenses</u>	<u>1,618,184</u>	<u>-</u>	<u>-</u>	<u>1,618,184</u>	<u>1,927,913</u>
Excess (Deficiency) of Operating Revenue over Grants and Operating Expenses					
	<u>47,144</u>	<u>(20,499)</u>	<u>-</u>	<u>26,645</u>	<u>(176,886)</u>

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

EPISCOPAL CHARITIES OF THE DIOCESE OF NEW YORK  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(WITH COMPARATIVE TOTALS FOR 2018)

	Net Assets without Donor Restriction	Net Assets with Donor Restriction		Total 2019	Total 2018
		Time or Purpose	Perpetual Endowment		
<u>Non-Operating Activities</u>					
Designated by Board	8,000	-	-	8,000	-
Net investment income (loss)	240,804	-	42,085	282,889	(70,806)
Released under spending policy	(66,183)	-	(11,567)	(77,750)	(75,571)
<u>Total Non-Operating Activities</u>	<u>182,621</u>	<u>-</u>	<u>30,518</u>	<u>213,139</u>	<u>(146,377)</u>
Change in Net Assets for Year	229,765	(20,499)	30,518	239,784	(323,263)
Net Assets, beginning of year	<u>2,345,639</u>	<u>20,499</u>	<u>258,715</u>	<u>2,624,853</u>	<u>2,948,116</u>
Net Assets, End of Year	<u>2,575,404</u>	<u>-</u>	<u>289,233</u>	<u>2,864,637</u>	<u>2,624,853</u>

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

EPISCOPAL CHARITIES OF THE DIOCESE OF NEW YORK  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(WITH COMPARATIVE TOTALS FOR 2018)

	<u>2019</u>	<u>2018</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in Net Assets for Year	\$ 239,784	\$ (323,263)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Net realized gain and change in unrealized appreciation on investments	(236,108)	114,703
(Increase) decrease in assets		
Accrued income	79,810	240,335
Contributions receivable	-	65,945
Other receivables	8,494	6,269
Prepaid expenses	4,333	(3,691)
Increase (decrease) in liabilities		
Grants payable	(221,579)	(53,252)
Accounts payable	(20,583)	59,445
<u>Cash (Used in) Provided by Operating Activities</u>	<u>(145,849)</u>	<u>106,491</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from sale of investments	311,458	721,353
Purchase of investments	(288,644)	(633,363)
<u>Cash Provided by Investing Activities</u>	<u>22,814</u>	<u>87,990</u>
<u>Net (Decrease) Increase in Cash for Year</u>	<u>(123,035)</u>	<u>194,481</u>
Cash, beginning of year	<u>1,185,054</u>	<u>990,573</u>
Cash, End of Year	<u>1,062,019</u>	<u>1,185,054</u>

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

EPISCOPAL CHARITIES OF THE DIOCESE OF NEW YORK  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2019  
(WITH COMPARATIVE TOTALS FOR 2018)

	Grant Programs	Volunteer Program	Total Program	Management and General	Fundraising	Total 2019	Total 2018
Grants	\$ 731,099		\$ 731,099			\$ 731,099	\$ 1,056,599
Salaries and benefits	201,837	\$ 72,177	274,014	\$ 72,273	\$ 284,993	631,280	607,186
Temporary personnel	3,123	953	4,076	129	129	4,334	24,915
Consulting and professional fees	-	-	-	62,300	-	62,300	64,391
Occupancy	3,838	1,372	5,210	1,371	5,419	12,000	12,000
Insurance	-	-	-	4,660	-	4,660	3,337
Office supplies and expenses	19,116	1,131	20,247	31,666	13,834	65,747	43,254
Printing, mailings and publications	-	450	450	19,297	38,004	57,751	80,775
Travel and workshops	5,821	7,965	13,786	6,399	3,163	23,348	15,191
Bank and merchant fees	-	-	-	10,607	8,737	19,344	18,765
Taxes and judgements	-	-	-	6,321	-	6,321	1,500
	<u>964,834</u>	<u>84,048</u>	<u>1,048,882</u>	<u>215,023</u>	<u>354,279</u>	<u>1,618,184</u>	<u>1,927,913</u>

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

EPISCOPAL CHARITIES OF THE DIOCESE OF NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019

**NOTE 1 Organization**

Pursuant to action of the 1994 Convention of the Episcopal Diocese of New York (the "Diocese"), Episcopal Charities was organized in 1995 as a New York not-for-profit corporation controlled by the Board of Managers of the Diocese with the following purposes:

- (a) to coordinate the funding of social programs related to and connected with the Diocese and its congregations;
- (b) to establish funding priorities, evaluate proposals, and award grants in support of such programs;
- (c) to provide training and support services to congregations and institutions affiliated with the Diocese that wish to apply for grants to carry out such programs; and
- (d) to carry out such other functions as shall be determined from time to time by the Board of Managers of the Church Extension and Missionary Society of the Protestant Episcopal Church in the Diocese of New York.

**NOTE 2 Accounting Policies**

**Change in Accounting Principle**

In June 2018, the FASB issued ASU 2018-08, Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made. The ASU provides a framework for evaluating whether grants and contributions made should be accounted for as exchange or non-exchange transactions. It also provides additional guidance on conditional versus non-conditional grants received. ASU 2018-08 is effective for resource recipients in fiscal years beginning after December 31, 2018 and for recourse providers in fiscal years beginning after December 31, 2019. Episcopal Charities adopted this standard as of January 1, 2019, which did not have a material impact on the financial statements.

**Tax-Exempt Status**

Episcopal Charities is a not-for-profit organization exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code and is further classified as a publicly supported organization.

**Accrual Basis**

The accompanying financial statements are prepared on the accrual basis of accounting. Revenues and related assets are recognized when earned, and expenses are recognized when incurred.

All receivables are expected to be collected within one year from the statement of financial position date.

Grants are made by Episcopal Charities to fund specific programs in the Diocese and are normally paid in periodic installments within one to three years. Grants are recorded as an expense upon approval by the Board of Directors.

**Cash**

Cash is defined as cash held in checking and money market accounts.



EPISCOPAL CHARITIES OF THE DIOCESE OF NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019

**NOTE 2 Organization and Summary of Significant Accounting Policies (Continued)**

**Measure of Operations**

In its statement of activities, Episcopal Charities includes in its definition of "operating activities" all revenues and expenses that are an integral part of its programs and supporting activities. Bequests and investment income, including net realized and unrealized gains and losses, earned in excess of, or less than, Episcopal Charities authorized spending rate, is recognized as a part of non-operating activities.

**Basis of Presentation**

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

Net Assets without Donor Restriction - Net assets that are not subject to donor-imposed restrictions and Board Designated funds, which are funds reserved by the Board for a future use or a specific purpose. Although investment income and appreciation of the perpetual endowment was not restricted as to use prior to January 1, 2010, the Board of Episcopal Charities elected to maintain this money as a quasi-endowment. Certain funds previously transferred from the Diocese as well as all investment income, including appreciation and prior income on such funds, are recorded as Board Designated. The Board also decided that bequests received should be recorded as Board Designated.

Net Assets with Donor Restriction - Net assets subject to donor-imposed stipulations that will be met either by actions of Episcopal Charities or by the passage of time as well as net assets received that are to be maintained as a perpetual endowment in accordance with the original donor's intent. Earnings on the perpetual endowment are to be used for general purposes of Episcopal Charities and are shown as part of net assets with donor restriction until appropriated in accordance with its spending policy. Assets received whose restrictions will be satisfied within the current year are shown as net assets without donor restriction.

Revenues are reported as increases in net assets without donor restriction unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restriction. Expirations of donor-imposed restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

**Comparative Totals**

The financial statements include certain prior-year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with Episcopal Charities' financial statements for the year ended December 31, 2018 from which the summarized information was derived. Certain prior year information has been restated to conform to current year presentation.

EPISCOPAL CHARITIES OF THE DIOCESE OF NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019

**NOTE 2 Organization and Summary of Significant Accounting Policies (Continued)**

**Use of Estimates**

Management of Episcopal Charities has made a number of estimates and assumptions relating to the reporting of assets, liabilities, revenues and expenses in the preparation of these financial statements. Actual results could differ from those estimates.

**Fair Value Measurement of Investments**

Investments are carried at fair value based on quoted market prices. Episcopal Charities follows Financial Accounting Standards Board (FASB) guidance on *Fair Value Measurements* which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

**Investment Valuation**

The fair value of the investment held with the Diocesan Investment Trust was estimated using the Net Asset Value ("NAV") as reported by the management of such fund. FASB guidance provides for the use of the NAV as a "Practical Expedient" for estimating fair value of these types of investment funds. Episcopal Charities adopted a policy to exclude investments valued at NAV from the fair value hierarchy in accordance with FASB guidance.

**Investment Income Recognition**

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis and dividends are recorded on the ex-dividend date. Realized and unrealized gains and losses are included in the determination of the change in net assets.

**Equipment**

The cost of computer equipment purchases, which are not material in nature, are expensed when paid. Equipment purchases over \$5,000 are capitalized at cost and depreciated on a straight-line basis over its estimated useful life of 3 to 7 years.

**Functional Allocation of Expenses**

The financial statements report certain categories of expenses that are attributable to various programs, management and general and fundraising activities of Episcopal Charities. These expenses include salaries and benefits, printing and publications, professional fees and other office expenses. Episcopal Charities allocates these expenses based on time and effort of staff as well as estimates of the resources used in these activities. Some types of expenses are directly allocated based on the activity benefited.

EPISCOPAL CHARITIES OF THE DIOCESE OF NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019

**NOTE 2 Organization and Summary of Significant Accounting Policies (Continued)**

**Accounting for Uncertainty in Income Taxes**

Episcopal Charities recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. Management has determined that Episcopal Charities had no uncertain tax positions that would require financial statement recognition or disclosure. Episcopal Charities is no longer subject to examinations by the applicable taxing jurisdictions for years prior to 2016.

**Subsequent Events**

In connection with the preparation of the financial statements, Episcopal Charities evaluated subsequent events after the statement of financial position date of December 31, 2019 through **July 17, 2020** which was the date the financial statements were available to be issued.

**Endowment Policy**

Interpretation

Episcopal Charities' endowment includes both donor-restricted endowment funds and funds designated by the Board of Directors.

The Board of Directors of Episcopal Charities has enacted a policy of preserving the fair value of the original gift as of the date the donor-restricted gift is received absent explicit donor stipulations to the contrary. Therefore, Episcopal Charities classifies as a perpetual endowment, and part of net assets with donor restriction, the original value of the donor restricted gifts. Earnings on donor-restricted funds are classified as net assets with donor restriction until those amounts are appropriated for expenditure in accordance with Episcopal Charities' spending policy, unless otherwise stipulated by the donor.

Return Objectives and Risk Parameters

Episcopal Charities has adopted an investment and spending policy in an attempt to provide a predictable stream of funding in order to support its programs. The primary investment objective is to provide for long-term growth of principal and income by maximizing total return consistent with prudent risk taking. It seeks returns during a full market cycle that will enhance the real, inflation adjusted purchasing power of Episcopal Charities' assets. The Finance/Investment Committee does not expect that in each and every year the investment objective referred to above will necessarily be achieved. Episcopal Charities has a spending rate policy for the management of its portfolio whereby up to 5% of the five-year trailing average of the total perpetual and Board Designated endowment portfolio is made available to accomplish its mission. That time frame ought to substantially smooth out the budgeted draw from year to year, which otherwise could vary significantly because of normal market volatility. The Board elected a 4.5% spending rate in 2019 and 2018.

EPISCOPAL CHARITIES OF THE DIOCESE OF NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019

**NOTE 3 Transactions with Related Parties**

At December 31, 2019 and 2018 accounts payable included liabilities of \$63,916 and \$42,822, respectively, due to the Diocese for expenses incurred by the Diocese on behalf of Episcopal Charities.

**NOTE 4 Investments**

The following tabulation summarizes the cost and fair value of investments at December 31, 2019 and 2018:

	<u>2019</u>		<u>2018</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Fidelity Investments:				
Short term cash	\$ 5,884	\$ 5,884	\$ 16,847	\$ 28,552
Mutual funds	<u>1,741,205</u>	<u>1,975,842</u>	<u>1,752,823</u>	<u>1,739,880</u>
	<u>1,747,089</u>	<u>1,981,726</u>	<u>1,769,670</u>	<u>1,768,432</u>

All mutual funds held at Fidelity are valued using level 1 inputs at December 31, 2019 and 2018.

Investment income (loss) consisted of the following:

	<u>2019</u>	<u>2018</u>
Interest and dividends	\$ 49,114	\$ 43,897
Realized gain on sale of investments	233	68,923
Change in unrealized appreciation	<u>235,875</u>	<u>(183,626)</u>
	285,222	(70,806)
Less investment income (loss) recognized under spending policy	<u>80,083</u>	<u>75,571</u>
Investment income (loss) net of authorized spending rate	<u>205,139</u>	<u>(146,377)</u>

**NOTE 5 Endowment Support**

In December 1997 the Diocese was awarded a \$2 million endowment grant from The Dyson Foundation. Under the terms of the grant, income, as defined by the Diocesan investment policy, is to be used to support the programs of Episcopal Charities. The Diocese received money for this endowment in 1998. In 1999, Episcopal Charities received its first drawdown of income from this endowment. The value of this endowment fund at December 31, 2019, which is invested at the discretion of the Diocese, was \$2,655,832.

EPISCOPAL CHARITIES OF THE DIOCESE OF NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019

**NOTE 6 Board Designated Net Assets**

The following summarizes the activity within Board Designated net assets, which is included in the net assets without donor column on the statement of activities.

	<u>2019</u>	<u>2018</u>
Balance, beginning of year	\$ 1,480,311	\$ 1,599,743
New designation	8,000	-
Investment income	240,804	(57,665)
Appropriated for expenditure	<u>(66,183)</u>	<u>(61,767)</u>
Balance, end of year	<u>1,662,932</u>	<u>1,480,311</u>

**NOTE 7 Endowment Assets**

Changes within the Endowment funds during 2019 and 2018 consisted of the following:

	<u>Board Designated</u>	<u>Perpetual Endowment</u>	<u>Total</u>
Balance December 31, 2017	\$ 1,599,743	\$ 285,660	\$ 1,885,403
Net investment earnings	(57,665)	(13,141)	(70,806)
Appropriated for expenditure	<u>(61,767)</u>	<u>(13,804)</u>	<u>(75,571)</u>
Balance December 31, 2018	<u>1,480,311</u>	<u>258,715</u>	<u>1,739,026</u>
New designation	8,000	-	8,000
Net investment earnings	240,804	42,085	282,889
Appropriated for expenditure	<u>(66,183)</u>	<u>(11,567)</u>	<u>(77,750)</u>
Balance December 31, 2019	<u>1,662,932</u>	<u>289,233</u>	<u>1,952,165</u>

**NOTE 8 Net Assets with Donor Restriction**

Net assets with donor restriction consist of the following as of December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Perpetual endowment	\$ 205,813	\$ 205,813
Endowment earnings	83,420	52,902
Volunteer coordinator	<u>-</u>	<u>15,998</u>
	<u>289,233</u>	<u>274,713</u>

EPISCOPAL CHARITIES OF THE DIOCESE OF NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019

**NOTE 8 Net Assets with Donor Restriction (continued)**

Net assets released from donor restriction during the years ended December 31, 2019 and 2018 were as follows:

	2019	2018
Endowment earnings	\$ 11,567	\$ 13,804
Volunteer coordinator	45,499	29,501
	57,066	43,305

**NOTE 9 Liquidity and Availability of Financial Assets**

The following reflects Episcopal Charities financial assets as of December 31, 2019, reduced by amounts not available for general use within one year of that date due to contractual or donor-imposed restrictions. As described in Note 2, investment earnings from the perpetual endowment and Board Designated funds are released annually in accordance with the spending policy to cover a portion of operating expenses.

Cash	\$ 1,062,019
Investments	1,981,726
Accrued income	52,200
Other receivables	484
	3,096,429
Perpetual endowment	(289,233)
Board designated net assets	(1,662,932)
Financial assets available for general expenditure within the next 12 months	1,144,264

**NOTE 10 Concentration of Risk**

During 2019, Episcopal Charities had cash in banks exceeding federally insured limits. This risk is managed through the use of large, established financial institutions.

**NOTE 11 Grants Payable**

Grants payable of \$167,951 at December 31, 2019, is expected to be paid in 2020. Long-term grants would be discounted to present value at the risk-free rate of 5%.

**NOTE 12 Donated Services**

Episcopal Charities' accounting and human resource functions are donated by the controller's office of the Episcopal Diocese of New York, its affiliate. The value of these services for 2019 and 2018 is estimated to be \$42,000 and has been reflected in the financial statements as an in-kind donation and related expense.

EPISCOPAL CHARITIES OF THE DIOCESE OF NEW YORK  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019

**NOTE 12 Donated Services** (continued)

Episcopal Charities also occupies furnished office space donated by the Diocese at no charge. During 2019 and 2018 based on an agreement between the Diocese and the Cathedral of St. John the Divine, the value of this office space has been estimated to be \$12,000.

**NOTE 13 Fixed Assets**

Fixed Assets consist of equipment that is fully depreciated at December 31, 2019 and 2018, but remains in use.

	<u>2019</u>	<u>2018</u>
Equipment	\$22,462	\$22,462
Less: Accumulated depreciation	<u>22,462</u>	<u>22,462</u>
	<u>          </u>	<u>          </u>

**NOTE 14 Retirement Plans**

Episcopal Charities contracted with the Episcopal Diocese of New York for lay retirement benefits in 2019 and 2018. Through this contract, Episcopal Charities staff members are included in the Diocesan retirement plan, which is a 401(a) defined contribution plan. Contributions by Episcopal Charities to the plan are based on 13% of an employee's salary. Total expense under this plan for 2019 and 2018 was \$56,521 and \$54,916, respectively. Additional information regarding this plan can be found in the Diocese's audit report.

**NOTE 15 Subsequent Events**

The recent COVID-19 outbreak that has spread globally and is affecting economic conditions throughout the world has caused Episcopal Charities to experience a disruption in operations. Episcopal Charities may also experience a decline in the level of contributions received. An estimate of the total impact of the outbreak cannot be determined at this time.