

The Diocese of Long Island

Combined Financial Statements
and Supplementary Information

December 31, 2020 and 2019

The Diocese of Long Island

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Independent Auditors' Report

To the Boards of Directors of Episcopal Ministries of Long Island,
Board of Managers of Camp DeWolfe, The George Mercer Jr. Memorial School of Theology,
the Trustees of the Estate Belonging to the Diocese of Long Island,
the Cathedral of the Incarnation and the Diocesan Council

Report on the Combined Financial Statements

We have audited the accompanying combined financial statements of The Diocese of Long Island (the Diocese), which comprise the combined statement of financial position as of December 31, 2020, and the related combined statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Combined Financial Statements

Management is responsible for the preparation and fair presentation of the combined 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 combined financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these combined 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 combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined 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 combined 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 combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

As discussed in Note 2 to the combined financial statements, the Diocese records certain land, buildings and improvements on a basis other than the cost basis and the Diocese does not provide for depreciation on any fixed assets. In addition, it is the policy of the Diocese to expense the purchase of certain fixed assets. Accounting principles generally accepted in the United States of America require that fixed assets be capitalized at cost and that depreciation expense be recorded over the useful lives of the assets. The cumulative effect of these policies on the combined financial statements is not practically determinable.

Qualified Opinion

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion paragraph, the combined financial statements referred to above present fairly, in all material respects, the financial position of The Diocese of Long Island as of December 31, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Report on Comparative Information

We have previously audited the Diocese's 2019 combined financial statements, and we expressed a qualified audit opinion on those audited combined financial statements in our report dated December 22, 2020. In our opinion, the comparative information on the combined and combining statements of financial position and the combined and combining statements of activities and changes in net assets presented herein as of and for the year ended December 31, 2019 is consistent, in all material respects, with the audited combined financial statements and combining supplementary information from which it has been derived.

Report on Combining Information

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The combining information on pages 3, 4 and 21 through 26 is presented for purposes of additional analysis of the combined financial statements rather than to present the financial position and changes in net assets of the individual organizations, and it is not a required part of the combined 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 combined financial statements. The combining information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, except for the effect on the combining information of the matter noted in the Basis for Qualified Opinion paragraph, the combining information is fairly stated, in all material respects, in relation to the combined financial statements as a whole.

Baker Tilly US, LLP

Melville, New York
February 9, 2022

The Diocese of Long Island

Combined Statement of Financial Position With Supplementary Combining Information
December 31, 2020 (With Comparative Totals for 2019)

	Trustees of the Estate	The Diocese of Long Island	Other Diocesan Entities	Eliminations	Combined Total All Funds	
					2020	2019
Assets						
Cash and cash equivalents	\$ 4,989,614	\$ 2,486,109	\$ 1,149,040	\$ -	\$ 8,624,763	\$ 6,126,900
Investments, at fair value	169,419,637	-	-	-	169,419,637	166,739,781
Investments in Investment Fund of the Diocese	-	1,192,992	31,505,273	(32,698,265)	-	-
Loans receivable	191,116	198,136	-	-	389,252	253,424
Mortgages receivable	184,605	-	-	-	184,605	188,295
Other assets	1,034,000	159,017	199,189	-	1,392,206	1,297,836
Due from other funds	-	2,152	78,297	(80,449)	-	-
Land, buildings and improvements	10,964,504	-	20,318,101	-	31,282,605	31,282,605
Total assets	<u>\$ 186,783,476</u>	<u>\$ 4,038,406</u>	<u>\$ 53,249,900</u>	<u>\$ (32,778,714)</u>	<u>\$ 211,293,068</u>	<u>\$ 205,888,841</u>
Liabilities and Net Assets						
Liabilities						
Cash overdraft payable	\$ 3,376,639	\$ 113,580	\$ 48,321	\$ -	\$ 3,538,540	\$ 2,726,451
Accounts payable and accrued expenses	1,211,719	313,299	632,580	-	2,157,598	1,744,327
Due to other funds	80,449	-	-	(80,449)	-	-
Custodial "C" funds	78,922,798	-	-	(32,698,265)	46,224,533	42,351,655
Total liabilities	<u>83,591,605</u>	<u>426,879</u>	<u>680,901</u>	<u>(32,778,714)</u>	<u>51,920,671</u>	<u>46,822,433</u>
Net Assets						
Without donor restrictions	41,254,176	3,611,527	15,248,010	-	60,113,713	65,378,473
With donor restrictions	61,937,695	-	37,320,989	-	99,258,684	93,687,935
Total net assets	<u>103,191,871</u>	<u>3,611,527</u>	<u>52,568,999</u>	<u>-</u>	<u>159,372,397</u>	<u>159,066,408</u>
Total liabilities and net assets	<u>\$ 186,783,476</u>	<u>\$ 4,038,406</u>	<u>\$ 53,249,900</u>	<u>\$ (32,778,714)</u>	<u>\$ 211,293,068</u>	<u>\$ 205,888,841</u>

See notes to combined financial statements

The Diocese of Long Island

Combined Statement of Activities and Changes in Net Assets With Supplementary Combining Information
Year Ended December 31, 2020 (With Comparative Totals for 2019)

	Trustees of the Estate	The Diocese of Long Island	Other Diocesan Entities	Eliminations	Combined Total All Funds	
					2020	2019
Changes in Net Assets Without Donor Restrictions						
Revenues:						
Return on investments, net	\$ 2,216,605	\$ 537,766	\$ 2,270,713	\$ -	\$ 5,025,084	\$ 10,916,979
Parish, mission and other support	1,095,588	8,596,910	2,282,824	(8,002,810)	3,972,512	7,633,243
Other income	169,584	397,144	287,243	(652,370)	201,601	2,655,838
Net assets released from restrictions	2,137,028	-	39,248	-	2,176,276	2,072,643
Total revenues	5,618,805	9,531,820	4,880,028	(8,655,180)	11,375,473	23,278,703
Expenses:						
Program	13,478,118	3,619,583	955,145	(7,534,825)	10,518,021	12,074,642
Administrative	1,819,639	2,780,850	2,642,078	(1,120,355)	6,122,212	7,926,902
Total expenses	15,297,757	6,400,433	3,597,223	(8,655,180)	16,640,233	20,001,544
Changes in net assets without donor restrictions	(9,678,952)	3,131,387	1,282,805	-	(5,264,760)	3,277,159
Changes in Net Assets With Donor Restrictions						
Return on investments, net	6,584,063	-	1,162,887	-	7,746,950	10,255,851
Other income	-	-	75	-	75	22,013
Net assets released from restrictions	(2,137,028)	-	(39,248)	-	(2,176,276)	(2,072,643)
Changes in net assets with donor restrictions	4,447,035	-	1,123,714	-	5,570,749	8,205,221
Changes in net assets	(5,231,917)	3,131,387	2,406,519	-	305,989	11,482,380
Net Assets, Beginning	108,423,788	480,140	50,162,480	-	159,066,408	147,584,028
Net Assets, Ending	\$ 103,191,871	\$ 3,611,527	\$ 52,568,999	\$ -	\$ 159,372,397	\$ 159,066,408

See notes to combined financial statements

The Diocese of Long Island

Combined Statement of Functional Expenses

Year Ended December 31, 2020 (With Comparative Totals for 2019)

	Trustees of the Estate				The Diocese of Long Island			Other Diocesan Entities				Total Program Expenses	Administrative	2020 Total	2019 Total
	Operating Funds	Trust Funds	Messiah and Incarnation Trust	Mercer Scholarship	Bishop's Call	Diocese of Long Island	Bishop's Fund for Theological Education	Episcopal Ministries	School of Theology	Cathedral of the Incarnation	Camp De Wolfe				
Salaries	\$ 389,091	\$ -	\$ -	\$ -	\$ -	\$ 1,207,918	\$ -	\$ -	\$ 23,021	\$ 176,689	\$ 5,481	\$ 1,802,200	\$ 2,374,564	\$ 4,176,764	\$ 3,870,574
Fringe	221,885	-	-	-	-	666,659	-	-	9,369	108,474	505	1,006,892	1,238,712	2,245,604	2,249,390
Professional fees	78,335	-	-	-	-	-	-	-	-	402	-	78,737	340,398	419,135	226,751
Contracted services	2,875,067	-	-	-	-	163,804	-	3,577	37,532	27,067	24,464	3,131,511	671,601	3,803,112	7,052,543
Grants and support	849,162	25,500	22,576	262,612	2,050	1,127,859	3,750	7,197	12,422	-	125	2,313,253	512,077	2,825,330	3,453,783
Conferences/meetings	469	-	-	-	-	163,953	-	-	-	610	-	165,032	22,051	187,083	432,484
Dues and subscriptions	-	-	-	-	-	671	-	-	629	262	-	1,562	43,700	45,262	26,066
Honoraria	-	-	-	-	-	-	-	-	-	68,765	-	68,765	-	68,765	57,805
Equipment	-	-	-	-	-	4,474	-	-	-	-	6,193	10,667	66,888	77,555	70,937
Computer expense	1,693	-	-	-	-	49,986	-	-	-	-	-	51,679	17,587	69,266	54,079
Publicity/public relations	-	-	-	-	-	430	-	14,093	5,875	54,183	4,891	79,472	-	79,472	79,931
Diocesan publications	-	-	-	-	-	-	-	-	-	29	-	29	250	279	89,967
Rent expense	-	-	-	-	-	32,352	-	-	-	-	-	32,352	247	32,599	33,942
Real estate taxes	-	-	-	-	-	-	-	-	-	-	-	-	19,241	19,241	127,754
Utilities	492,068	-	-	-	-	-	-	-	-	12,662	-	504,730	206,952	711,682	313,996
Maintenance	284	-	-	-	-	-	-	-	-	-	-	284	728	1,012	2,003
Telephone/internet/cable	2,196	-	-	-	-	9,901	-	-	-	-	-	12,097	61,706	73,803	50,452
Travel and auto expenses	5,373	-	-	-	-	31,786	-	-	-	-	-	37,159	56,978	94,137	136,686
Insurance	174,824	4,205	-	-	-	1,711	-	-	-	-	-	180,740	317,707	498,447	609,431
Processing fees	-	-	-	-	-	-	-	-	-	-	3,241	3,241	21,775	25,016	33,643
Supplies and office expenses	2,325	-	-	-	-	8,316	-	-	5,351	12,168	6,720	34,880	108,658	143,538	287,247
Meals	-	-	-	-	-	3,723	-	-	-	276	-	3,999	3,457	7,456	26,347
Dividend expense	320,473	678,267	-	-	-	-	-	-	-	-	-	998,740	1,838	1,000,578	705,581
Other expense	-	-	-	-	-	-	-	-	-	-	-	-	35,097	35,097	10,152
Total expenses	\$ 5,413,245	\$ 707,972	\$ 22,576	\$ 262,612	\$ 2,050	\$ 3,473,543	\$ 3,750	\$ 24,867	\$ 94,199	\$ 461,587	\$ 51,620	\$ 10,518,021	\$ 6,122,212	\$ 16,640,233	\$ 20,001,544

See notes to combined financial statements

The Diocese of Long Island

Combined Statement of Cash Flows

Year Ended December 31, 2020 (With Comparative Totals for 2019)

	<u>2020</u>	<u>2019</u>
Cash Flows From Operating Activities		
Changes in net assets	\$ 305,989	\$ 11,482,380
Adjustments to reconcile changes in net assets to net cash flows from operating activities:		
Net realized gain on investments	(29,438,950)	(931,745)
Net unrealized loss (gain) on investments	14,389,473	(25,081,858)
Changes in assets and liabilities:		
Loans and mortgages receivable	(132,138)	255,560
Other assets	(94,370)	(1,072,681)
Cash overdraft payable	812,089	2,726,451
Accounts payable and accrued expenses	413,271	(399,029)
Custodial "C" funds	3,872,878	14,811,210
	<u>(9,871,758)</u>	<u>1,790,288</u>
Net cash flows from operating activities		
	<u>(9,871,758)</u>	<u>1,790,288</u>
Cash Flows From Investing Activities		
Purchase of investments by Investment Fund	(157,338,297)	(18,845,520)
Proceeds from the sale of investments by Investment Fund	169,707,918	20,558,196
	<u>12,369,621</u>	<u>1,712,676</u>
Net cash flows from investing activities		
	<u>12,369,621</u>	<u>1,712,676</u>
Net change in cash and cash equivalents	2,497,863	3,502,964
Cash and Cash Equivalents, Beginning	<u>6,126,900</u>	<u>2,623,936</u>
Cash and Cash Equivalents, Ending	<u>\$ 8,624,763</u>	<u>\$ 6,126,900</u>

See notes to combined financial statements

The Diocese of Long Island

Notes to Combined Financial Statements

December 31, 2020 and 2019

1. Organization and Nature of Operations

The Diocese of Long Island (the Diocese) is one of 111 autonomous dioceses of The Domestic and Foreign Missionary Society of the Protestant Episcopal Church in the United States of America (the Episcopal Church). It is comprised of 129 parish and mission congregations within Kings (Brooklyn), Queens, Nassau and Suffolk Counties, all of which are in canonical union with the Diocese.

The Diocese's governing body is the Diocesan convention which convenes annually to determine Diocesan policy related to the doctrine, discipline and ministries of the Episcopal Church. The accompanying combined financial statements include the net assets of Diocesan entities (as defined by Diocesan Canons) set forth below under the caption "*Basis of Combination*".

2. Summary of Significant Accounting Policies

Basis of Combination

The accompanying combined statement of financial position combines the net assets of all of the activities under the control of the Diocesan convention and does not include the assets, liabilities or operating transactions of the individual parishes or missions. The combined financial statements consist of 13 funds which have been combined into three major groups having similar characteristics, the Trustees of the Estate Belonging to the Diocese of Long Island (Trustees of the Estate), the Diocese of Long Island and Other Diocesan Entities. The Trustees of the Estate includes the Investment Fund of the Diocese of Long Island Balanced Fund (Investment Fund).

The three major groups are comprised of five legally, incorporated entities, namely, the Trustees of the Estate, Episcopal Ministries of Long Island, the Cathedral of the Incarnation (Cathedral), The Board of Managers of Camp DeWolfe and The George Mercer Jr. Memorial School of Theology.

All interfund and intercompany balances and transactions have been eliminated in combination.

Basis of Presentation

The accompanying combined financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) using the accrual basis of accounting. The Diocese's combined financial statements distinguish between net assets without donor restrictions and net assets with donor restrictions, based upon the existence or absence of donor-imposed restrictions, as follows:

Net Assets Without Donor Restrictions - include amounts that have not been donor restricted and are available for use in carrying out the general operations of the Diocese.

Net Assets With Donor Restrictions - includes amounts that have been limited by donor-imposed stipulations that either expire with the passage of time or can be fulfilled and removed by the actions of the Diocese pursuant to those stipulations, and amounts whereby donors have stipulated that the principal contributed be maintained in perpetuity.

Presentation of Certain Prior Year Information

The accompanying comparative information on the combined and combining statements of financial position and the combined and combining statements of activities and changes in net assets include prior year totals for comparative purposes only. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Diocese's combined financial statements and combining supplementary information, as of and for the year ended December 31, 2019, from which the comparative information was derived.

The Diocese of Long Island

Notes to Combined Financial Statements

December 31, 2020 and 2019

Use of Estimates

The preparation of combined financial statements in conformity with U.S. GAAP 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 combined financial statements and reported amounts of revenues and expenses during the reporting period. Significant estimates relate to the realizability of loans and mortgages receivable, the valuation of investments and the valuation of certain socially responsible investments. Actual results could differ from those estimates.

Tax-Exempt Status

The Diocese and its parish and mission congregations are exempt from Federal income tax under Section 501(c)(3) of the U.S. Internal Revenue Code (the Code) pursuant to a group exemption letter issued to the Protestant Episcopal Church in the United States of America in the Diocese of Long Island in the State of New York dated June 20, 1972.

Uncertain Tax Positions

Management evaluated the Diocese's tax positions and concluded that the Diocese had taken no uncertain tax provisions that require adjustment to the combined financial statements to comply with the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 740.

Contributions

Contribution revenue is recorded when an unconditional promise to give is received.

The Diocese reports gifts of cash or other assets as net assets without donor restrictions, unless specifically restricted by the donor. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the combined statement of activities and changes in net assets as net assets released from restrictions.

Conditional promises to give contain donor-imposed conditions that represent a barrier that must be overcome as well as a right of release from obligation and are recognized when they become unconditional, that is, when the conditions on which they depend are substantially met.

The Diocese reports gifts of land, buildings and equipment as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as donor restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Diocese reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Contributions are recorded at fair value, net of estimated uncollectible amounts.

Revenue From Contracts With Customers

Revenues from contracts with customers includes trust fund income, registration fees and other fees for services rendered. Such revenue is recorded at estimated net realizable value as the performance obligations for the service are met and is recorded in other income.

Cash and Cash Equivalents

The Diocese considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

The Diocese of Long Island

Notes to Combined Financial Statements

December 31, 2020 and 2019

The Diocese maintains a majority of its cash and cash equivalents with one financial institution, and generally, such cash and cash equivalents are in excess of federal insurance limits. There have been no historical losses with respect to balances held in excess of federal insurance limits.

Investment Valuation

Investments are reported at fair value and are recorded on a trade date basis. Securities listed on national exchanges are valued at closing sales prices or, in the absence of recorded sales, at the mean of the closing bid and asked prices on such exchanges. Over-the-counter securities are valued at the mean of the closing bid prices on December 31. Other investments, consisting primarily of mortgages and loans, are stated at cost which approximates estimated fair value.

Alternative investments include investments in limited partnerships and hedge funds and are carried at fair value using the net asset value (NAV) per share practical expedient. In accordance with Accounting Standards Update (ASU) 2015-07, *Disclosures for Investments in Certain Entities That Calculate Net Asset Value Per Share (or Its Equivalent)*, these investments are not categorized within the fair value hierarchy. Fair value is estimated by management of the alternative investment partnership or fund. Because alternative investments may not be readily marketable, the estimated value is subject to uncertainty and, therefore, may differ from the value that would have been used had a ready market for the investment existed. Such differences could be material. Certain of the partnerships enter into contractual commitments, including futures and option contracts and other derivative financial instruments. These contracts are valued by the partnerships at the last reported sales price and involve elements of market risk in excess of the amounts recognized on the partnership statement of financial condition. Risks arise from the potential changes in securities values and interest rates.

The Diocese records its share of the net income or loss for the accounting period in proportion to its participating percentage in each partnership.

Some of the Diocese's investments are pooled to facilitate their management. Investment income is allocated among the individual components of net assets based on donor restrictions or the absence thereof, using percentage of participation based on their carrying value or fair value.

Purchases and sales of securities are reflected on a trade date basis. Dividend income is recorded on the ex-dividend date and interest income is recorded as earned on an accrual basis. Unrealized gains and losses are determined by comparison of specific costs of acquisition to fair values at the last day of the fiscal year. Net realized gains or losses on sales of investments are recorded on the trade date and are determined on the basis of average cost.

Fair Value Measurements

In assessing the fair value of financial instruments, the Diocese has used a variety of methods and assumptions, which were based on estimates of market conditions and risks existing at the time. The fair value of financial instruments approximates their carrying value because of the current nature of these instruments. The carrying value of investments has been measured at fair value.

Assets and liabilities recorded at fair value are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Level inputs are as follows:

Level 1 - Unadjusted, quoted market prices in active markets for identical assets.

Level 2 - Inputs other than quoted market prices included in Level 1 that are observable for the asset through corroboration with market data at the measurement date, including similar assets in less active markets.

Level 3 - Unobservable inputs that are supported by little or no market activity that reflect management's best estimate of what market participants would use in pricing the asset at the measurement date.

The Diocese of Long Island

Notes to Combined Financial Statements

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The fair value of actively traded debt and equity securities is based on quoted market prices. Privately held debt and equity securities are estimated using a variety of valuation methodologies, including both market and income approaches, where an observable quoted market does not exist and are generally classified as Level 3.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The inputs or methodology used for valuing investments are not necessarily an indication of the risk associated with investing in those investments.

Fair value estimates are made at a point in time, based on relevant market data, as well as the best information available about the financial instrument. Fair value estimates for financial instruments for which no or limited observable market data is available are based on judgments regarding current economic conditions, liquidity discounts, currency, credit and interest rate risks, loss experience and other factors. These estimates involve significant uncertainties and judgments and cannot be determined with precision. As a result, such calculated fair value estimates may not be realizable in a current sale or immediate settlement of the instrument. In addition, changes in the underlying assumptions used in the fair value measurement technique, including discount rates, liquidity risks and estimates of future cash flows, could significantly affect these fair value estimates. Because of the inherent uncertainty of valuation, this estimated value may differ from the value that would have been used had a ready market for these investments existed, and the differences could be material.

The Diocese's alternative investments consist of a variety of limited liability investment entities, with a variety of investment strategies. These investment funds primarily invest in marketable securities and derivative financial instruments. These investment funds are carried at estimated fair value as determined by the Investment Manager. The Investment Manager bases the estimated fair value of these investment funds on the underlying fund's NAV, an analysis of the underlying investments and financial information of the entities.

The Diocese assessed the fair value of its loans and mortgages receivable based on historical experience with such parties and the underlying interest rates of such agreements.

Land, Buildings and Improvements

The Diocese carries its donor restricted land, buildings and improvements at replacement and other values. Land, buildings and improvements, without donor restrictions, are recorded at historical cost. The Diocese does not record periodic depreciation charges on any of its fixed assets. Further, the Diocese does not capitalize purchases of capital assets with the exception of certain land and buildings. U.S. GAAP requires that fixed assets be capitalized at cost and that depreciation expense be recorded over the useful lives of the assets. Because the Diocese does not maintain complete records of its fixed asset purchases, it is not practical to determine the cumulative dollar effect of the foregoing on the combined financial statements in accordance with U.S. GAAP.

While the Diocese holds the title to many of the properties of the congregations it serves, because the Diocese has no control over the property and the congregations maintain beneficial use of the properties, the Diocese does not record these assets in the combined financial statements. In the event that a mission or parish dissolves, beneficial ownership of the property held by the congregation reverts to the Diocese, which normally sells it. Revenue from these sales is included in parish, mission and other support in the combined statement of activities and changes in net assets.

The Diocese of Long Island

Notes to Combined Financial Statements

December 31, 2020 and 2019

Trustees of the Estate

The net asset balance without donor restrictions of \$41,254,176 and \$50,933,128 as of December 31, 2020 and 2019, respectively, represents funds owned and controlled by the Trustees of the Estate. The net asset balance in trust funds of \$61,937,695 and \$57,490,660 as of December 31, 2020 and 2019, respectively, represents primarily funds held in trust by and legally invested with the Trustees of the Estate, with income payable to others. Custodial funds ("C" funds) represent monies held by the Trustees of the Estate (including interest, dividends, realized gains and losses, and unrealized appreciation and depreciation), as custodian, for various parishes and other organizations and are recorded as a liability.

Due to/Due From Other Funds

Due to/due from other funds arise from advances to other funds for working capital and charges to other funds by the Diocese for their proportionate share of operating expenses. Interest expense/income has not been allocated to the funds on the amounts due to/from other funds.

Risks and Uncertainties

The Diocese attempts to diversify its investment portfolio. Investment securities are exposed to various risks such as interest rate, market and credit. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in value of investment securities, it is at least possible that changes in risks in the near term could materially affect investment balances as reported in the combined statement of financial position and the combined statement of activities and changes in net assets.

Credit risk is the possibility that loss may occur from a failure of a counterparty to a financial instrument to perform according to the terms of a contract. Collateral or other security is not required by the Diocese to support financial instruments with credit risk, primarily investments in the Revolving Loan Fund. The maximum loss from such investments is limited to amounts recorded in the combined financial statements.

Recent Accounting Pronouncements

In 2020, the Diocese adopted ASU 2014-09, *Revenue From Contracts With Customers (Topic 606)*. The core principle of ASU 2014-09 requires recognition of revenue to depict the transfer of goods or services to customers at an amount that reflects the consideration for what an organization expects it will receive in association with this exchange. Management determined there was no impact on revenue recognition methodologies due to the adoption of ASU 2014-09.

In August 2018, the FASB issued ASU 2018-13, *Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement*. ASU 2018-13 modifies the disclosure requirements for fair value measurements in *Topic 820, Fair Value Measurement*. The amendments are based on the concepts in the FASB Concepts Statement, *Conceptual Framework for Financial Reporting—Chapter 8: Notes to Financial Statements*, which the Board finalized on August 28, 2018. ASU 2018-13 is effective for fiscal years beginning after December 15, 2019. Management has adopted the provisions of this new standard for the year ended December 31, 2020. This standard was retrospectively applied.

In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The ASU is intended to improve transparency in the reporting of contributed nonfinancial assets, also known as gifts-in-kind, for not-for-profit organizations. The amendments in this ASU should be applied on a retrospective basis and are effective for annual periods beginning after June 15, 2021. Early adoption is permitted. Management is currently evaluating the impact of ASU 2020-07 on the Diocese's combined financial statements.

The Diocese of Long Island

Notes to Combined Financial Statements
December 31, 2020 and 2019

Functional Allocation of Expenses

The costs of providing program and other activities have been summarized on a functional basis in the combined statements of activities and changes in net assets and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses are directly charged to their appropriate natural and functional classifications. Expenses not directly charged which are allocated based on time and effort include salaries, fringe benefits and payroll taxes. Expenses not directly charged which are allocated based on square footage include utilities, real estate taxes and property/liability insurance.

Subsequent Events

The Diocese evaluated all subsequent events or transactions that occurred through February 9, 2022, which is the date the combined financial statements are available for issuance, for inclusion or disclosure in the combined financial statements. During this period, the Diocese did not have any subsequent events that required recognition or disclosure in the combined financial statements.

3. Investments

Investments are held in the Investment Fund, which is managed by the Trustees of the Estate in accordance with the terms of the Declaration of Trust.

The Investment Funds' investment portfolio as of December 31, 2020 and 2019 is comprised of the following:

	2020	
	Fair Value	Cost
Mutual funds	\$ 149,707,071	\$ 128,594,423
Alternative investments	19,712,566	14,464,475
Total	<u>\$ 169,419,637</u>	<u>\$ 143,058,898</u>
	2019	
	Fair Value	Cost
Mutual fund equity securities	\$ 56,902,196	\$ 41,957,102
Mutual fund debt securities	22,375,332	22,040,513
REITS	8,849,324	8,164,535
Alternative investments	78,612,929	53,827,419
Total	<u>\$ 166,739,781</u>	<u>\$ 125,989,569</u>

The Diocese of Long Island

Notes to Combined Financial Statements
December 31, 2020 and 2019

In 2020 and 2019, the change in net assets generated by the investments was \$17,704,829 and \$28,476,557, respectively. Of this amount, \$12,772,034 and \$21,172,830 related to the Diocese in 2020 and 2019, respectively. The balance was allocated to various parishes and other organizations whose funds are held by the Trustees of the Estate, as custodian. The investment return earned by the Diocese is recorded in the combined statement of activities and changes in net assets as follows:

	December 31, 2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Investment income:			
Dividends and interest	\$ 914,358	\$ 1,409,625	\$ 2,323,983
Net realized gains	8,355,528	12,881,348	21,236,876
Net unrealized losses	(4,084,101)	(6,296,277)	(10,380,378)
Expenses	(160,701)	(247,746)	(408,447)
Total return on investments, net	\$ 5,025,084	\$ 7,746,950	\$ 12,772,034
	December 31, 2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Investment income:			
Dividends and interest	\$ 1,244,507	\$ 1,169,140	\$ 2,413,647
Net realized gains	357,200	335,567	692,767
Net unrealized gains	9,615,562	9,033,250	18,648,812
Expenses	(300,290)	(282,106)	(582,396)
Total return on investments, net	\$ 10,916,979	\$ 10,255,851	\$ 21,172,830

The Investment Fund pays a monthly dividend based on a rolling 36 month average fair value per share of beneficial interest, regardless of the actual return on investments. The rate is determined by subtracting from the expected total return a factor for inflation and administrative expense. In 2020 and 2019, the dividend rate was 4.50 percent. The rate is subject to review as conditions warrant.

The following tables summarize fair value measurements of investments as of December 31, 2020 and 2019:

	2020				Investments Measured at Net Asset Value
	Fair Value	Level 1	Level 2	Level 3	
Investment Fund Investments:					
Mutual funds	\$ 149,707,071	\$ 149,707,071	\$ -	\$ -	\$ -
Alternative investments	19,712,566	-	-	-	19,712,566
Total investments	\$ 169,419,637	\$ 149,707,071	\$ -	\$ -	\$ 19,712,566

The Diocese of Long Island

Notes to Combined Financial Statements

December 31, 2020 and 2019

	2019				Investments Measured at Net Asset Value
	Fair Value	Level 1	Level 2	Level 3	
Investment Fund Investments:					
Mutual fund equity securities	\$ 56,902,196	\$ 56,902,196	\$ -	\$ -	\$ -
Mutual fund debt securities	22,375,332	22,375,332	-	-	-
REITS	8,849,324	8,849,324	-	-	-
Alternative investments	78,612,929	-	-	-	78,612,929
Total investments	<u>\$ 166,739,781</u>	<u>\$ 88,126,852</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 78,612,929</u>

The following tables present a summary of alternative investments measured at fair value using the NAV per share (or its equivalent) of such investments as a practical expedient for fair value as of December 31, 2020 and 2019:

	2020			
	Blackstone Partners Offshore Fund - CC2 Shares	Blue Mountain Credit Alternative Fund Ltd.	PEG Global Private Equity IX Offshore Special	Hall Capital Partners Absolute Return Fund
Fair Value as of December 31, 2020	\$ 9,792,243	\$ 997,598	\$ 883,980	\$ 8,038,745
Significant investment strategy	Multi-strategy (a)	Alternative credit	Corporate Finance and Venture Capital	Multi-strategy
Remaining life	N/A	N/A	N/A	N/A
Unfunded commitments	None	None	9,116,022	None
Timing to draw down commitments	N/A	N/A	N/A	N/A
Redemption terms	95 days notice	(b)	(c)	(d)
Redemption restrictions	None	(b)	(c)	(d)

	2019				
	BlackRock Russell 1000 Growth Fund B	Blue Mountain Credit Alternative Fund Ltd.	Blackstone Partners Offshore Fund Ltd.	GlobeFlex International All-Cap Commingled Trust	Hall Capital Partners Absolute Return Fund
Fair Value as of December 31, 2019	\$ 37,144,556	\$ 4,275,814	\$ 9,536,463	\$ 20,164,897	\$ 7,491,199
Significant investment strategy	Equities	Alternative credit	Multi-strategy	Capital appreciation of international equities	Multi-strategy
Remaining life	N/A	N/A	N/A	N/A	N/A
Unfunded commitments	None	None	None	None	None
Timing to draw down commitments	N/A	N/A	N/A	N/A	N/A
Redemption terms	Daily	(b)	Quarterly	Monthly	Annual
Redemption restrictions	(d)	(b)	(d)	(d)	(d)

The Diocese of Long Island

Notes to Combined Financial Statements

December 31, 2020 and 2019

- (a) This fund invests primarily in nontraditional investment funds, including, but not limited to, multi-category, credit-driven, equity and relative value.
- (b) Fund is a liquidating partnership. Liquidation is expected to occur.
- (c) This fund has no redemption rights; all distributions will occur at the general partner discretion.
- (d) All redemptions may be gated based on the volume of redemption requests.

As of December 31, 2020 and 2019, investments at fair value include \$58,386,547 and \$53,611,116, respectively, of Trust Funds and \$81,185,106 and \$74,471,889, respectively, of Custodial Funds. Other Investments also represent restricted investments. See Note 6 for additional information on endowments.

4. Loans and Mortgages Receivable

Loans receivable are as follows as of December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Loan to individual (interest free, due August 1, 2036)	\$ 58,900	\$ 60,400
Canaan Yipsung Church (interest free, due immediately)	36,492	36,492
St. Augustine, Brooklyn (2.5% interest, due immediately)	21,347	23,954
Loan to individual (4.5% interest, due April 1, 2021)	20,139	28,377
St. James (5.5%, due April 1, 2021)	17,108	22,049
St. Mary (5.5%, due June 1, 2024)	15,812	18,906
St. John's Lynbrook (interest free, due November 5, 2022)	10,040	14,641
Other loans	209,414	48,605
	<u>\$ 389,252</u>	<u>\$ 253,424</u>

Mortgages receivable are as follows as of December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
St. Joseph Anglican Church, Brooklyn (6.8% interest, due October 1, 2028)	\$ 184,605	\$ 188,295

Each mortgage requires monthly repayments of principal and interest.

The Diocese assesses the collectability of loans and mortgages and establishes reserves, if needed, for those that are unlikely to be collected.

The Diocese of Long Island

Notes to Combined Financial Statements
December 31, 2020 and 2019

5. Land, Buildings and Improvements

Diocesan real estate is as follows as of December 31, 2020 and 2019:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions, Perpetuity</u>	<u>Total</u>
Land and buildings:			
Cathedral of the Incarnation, Garden City, New York	\$ -	\$ 20,318,101	\$ 20,318,101
Trustees of the Estate Camp DeWolfe, Wading River, New York	1,739,000	-	1,739,000
Residence, 191 Kensington Road, Garden City, New York	347,880	-	347,880
School of Theology Building, Garden City, New York	-	4,045,800	4,045,800
Residence, 43 Euston Road, Garden City, New York	1,927,777	-	1,927,777
Residence, 59 Third Street, Garden City, New York	2,342,518	-	2,342,518
301 North Side Road, Wading River, New York	561,529	-	561,529
Total	<u>\$ 6,918,704</u>	<u>\$ 24,363,901</u>	<u>\$ 31,282,605</u>

6. Net Assets

The Diocese has donor restricted endowment funds that are subject to the New York Prudent Management of Institutional Funds Act (NYPMIFA). New York State adopted NYPMIFA in September 2010. A Board designated endowment also exists for Episcopal Ministries.

The Diocese has interpreted NYPMIFA as requiring the presentation of the fair value of the original gift as of the gift date of the donor restricted endowment funds, absent explicit donor stipulation to the contrary. As a result of this interpretation, the Diocese classifies net assets restricted in perpetuity (a) the original value of gifts donated to the perpetual endowment, (b) the original value of subsequent gifts to the perpetual endowment and (c) accumulations to the perpetual endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the endowment fund. Unless otherwise stated in the gift instrument, the assets in an endowment fund shall be donor restricted assets and net assets until appropriated for expenditure by the Diocese.

The Diocese has adopted investment policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain purchasing power of the endowment assets. Endowment assets include those assets of donor restricted funds that the Diocese has to hold in perpetuity or for a donor-specific period(s). Under this policy, the endowment assets are invested in a manner that is intended to produce a return, net of inflation and investment management costs, of at least 4.5 percent per year. Actual returns in any given year may vary from this amount. The Diocese has interpreted NYPMIFA as permitting spending from underwater endowment funds received after the enactment of NYPMIFA. Spending of endowment funds, including underwater endowment funds, is subject to approval of Trustees.

To satisfy its long-term rate-of-return objectives, the Diocese relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Diocese targets a diversified asset allocation that places a great emphasis on equity-based and alternative investments to achieve its long-term objectives within prudent risk constraints.

The Diocese of Long Island

Notes to Combined Financial Statements
December 31, 2020 and 2019

Changes in endowment and Board designated net assets for the years ended December 31, 2020 and 2019 consisted of the following:

	Donor Restricted			Board Designated
	Original Gifts	Unappropriated Earnings	Total	
Balance, December 31, 2018	\$ 47,730,325	\$ 31,519,617	\$ 79,249,942	\$ 13,340,273
Return (loss) on investments, net	-	10,249,951	10,249,951	(565,203)
Support and contributions	-	2,415	2,415	171,537
Appropriation of endowment assets for expenditure	-	(2,090,776)	(2,090,776)	(974,750)
Balance, December 31, 2019	47,730,325	39,681,207	87,411,532	11,971,857
Return on investments, net	-	7,742,478	7,742,478	2,591,687
Support and contributions	-	75	75	132,056
Appropriation of endowment assets for expenditure	-	(2,176,276)	(2,176,276)	(928,353)
Balance, December 31, 2020	<u>\$ 47,730,325</u>	<u>\$ 45,247,484</u>	<u>\$ 92,977,809</u>	<u>\$ 13,767,247</u>

Net assets without donor restrictions as of December 31, 2020 and 2019 are comprised of the following:

	2020	2019
Without donor restrictions:		
Undesignated	\$ 46,346,466	\$ 53,406,616
Board designated for long-term investment	<u>13,767,247</u>	<u>11,971,857</u>
Total net assets without donor restrictions	<u>\$ 60,113,713</u>	<u>\$ 65,378,473</u>

Board designated net assets have been designated by the Board of Directors of the Episcopal Ministries of Long Island/Episcopal Community Services of Long Island and the Board of Trustees of the Trustees of the Estate for the purpose of long-term investment.

The Diocese of Long Island

Notes to Combined Financial Statements
December 31, 2020 and 2019

Net assets with donor restrictions as of December 31, 2020 and 2019 are comprised of the following:

	<u>2020</u>	<u>2019</u>
With donor restrictions:		
Purpose restrictions:		
Trustees:		
Trust Funds for Parishes, Missions and Other Institutions	\$ 18,040,170	\$ 17,853,192
Mercer Scholarship Fund for Episcopal Seminaries	24,519,891	20,709,502
Mercer Maintenance Fund for Maintenance of School of Theology	1,406,658	956,991
Purpose restrictions:		
Other Diocesan entities:		
Trust Funds for Cathedral	7,514,877	6,395,634
Trust Funds for programs, Camp DeWolfe	46,763	42,291
	<u>51,528,359</u>	<u>45,957,610</u>
Restricted in perpetuity:		
Trustees:		
School of Theology Building	4,045,800	4,045,800
Endowment funds for parishes, missions and other institutions	5,549,967	5,549,967
Mercer Scholarship Fund Endowment	7,575,209	7,575,209
Mercer Maintenance Fund Endowment	800,000	800,000
Other Diocesan entities:		
Cathedral of the Incarnation Church Building	20,318,101	20,318,101
Endowment funds for Cathedral	9,039,585	9,039,585
Endowment fund for programs, Episcopal Ministries	401,663	401,663
	<u>47,730,325</u>	<u>47,730,325</u>
 Total net assets with donor restrictions	 <u>\$ 99,258,684</u>	 <u>\$ 93,687,935</u>

During the years ended December 31, 2020 and 2019, net assets with donor restrictions of \$2,176,276 and \$2,072,643, respectively, were released from restrictions by incurring expenses satisfying the restricted purposes as stipulated by the donors.

7. Commitments and Contingencies

Guarantees

The Diocese is the guarantor of loans taken by individual churches from the Episcopal Church Building Fund, in the amount of \$1,009,656 and \$1,764,713 as of December 31, 2020 and 2019, respectively.

Litigation

In the opinion of management, the Diocese is not subject to litigation for which the effect, if any, of an unfavorable settlement of such litigation would have a material adverse effect on the Diocese's combined financial position, results of activities or cash flows.

The Diocese of Long Island

Notes to Combined Financial Statements
December 31, 2020 and 2019

8. Pension Plans

The Diocesan Council, in accordance with the 1991 General Convention Resolution #D165a (Lay Pension Plan), currently participates in The Episcopal Church Lay Employees Defined Contribution Retirement Plan (ECLERP) to provide retirement income benefits to full time retired lay employees in the Episcopal Church. ECLERP, established as a plan described in Section 401(a) of the Code in relation to employer contributions and in Section 403(b) of the Code in relation to employee contributions, is sponsored by The Church Pension Fund and administered by Fidelity. ECLERP is not subject to the terms of the Employee Retirement Income Security Act of 1974 (ERISA).

Under the plan, lay employees who are at least 21 years of age, who have completed 12 months of service and who work a minimum of 500 hours per year, are eligible to participate on the first of the month following employment. Employer contributions equal 12 percent of base pay with a 3 percent matching of voluntary contributions made by employees. Vesting in the employer base, matching contributions and any investment earnings on these amounts is immediate. Total lay employee's pension expense for the years ended December 31, 2020 and 2019 was \$246,377 and \$308,368, respectively.

Through December 31, 1995, lay employees of the Diocese were provided pension benefits under a noncontributory defined benefit plan which was guaranteed under a group annuity contract. The contract provided protection in the event that actual experience should be unfavorable, and to the extent that the plan had favorable experience a rate credit was realized. The credit has since been dissolved. The Plan continues to pay benefits to twenty four former and two current eligible lay employees. Contributions to the plan for the years ended December 31, 2020 and 2019 was \$79,630 and \$250,000, respectively.

9. Multiemployer Pension Plan

The Diocese participates in a noncontributory multiemployer defined benefit pension plan maintained by the Church Pension Fund (the Fund) which administers the clergy pension system for Episcopal churches throughout the United States. The risks of participating in a multiemployer plan differ from those of single-employer plans in the following respects:

- Assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers.
- If a participating employer stops contributing to the plan, then the unfunded obligations of the plan may be borne by the remaining participating employers.
- If the Diocese chooses to stop participating in its multiemployer plan, then it may be required to pay an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

As of March 31, 2021, the actuarial present value of accumulated plan benefit obligations of the plan total \$6,636,310, and the fair value of plan assets total \$13,901,084. Based on its audited financial statements as of March 31, 2021, the plan is more than 100 percent funded. The plan was not subject to a financial improvement plan or rehabilitation plan.

The Fund currently levies assessments at the rate of 18 percent of participants compensation, which includes salaries and housing and utility allowances. The amount charged to operations for clergy pensions was \$567,544 and \$452,691 for the years ended December 31, 2020 and 2019, respectively. The Diocese's contributions did not make up more than 5 percent of total contributions to the plan.

The Diocese of Long Island

Notes to Combined Financial Statements

December 31, 2020 and 2019

10. School of Theology

The School of Theology's principal revenue source for operations is support from the George Mercer Jr. Memorial Scholarship Fund (the Scholarship Fund). The Scholarship Fund is administered in accordance with the donor's stipulations providing student scholarships at Episcopal seminaries throughout the United States. The School of Theology received \$540,200 and \$570,000, respectively, from the fund during the years ended December 31, 2020 and 2019.

Support for maintenance of the School of Theology's facility (which is owned by the Trustees of the Estate) and grounds is provided through the George Mercer Jr. Memorial Maintenance Fund. The income of the fund is donor restricted for the maintenance of the school building and grounds and is disbursed by the Trustees of the Estate. The Trustees of the Estate disbursed approximately \$257,000 and \$337,000 for maintenance during the years ended December 31, 2020 and 2019, respectively.

The principal of the Scholarship and Maintenance Funds are part of donor restricted endowments which are administered by the Trustees of the Estate and are invested in the Investment Fund, which is also administered by the Trustees of the Estate.

The Board of Directors of the George Mercer Jr. Memorial School of Theology leases the land used by the School of Theology from the Cathedral of the Incarnation. The original lease agreement expired in June 2016 and was extended through December 31, 2018. On January 1, 2019, the lease was converted to a month to month basis. Rent expense for the years ended December 31, 2020 and 2019 was \$24,652. The lease agreement provides for rent escalations based on the consumer price index increase, with a maximum annual amount of \$1,000. These balances have been eliminated upon combination.

11. Liquidity and Availability of Resources

The Diocese's financial assets available within one year of the combined statements of financial position date for general expenditures such as operating expenses and fixed asset purchases are as follows:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 8,624,763	\$ 6,126,900
Investments	169,419,637	166,739,781
Loans receivable	389,252	253,424
Accounts receivable	117,895	149,546
Less:		
Custodial "C" funds	(46,224,533)	(42,351,655)
Amounts with donor restrictions	(99,258,684)	(93,687,935)
Board designated amounts	(13,767,247)	(11,971,857)
Total	<u>\$ 19,301,083</u>	<u>\$ 25,258,204</u>

As part of the Diocese's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

The Diocese of Long Island

Combining Statement of Financial Position - Trustees of the Estate
December 31, 2020 (With Comparative Totals for 2019)

	Operating Funds	Trust Funds	Custodial Funds	Mercer Scholarship	Mercer Maintenance	Messiah and Incarnation Trust	Eliminations	Total All Funds	
								2020	2019
Assets									
Cash and cash equivalents	\$ 4,084,461	\$ 208	\$ -	\$ 668,844	\$ 128,838	\$ 107,263	\$ -	\$ 4,989,614	\$ 5,660,260
Investments, at fair value	29,847,984	58,386,547	81,185,106	-	-	-	-	169,419,637	166,739,781
Investments in Investment Fund of the Diocese	-	-	-	31,337,432	2,076,931	5,499,217	(38,913,580)	-	-
Loans receivable	169,769	-	-	-	-	21,347	-	191,116	107,163
Mortgages receivable	184,605	-	-	-	-	-	-	184,605	188,295
Other assets	991,000	-	43,000	-	-	-	-	1,034,000	1,002,500
Due from other funds	-	-	-	94,177	6,242	16,527	(116,946)	-	-
Land, buildings and improvements	6,918,704	4,045,800	-	-	-	-	-	10,964,504	10,964,504
Total assets	\$ 42,196,523	\$ 62,432,555	\$ 81,228,106	\$ 32,100,453	\$ 2,212,011	\$ 5,644,354	\$ (39,030,526)	\$ 186,783,476	\$ 184,662,503
Liabilities and Net Assets									
Liabilities									
Cash overdraft payable	\$ -	\$ 1,281,699	\$ 2,094,940	\$ -	\$ -	\$ -	\$ -	\$ 3,376,639	\$ 1,848,948
Accounts payable and accrued expenses	942,347	127,747	130,919	5,353	5,353	-	-	1,211,719	1,376,345
Due to other funds	-	116,946	80,449	-	-	-	(116,946)	80,449	80,449
Custodial "C" funds	-	1,000	78,921,798	-	-	-	-	78,922,798	72,932,973
Total liabilities	942,347	1,527,392	81,228,106	5,353	5,353	-	(116,946)	83,591,605	76,238,715
Net Assets									
Without donor restrictions	41,254,176	-	-	-	-	-	-	41,254,176	50,933,128
With donor restrictions	-	60,905,163	-	32,095,100	2,206,658	5,644,354	(38,913,580)	61,937,695	57,490,660
Total net assets	41,254,176	60,905,163	-	32,095,100	2,206,658	5,644,354	(38,913,580)	103,191,871	108,423,788
Total liabilities and net assets	\$ 42,196,523	\$ 62,432,555	\$ 81,228,106	\$ 32,100,453	\$ 2,212,011	\$ 5,644,354	\$ (39,030,526)	\$ 186,783,476	\$ 184,662,503

The Diocese of Long Island

Combining Statement of Financial Position - Diocese of Long Island
December 31, 2020 (With Comparative Totals for 2019)

	The Diocese of Long Island	Bishop's Call	Bishop's Fund for Theological Education	Total All Funds	
				2020	2019
Assets					
Cash and cash equivalents	\$ 2,485,265	\$ -	\$ 844	\$ 2,486,109	\$ -
Investments in Investment Fund of the Diocese	1,192,992	-	-	1,192,992	1,072,529
Loans receivable	35,384	162,752	-	198,136	146,261
Other assets	88,274	70,743	-	159,017	251,512
Due from other funds	2,152	-	-	2,152	2,152
Total assets	\$ 3,804,067	\$ 233,495	\$ 844	\$ 4,038,406	\$ 1,472,454
Liabilities and Net Assets					
Liabilities					
Cash overdraft payable	\$ -	\$ 113,580	\$ -	\$ 113,580	\$ 877,503
Accounts payable and accrued expenses	303,849	9,450	-	313,299	114,811
Total liabilities	303,849	123,030	-	426,879	992,314
Net Assets					
Without donor restrictions	3,500,218	110,465	844	3,611,527	480,140
Total net assets	3,500,218	110,465	844	3,611,527	480,140
Total liabilities and net assets	\$ 3,804,067	\$ 233,495	\$ 844	\$ 4,038,406	\$ 1,472,454

The Diocese of Long Island

Combining Statement of Financial Position - Other Diocesan Entities
December 31, 2020 (With Comparative Totals for 2019)

	Cathedral of the Incarnation	Episcopal Ministries	Camp DeWolfe	School of Theology	Total All Funds	
					2020	2019
Assets						
Cash and cash equivalents	\$ 553,652	\$ 263,024	\$ -	\$ 332,364	\$ 1,149,040	\$ 466,640
Investments in Investment Fund of the Diocese	17,500,416	13,958,097	46,760	-	31,505,273	29,508,789
Other assets	183,044	14,230	-	1,915	199,189	43,824
Due from other funds	34,775	43,382	140	-	78,297	78,297
Land, building and improvements	20,318,101	-	-	-	20,318,101	20,318,101
Total assets	\$ 38,589,988	\$ 14,278,733	\$ 46,900	\$ 334,279	\$ 53,249,900	\$ 50,415,651
Liabilities and Net Assets (Deficit)						
Liabilities						
Cash overdraft payable	\$ -	\$ -	\$ 48,321	\$ -	\$ 48,321	\$ -
Accounts payable and accrued expenses	234,238	124,708	165,837	107,797	632,580	253,171
Total liabilities	234,238	124,708	214,158	107,797	680,901	253,171
Net Assets (Deficit)						
Without donor restrictions	1,483,187	13,752,362	(214,021)	226,482	15,248,010	13,965,205
With donor restrictions	36,872,563	401,663	46,763	-	37,320,989	36,197,275
Total net assets (deficit)	38,355,750	14,154,025	(167,258)	226,482	52,568,999	50,162,480
Total liabilities and net assets (deficit)	\$ 38,589,988	\$ 14,278,733	\$ 46,900	\$ 334,279	\$ 53,249,900	\$ 50,415,651

The Diocese of Long Island

Combining Statement of Activities - Trustees of the Estate

Year Ended December 31, 2020 (With Comparative Totals for 2019)

	Operating Funds	Trust Funds	Mercer Scholarship	Mercer Maintenance	Messiah and Incarnation Trust	Eliminations	Total All Funds	
							2020	2019
Changes in Net Assets Without Donor Restrictions								
Revenues:								
Return on investments, net	\$ 2,216,605	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,216,605	\$ 7,355,035
Parish, mission and other support	1,095,588	-	-	-	-	-	1,095,588	4,346,142
Other income	169,584	-	-	-	-	-	169,584	1,334,231
Net assets released from restrictions	-	837,422	1,046,475	256,305	223,865	(227,039)	2,137,028	1,943,760
Total revenues	3,481,777	837,422	1,046,475	256,305	223,865	(227,039)	5,618,805	14,979,168
Expenses:								
Program	11,722,947	728,494	802,812	-	223,865	-	13,478,118	9,960,793
Administrative	1,437,782	108,928	243,663	256,305	-	(227,039)	1,819,639	3,265,026
Total expenses	13,160,729	837,422	1,046,475	256,305	223,865	(227,039)	15,297,757	13,225,819
Changes in net assets without donor restrictions	(9,678,952)	-	-	-	-	-	(9,678,952)	1,753,349
Changes in Net Assets With Donor Restrictions								
Return on investments, net	-	4,950,624	4,868,336	322,648	854,443	(4,411,988)	6,584,063	8,044,960
Contributions	-	-	-	227,039	-	(227,039)	-	-
Other income	-	-	-	-	-	-	-	2,415
Net assets released from restrictions	-	(837,422)	(1,046,475)	(256,305)	(223,865)	227,039	(2,137,028)	(1,943,760)
Changes in net assets with donor restrictions	-	4,113,202	3,821,861	293,382	630,578	(4,411,988)	4,447,035	6,103,615
Changes in net assets	(9,678,952)	4,113,202	3,821,861	293,382	630,578	(4,411,988)	(5,231,917)	7,856,964
Net Assets, Beginning	50,933,128	56,791,961	28,273,239	1,913,276	5,013,776	(34,501,592)	108,423,788	100,566,824
Net Assets, Ending	\$ 41,254,176	\$ 60,905,163	\$ 32,095,100	\$ 2,206,658	\$ 5,644,354	\$ (38,913,580)	\$ 103,191,871	\$ 108,423,788

The Diocese of Long Island

Combining Statement of Activities - Diocese of Long Island
Year Ended December 31, 2020 (With Comparative Totals for 2019)

	The Diocese of Long Island	Bishop's Call	Bishop's Fund for Theological Education	Total All Funds	
				2020	2019
Changes in Net Assets Without Donor Restrictions					
Revenues:					
Return on investments, net	\$ 505,579	\$ 14,686	\$ 17,501	\$ 537,766	\$ 518,276
Parish, mission and other support	8,426,151	170,000	759	8,596,910	4,609,400
Other income	396,384	-	760	397,144	1,036,847
Total revenues	9,328,114	184,686	19,020	9,531,820	6,164,523
Expenses:					
Program	3,536,076	69,758	13,749	3,619,583	3,611,901
Administrative	2,754,259	26,591	-	2,780,850	3,005,709
Total expenses	6,290,335	96,349	13,749	6,400,433	6,617,610
Changes in net assets without donor restrictions	3,037,779	88,337	5,271	3,131,387	(453,087)
Net Assets (Deficit), Beginning	462,439	22,128	(4,427)	480,140	933,227
Net Assets, Ending	\$ 3,500,218	\$ 110,465	\$ 844	\$ 3,611,527	\$ 480,140

The Diocese of Long Island

Combining Statement of Activities - Other Diocesan Entities

Year Ended December 31, 2020 (With Comparative Totals for 2019)

	Cathedral of the Incarnation	Episcopal Ministries	Camp DeWolfe	School of Theology	Eliminations	Total All Funds	
						2020	2019
Changes in Net Assets Without Donor Restrictions							
Revenues:							
Return on investments, net	\$ 92,472	\$ 2,175,168	\$ 3,073	\$ -	\$ -	\$ 2,270,713	\$ 3,043,668
Parish, mission and other support	1,523,199	128,171	279,896	541,558	(190,000)	2,282,824	2,156,525
Other income	213,805	150	71,783	1,505	-	287,243	888,082
Net assets released from restrictions	39,248	-	-	-	-	39,248	128,883
Total revenues	<u>1,868,724</u>	<u>2,303,489</u>	<u>354,752</u>	<u>543,063</u>	<u>(190,000)</u>	<u>4,880,028</u>	<u>6,217,158</u>
Expenses:							
Program	511,830	490,623	50,603	92,089	(190,000)	955,145	1,470,172
Administrative	1,478,556	372,115	416,946	374,461	-	2,642,078	2,770,089
Total expenses	<u>1,990,386</u>	<u>862,738</u>	<u>467,549</u>	<u>466,550</u>	<u>(190,000)</u>	<u>3,597,223</u>	<u>4,240,261</u>
Changes in net assets without donor restrictions	<u>(121,662)</u>	<u>1,440,751</u>	<u>(112,797)</u>	<u>76,513</u>	<u>-</u>	<u>1,282,805</u>	<u>1,976,897</u>
Changes in Net Assets With Donor Restrictions							
Return on investments, net	1,158,415	-	4,472	-	-	1,162,887	2,210,891
Other Income	75	-	-	-	-	75	19,598
Net assets released from restrictions	(39,248)	-	-	-	-	(39,248)	(128,883)
Changes in net assets with donor restrictions	<u>1,119,242</u>	<u>-</u>	<u>4,472</u>	<u>-</u>	<u>-</u>	<u>1,123,714</u>	<u>2,101,606</u>
Changes in net assets (deficit)	997,580	1,440,751	(108,325)	76,513	-	2,406,519	4,078,503
Net Assets (Deficit), Beginning	<u>37,358,170</u>	<u>12,713,274</u>	<u>(58,933)</u>	<u>149,969</u>	<u>-</u>	<u>50,162,480</u>	<u>46,083,977</u>
Net Assets (Deficit), Ending	<u>\$ 38,355,750</u>	<u>\$ 14,154,025</u>	<u>\$ (167,258)</u>	<u>\$ 226,482</u>	<u>\$ -</u>	<u>\$ 52,568,999</u>	<u>\$ 50,162,480</u>