

THE FUND FOR THE DIACONATE
OF THE EPISCOPAL CHURCH

FINANCIAL STATEMENTS

JULY 31, 2023 and 2022

THE FUND FOR THE DIACONATE OF THE EPISCOPAL CHURCH

Contents

	<u>Page</u>
Independent Auditors' Report	1 - 2
Financial Statements	
Statements of financial position as of July 31, 2023 and 2022	3
Statements of activities for the years ended July 31, 2023 and 2022	4
Statement of functional expenses for the year ended July 31, 2023 (with summarized financial information for 2022)	5
Statement of functional expenses for the year ended July 31, 2022	6
Statements of cash flows for the years ended July 31, 2023 and 2022	7
Notes to financial statements	8 - 14

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
The Fund for the Diaconate of the Episcopal Church

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of The Fund for the Diaconate of the Episcopal Church (the "Fund"), which comprise the statements of financial position as of July 31, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for each of the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Fund for the Diaconate of the Episcopal Church as of July 31, 2023 and 2022, and the changes in its net assets and its cash flows for each of the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

The Fund's 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.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fund's ability to continue as a going concern for a reasonable period of time.

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

EisnerAmper LLP

EISNERAMPER LLP
New York, New York
February 23, 2024



THE FUND FOR THE DIACONATE OF THE EPISCOPAL CHURCH

Statements of Financial Position

	July 31,	
	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and cash equivalents	\$ 53,848	\$ 174,908
Interest and dividends receivable	806	797
Investments	7,915,998	7,829,134
Prepaid expenses	3,000	-
Beneficial interest in perpetual trust	<u>25,219</u>	<u>24,819</u>
	<u>\$ 7,998,871</u>	<u>\$ 8,029,658</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	\$ 39,640	\$ 26,500
Grants payable, net	<u>324,726</u>	<u>486,292</u>
Total liabilities	<u>364,366</u>	<u>512,792</u>
Net Assets:		
Without donor restrictions	7,593,405	7,478,926
With donor restrictions:		
Perpetual in nature	<u>41,100</u>	<u>37,940</u>
Total net assets	<u>7,634,505</u>	<u>7,516,866</u>
	<u>\$ 7,998,871</u>	<u>\$ 8,029,658</u>

See notes to financial statements.

THE FUND FOR THE DIACONATE OF THE EPISCOPAL CHURCH

Statements of Activities

	Year Ended July 31,					
	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Operating activities:						
Public support and revenue:						
Contributions and grants	\$ 2,599	\$ -	\$ 2,599	\$ 21,027	\$ 28,939	\$ 49,966
Interest and dividends, net	95,011	-	95,011	74,354	-	74,354
Net realized and unrealized gains (losses) on investments	471,370	2,760	474,130	(1,185,516)	(2,175)	(1,187,691)
Other income	4,445	-	4,445	-	-	-
Total public support and revenue	<u>573,425</u>	<u>2,760</u>	<u>576,185</u>	<u>(1,090,135)</u>	<u>26,764</u>	<u>(1,063,371)</u>
Operating expenses:						
Program services	311,433	-	311,433	813,568	-	813,568
General and administrative	103,705	-	103,705	138,596	-	138,596
Fund-raising	44,830	-	44,830	49,317	-	49,317
Total operating expenses	<u>459,968</u>	<u>-</u>	<u>459,968</u>	<u>1,001,481</u>	<u>-</u>	<u>1,001,481</u>
Change in net assets from operating activities	<u>113,457</u>	<u>2,760</u>	<u>116,217</u>	<u>(2,091,616)</u>	<u>26,764</u>	<u>(2,064,852)</u>
Non-operating activities:						
Distribution from beneficial interest in perpetual trust	1,022	-	1,022	977	-	977
Change in value of beneficial interest in perpetual trust	-	400	400	-	(4,120)	(4,120)
Total non-operating activities	<u>1,022</u>	<u>400</u>	<u>1,422</u>	<u>977</u>	<u>(4,120)</u>	<u>(3,143)</u>
Change in net assets	<u>114,479</u>	<u>3,160</u>	<u>117,639</u>	<u>(2,090,639)</u>	<u>22,644</u>	<u>(2,067,995)</u>
Net assets, beginning of year	<u>7,478,926</u>	<u>37,940</u>	<u>7,516,866</u>	<u>9,569,565</u>	<u>15,296</u>	<u>9,584,861</u>
Net assets, end of year	<u>\$ 7,593,405</u>	<u>\$ 41,100</u>	<u>\$ 7,634,505</u>	<u>\$ 7,478,926</u>	<u>\$ 37,940</u>	<u>\$ 7,516,866</u>

See notes to financial statements.

THE FUND FOR THE DIACONATE OF THE EPISCOPAL CHURCH

Statement of Functional Expenses

Year Ended July 31, 2023

(with summarized financial information for 2022)

	<u>Program Services</u>	<u>Supporting Services</u>			<u>Total Expenses</u>	
	<u>Grant Making and Grant Administration</u>	<u>General and Administrative</u>	<u>Fund- raising</u>	<u>Total Supporting Services</u>	<u>2023</u>	<u>2022</u>
Grants	\$ 201,691	\$ -	\$ -	\$ -	\$ 201,691	\$ 749,683
Grant coordinating services	30,485	-	-	-	30,485	21,150
Payroll and related benefits	11,091	3,811	3,810	7,621	18,712	
Audit and accounting fees	35,144	35,143	-	35,143	70,287	37,955
Legal fees	3,095	3,095	-	3,095	6,190	12,954
Fundraising consulting	-	-	30,213	30,213	30,213	39,222
Other professional fees	596	-	-	-	596	
Communications	-	-	7,897	7,897	7,897	10,095
Board meetings, travel, and meals	29,331	29,331	-	29,331	58,662	72,515
Election costs	-	322	-	322	322	3,577
Institutional development	-	-	2,910	2,910	2,910	
Office expenses	-	31,943	-	31,943	31,943	52,636
Insurance	-	60	-	60	60	1,944
	<u>-</u>	<u>60</u>	<u>-</u>	<u>60</u>	<u>60</u>	<u>1,944</u>
Total expenses	<u>\$ 311,433</u>	<u>\$ 103,705</u>	<u>\$ 44,830</u>	<u>\$ 148,535</u>	<u>\$ 459,968</u>	<u>\$ 1,001,731</u>

See notes to financial statements.

THE FUND FOR THE DIACONATE OF THE EPISCOPAL CHURCH

**Statement of Functional Expenses
Year Ended July 31, 2022**

	<u>Program Services</u>	<u>Supporting Services</u>			
	<u>Grant Making And Grant Administration</u>	<u>General and Administrative</u>	<u>Fund- raising</u>	<u>Total Supporting Services</u>	<u>Total Expenses</u>
Grants	\$ 749,683	\$ -	\$ -	\$ -	\$ 749,683
Grant coordinating services	21,150	-	-	-	21,150
Audit and accounting fees	-	37,955	-	37,955	37,955
Legal fees	6,477	6,477	-	6,477	12,954
Fundraising consulting	-	-	39,222	39,222	39,222
Communications	-	-	10,095	10,095	10,095
Board meetings, travel, and meals	36,258	36,257	-	36,257	72,515
Election costs	-	3,577	-	3,577	3,577
Office expenses	-	52,386	-	52,386	52,386
Insurance	-	1,944	-	1,944	1,944
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total expenses	<u>\$ 813,568</u>	<u>\$ 138,596</u>	<u>\$ 49,317</u>	<u>\$ 187,913</u>	<u>\$ 1,001,481</u>

See notes to financial statements.

THE FUND FOR THE DIACONATE OF THE EPISCOPAL CHURCH

Statements of Cash Flows

	Year Ended July 31,	
	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Change in net assets	\$ 117,639	\$ (2,067,995)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Net realized and unrealized (gains) losses on investments	(474,130)	1,187,691
Change in value of beneficial interest in perpetual trust	(400)	4,120
Changes in:		
Interest and dividends receivable	(9)	(776)
Prepaid expenses	(3,000)	-
Beneficial interest in perpetual trust	-	(28,939)
Accrued expenses	13,140	5,200
Grants payable, net	<u>(161,566)</u>	<u>486,292</u>
Net cash used in operating activities	<u>(508,326)</u>	<u>(414,407)</u>
Cash flows from investing activities:		
Proceeds from sales of investments	489,498	525,513
Purchases of investments	<u>(102,232)</u>	<u>(929,017)</u>
Net cash provided by (used in) investing activities	<u>387,266</u>	<u>(403,504)</u>
Change in cash and cash equivalents	(121,060)	(817,911)
Cash and cash equivalents, beginning of year	<u>174,908</u>	<u>992,819</u>
Cash and cash equivalents, end of year	\$ <u>53,848</u>	\$ <u>174,908</u>

THE FUND FOR THE DIACONATE OF THE EPISCOPAL CHURCH

Notes to Financial Statements July 31, 2023 and 2022

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

[1] Organization:

The Fund for the Diaconate of the Episcopal Church (the "Fund"), was organized in New York in 1927. The Fund is operated for the benefit of the Episcopal Church to provide allowances to those ordained to the ministry of the Episcopal Church, who have insufficient provisions for their needs.

The Fund qualifies as a charitable organization as defined by Section 501(c)(3) of the U.S. Internal Revenue Code (the "Code"), and accordingly, is exempt from federal income taxes under Section 509(a)(3) as a Type 1 supporting organization of the Code, and from state and local taxes under comparable laws.

[2] Basis of accounting:

The accompanying financial statements of the Fund have been prepared using the accrual basis of accounting and conform to accounting principles generally accepted in the United States of America ("U.S. GAAP"), as applicable to not-for-profit organizations.

[3] Use of estimates:

The preparation of financial statements in conformity with U.S. GAAP requires the Fund's management to make estimates and assumptions that affect the reported amount of assets, liabilities, public support and revenue and expenses and the disclosure of commitments and contingencies. Actual results could differ from those estimates.

[4] Cash and cash equivalents:

The Fund considers all highly liquid investments, with maturities of three months or less when purchased, to be cash equivalents.

[5] Investments:

Investments in mutual funds are reported at their fair values in the statements of financial position based on quoted market prices. The Fund's investments, in general, are subject to various risks, such as interest-rate, market, and credit risks. Due to the level of risk associated with certain investment vehicles, it is at least reasonably possible that changes in the values of those securities could occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

Investment transactions are recorded on a trade-date basis. Realized gains and losses on investments sold, and unrealized appreciation and depreciation on investments held, are reported in the statements of activities as increases or decreases in assets without donor restrictions, unless the use of which is restricted through donor stipulation. Realized gains and losses on investments are determined by comparison of the cost to proceeds at the time of disposition. Unrealized gains and losses on investments are determined by comparing the investments' costs to their fair values at the end of each year. The earnings from dividends and interest are recognized when earned.

[6] Beneficial interest in perpetual trust:

The Fund has been named as an irrevocable beneficiary of a perpetual trust which is administered by a third-party trustee. Under the perpetual trust arrangement, the Fund has reported the assets and has recognized the donor restricted contribution revenue at the fair value of the Fund's beneficial interest in the trust's assets. Distributions received on the trust assets are reported as without donor restrictions revenue in the statements of activities, in accordance with the donor's intent. Subsequent changes in the fair value of the perpetual trust's assets are recorded as a change in value of beneficial interest in perpetual trust in net assets with donor restrictions.

THE FUND FOR THE DIACONATE OF THE EPISCOPAL CHURCH

Notes to Financial Statements July 31, 2023 and 2022

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[7] Grants awards and payable:

The Fund provides various types of grant support to individuals ordained as Deacon in the Episcopal Church. Unconditional grants are recorded as expenses and liabilities after approval by the Board of Directors ("the Board"), based upon (i) the recommendations of the Grants Panel; and (ii) the availability of funding. Conditional grants are not reported as expenses until the conditions or milestones are met. Grants which are terminated and returned to the Fund, or grants which have been previously approved, but then canceled, are reported as non-operating activities.

[8] Net assets:

The net assets of the Fund and changes therein are classified and reported as follows:

(i) *Net assets without donor restrictions:*

Net assets without donor restrictions represent those resources for which there are no donor restrictions as to their use.

(ii) *Net assets with donor restrictions:*

Net assets with donor restrictions represent those resources that are subject to donor-imposed restrictions, such as specific purposes and/or the passage of time. Also included within net assets with donor restrictions are donor restrictions that are perpetual in nature and are subject to the requirements of the New York Prudent Management of Institutional Funds Act ("NYPMIFA"). These donors have stipulated that those resources be maintained in perpetuity with the resultant income and net capital appreciation arising from the underlying assets to be used in satisfaction of the wishes of those donors. When a donor restriction expires, that is, when a stipulated time restriction ends, or a purpose restriction is accomplished, or funds are appropriated through an action of the Board, net assets with donor restrictions are reclassified to net assets without donor restriction and are reported in the statements of activities as "net assets released from restrictions." Contributions received in the same year in which the donor restrictions are satisfied, are classified as without donor restrictions.

[9] Revenue recognition:

Contributions and grants to the Fund are recognized as revenue upon the receipt of either cash or other assets, or of unconditional pledges. Contributions and grants are reported as "with donor restrictions" if they are received with donor stipulations or time considerations as to their use. Conditional contributions are recognized when the donor's conditions have been met by requisite actions of the Fund's management or necessary events take place, and if received in advance, are recognized in the statements of financial position as funds received in advance. The Fund records bequest income at the time it has an established right to a bequest and the proceeds are measurable. Contributions to be received over periods longer than a single year, if any, are discounted at an interest rate commensurate with the risk involved.

[10] Functional allocation of expenses:

The costs of providing the Fund's programs and activities have been summarized on a functional basis in the statements of activities. The statement of functional expenses presents expenses by natural classification and function. Natural expenses attributable to more than one expense category are allocated by management based on time and effort. The program-related expenses include all expenses related to the administration of grants, and other expenses directly related to the programs of the Fund.

THE FUND FOR THE DIACONATE OF THE EPISCOPAL CHURCH

Notes to Financial Statements July 31, 2023 and 2022

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[11] Income taxes:

The Fund is subject to the provisions of the Financial Accounting Standards Board's (the "FASB") Accounting Standards Codification ("ASC") Topic 740, *Income Taxes*, as it relates to the accounting and reporting for uncertainty in income taxes. Because of the Fund's general tax-exempt status, ASC Topic 740 has not had, and is not anticipated to have, a material impact on the Fund's financial statements.

[12] Measure of operations:

The Fund includes in its definition of operations, all public support and revenue and expenses that are an integral part of its program and supporting activities. Distributions from, and changes in, the beneficial interest in the perpetual trust are recognized as part of the Fund's non-operating activities.

[13] Subsequent events:

The Fund has evaluated subsequent events through February 23, 2024, the date on which the financial statements were available to be issued.

NOTE B - INVESTMENTS AND FAIR VALUE MEASUREMENTS

At each fiscal year-end, investments consisted of the following:

	July 31,			
	2023		2022	
	Fair Value	Cost	Fair Value	Cost
Equities	\$ 753,721	\$ 715,068	\$ 666,322	\$ 733,398
Mutual funds:				
Equity	5,256,683	3,676,720	4,933,851	3,768,801
Bond	<u>1,905,594</u>	<u>2,144,948</u>	<u>2,228,961</u>	<u>2,380,930</u>
	<u>\$ 7,915,998</u>	<u>\$ 6,536,736</u>	<u>\$ 7,829,134</u>	<u>\$ 6,883,129</u>

During each fiscal year, investment returns consisted of the following:

	Year Ended July 31,	
	2023	2022
Interest and dividends	\$ 102,082	\$ 83,062
Investment custody fees	<u>(7,071)</u>	<u>(8,708)</u>
	<u>95,011</u>	<u>74,354</u>
Realized gains	40,873	342,875
Unrealized gains (losses)	<u>433,257</u>	<u>(1,530,566)</u>
	<u>474,130</u>	<u>(1,187,691)</u>
	<u>\$ 569,141</u>	<u>\$ (1,113,337)</u>

THE FUND FOR THE DIACONATE OF THE EPISCOPAL CHURCH

**Notes to Financial Statements
July 31, 2023 and 2022**

NOTE B - INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

The FASB's ASC Topic 820, *Fair Value Measurements*, establishes a three-level valuation hierarchy of fair-value measurements. These valuation techniques are based on observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect market assumptions. These two types of inputs create the following fair value hierarchy:

- Level 1: Valuations are based on observable inputs that reflect quoted market prices in active markets for identical investments, at the reporting date.
- Level 2: Valuations are based on (i) quoted prices for similar investments in active markets, or (ii) quoted prices for those investments, or similar investments, in markets that are not active, or (iii) pricing inputs other than quoted prices that are directly or indirectly observable at the reporting date.
- Level 3: Valuations are based on pricing inputs that are unobservable and include situations where (i) there is little, if any, market activity for the investments, or (ii) the investments cannot be independently valued.

The Fund's investments are valued entirely under Level 1 and the Fund's beneficial interest, a perpetual trust, is valued under Level 3 of the fair value hierarchy.

The availability of available market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or valuation techniques may require the transfers of financial instruments from one level to another. In such instances, the transfer is reported at the beginning of the reporting period. Investment fees are embedded in investment transactions.

Quantitative information regarding unobservable inputs developed by the Fund and assumptions used to measure the fair value of the split-interest agreement as of July 31, 2023 is as follows:

Type	Fair Value	Valuation Techniques	Significant Unobservable Inputs	Range
Beneficial interest in perpetual trust	\$ 25,219	Market approach through valuation of underlying securities	Fair value of trust assets	N/A

THE FUND FOR THE DIACONATE OF THE EPISCOPAL CHURCH

**Notes to Financial Statements
July 31, 2023 and 2022**

NOTE C - GRANTS

The changes in grants payable during the year are summarized as follows:

	Year Ended July 31,	
	2023	2022
Grants payable, beginning of year	\$ 509,375	\$ -
Current year activity:		
Grant awards	187,190	749,683
Grant payments	(308,147)	(240,308)
Write-offs/cancelled grants	<u>(55,110)</u>	<u>-</u>
Grants payable	333,308	509,375
Reduction in grants payable in excess of one year to present value at a discount rate of 4.0%	<u>8,582</u>	<u>23,083</u>
	<u>\$ 324,726</u>	<u>\$ 486,292</u>

At year-end, grants were awarded for the following purposes:

	Year Ended July 31,	
	2023	2022
Support	\$ 153,565	\$ 692,582
Medical need	26,020	26,916
Special need	-	15,452
Emergency	5,000	13,725
Diaconal formation	<u>2,605</u>	<u>1,008</u>
	<u>\$ 187,190</u>	<u>\$ 749,683</u>

At year-end, grants payable are expected to be paid as follows:

	Year Ended July 31,	
	2023	2022
2023	\$ -	\$ 252,885
2024	219,718	151,540
2025	102,490	104,950
2026	<u>11,100</u>	<u>-</u>
	<u>\$ 333,308</u>	<u>\$ 509,375</u>

THE FUND FOR THE DIACONATE OF THE EPISCOPAL CHURCH

**Notes to Financial Statements
July 31, 2023 and 2022**

NOTE D - NET ASSETS WITH DONOR RESTRICTIONS AND ENDOWMENT

[1] The endowment:

The Fund's endowment consists of two donor-restricted funds established to exist in perpetuity and to provide income to be used for the Fund's purposes.

[2] Interpretation of relevant law:

NYPMIFA is applicable to all of the Fund's institutional funds, including its donor-restricted fund. The Board adheres to NYPMIFA's requirements.

[3] Endowment net-asset composition and changes in endowment during the fiscal-year:

	July 31,	
	2023	2022
Endowment net assets, beginning of year	<u>\$ 37,940</u>	<u>\$ 15,296</u>
Contribution	-	28,939
Endowment returns	<u>3,160</u>	<u>(6,295)</u>
	<u>3,160</u>	<u>22,644</u>
Endowment net assets, end of year	<u>\$ 41,100</u>	<u>\$ 37,940</u>

[4] Return objectives, risk parameters and strategies employed for achieving objectives:

The Board evaluates the long-term asset allocation in meeting its fiduciary responsibilities for funding programs and protecting its endowment resources. To satisfy its long-term rate-of-return objectives, the Fund 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 Fund maintains a diversified asset base within prudent risk constraints.

[5] Funds with deficiencies:

Due to unfavorable market fluctuations, from time-to-time, the fair value of assets associated with individual donor-restricted endowment funds may decline below the historical dollar value of the donor's original restricted contribution, or the amount required to be maintained under state law, referred to as underwater endowment. Under the terms of NYPMIFA, the Fund has no responsibility to restore such decreases in value. As of July 31, 2023 and 2022, a deficiency existed in two donor-restricted endowment funds which had an original value that totaled \$44,235, and a deficiency of \$3,135 and \$6,295, respectively.

THE FUND FOR THE DIACONATE OF THE EPISCOPAL CHURCH

Notes to Financial Statements July 31, 2023 and 2022

NOTE E - LIQUIDITY AND AVAILABILITY OF RESOURCES

The following reflects the Fund's financial assets as of each year-end available for general expenditures within one year of the statements of financial position dates:

	July 31,	
	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 53,848	\$ 174,908
Interest and dividends receivable	806	797
Investments	<u>7,915,998</u>	<u>7,829,134</u>
Total financial assets available within one year	<u>7,970,652</u>	<u>9,304,839</u>
Less:		
Amounts unavailable for general expenditures within one year, due to:		
Perpetual in nature	<u>(41,100)</u>	<u>(15,296)</u>
Total financial assets available to meet cash needs for general expenditures within one year	<u>\$ 7,932,312</u>	<u>\$ 9,289,543</u>

Liquidity policy:

The Fund's policy is to structure its financial assets to be available for its general expenditures, liabilities and other obligations as they come due.