

EISNERAMPER

**NEW YORK CITY
CHURCH OF CHRIST, INC.**

FINANCIAL STATEMENTS

DECEMBER 31, 2018 and 2017



INDEPENDENT AUDITORS' REPORT

Board of Trustees
New York City Church of Christ, Inc.
New York, New York

Report on the Financial Statements

We have audited the accompanying financial statements of the New York City Church of Christ, Inc. (the "Church"), which are comprised of the statements of financial position as of December 31, 2018 and 2017, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

The Church'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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization'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 organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the New York City Church of Christ, Inc. as of December 31, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.



EISNERAMPER LLP
New York, New York
June 4, 2019



NEW YORK CITY CHURCH OF CHRIST, INC.

Statements of Financial Position

	December 31,	
	<u>2018</u>	<u>2017</u>
ASSETS		
Cash and cash equivalents	\$ 532,889	\$ 552,016
Investments	1,396,863	1,149,492
Prepaid expenses and other assets	222,207	310,984
Beneficial interest in a charitable lead annuity trust	589,064	590,632
Furniture and equipment, net	<u>22,746</u>	<u>31,576</u>
	<u>\$ 2,763,769</u>	<u>\$ 2,634,700</u>
LIABILITIES		
Accounts payable and accrued liabilities	\$ 156,941	\$ 177,116
Deferred revenue	<u>16,451</u>	<u>29,580</u>
	<u>173,392</u>	<u>206,696</u>
Commitments (Note G)		
NET ASSETS		
Without donor restrictions:		
Operating assets	462,038	396,386
Board-designated	<u>1,034,880</u>	<u>1,034,880</u>
Total net assets without donor restrictions	1,496,918	1,431,266
With donor restrictions:		
Purpose and time restrictions	<u>1,093,459</u>	<u>996,738</u>
Total net assets	<u>2,590,377</u>	<u>2,428,004</u>
	<u>\$ 2,763,769</u>	<u>\$ 2,634,700</u>

NEW YORK CITY CHURCH OF CHRIST, INC.

Statements of Activities

	Year Ended December 31,					
	2018			2017		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Public support and revenue:						
Weekly contributions	\$ 5,919,422		\$ 5,919,422	\$ 5,558,193		\$ 5,558,193
Mission contributions		\$ 675,600	675,600		\$ 675,600	675,600
Special contributions	424,622		424,622	346,067		346,067
Other contributions	13,868	52,365	66,233	32,221	52,241	84,462
Benevolence		319,077	319,077		265,294	265,294
Investment returns	25,859		25,859	11,655		11,655
Special events fee income	314,086		314,086	339,253		339,253
Change in value of beneficial interest in charitable lead annuity trust		18,138	18,138		19,402	19,402
Total public support and revenue before net assets released from restrictions	6,697,857	1,065,180	7,763,037	6,287,389	1,012,537	7,299,926
Net assets released from restrictions - satisfaction of restrictions	968,459	(968,459)	0	1,116,661	(1,116,661)	0
Total public support and revenue	7,666,316	96,721	7,763,037	7,404,050	(104,124)	7,299,926
Expenses:						
Program services - ministry	6,707,488		6,707,488	6,812,919		6,812,919
General and administrative	893,176		893,176	873,905		873,905
Total expenses	7,600,664		7,600,664	7,686,824		7,686,824
Change in net assets	65,652	96,721	162,373	(282,774)	(104,124)	(386,898)
Net assets, beginning of year	1,431,266	996,738	2,428,004	1,714,040	1,100,862	2,814,902
Net assets, end of year	<u>\$ 1,496,918</u>	<u>\$ 1,093,459</u>	<u>\$ 2,590,377</u>	<u>\$ 1,431,266</u>	<u>\$ 996,738</u>	<u>\$ 2,428,004</u>

See notes to financial statements.

NEW YORK CITY CHURCH OF CHRIST, INC.

Statements of Functional Expenses

	Year Ended December 31,					
	2018			2017		
	Ministry	General and Administrative	Total	Ministry	General and Administrative	Total
Salaries and parsonage	\$ 3,019,100	\$ 419,800	\$ 3,438,900	\$ 2,834,924	\$ 439,985	\$ 3,274,909
Payroll taxes and employee benefits	719,776	147,176	866,952	649,163	155,059	804,222
Rent	956,097	56,227	1,012,324	1,167,442	55,174	1,222,616
Insurance	1,040	73,159	74,199	1,045	63,778	64,823
Professional fees	350	88,400	88,750		65,738	65,738
Telephone and utilities	200	7,275	7,475		7,416	7,416
Supplies expense	72,807	16,768	89,575	81,180	20,779	101,959
Professional ministry expenses	232,393		232,393	208,999		208,999
Special event expenses	369,975	8,656	378,631	327,369		327,369
Recruitment	503	220	723	18,392		18,392
Mission expenses	668,183		668,183	757,812		757,812
Benevolence	226,675		226,675	294,537		294,537
Education and training	114,480		114,480	64,314	1,133	65,447
Regional ministry development	246,571		246,571	268,089		268,089
Travel, meals and lodging	15,406	1,753	17,159	15,697	1,273	16,970
Youth program expenses	13,110		13,110	55,404		55,404
Printing, postage and shipping	6,692	2,248	8,940	8,726	199	8,925
Bank and online charges		34,757	34,757		31,750	31,750
Miscellaneous expenses	44,130	23,409	67,539	59,826	15,375	75,201
Total expenses before depreciation	6,707,488	879,848	7,587,336	6,812,919	857,659	7,670,578
Depreciation		13,328	13,328		16,246	16,246
Total expenses	<u>\$ 6,707,488</u>	<u>\$ 893,176</u>	<u>\$ 7,600,664</u>	<u>\$ 6,812,919</u>	<u>\$ 873,905</u>	<u>\$ 7,686,824</u>

See notes to financial statements.

NEW YORK CITY CHURCH OF CHRIST, INC.

Statements of Cash Flows

	Year Ended December 31,	
	2018	2017
Cash flows from operating activities:		
Change in net assets	\$ 162,373	\$ (386,898)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	13,328	16,246
Donated securities	(40,276)	(38,122)
Proceeds from donated securities	47,355	43,027
Net unrealized and realized gains on investments	(4,450)	(5,375)
Changes in:		
Prepaid expenses and other assets	88,777	(51,025)
Beneficial interest in a charitable lead annuity trust	1,568	910
Accounts payable and accrued liabilities	(20,175)	12,210
Deferred revenue	(13,129)	3,511
Net cash provided by (used in) operating activities	<u>235,371</u>	<u>(405,516)</u>
Cash flows from investing activities:		
Proceeds from the maturity of investments	1,250,000	1,140,000
Purchases of investments	(1,500,000)	(900,000)
Purchases of furniture and equipment	(4,498)	(16,165)
Net cash (used in) provided by investing activities	<u>(254,498)</u>	<u>223,835</u>
Net change in cash and cash equivalents	(19,127)	(181,681)
Cash and cash equivalents at beginning of year	<u>552,016</u>	<u>733,697</u>
Cash and cash equivalents at end of year	\$ <u>532,889</u>	\$ <u>552,016</u>

NEW YORK CITY CHURCH OF CHRIST, INC.

Notes to Financial Statements December 31, 2018 and 2017

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

[1] Organization:

The New York City Church of Christ, Inc. (the "Church") is a nondenominational church. The Church was established and incorporated under the laws of the State of New York in 1983 and currently ministers to the New York/New Jersey metropolitan area, as well as to foreign missions, as needed.

As a religious organization, the Church is exempt from federal income tax under Section 501(c)(3) of the U.S. Internal Revenue Code and from state and local taxes under comparable laws.

[2] Basis of accounting:

The financial statements of the Church 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 management to make estimates and assumptions that affect the reported amounts of assets, liabilities, public support and revenue and expenses, as well as the disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

[4] Cash and cash equivalents:

For financial-reporting purposes, the Church considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. At times, the values of such cash and cash equivalents may exceed federally insured limits.

[5] Investments:

Investments consist of certificates of deposits and are reported at their fair values in the statements of financial position based on quoted market prices. 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 net assets without donor restrictions. Realized gains and losses on investments are determined by comparison of the cost basis to proceeds at the time of disposition. Unrealized gains and losses on investments are determined by comparing the investment's cost to the fair value at the end of each year. The earnings from dividends and interest are recognized when earned.

Donated securities are recorded at their estimated fair values, as determined by the proceeds received on the dates of donation or by their net asset values as determined by the Church's management. The Church's policy is to sell the donated securities immediately, and, accordingly, for purposes of the statements of cash flows, donated securities and the proceeds generated from their sale are included within operating activities.

[6] Furniture and equipment:

Furniture and equipment are stated at their original costs at the dates of acquisition, or, if contributed, at their fair values at the dates of donation. The Church capitalizes furniture and equipment with a cost of \$1,000 or more and a useful life of greater than one year, whereas, minor costs of repairs and maintenance are expensed as incurred. Depreciation of furniture and equipment is provided using the straight-line method over five years, the estimated useful lives of the related assets.

NEW YORK CITY CHURCH OF CHRIST, INC.

Notes to Financial Statements December 31, 2018 and 2017

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

[6] Furniture and equipment: (continued)

Management evaluates the recoverability of the investment in long-lived assets on an on-going basis and recognizes any impairment in the year of determination. Long-lived assets were tested for impairments as of December 31, 2018 and 2017, and, in the opinion of management, there were no impairments in value in either year. However, it is reasonably possible that relevant conditions could change in the near term and necessitate a change in management's estimates of the recoverability of these assets.

[7] Net assets:

Net assets of the Church are classified and reported as follows:

(i) *Net assets without donor restrictions:*

Net assets without donor restrictions represent resources that are not subject to donor-imposed restrictions. Included in net assets without donor restrictions are amounts that have been appropriated or designated by the Church's Board of Trustees for general purposes.

(ii) *Net assets with donor restrictions:*

Net assets with donor restrictions represent those resources the use of which has been restricted by donors or state law to specific purposes and/or the passage of time. When a donor restriction expires, that is, when a stipulated time restriction ends, or a purpose restriction is accomplished, net assets are reclassified as net assets without donor restrictions and are reported in the statements of activities as "net assets released from restrictions."

[8] Revenue recognition:

(i) *Contributions:*

Contributions are recorded as revenue upon the receipt of cash or securities. Contributions are considered available for use, unless specifically restricted by the donor, and consist of the following categories:

a. *Weekly contributions:*

These are donations from Church members received at regular weekly services. These contributions are used for general operations, as well as for special programs of the Church.

b. *Missions contributions:*

These are donations from Church members that are designated for specific domestic and foreign mission churches and programs.

c. *Special contributions:*

These are donations from Church members that are directed toward selective programs within the Church.

NEW YORK CITY CHURCH OF CHRIST, INC.

Notes to Financial Statements December 31, 2018 and 2017

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

[8] Revenue recognition: (continued)

(i) Contributions: (continued)

d. Benevolence:

These are donations from Church members that are designated for the poor and needy, through financial or material assistance.

e. Beneficial interest in a charitable lead annuity trust:

Contribution revenue from a charitable lead annuity trust is recognized upon the establishment of the agreement, at the fair value of the estimated future receipts, discounted for the estimated time period necessary to complete the agreement (see Note C).

(ii) Special events fee income:

Registration fees represent various ministry special events, such as youth camps, marriage seminars, campus retreats and singles events. Amounts received in advance of the services performed are recorded as deferred revenue on the statements of financial position.

[9] Functional allocation of expenses:

The costs of providing the Church's program and supporting service have been summarized on a functional basis in the statements of functional expenses. Accordingly, certain costs have been allocated among the program and supporting services based on the nature of the expenses. Natural expenses attributable to more than one functional expense category have been allocated amongst the program and supporting services based on time spent by employees and the nature of the expense. Indirect costs have been allocated on the basis of time and effort.

The Church reports certain categories of expenses that are attributed to the ministry program and supporting services. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Ministry expenses are costs directly incurred as the Church ministers to the New York/New Jersey metropolitan area. This category of expenses includes minister salaries, benefits, reimbursement of ministry-related expenses, facility rental fees, and contributions to other charitable organizations. In addition, various special-event fee income related to youth camps, marriage seminars, campus retreats and singles events is recorded as ministry expenses. Ministry expense also included immaterial fund-raising costs.

[10] Income taxes:

The Church 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 accounting and reporting for uncertainty in income taxes. Because of the Church's general tax-exempt status, management believes that ASC Topic 740 has not had, and is not expected to have, a material impact on the Church's financial statements.

NEW YORK CITY CHURCH OF CHRIST, INC.

**Notes to Financial Statements
December 31, 2018 and 2017**

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

[11] Adoption of accounting pronouncement:

In August 2016, the FASB issued Accounting Standards Update ("ASU") No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. ASU 2016-14 amends financial-statement presentations and disclosures. ASU 2016-14 includes qualitative and quantitative requirements in the following areas: (i) net asset classifications, (ii) investment returns, (iii) expense categorizations, and (iv) liquidity and availability of resources. ASU 2016-04 was effective for annual reporting periods beginning after December 15, 2017. Accordingly, the Church was required to adopt ASU 2016-14 during its year-ended December 31, 2018, which under U.S. GAAP was a change in accounting principle requiring retroactive application in the financial statement of certain areas, whereas certain other areas were adopted on a prospective basis, as permitted. Although the Church's adoption of ASU 2016-14 had no effect on the Church's total net assets or its changes in net assets for 2018 and 2017, certain reclassifications were required. Accordingly, the Church changed its presentation of its net asset classes and expanded certain footnote disclosures.

[12] Subsequent events:

The Church evaluated subsequent events through June 4, 2019, the date on which the financial statements were available to be issued.

NOTE B - INVESTMENTS AND BENEFICIAL INTEREST IN A CHARITABLE LEAD ANNUITY TRUST

At each year-end, investments consisted of certificates of deposit with a cost and fair value of \$1,400,000 and \$1,396,863, respectively, at December 31, 2018, and a cost and fair value of \$1,150,000 and \$1,149,492, respectively, at December 31, 2017.

During each year, investment returns consisted of the following:

	Year Ended December 31,	
	2018	2017
Interest and dividends	\$ 21,409	\$ 6,280
Net unrealized and realized gains	4,450	5,375
	<u>\$ 25,859</u>	<u>\$ 11,655</u>

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 assets 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 assets, or similar assets, 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 there is little, if any, market activity for the assets, or the assets cannot be independently valued.

NEW YORK CITY CHURCH OF CHRIST, INC.

Notes to Financial Statements December 31, 2018 and 2017

NOTE B - INVESTMENTS AND BENEFICIAL INTEREST IN A CHARITABLE LEAD ANNUITY TRUST (CONTINUED)

The availability of 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 transfer of financial instruments from one level to another. In such instances, the transfer is reported at the beginning of the reporting period. During 2018 and 2017, there were no transfers among the fair-value hierarchy levels.

The Church's assets classified as Level 3 consist of a beneficial interest in a charitable lead annuity trust. The Trust is reported at its estimated fair value using discounted future cash flow (see Note C).

The following tables summarize the fair values of the Church's investments and other assets at each year-end, in accordance with the ASC Topic 820 fair-value levels:

	December 31, 2018		
	Level 2	Level 3	Total
Certificates of deposit	<u>\$ 1,396,863</u>		<u>\$ 1,396,863</u>
Total investments	<u>1,396,863</u>		<u>1,396,863</u>
Beneficial interest in a charitable lead annuity trust		<u>\$ 589,064</u>	<u>589,064</u>
Total	<u>\$ 1,396,863</u>	<u>\$ 589,064</u>	<u>\$ 1,985,927</u>

	December 31, 2017		
	Level 2	Level 3	Total
Certificates of deposit	<u>\$ 1,149,492</u>		<u>\$ 1,149,492</u>
Total investments	<u>1,149,492</u>		<u>1,149,492</u>
Beneficial interest in a charitable lead annuity trust		<u>\$ 590,632</u>	<u>590,632</u>
Total	<u>\$ 1,149,492</u>	<u>\$ 590,632</u>	<u>\$ 1,740,124</u>

The following table summarizes the change in fair value of the Church's Level 3 assets during each year:

	December 31,	
	2018	2017
Balance at January 1	\$ 590,632	\$ 591,542
Change in value of beneficial interest in charitable lead annuity trust	18,138	19,402
Payments received (related to 2015 through 2018)	<u>(19,706)</u>	<u>(20,312)</u>
Balance at December 31	<u>\$ 589,064</u>	<u>\$ 590,632</u>

NEW YORK CITY CHURCH OF CHRIST, INC.

Notes to Financial Statements December 31, 2018 and 2017

NOTE B - INVESTMENTS AND BENEFICIAL INTEREST IN A CHARITABLE LEAD ANNUITY TRUST (CONTINUED)

Quantitative information regarding unobservable inputs developed by the Church and assumptions used to measure the fair value of the beneficial interest in a charitable lead annuity trust agreement as of December 31, 2018 are as follows:

Type	Fair Value	Valuation Technique	Significant Unobservable Inputs	Range
Charitable lead annuity trust	\$ 589,064	Present value of trust assets	Growth rate / discount rate	4%

NOTE C - BENEFICIAL INTEREST IN A CHARITABLE LEAD ANNUITY TRUST

On December 31, 2010, the Church became the beneficiary of an irrevocable charitable lead annuity trust (the "Trust"). Under the Trust agreement, the Church is estimated to receive annual annuity payments of \$50,400, payable quarterly for twenty years. The funds in the Trust are managed by an unrelated trustee and represent an interest in a limited partnership.

During 2018 and 2017, the Church recognized changes in fair value from the trust of approximately \$18,000 and \$19,000, respectively, representing the amortization of the present value of the estimated future annuity payments, using a discount rate of 4%. The payments received during 2018 and 2017 relate to partial interest payments from 2015 through 2018. The remaining annuity payments for 2015 through 2018 have not been received. The estimated fair value of the Church's interest in the Trust, as of December 31, 2018 and 2017, was \$589,064 and 590,632, respectively.

NOTE D - FURNITURE AND EQUIPMENT

At December 31, 2018 and 2017, the Church's equipment consisted of furniture and equipment with a cost of \$233,927 and \$229,429, respectively, and accumulated depreciation of \$211,181 and \$197,853, respectively. During 2017, the Church disposed of fully depreciated equipment of \$6,576. There were no disposals during 2018.

NEW YORK CITY CHURCH OF CHRIST, INC.

Notes to Financial Statements December 31, 2018 and 2017

NOTE E - NET ASSETS WITH DONOR RESTRICTIONS

At each year-end, net assets with donor restrictions were available to satisfy the following purposes:

	December 31,	
	2018	2017
Specific programs:		
Missions	\$ 313,469	\$ 306,052
Benevolence	156,088	63,686
Children's programs	14,558	21,088
Adoption activities	10,280	10,280
Single ministry	10,000	
Manhattan facility rentals		5,000
Total specific programs	<u>504,395</u>	<u>406,106</u>
Time-restricted:		
Charitable trust (Note C)	<u>589,064</u>	<u>590,632</u>
	<u>\$ 1,093,459</u>	<u>\$ 996,738</u>

During each year, net assets released from restrictions consisted of the following:

	Year Ended December 31,	
	2018	2017
Specific programs:		
Missions	\$ 668,183	\$ 757,812
Benevolence	226,675	294,537
Children's programs	48,895	44,000
Manhattan facility rentals	5,000	
Total specific programs	<u>948,753</u>	<u>1,096,349</u>
Time-restricted:		
Charitable trust (Note C)	<u>19,706</u>	<u>20,312</u>
	<u>\$ 968,459</u>	<u>\$ 1,116,661</u>

NOTE F - RETIREMENT PLAN

The Church sponsors a tax-deferred annuity retirement plan established under Section 403(b) of the Internal Revenue Code. The Church provides a match for all employees age 50 and over. Employer contributions to the plan for 2018 and 2017 were \$148,470 and \$149,505, respectively.

NEW YORK CITY CHURCH OF CHRIST, INC.

Notes to Financial Statements December 31, 2018 and 2017

NOTE G - COMMITMENTS

[1] Lease commitments:

In April 2013, the Church entered into a lease agreement for property at 400 Plaza Drive in Secaucus, New Jersey, for use as its corporate headquarters. The lease which required monthly payments of approximately \$3,900 expired in November 2018. In May 2018, the lease was extended for an additional five years, through November 2023.

For years subsequent to 2018, minimum future rental payments under the lease agreement for the corporate headquarters lease are expected to be as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2019	\$ 51,999
2020	52,943
2021	53,887
2022	54,831
2023	<u>51,055</u>
	<u>\$ 264,715</u>

Rental expense for administrative offices for 2018 and 2017 was \$56,227 and \$55,174, respectively.

In addition, in order to conduct its weekly services, the Church has entered into short-term lease agreements for the use of various facilities throughout the New York/New Jersey metropolitan area. Rent expense for these facilities for 2018 and 2017 amounted to \$956,098 and \$1,167,442, respectively.

[2] Other contracts:

In the normal course of its business, the Church enters into various contracts for professional and other services, which are typically renewable on a year-to-year basis.

NOTE H - CONCENTRATION OF CREDIT RISK

The Church maintains its cash and its investments in high-credit-quality financial institutions in amounts which, at times, may exceed federally insured limits. Management believes that the Church is not exposed to any significant risk of loss due to the failure of these financial institutions.

NOTE I - LIQUIDITY AND AVAILABILITY OF RESOURCES

The following reflects the Church's financial assets as of December 31, 2018, reduced by amounts not available for general use within one year of December 31, 2018 because of contractual, donor-imposed restrictions or internal designations.

NEW YORK CITY CHURCH OF CHRIST, INC.

**Notes to Financial Statements
December 31, 2018 and 2017**

NOTE I - LIQUIDITY AND AVAILABILITY OF RESOURCES (CONTINUED)

The Church's financial assets available for general use within one year of the statements of financial position date for general expenditure are as follows:

Cash and cash equivalents	\$ 532,889
Investments	<u>1,396,863</u>
Total financial assets available within one year	<u>1,929,752</u>
Less: amounts unavailable for general expenditures within one year, due to: Restriction by donors with purpose restrictions	<u>(504,395)</u>
Amounts unavailable to management without Board's approval: Board-designated	<u>(1,034,880)</u>
Total financial assets available to meet cash needs for general expenditures within one year	<u>\$ 390,477</u>

Liquidity policy:

The Church's policy is to structure its financial assets to maintain a sufficient level of operating cash to be available for its general expenditures, liabilities, and other obligations as they come due. Additionally, the Church has a Board-designated reserve whereby amounts could be made available for current operations, if necessary; however, the Church does not intend to spend these funds for purposes other than those approved by the Board of Trustees.