



Episcopal Church in the Diocese of Florida, Inc.

CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2020

	Page
REPORT	
Independent Auditor's Report	1
FINANCIAL STATEMENTS	
Consolidated Statement of Financial Position	3
Consolidated Statement of Activities	4
Consolidated Statement of Functional Expenses	5
Consolidated Statement of Cash Flows	6
Notes to Consolidated Financial Statements.....	7



Carr, Riggs & Ingram, LLC
7411 Fullerton Street
Suite 300
Jacksonville, FL 32256

904.356.6023
904.353.5836 (fax)
CRLcpa.com

INDEPENDENT AUDITOR'S REPORT

To Diocesan Council
Episcopal Church in the Diocese of Florida, Inc.

Opinion

We have audited the accompanying consolidated financial statements of Episcopal Church in the Diocese of Florida, Inc. (a nonprofit organization), which comprise the consolidated statements of financial position as of December 31, 2020, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Episcopal Church in the Diocese of Florida, Inc. 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Episcopal Church in the Diocese of Florida, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 Consolidated Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 generally accepted auditing standards 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, including omissions, 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 consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 Episcopal Church in the Diocese of Florida, Inc.'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 the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Episcopal Church in the Diocese of Florida, Inc.'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 identify during the audit.

Carr, Riggs & Ingram, L.L.C.

Jacksonville, Florida
February 7, 2024

Episcopal Church in the Diocese of Florida, Inc.
Consolidated Statement of Financial Position

<i>December 31,</i>	2020
Assets	
Current assets	
Cash and cash equivalents	\$ 946,321
Investments	6,919,136
Accounts receivable	1,270
Pledges receivable, net	771,510
Notes receivable	2,539,701
Prepaid expenses and other current assets	25,143
Total current assets	11,203,081
Non-current assets	
Pledges receivable, net	510,190
Notes receivable	301,926
Property and equipment, net	7,992,489
Investments - restricted	1,747,804
Other assets	51,975
Total non-current assets	10,604,384
Total assets	\$ 21,807,465
Liabilities and Net Assets	
Current liabilities	
Accounts payable and accrued expenses	\$ 381,087
Performance obligations	55,235
Notes payable, current	99,601
Total current liabilities	535,923
Long-term liabilities	
Notes payable, long-term	381,443
Accrued postretirement benefit obligation	1,898,023
Total long-term liabilities	2,279,466
Total liabilities	2,815,389
Net assets	
Without donor restrictions	14,143,655
With donor restrictions	4,848,421
Total net assets	18,992,076
Total liabilities and net assets	\$ 21,807,465

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

Episcopal Church in the Diocese of Florida, Inc.
Consolidated Statement of Activities

<i>For the year ended December 31,</i>	Without Donor Restrictions	With Donor Restrictions	2020 Total
Revenue and Other Support			
Contributions	\$ 3,498,376	\$ 6,818	\$ 3,505,194
Camp and conference center	194,684	-	194,684
Investment income, net of fees	218,979	777,785	996,764
Rent income	96,863	-	96,863
Other income	221,434	-	221,434
Gain on sale of property	2,000,000	-	2,000,000
Net assets released from restrictions	239,546	(239,546)	-
Total revenue and other support	6,469,882	545,057	7,014,939
Expenses			
<i>Program services</i>			
Diocesan title, outreach and giving	1,526,038	-	1,526,038
Youth and college ministry	351,034	-	351,034
Congregational development	246,176	-	246,176
Episcopate	455,588	-	455,588
Diocesan programs and ministries	441,772	-	441,772
Camp and conference center	1,075,160	-	1,075,160
Total program services	4,095,768	-	4,095,768
<i>Supporting services</i>			
General and administrative	1,130,106	-	1,130,106
Fundraising	301,523	-	301,523
Total supporting services	1,431,629	-	1,431,629
Total expenses	5,527,397	-	5,527,397
Change in net assets	942,485	545,057	1,487,542
Net assets at beginning of year	13,201,170	4,303,364	17,504,534
Net assets at end of year	\$ 14,143,655	\$ 4,848,421	\$ 18,992,076

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

Episcopal Church in the Diocese of Florida, Inc. Consolidated Statement of Functional Expenses

For the year ended December 31, 2020

	Program Services						Supporting Services				Total
	Diocesan Title, Outreach and Giving	Youth and College Ministry	Congregational Development	Episcopate	Diocesan Programs and Ministries	Camp and Conference Center	Total Program Services	General and Administrative	Fundraising	Total Supporting Services	
Salaries and benefits	\$ -	\$ 254,254	\$ 123,135	\$ 405,161	\$ 256,332	\$ 404,970	\$ 1,443,852	\$ 363,111	\$ 263,737	\$ 626,848	\$ 2,070,700
Postretirement benefits	-	-	-	-	-	-	-	222,982	-	222,982	222,982
Payroll processing fees	-	-	-	-	-	1,656	1,656	19,448	-	19,448	21,104
Grants and support	1,512,797	46,380	83,932	4,250	640	-	1,647,999	-	-	-	1,647,999
Utilities	37	17,122	-	-	-	66,242	83,401	13,120	-	13,120	96,521
Maintenance	575	6,983	-	-	2,300	107,170	117,028	55,933	-	55,933	172,961
Insurance	-	628	-	-	-	145,295	145,923	110,040	-	110,040	255,963
Telephone	-	3,129	1,434	4,445	4,525	34,062	47,595	17,584	1,596	19,180	66,775
Depreciation	-	-	-	-	-	188,675	188,675	-	-	-	188,675
Professional services	11,728	70	6,625	450	141,150	8,064	168,087	79,539	-	79,539	247,626
Travel	629	940	825	2,024	3,885	2,994	11,297	688	1,736	2,424	13,721
Vehicle expense	-	427	11,467	16,281	1,565	876	30,616	700	10,606	11,306	41,922
Conferences and retreats	-	1,642	16,672	365	19,095	-	37,774	-	495	495	38,269
Meals & entertainment	-	4,191	874	11,454	2,265	78	18,862	468	3,360	3,828	22,690
Food	-	-	-	-	-	32,851	32,851	-	-	-	32,851
Office and postage	244	14,893	991	6,140	2,847	15,997	41,112	14,324	399	14,723	55,835
Interest and bank fees	-	-	-	-	1,651	37,432	39,083	9,011	-	9,011	48,094
Taxes	-	-	-	-	-	4,509	4,509	60,921	-	60,921	65,430
Bad debt expense	-	-	-	-	-	-	-	140,032	16,200	156,232	156,232
Other expenses	28	375	221	5,018	5,517	24,289	35,448	22,205	3,394	25,599	61,047
Total expenses	\$ 1,526,038	\$ 351,034	\$ 246,176	\$ 455,588	\$ 441,772	\$ 1,075,160	\$ 4,095,768	\$ 1,130,106	\$ 301,523	\$ 1,431,629	\$ 5,527,397

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

Episcopal Church in the Diocese of Florida, Inc.
Consolidated Statement of Cash Flows

For the year ended December 31,

2020

Cash Flows from Operating Activities

Change in net assets	\$ 1,487,542
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities	
Amortization of discount on pledges receivable	(53,304)
Bad debts	156,232
Depreciation	188,675
(Gain) loss on sale of property and equipment	(2,000,000)
Unrealized and realized (gain) loss on investments	(795,629)
Forgiveness of PPP loan	(1,189,500)
Changes in operating assets and liabilities	
Accounts receivable	8,339
Pledges receivable	732,411
Notes receivable	127,357
Prepaid expenses and other current assets	22,390
Other assets	18,900
Accounts payable and accrued expenses	47,108
Performance obligations	(30,369)
Accrued postretirement benefit obligation	132,420
Net cash used in operating activities	(1,147,428)

Investing Activities

Purchase of property and equipment	(218,221)
Proceeds from sale of property and equipment	2,000,000
Purchase of investments	(1,580,059)
Proceeds from sale of investments	596,315
Net cash provided by investing activities	798,035

Financing Activities

Payments on notes payable	(94,111)
Proceeds from PPP loan	1,189,500
Net cash provided by financing activities	1,095,389

Net change in cash and cash equivalents	745,996
Cash and cash equivalents at beginning of year	200,325
Cash and cash equivalents at end of year	\$ 946,321

SUPPLEMENTAL CASH FLOW INFORMATION

Cash paid for interest	\$ 25,183
------------------------	-----------

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

Episcopal Church in the Diocese of Florida, Inc. Notes to Consolidated Financial Statements

Note 1: DESCRIPTION OF THE ORGANIZATION

The accompanying consolidated financial statements include the operations of the administrative offices of the Episcopal Church in the Diocese of Florida, Inc. (Diocese of Florida), Episcopal Camp and Conference Center, Inc. (Camp), and Episcopal Foundation, Inc. (Foundation), collectively “the Diocese”. The activities of these entities are consolidated, as the primary mission of each is to support the charitable and religious purposes of the Diocese.

The Diocese of Florida is a not-for-profit corporation existing under the laws of the State of Florida. The title to all assets and the responsibility for all indebtedness is in the name of the corporation. The Diocese of Florida is one of 98 dioceses of the Episcopal Church in the United States. As such, it is subject to the Constitution and Canons of the National Church, and to the acts of the General Convention, which is held every three years.

The Foundation was organized on January 9, 1998 as a separate corporation. Its primary purpose is to support the charitable and religious purposes of the Diocese. The Foundation’s articles of incorporation allow both the income and the principal from donations to be expended unless otherwise stipulated by the donor. The Foundation has a Board of Directors which may, upon a majority vote, dissolve the corporation. Upon dissolution, all assets would be transferred to the Diocese of Florida.

The Camp is a ministry of the Diocese of Florida, the primary objective of which is to provide meeting and retreat facilities in a Christian atmosphere for groups and parishes within the Diocese of Florida.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Financial Accounting Standards Board (FASB) provides authoritative guidance regarding U.S. GAAP through the Accounting Standards Codification (ASC) and related Accounting Standards Updates (ASUs).

Consolidation

The accompanying consolidated financial statements include the operations of the Diocese of Florida, the Foundation, and the Camp. All significant intercompany accounts, transactions, and profits have been eliminated.

Episcopal Church in the Diocese of Florida, Inc. Notes to Consolidated Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of U.S. GAAP consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Estimates that are particularly susceptible to significant change in the near term are related to allowances for uncollectible pledges receivable and accounts receivable, depreciable lives and estimated residual value and equipment, fair value of investments in debt and equity securities, imputed rates to discount pledges receivable, defined benefit pension plans (actuarial assumptions), allocation of expenses by function, and related-party transactions (such as collectability or valuation of a related-party receivable).

Cash and Cash Equivalents

Cash and cash equivalents include cash deposits and all highly liquid investments with an original maturity of 90 days or less.

Pledges Receivable

Conditional pledges receivable are not recognized in the consolidated financial statements until the conditions are substantially met or explicitly waived by the donor. Unconditional pledges receivable that are expected to be collected within one year are recorded at net realizable value. Unconditional pledges receivable that are expected to be collected in more than one year are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the pledges are received. Amortization of the discounts is included in contribution revenue. In the absence of donor stipulations to the contrary, pledges with payments due in future periods are restricted to use after the due date. Pledges that remain uncollected more than one year after their due dates are written off unless the donors indicate that payment is merely postponed. Based on past experience and the impact of the Covid-19 pandemic during 2020, management has recorded an allowance for uncollectible pledges at December 31, 2020 totaling \$156,232. Pledges receivable are recorded at their discounted net present value using a discount rate of 4%.

Investments

The Diocese reports investments in equity securities with readily determinable fair values and all investments in debt securities at their fair values in the Consolidated Statement of Financial Position. Unrealized gains and losses are included in the change in net assets in the accompanying Consolidated Statement of Activities. Investment income and gains (including gains and losses on investments and interest and dividends less external and direct internal investment expenses) restricted by donors are reported as increases in net assets without donor restrictions if the

Episcopal Church in the Diocese of Florida, Inc. Notes to Consolidated Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments (continued)

restrictions are met (either a stipulated time period ends, or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized. Realized gains and losses on disposition of investments are determined by comparison to specific cost of acquisition to proceeds at the time of disposal.

Property and Equipment

All acquisitions of property and equipment in excess of \$1,000 and all expenditures for maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Repairs and maintenance are expensed as incurred. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method.

Other Assets

The Diocese of Florida is party to a "Declaration of Trust" relating to the residential property owned by the Bishop. The Bishop (Trustee) acknowledges that he is holding the property in his individual name and as Trustee for the benefit of the Diocese. The original ownership percentage held by the Diocese was 42% of the property which was valued at \$378,000 at December 31, 2016. In November 2016, the Diocese agreed to convey the Bishop 2.33% of its interest in the property for each year he serves as bishop until he retires. At retirement, the Bishop will own 100% of the property. At any time prior to retirement that the Bishop no longer holds his position, the property will be sold and the proceeds will be divided based on the percentage ownership at that time. As of December 31, 2020, the Diocese had a 6% interest in the property valued at \$51,975.

Accrued Postretirement Benefit Obligation

The Diocese of Florida follows the requirements of FASB ASC 715-60, *Defined Benefit Plans – Other Postretirement*. As a result, the cost of future postretirement benefits is recognized on an accrual basis as employees perform services to earn the benefits.

Net Assets

The Diocese reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Diocese, the environment in which it operates, the purposes

Episcopal Church in the Diocese of Florida, Inc. Notes to Consolidated Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets (continued)

specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

Revenue Recognition

Camp and conference center and rent income are accounted for under ASC Topic 606, Revenue from Contracts with Customers (ASC 606), recognizing revenue when performance obligations under the terms of the contracts with customers are satisfied. Prior to the adoption of ASC 606, the Diocese recognized revenue when persuasive evidence of an arrangement existed, delivery of services had occurred, the sales price was fixed or determinable and collectability was reasonably assured. Income from the camp and conference center received in advance is deferred and recognized in the period the event takes place. Income from rent received in advance is deferred and recognized in the period to which the dates and income relates. These amounts are included in performance obligations within the statements of financial position.

Contributions are recognized when cash, other assets, an unconditional pledge receivable, or notification of a beneficial interest is received. Conditional pledges receivable are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the restriction. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as net assets without donor restrictions.

Donated Assets

Donated investments and other noncash donations are recorded as contributions at their fair values at the date of donation. It is the Diocese's policy to sell donated securities immediately upon receipt, and accordingly, for purposes of the combined statement of cash flows, the proceeds from the sale of the donated securities are reported as cash flows from operating activities.

Episcopal Church in the Diocese of Florida, Inc. Notes to Consolidated Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donated Services

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Diocese. Volunteers also provided fund-raising services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met.

Functional Allocation of Expenses

Directly identifiable expenses are charged to programs and supporting services. Expenses related to salaries and wages, payroll taxes and employee benefits are allocated on the basis of actual time and effort in each functional area. Expenses not charged to a specific program or supporting function require allocation on a reasonable basis that is consistently applied as follows: insurance, utilities, and telephone, are allocated based on location.

Advertising

The Diocese uses advertising to promote the Camp among the audiences it serves. The production costs of advertising are expensed as incurred. During the year ended December 31, 2020, advertising costs totaled \$3,227.

Income Taxes

Under section 501(c)(3) of the Internal Revenue Code, the Diocese is exempt from taxes on income other than unrelated business income. Unrelated business income can result from rent, administration of self-insurance activities, and commissions.

The Diocese utilizes the accounting requirements associated with uncertainty in income taxes using the provisions of Financial Accounting Standards Board (FASB) ASC 740, Income Taxes. Using that guidance, tax positions initially need to be recognized in the financial statements when it is more-likely-than-not the positions will be sustained upon examination by the tax authorities. It also provides guidance for derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. As of December 31, 2020, the Diocese has no uncertain tax provisions that qualify for recognition or disclosure in the financial statements.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, February 7, 2024. See Note 17 for relevant disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Episcopal Church in the Diocese of Florida, Inc. Notes to Consolidated Financial Statements

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent Accounting Pronouncements

In September 2020, the Financial Accounting Standards Board (FASB) issued ASU 2020-07, *Not-for-Profit Entities* (Topic 958): *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This standard is effective for fiscal years ending after June 15, 2021. The Diocese is currently evaluating the impact of the guidance on its consolidated financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842). The guidance in this ASU and its amendments supersedes the leasing guidance in Topic 840, entitled *Leases*. Under the guidance, lessees are required to recognize lease assets and liabilities on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. For nonpublic entities, the standard is now effective for fiscal years beginning after December 15, 2021, as a delay in adoption was approved. Early adoption is permitted. The Diocese is currently evaluating the impact of the guidance on its consolidated financial statements.

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606). This guidance specifies that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This ASU and its amendments supersede the revenue recognition requirements in Topic 605, *Revenue Recognition*, and most industry guidance.

Effective January 1, 2020, the Diocese adopted ASC 606, using the modified retrospective method. This method allows the standard to be adopted retrospectively through a cumulative adjustment to net assets recognized upon adoption. Therefore, the 2019 consolidated financial statements have not been restated and continue to be reported under the accounting standards in effect for those years. Upon adoption of ASC 606, deposits as previously presented were reclassified to performance obligations on January 1, 2020. There was no cumulative adjustment to previously stated camp and conference center or rent income or net income.

Note 3: FINANCIAL ASSET AVAILABILITY

The Diocese maintains its financial assets primarily in cash and cash equivalents, investments, pledges receivable and notes receivable to provide liquidity to ensure funds are available as the Diocese's expenditures come due. The following reflects the Diocese's financial assets as of the statement of financial position date, reduced by amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions.

Episcopal Church in the Diocese of Florida, Inc.
Notes to Consolidated Financial Statements

Note 3: FINANCIAL ASSET AVAILABILITY (CONTINUED)

<i>December 31,</i>	2020
Total assets at year end	\$ 21,807,465
Less non-financial assets	
Prepays and other current assets	(25,143)
Pledges receivable, net, due after one year	(510,190)
Notes receivable, due after one year	(301,926)
Property and equipment, net	(7,992,489)
Other assets	(51,975)
<hr/>	
Financial assets at year-end	12,925,742
Less those not available for general expenditures within one year, due to contractual or donor-imposed restrictions	
Restricted by donor with time or purpose restrictions	(4,848,421)
<hr/>	
Financial assets available to meet cash needs for general expenditures within one year	\$ 8,077,321

Note 4: PLEDGES RECEIVABLE

Pledges receivable consist of the following:

<i>December 31,</i>	2020
Foundation Capital Campaign pledges	\$ 1,118,821
Parish pledges	360,742
<hr/>	
Pledges receivable before discount and allowance	1,479,563
Less allowance for uncollectible pledges	(156,232)
Less unamortized discount	(41,631)
<hr/>	
Pledges receivable, net	\$ 1,281,700
<hr/>	
Amount due in:	
Receivable within one year	\$ 771,510
Receivable in one to five years	551,821
<hr/>	
Total pledges receivable	1,323,331
Unamortized discount	(41,631)
<hr/>	
Pledges receivable, net	\$ 1,281,700

Episcopal Church in the Diocese of Florida, Inc. Notes to Consolidated Financial Statements

Note 4: PLEDGES RECEIVABLE (Continued)

Bad debt expense totaled \$156,232 for the year ended December 31, 2020.

Note 5: NOTES RECEIVABLE

In 2016, the Diocese made a loan to the All Saints Parish (related party) of \$175,000 for renovations to its Church. The amount outstanding under the loan is \$175,000 as of December 31, 2020. The loan is non-interest bearing, unsecured, and is due December 2024.

In 2017, the Diocese made a loan to the St. Philip's Episcopal Church (related party) of \$50,000 for renovations to its Church. The amount outstanding under the loan is \$20,000 as of December 31, 2020. Payments on the loan of \$833, incurring no interest, are due monthly through November 2022, and are unsecured. Current portion of the note receivable is \$10,000 at December 31, 2020.

In 2018, The Diocese sold real property to a third party for \$625,000 and holds a mortgage note receivable related to the sale in the amount of \$406,788 as of December 31, 2020. Payments on the note of \$5,000, including interest at 3.5%, are due monthly through August 2023. Current portion of the note receivable is \$406,788 at December 31, 2020.

In 2018, the Diocese made a loan to the Grace Episcopal Church (related party) of \$95,000 for renovations to its Church. The amount outstanding under the loan is \$90,500 as of December 31, 2020. Payments on the loan of \$1,583, incurring no interest, are due monthly through April 2024, and are unsecured. Current portion of the note receivable is \$18,000 at December 31, 2020.

In 2019, The Diocese sold real property to a third party for \$2,200,000 and holds a mortgage note receivable related to the sale in the amount of \$2,090,713 as of December 31, 2020. Payments on the note of \$12,650, including interest at 6.0%, are due monthly with a balloon payment due December 2021. Current portion of the note receivable is \$2,090,713 at December 31, 2020.

In 2019, the Diocese made a loan to the St. Mary's Episcopal Church (related party) of \$48,000. The amount outstanding under the loan is \$36,000 as of December 31, 2020. Payments on the loan of \$3,000 are due quarterly beginning January 2020 until the loan is paid in full. The loan is non-interest bearing and is unsecured. Current portion of the note receivable is \$12,000 at December 31, 2020.

The notes receivable balance also includes certain loans extended to various parishes (related parties) totaling \$22,626 as of December 31, 2020. There are no formal agreements; repayment terms vary between 3-5 years with no interest due. Current portion of these notes receivable is \$2,200 at December 31, 2020.

Episcopal Church in the Diocese of Florida, Inc. Notes to Consolidated Financial Statements

Note 6: INVESTMENTS AND FAIR VALUE MEASUREMENTS

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices, such as:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs, other than quoted prices, that are:
 - observable; or
 - can be corroborated by observable market data.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2020.

Money market funds: The fair value of money market funds is classified as Level 1. The money market mutual fund consists primarily of domestic commercial paper and other cash management instruments, such as repurchase agreements and master notes, U.S. government and corporate obligations and other securities of foreign issuers. The fund seeks to maintain a stable net asset value of \$1 per share.

Equity securities: Valued at the closing price reported on the active market on which the individual securities are traded.

Mutual funds and real asset funds: Valued daily at the closing price as reported by the fund. These funds are required to publish their daily net asset value ("NAV") which is the price at which units can be traded at the measurement date. The mutual funds held by the Diocese are deemed to be actively traded.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Diocese believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in different fair value measurements at the reporting date.

Episcopal Church in the Diocese of Florida, Inc.
Notes to Consolidated Financial Statements

Note 6: INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

Assets and liabilities measured at fair value on a recurring basis, are summarized for the year ended December 31, 2020:

<i>December 31, 2020</i>	Level 1	Level 2	Level 3	Total
Money market funds	\$ 856,966	\$ -	\$ -	\$ 856,966
Equity securities	5,059,497	-	-	5,059,497
Mutual funds	2,594,866	-	-	2,594,866
Real asset funds	155,611	-	-	155,611
Total investments at fair value	\$ 8,666,940	\$ -	\$ -	\$ 8,666,940

Changes in Fair Value Levels

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

Management evaluated the significance of transfers between levels based upon the nature of the financial instrument and size of the transfer relative to total assets. For the year ended December 31, 2020, there were no significant transfers in or out of Levels 1, 2 or 3.

Investment income is comprised of the following:

<i>Year Ended December 31,</i>	2020
Dividends and interest, net of expenses of \$34,935	\$ 346,343
Realized and unrealized gain (loss) on investments	650,421
Total net investment income	\$ 996,764

Episcopal Church in the Diocese of Florida, Inc.
Notes to Consolidated Financial Statements

Note 7: PROPERTY AND EQUIPMENT

Property and equipment - net consist of the following:

<i>December 31,</i>	Estimated Useful Lives (in years)	2020
Land:		
Parishes and missions	N/A	\$ 1,383,161
Camp and Conference Center	N/A	911,801
Buildings and improvements:		
Camp and Conference Center	5 - 40 years	10,794,807
Real estate held for sale or lease	N/A	1,976,800
Furniture and fixtures	3 - 7 years	1,411,957
Equipment	2 - 8 years	396,924
Vehicles	5 years	20,899
Construction in progress	N/A	29,520
Total property and equipment		16,925,869
Less accumulated depreciation		(8,933,380)
Property and equipment, net		\$ 7,992,489

Depreciation expense for the year ended December 31, 2020 was \$188,675.

Pursuant to Florida law, the Canons of The Episcopal Church, and the Canons of the Diocese, title to real and personal property used by the individual parishes and missions is held by the Diocese. When the Diocese takes control of real property, along with all the risks and rewards related to ownership, an asset is recorded at the property's current fair market value. The Diocese may take control because of abandonment of parish property or assumption of an associated mortgage liability. Consequently, only certain of these assets are reflected in these financial statements. To obtain an accurate statement of value of the property ownership by the Diocese, all parish and mission financial statements should be reviewed together with these financial statements.

Sales of parish and mission real estate are accounted for under the full accrual method except when those sales do not meet the requirements for income recognition. When the requirements for income recognition are not met, the deposit method is utilized. Under that method, the sale is not recognized, and the loan receivable from the buyer is not recorded. Principal payments and cash received at closing are recorded as deposits in the statement of financial position until the income recognition requirements are met. A gain of \$2,000,000 from the sale of parish property was recognized by the Diocese for the year ended December 31, 2020.

Episcopal Church in the Diocese of Florida, Inc.
Notes to Consolidated Financial Statements

Note 8: LONG-TERM DEBT

Long-term debt consists of the following:

<u>December 31,</u>	<u>2020</u>
Mortgage payable to financial institution, quarterly principal and interest payments of \$28,631, interest at 4.25% per annum, maturity in May 2025, collateralized by real property and improvements with a net book value of \$4,503,699	\$ 466,954
Note payable to bank, monthly principal and interest payments of \$376, interest at 8.79% per annum, maturity in August 2024; secured by vehicle with a net book value of \$12,917	14,090
Long-term debt	481,044
Less current portion	(99,601)
Long-term debt, less current portion	<u>\$ 381,443</u>

Interest expense related to the long-term debt was \$25,183 for the year ended December 31, 2020.

Principal maturities for each of the next five years and thereafter follow:

<u>For the years ending December 31,</u>	<u>Amount</u>
2021	\$ 99,601
2022	104,070
2023	108,748
2024	112,137
2025	56,488
Total	<u>\$ 481,044</u>

Episcopal Church in the Diocese of Florida, Inc.
Notes to Consolidated Financial Statements

Note 9: NET ASSETS

A summary of net assets without donor restrictions follows:

<i>December 31,</i>	2020
Undesignated	\$ 12,789,329
Diocesan Council designated Endowment	1,354,326
Total net assets without donor restrictions	\$ 14,143,655

A summary of net assets with donor restrictions follows:

<i>December 31,</i>	2020
Purpose restrictions	
Aging Ministry fund	\$ 20,473
Bishop's search and transition fund	123,880
Bullock Scholarship fund	397,244
Camp Weed general support	325,775
Camp Weed Maintenance fund	8,683
Camp Weed Speakers Bureau fund	34,494
College Chapel fund	53,752
Diocese general support	2,132,092
Live Oak general support	31,165
New Water New Life lake project	27,346
St. Margaret's stain glass fund	36,730
Seminarian support	70,441
Trust for Bishop's home	51,975
Other various purposes	46,644
Total purpose restricted net assets	3,360,694
Restricted in perpetuity	
Aging Ministry fund	66,763
Bullock Scholarship fund	50,000
Camp Weed general support	31,144
Camp Weed Maintenance fund	96,214
Camp Weed Speakers Bureau fund	50,400
Diocese general support	895,027
Live Oak general support	77,234
Seminarian support	220,543
Other various funds	402
Total net assets restricted in perpetuity	1,487,727
Total net assets with donor restrictions	\$ 4,848,421

Episcopal Church in the Diocese of Florida, Inc.
Notes to Consolidated Financial Statements

Note 9: NET ASSETS (CONTINUED)

A summary of releases of net assets with donor restrictions follows:

<i>For the year ended December 31,</i>	<i>2020</i>
Purpose restricted	
Camp Weed general support	\$ 3,293
College Chapel fund	6,096
Diocese general support	149,815
Live Oak general support	3,293
Seminarian support	15,813
Trust for Bishop's home	18,900
Other various purposes	42,336
<hr/>	
Total releases from net assets with donor restrictions	\$ 239,546

Note 10: REVENUE

The Diocese is recognizing revenue at a point in time for its camp and conference center and rent income. As of December 31, 2020, there is \$55,235 of performance obligations related to the camp and conference center to be satisfied, it is currently unknown when this revenue is expected to be recognized as the operations of the camp and conference center have been shut down due to the Covid-19 pandemic. These performance obligations are based upon contracts to hold various events at the camp and conference center.

The Diocese's method of recognizing revenue is the output method for performance obligations to be recognized at a point in time, the date of the event.

The Diocese's customers are primarily other Episcopal entities, though the camp and conference center is available for use by the general public.

There are no contract assets or contract liabilities at December 31, 2020.

Note 11: ENDOWMENTS

The Diocese's endowment consists of eighteen individual funds established for a variety of purposes. Its endowment includes both donor-restricted funds and funds designated by the Diocese to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Diocese to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Absent explicit donor stipulations to the contrary, the Diocese has interpreted the State of Florida's Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds. As a result of this interpretation, the Diocese retains in perpetuity and classifies as net assets with donor restrictions (1) the original value of gifts donated to the perpetual endowment, (2) the original value of subsequent gifts to the perpetual endowment, and (3) 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 fund.

Episcopal Church in the Diocese of Florida, Inc.
Notes to Consolidated Financial Statements

Note 11: ENDOWMENTS (CONTINUED)

The remaining portion of the donor-restricted endowment fund that is not retained in perpetuity are subject to appropriation for expenditure by the Diocese in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, the Diocese considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Diocese, and (7) the Diocese's investment policies.

Investment Return Objectives, Risk Parameters and Strategy. The Diocese has adopted investment and spending policies as determined and recommended by the Finance Committee, and approved by the Diocesan Council and the Bishop, for endowment assets. Such policies are designed to invest the Diocese's cash assets in securities and depositories that will yield the maximum total return consistent with the safety of principal and liquidity needs. The Diocese's spending and investment policies collectively work to achieve this objective. The investment policy establishes an achievable return objective through diversification of asset classes. The current long-term objective is in line with not-for-profit industry management and investment of endowment funds. Actual returns in any given year may vary. Management believes that the investment philosophy of the Diocese is generally conservative in nature and balances its return of the investment along with liquidity.

Spending Policy. The Diocese has a policy of appropriating for distribution each year 4.5% of its endowment fund's average fair value of the prior 12 months through October of the year preceding the fiscal year in which the distribution is planned. In establishing this policy, the Diocese considered the long-term expected return on its investment assets, the nature and duration of the individual endowment funds, many of which must be maintained in perpetuity because of donor restrictions, and the possible effects of inflation. The Diocese expects the current spending policy to allow its endowment funds to grow at an average rate of 3% annually. This is consistent with the Diocese's objective to maintain the purchasing power of the endowment assets as well as to provide additional real growth through new gifts and investment return.

From time to time, certain donor-restricted endowment funds may have fair values that are less than the amount required to be maintained by donors or by law (underwater endowments). The Diocese has interpreted SPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. During the year, the Diocese did not have any underwater endowments.

Endowment net asset composition by type of fund follows:

<i>December 31,</i>	Without Donor Restrictions	With Donor Restrictions	2020 Total
Donor-restricted endowment			
net assets in perpetuity	\$ -	\$ 1,487,727	\$ 1,487,727
Endowment net assets without donor restrictions	1,354,326	-	1,354,326
Net accumulated earnings on donor-restricted endowment net assets available for expenditure	-	260,077	260,077
Total endowment funds	\$ 1,354,326	\$ 1,747,804	\$ 3,102,130

Episcopal Church in the Diocese of Florida, Inc.
Notes to Consolidated Financial Statements

Note 11: ENDOWMENTS (CONTINUED)

Changes in endowment net assets follow:

<i>Year ended December 31,</i>	Without Donor Restrictions	With Donor Restrictions	2020 Total
Endowment net assets, beginning of year	\$ 847,419	\$ 1,674,553	\$ 2,521,972
Contributions	-	475	475
Investment income, net	150,998	21,684	172,682
Net appreciation (depreciation)	509,017	69,625	578,642
Amounts appropriated for expenditures	(153,108)	(18,533)	(171,641)
Endowment net assets, December 31	\$ 1,354,326	\$ 1,747,804	\$ 3,102,130

Note 12: CONCENTRATIONS OF CREDIT RISK

The Diocese maintains its cash with a financial institution in excess of the FDIC limit of \$250,000 by \$724,100 at December 31, 2020.

Concentration of credit risk with respect to pledges receivable relates to one donor representing approximately 91% of the total non-discounted pledges as of December 31, 2020.

The Diocese's credit risk is inherent principally in its investments. Adverse economic conditions either domestically or internationally may result in a reduction of the investments' carrying amount. Market risk of the Diocese's investment portfolio is monitored through ongoing review of asset allocations and evaluation by independent investment advisers.

Note 13: COMMITMENTS

Leases

The Diocese leased certain equipment under various noncancellable operating lease arrangements that expire at various dates through 2022. Rent expense totaled \$24,435 for the year ended December 31, 2020.

Minimum lease payments under noncancellable operating leases are as follows:

<i>For the years ending December 31,</i>	Amount
2021	\$ 21,914
2022	17,447
Total future minimum lease payments	\$ 39,361

Episcopal Church in the Diocese of Florida, Inc. Notes to Consolidated Financial Statements

Note 13: COMMITMENTS (CONTINUED)

Title to Real Property

Title to real property used by the individual parishes and missions of the Diocese of Florida is owned and held by the Diocese of Florida and several of the properties have outstanding liabilities against them. On certain loans, the Diocese of Florida is the maker of the loan, with the parish as the guarantor. However, in practice, the parishes and missions are responsible for making payments on the loans (the related properties and debt are recorded on their books) and the Diocese of Florida acts as a guarantor on the debt. The amount of these loans outstanding at December 31, 2020 is approximately \$3.81 million. The Diocese of Florida believes that the fair value of the assets associated with the borrowings exceeds the outstanding loan balance.

Litigation

At times, the Diocese of Florida may be subject to litigation in the normal course of its operations. The Diocese of Florida records a liability for such litigation when, in their opinion, there will be a material adverse effect in a future period. No such liability was recorded as of December 31, 2020.

Provision for Dissolution of a Parish

Pursuant to the Articles of Association in the Canons of The Episcopal Church in the Diocese of Florida, in the event of dissolution of a Parish, the land, tenements, and other estates, real or personal, shall vest in The Episcopal Church in the Diocese of Florida.

Note 14: RETIREMENT AND POSTRETIREMENT PLANS

The Clergy and the lay employees of the Diocese of Florida are participants in separate defined benefit pension plans. Clergy are covered by the Church Pension Fund and lay employees are covered by the Lay Pension Fund. Both plans are defined benefit plans; however, they are part of a National Plan and additional information with respect to the Diocese of Florida is not available as the plans are evaluated on an aggregate basis. The Diocese contributes an amount equal to 18% of eligible clergy compensation for ordained clergy covered by the Church Pension Fund. The Diocese contributes an amount equal to 9% of eligible lay staff compensation. The plans call for quarterly contributions by the Diocese of Florida. Total pension expense was \$168,050 for the year ended December 31, 2020. Additionally, substantially all lay full-time staff members are covered by a qualified 403(b) plan; costs related to the match were \$34,219 in 2020.

Additionally, the Diocese of Florida provides certain health care benefits for clergy and laity retirees under a post-retirement benefit plan (the "Plan"). Eligibility for those benefits occurs upon the attainment of age 65 and a minimum of five years of service prior to retiring from the Diocese. In 2013, the Diocese of Florida modified the amount of benefits paid under the Plan and limited eligibility to individuals hired prior to July 1, 2011.

Episcopal Church in the Diocese of Florida, Inc.
Notes to Consolidated Financial Statements

Note 14: RETIREMENT AND POSTRETIREMENT PLANS (CONTINUED)

The following presents the Plan's funded status reconciled with amounts recognized in the accompanying financial statements:

<u>December 31,</u>	<u>2020</u>
Accrued postretirement benefit obligation	\$ 1,898,023
Market value of plan assets	-
Accrued postretirement benefit obligation	1,898,023
Unrecognized prior service cost	263,830
Unrecognized loss	(71,097)
<u>Accumulated postretirement benefit obligation</u>	<u>\$ 2,090,757</u>

The following represents a reconciliation of the beginning and ending balances of the accrued postretirement benefit obligation:

<u>December 31,</u>	<u>2020</u>
Accrued postretirement benefit obligation, beginning of year	\$ 1,765,603
Service cost	48,088
Interest cost	52,208
Cost from assumption changes	103,624
Net employer premiums paid	(71,500)
<u>Accrued postretirement benefit obligation, end of year</u>	<u>\$ 1,898,023</u>

Net periodic postretirement benefit costs include the following components:

<u>Year ended December 31,</u>	<u>2020</u>
Service cost	\$ 48,088
Interest cost	52,208
<u>Net periodic postretirement benefit costs</u>	<u>\$ 100,296</u>

The Diocese of Florida continues to fund benefits on a pay-as-you-go basis. The cost of retiree health care benefits funded upon payment of claims totaled \$71,500 for the year ended 2020.

Episcopal Church in the Diocese of Florida, Inc.
Notes to Consolidated Financial Statements

Note 14: RETIREMENT AND POSTRETIREMENT PLANS (CONTINUED)

Annual benefit payments which reflect anticipated future service are expected to be paid as follows:

<i>Years ending December 31,</i>	Amount
2021	\$ 96,995
2022	103,244
2023	104,551
2024	106,547
2025	105,564
2026 and 2027	209,135
Total	\$ 726,036

The accumulated postretirement benefit obligation and expected cost of benefits have been computed using a weighted average discount rate of 3.51% for the year ended 2020.

Note 15: RELATED PARTY TRANSACTIONS

The Diocese of Florida establishes general doctrine, provides oversight, and approves Clergy staff of each parish in its jurisdiction. As such, each parish is required to remit a portion of annual support and revenue to the Diocese. Parishes remitted \$2,198,762 to the Diocese for annual support for the year ended December 31, 2020.

The Diocese holds title to substantially all land and buildings used by the parishes under Diocese's jurisdiction and may encumber the property for the benefit of those parishes or the Diocese.

The Diocese has entered into installment promissory notes with several parishes. The amount of outstanding notes receivable to such related parties is \$344,126 at December 31, 2020.

Note 16: UNCERTAINTIES

In March 2020, the World Health Organization made the assessment that the outbreak of a novel coronavirus (COVID-19) can be characterized as a pandemic. The Governor of Florida declared a public health emergency in Florida due to COVID-19 and imposed "shelter-in-place" orders, quarantines, executive orders and similar government orders and restrictions for Florida residents to control the spread of COVID-19. These orders have resulted in business closures, work stoppages, slowdowns and delays, work-from-home policies, travel restrictions and cancellation of events, among other effects, thereby negatively impacting providers and clients served. As a result, uncertainties have arisen that may have a significant impact on the operating activities and results of the Diocese. In addition, such declines in the fair value of investments held by the Diocese may materially and adversely impact the Diocese's ability to achieve its investment objectives and therefore, its operational objectives.

Episcopal Church in the Diocese of Florida, Inc.
Notes to Consolidated Financial Statements

Note 16: UNCERTAINTIES (CONTINUED)

The occurrence and extent of such an impact will depend on future developments, including (i) the duration and spread of the virus, (ii) government quarantine measures, (iii) voluntary and precautionary restrictions on travel or meetings, (iv) the effects on the financial markets, and (v) the effects on the economy overall, all of which are uncertain.

Forgivable Loans Received Under the Small Business Administration Paycheck Protection Program

In response to the coronavirus (Covid-19) outbreak in 2020, the U.S. Federal Government enacted the Coronavirus Aid, Relief, and Economic Security Act that, among other economic stimulus measures, established the Paycheck Protection Program (PPP) to provide small business loans. In April 2020, the Diocese obtained a PPP loan for \$1,189,500. Having met all qualifications for full forgiveness of this PPP loan by December 31, 2020, the Diocese has recorded this as a contribution on the consolidated statement of activities.

Note 17: SUBSEQUENT EVENTS

The Diocese has evaluated all events or transactions that occurred after December 31, 2020 through February 7, 2024, the date the Diocese's consolidated financial statements were available to be issued. The following item occurred:

The Diocese applied for and received approval for the forgiveness in June 2021 for the \$1,189,500 Paycheck Protection Program (PPP) loan received in April 2020.