Episcopal Church in the Diocese of Florida, Inc.

CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2024

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CARR RIGGS & INGRAM

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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 statement of financial position as of December 31, 2024, 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, 2024, 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, 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 identified during the audit.

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

Jacksonville, Florida
August 24, 2026

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

December 31,	2024
Assets	
Current assets	
Cash and cash equivalents	$ 847,888
Investments	7,464,753
Pledges receivable, net	40,494
Notes receivable, current	29,632
Other receivable	19,476
Prepaid expenses and other current assets	22,404
Total current assets	8,424,647
Non-current assets	
Notes receivable, due after one year	113,115
Property and equipment, net	10,405,168
Investments - restricted	1,858,989
Total non-current assets	12,377,272
Total assets	$ 20,801,919
Liabilities and Net Assets	
Current liabilities	
Accounts payable and accrued expenses	$ 182,938
Performance obligations	99,826
Notes payable, current	56,906
Total current liabilities	339,670
Long-term liabilities	
Accrued postretirement benefit obligation	1,457,654
Total long-term liabilities	1,457,654
Total liabilities	1,797,324
Net assets	
Without donor restrictions	16,729,611
With donor restrictions	2,274,984
Total net assets	19,004,595
Total liabilities and net assets	$ 20,801,919

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

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

For the year ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Other Support			
Contributions	$ 2,616,301	$ 22,377	$ 2,638,678
Camp and conference center	777,325	-	777,325
Investment income, net of fees	452,922	13,190	466,112
Rent income	53,000	-	53,000
Insurance proceeds	139,686	-	139,686
Unrealized and realized gain on investments	432,597	20,777	453,374
Other income	333,493	-	333,493
Net assets released from restrictions	16,459	(16,459)	-
Total revenue and other support	4,821,783	39,885	4,861,668
Expenses			
Program services			
Diocesan title, outreach and giving	1,029,347	-	1,029,347
Youth and college ministry	238,951	-	238,951
Congregational development	213,147	-	213,147
Episcopate	284,503	-	284,503
Diocesan programs and ministries	647,123	-	647,123
Camp and conference center	2,106,883	-	2,106,883
Total program services	4,519,954	-	4,519,954
Supporting services			
General and administrative	1,174,843	-	1,174,843
Total supporting services	1,174,843	-	1,174,843
Total expenses	5,694,797	-	5,694,797
Change in net assets before gain on sale of property	(873,014)	39,885	(833,129)
Gain on sale of property	174,219	-	174,219
Change in net assets	(698,795)	39,885	(658,910)
Net assets at beginning of year	17,428,406	2,235,099	19,663,505
Net assets at end of year	$ 16,729,611	$ 2,274,984	$ 19,004,595

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, 2024

	Program Services							Supporting Services		
	Diocesan Title, Outreach and Giving	Youth and College Ministry	Congregational Development	Episcopate	Diocesan Programs and Ministries	Camp and Conference Center	Programs Subtotal	General and Administrative	Total Supporting Services	Total
Salaries and benefits	$ 98,569	$ 37,751	$ 84,082	$ 210,685	$ 371,093	$ 778,185	$ 1,580,365	$ 445,834	$ 445,834	$ 2,026,199
Postretirement benefits cost	-	-	-	-	-	-	-	52,715	52,715	52,715
Payroll processing fees	-	-	-	-	-	12,398	12,398	25,747	25,747	38,145
Grants and support	927,700	67,800	83,000	4,250	-	-	1,082,750	-	-	1,082,750
Utilities	-	30,962	-	-	-	374,378	405,340	16,019	16,019	421,359
Maintenance	-	4,885	-	-	-	251,944	256,829	36,431	36,431	293,260
Insurance	-	723	-	-	-	197,565	198,288	133,497	133,497	331,785
Telephone	-	3,036	-	1,200	3,318	-	7,554	11,026	11,026	18,580
Depreciation	-	-	-	-	-	284,332	284,332	26,978	26,978	311,310
Professional services	-	24,094	1,459	18,175	168,869	34,419	247,016	348,974	348,974	595,990
Travel	3,078	1,181	640	26,934	34,853	-	66,686	1,386	1,386	68,072
Vehicle expense	-	-	7,200	-	2,500	-	9,700	-	-	9,700
Conferences and retreats	-	3,177	-	8,094	49,674	-	60,945	1,148	1,148	62,093
Meals & entertainment	-	24,422	1,038	7,194	11,812	-	44,466	1,760	1,760	46,226
Office and postage	-	8,260	2,198	3,098	1,030	88,422	103,008	20,476	20,476	123,484
Interest and bank fees	-	-	-	-	-	15,689	15,689	5,014	5,014	20,703
Taxes	-	-	-	-	-	8,057	8,057	6,303	6,303	14,360
Bad debt	-	-	-	-	-	-	-	30,826	30,826	30,826
Other expenses	-	32,660	33,530	4,873	3,974	61,494	136,531	10,709	10,709	147,240
Total	$ 1,029,347	$ 238,951	$ 213,147	$ 284,503	$ 647,123	$ 2,106,883	$ 4,519,954	$ 1,174,843	$ 1,174,843	$ 5,694,797

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,		2024
Operating Activities		
Change in net assets	$	(658,910)
Adjustments to reconcile change in net assets to		
net cash provided by (used in) operating activities		
Provision for bad debts		30,826
Depreciation		311,310
Unrealized and realized gain on investments		(453,374)
Gain on sale of property		(174,219)
Changes in operating assets and liabilities		
Pledges receivable		63,944
Notes receivable		(41,089)
Other receivable		7,761
Prepaid expenses and other current assets		756
Other assets		4,776
Accounts payable and accrued expenses		(141,937)
Performance obligations		83,922
Accrued postretirement benefit obligation		(37,376)
Net cash used in operating activities		(1,003,610)
Investing Activities		
Purchase of property and equipment		(309,769)
Proceeds from sale property		174,219
Purchase of investments		(1,639,245)
Proceeds from sale of investments		2,360,046
Net cash provided by investing activities		585,251
Financing Activities		
Payments on notes payable		(109,089)
Net cash used in financing activities		(109,089)
Net change in cash and cash equivalents		(527,448)
Cash and cash equivalents at beginning of year		1,375,336
Cash and cash equivalents at end of year	$	847,888

SUPPLEMENTAL CASH FLOW INFORMATION		
Cash paid for interest	$	5,435

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 100 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.

The Diocese carries out its mission through a variety of program ministries, including the following:

Diocesan Tithe, Outreach and Giving consists primarily of grants and financial support provided to congregations, affiliated Episcopal ministries, and community organizations in furtherance of the Diocese's charitable and outreach objectives.

Youth and College Ministry provides Christian formation, leadership development, and pastoral support for children, youth, young adults, and college students through camps, retreats, conferences, campus ministries, and other educational programs.

Congregational Development provides resources, training, consulting, and financial assistance to congregations to support leadership development, stewardship, evangelism, clergy and lay formation, and parish vitality.

Episcopate includes the ministry and administrative functions of the Bishop and assisting clergy, providing spiritual leadership, pastoral care to clergy and congregations, and oversight of diocesan governance and canonical responsibilities.

Diocesan Programs and Ministries includes Christian formation, communications, pastoral ministries, and other diocesan-wide initiatives that provide resources and support to congregations and advance the mission of the Diocese.

Note 1: DESCRIPTION OF THE ORGANIZATION (Continued)

Camp and Conference Center operates the Diocese's camp and conference facilities, providing Christian camping, retreats, conferences, outdoor education, and meeting facilities for diocesan ministries, congregations, schools, nonprofit organizations, and other groups.

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.

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, depreciable lives and estimated residual value and equipment, fair value of investments in debt and equity securities, 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.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pledges Receivable

Conditional pledges are not recognized until conditions are substantially met or waived. Unconditional pledges expected to be collected within one year are recorded at net realizable value. At December 31, 2024, all pledges receivables were current, and no discount was applied. 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, management has recorded an allowance for uncollectible pledges at December 31, 2024 totaling $66,789.

Notes Receivable

The Organization has notes receivable from affiliated churches. Notes are stated at unpaid principal balances, net of the allowance for uncollectible accounts. Management evaluates collectability based on borrower-specific information, historical experience, and current economic conditions. At December 31, 2024, management reviewed all notes receivable balances and determined that no allowance for uncollectible accounts was necessary. Any future losses will be recognized in the period identified, and recoveries of amounts previously written off will be recorded when received.

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 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.

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.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 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. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve.

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 other 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, revenue was recognized 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. These amounts are included in performance obligations within the consolidated statement of financial position. Other income consists of parking revenue, program fees and miscellaneous fees earned at a point in time.

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 removed the condition. 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.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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, 2024, advertising costs totaled $395.

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, 2024, the Diocese has no uncertain tax provisions that qualify for recognition or disclosure in the financial statements.

Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued August 24, 2026. See Note 16 for relevant disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Note 3: LIQUIDITY AND 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. Management monitors liquidity through regular review of operating results, cash-flow forecasts, budget-to-actual performance, anticipated receipts, and the availability of financial assets for general expenditures.

The Diocese has experienced operating deficits in recent years, including the year ended December 31, 2024. In evaluating its liquidity needs, management considers projected operating cash flows, including the financial needs of the Camp and Conference Center, expected operating revenues and contributions, cash on hand, and the availability of unrestricted investments. The Diocese's investment portfolio consists principally of equity securities, mutual funds, and exchange-traded funds that are actively traded and are managed with consideration of the Diocese's liquidity needs.

Financial assets available for general expenditures within one year include cash, investments, pledges receivable, and current notes receivable that are not subject to donor-imposed restrictions or other limitations on their use. Although certain net assets without donor restrictions have been designated by the Diocesan Council for specific purposes, those designations may be modified by the Diocesan Council, as appropriate, to address the Diocese's operating and liquidity needs. The Diocese may also utilize available unrestricted investment assets, as needed, to support general operations.

Based on its current operating forecasts and available financial resources, management expects the Diocese to have sufficient liquidity to meet its obligations as they become due during the year following the date the consolidated financial statements are available to be issued.

The following reflects the Diocese's financial assets as of the consolidated statement of financial position date, reduced by amounts not available for general use within one year of the consolidated statement of financial position date because of contractual or donor-imposed restrictions.

Note 3: LIQUIDITY AND FINANCIAL ASSET AVAILABILITY (Continued)

December 31,	2024
Total assets at year end	$ 20,801,919
Less non-financial assets	
Prepaids and other current assets	(22,404)
Notes receivable, due after one year	(113,115)
Property and equipment, net	(10,405,168)
Financial assets at year-end	10,261,232
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	(2,274,984)
Financial assets available to meet cash needs for general expenditures within one year	$ 7,986,248

Note 4: PLEDGES RECEIVABLE

Pledges receivable consist of the following:

December 31,	2024
Parish pledges	$ 107,283
Less allowance for uncollectable pledges	(66,789)
Pledges receivable, net	$ 40,494

For the year ended December 31, 2024 bad debt expenses totaled $30,826.

Note 5: NOTES RECEIVABLE

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 $6,000 as of December 31, 2024. 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 $6,000 at December 31, 2024.

In 2021, the Diocese made a loan to the St. Philip's Episcopal Church (related party) of $10,785 for renovations to its Church. The amount outstanding under the loan is $2,452 which is due as of December 31, 2024. Payments on the loan are unsecured.

Note 5: NOTES RECEIVABLE (Continued)

In 2021, the Diocese made a loan to the St. Mary's Episcopal Church (related party) of $55,115 for renovations to its Church. The amount outstanding under the loan is $52,115 as of December 31, 2024. Payments on the loan of $3,000, incurring no interest, are due quarterly beginning in January 2023, and are unsecured. Current portion of the note receivable is $9,000 at December 31, 2024.

In 2024, the Diocese made a loan to the St. Mark's Palatka Church (related party) of $50,000 for renovations to its Church. The amount outstanding under the loan is $50,000 as of December 31, 2024. Payments on the loan of $3,000, incurring no interest, are due quarterly beginning in January 2026, and are unsecured.

In 2024, the Diocese made a loan to the St. Thomas Episcopal Church (related party) of $30,000 for renovations to its Church. The amount outstanding under the loan is $30,000 as of December 31, 2024. Payments on the loan of $2,500, incurring no interest, are due quarterly beginning in January 2025, and are unsecured. Current portion of the note receivable is $10,000 at December 31, 2024.

The notes receivable balance also includes certain loans extended to various parishes (related parties) totaling $2,180 as of December 31, 2024. There are no formal agreements; repayment terms vary between 3-5 years with no interest due. Current portion of these notes receivables totals $2,180 at December 31, 2024.

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.

Note 6: INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

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, 2024.

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

Mutual funds and ETF's **:** 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 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.

Assets and liabilities measured at fair value on a recurring basis consist of the following:

December 31, 2024	Level 1	Level 2	Level 3	Total
Equity securities	$ 250,870	$ -	$ -	$ 250,870
Mutual funds and ETF's	9,072,872	-	-	9,072,872
Total investments at fair value	$ 9,323,742	$ -	$ -	$ 9,323,742

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, 2024, there were no significant transfers in or out of Levels 1, 2 or 3.

Note 6: INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

Investment income is comprised of the following:

Year Ended December 31,	2024
Dividends and interest, net of fees	$ 466,112
Realized and unrealized gain (loss) on investments	453,374
Total net investment return (loss)	$ 919,486

For the year ended December 31, 2024, investment fees totaled $36,786.

Note 7: PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31, 2024:

December 31,	Estimated Useful Lives (in years)	2024
Buildings and improvements:		
Camp and Conference Center	5 - 40 years	$ 11,293,252
Real estate held for sale or lease	N/A	1,976,800
Furniture and fixtures	3 - 7 years	1,599,383
Equipment	2 - 8 years	439,927
Vehicles	5 years	70,763
Total property and equipment		15,380,125
Less accumulated depreciation		(10,104,417)
Total depreciable property and equipment, net		5,275,708
Land:		
Parishes and missions	N/A	3,973,379
Camp and Conference Center	N/A	1,037,242
Construction in progress	N/A	118,839
Property and equipment, net		$ 10,405,168

Depreciation expense for the year ended December 31, 2024 was $311,310.

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

Note 7: PROPERTY AND EQUIPMENT (Continued)

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.

Note 8: LONG-TERM DEBT

Long-term debt consists of the following:

December 31,		2024
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 $3,861,359.	$	56,906
Less current portion		(56,906)
Long-term debt, less current portion	$	-

Interest expense related to the long-term debt was $5,435 for the year ended December 31, 2024.

Note 9: NET ASSETS

A summary of net assets without donor restrictions follows:

December 31,	2024
Undesignated	$ 11,706,652
Diocesan Council designated	
Aging Ministry fund	35,529
Bishop's discretionary fund	44,591
Camp Weed general support	316,566
Camp Weed Maintenance fund	31,300
Camp Weed Speakers Bureau fund	48,806
Diocese general support	2,391,691
Live Oak general support	33,199
Parish relief support	5,000
Seminarian support	78,854
Total Diocesan Council designated	2,985,536
Endowment	2,037,423
Total net assets without donor restrictions	$ 16,729,611

Note 9: NET ASSETS (Continued)

A summary of net assets with donor restrictions follows:

December 31,	2024
Purpose restrictions	
Bullock Scholarship fund	$ 493,012
St. Margaret's stain glass fund	36,730
Estate of Rosemarie T. Fox	56,549
UTO - United Thank Offering	39,207
Cursillo funds	119,606
Other various purposes	40,453
Total purpose restricted net assets	785,557
Restricted in perpetuity	
Aging Ministry fund	66,763
Bullock Scholarship fund	51,200
Camp Weed general support	31,644
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	1,489,427
Total net assets with donor restrictions	$ 2,274,984

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

For the year ended December 31,	2024
Purpose restricted	
Cuba bus	$ 1,986
Cuba church	1,748
Cursillo funds	2,137
ERD grant 2024	9,938
Other various purposes	650
Total releases from net assets with donor restrictions	$ 16,459

Note 10: REVENUE

The Diocese is recognizing revenue at a point in time for its camp and conference center income and other income. As of December 31, 2024, there is $99,826 of performance obligations related to the camp and conference center to be satisfied, and are expected to be recognized in revenue during 2025. These performance obligations are based upon contracts to hold various events at the camp and conference center. There are no contract assets at December 31, 2024.

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 are available for use by the general public.

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.

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

Note 11: ENDOWMENTS (CONTINUED)

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:

December 31,	Without Donor Restrictions	With Donor Restrictions	2024 Total
Donor-restricted endowment net assets in perpetuity	$ -	$ 1,489,427	$ 1,489,427
Endowment net assets without donor restrictions	2,037,423	-	2,037,423
Net accumulated earnings on donor-restricted endowment net assets available for expenditure	-	369,562	369,562
Total endowment funds	$ 2,037,423	$ 1,858,989	$ 3,896,412

Changes in endowment net assets follow:

Year ended December 31,	Without Donor Restrictions	With Donor Restrictions	2024 Total
Endowment net assets, beginning of year	$ 1,420,991	$ 1,858,989	$ 3,279,980
Investment income, net	307,504	-	307,504
Net appreciation (depreciation)	335,400	-	335,400
Amounts appropriated for expenditures	(26,472)	-	(26,472)
Endowment net assets, December 31	$ 2,037,423	$ 1,858,989	$ 3,896,412

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 $333,330 at December 31, 2024.

Concentration of credit risk with respect to pledges receivable relates to three parishes representing approximately 54.9% of the total non-discounted pledges as of December 31, 2024.

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

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, 2024 is approximately $7.5 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, 2024.

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 $57,555 for the year ended December 31, 2024. Additionally, substantially all lay full-time staff members are covered by a qualified 403(b) plan; costs related to the match were $52,101 in 2024. 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.

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

December 31,		2024
Accrued postretirement benefit obligation	$	1,457,654
Market value of plan assets		-
Accrued postretirement benefit obligation		1,457,654
Unrecognized prior service cost		(63,914)
Unrecognized gain		143,098
Accumulated postretirement benefit obligation	$	1,536,838

Note 14: RETIREMENT AND POSTRETIREMENT PLANS (CONTINUED)

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

December 31,		2024
Accrued postretirement benefit obligation, beginning of year	$	1,495,030
Service cost		12,483
Interest cost		40,232
Cost (Benefit) from assumption changes		11,451
Net employer premiums paid		(101,542)
Accrued postretirement benefit obligation, end of year	$	1,457,654

Net periodic postretirement benefit costs include the following components:

Year ended December 31,		2024
Service cost	$	12,483
Interest cost		40,232
Net periodic postretirement benefit costs	$	52,715

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 $98,086 for the year ended 2024.

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

Years ending December 31,		Amount
2025	$	102,271
2026		101,650
2027		103,143
2028		102,572
2029		100,692
2030 through 2031		193,410
Total	$	703,738

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 2024.

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 $2,383,280 to the Diocese for annual support for the year ended December 31, 2024.

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 $142,747 at December 31, 2024.

Note 16: SUBSEQUENT EVENTS

Dissolution of The Episcopal Foundation

On November 14, 2025, the Board of Directors of The Episcopal Foundation (the "Foundation"), a related church organization included within the Diocese's combined financial statements, approved and executed a plan of dissolution. Under the approved plan, all assets, liabilities, and net assets of the Foundation will be transferred to the Diocese as of the dissolution date. The Foundation's mission-related activities will continue to be carried out by the Diocese following the dissolution. Because the Foundation is not a separate reporting entity for financial statement purposes, the dissolution and transfer will be reflected as a reclassification of net assets within the Diocese's reporting entity in the year ending December 31, 2025. No gain or loss is expected to result from the transfer.