

Diocese of Orlando Administrative Offices

Financial Report
June 30, 2020

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RSM US LLP

Independent Auditor's Report

The Most Reverend John G. Noonan
Bishop of the Diocese of Orlando
Diocese of Orlando Administrative Offices

Report on the Financial Statements

We have audited the accompanying financial statements of the Diocese of Orlando Administrative Offices (a component of the Diocese of Orlando Corporation Sole, as described in Note 1), which comprise the statement of financial position as of June 30, 2020, the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Diocese of Orlando Administrative Offices as of June 30, 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.

Report on Summarized Comparative Information

We have previously audited the Diocese of Orlando Administrative Office's 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 21, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

RSM US LLP

Orlando, Florida
October 14, 2020

Diocese of Orlando Administrative Offices

Statement of Financial Position

June 30, 2020

(With Comparative Totals for June 30, 2019)

	2020	2019
Assets		
Cash and cash equivalents	\$ 68,696,803	\$ 65,541,785
Pledges receivable, net (Notes 2 and 13)	15,127,057	15,131,310
Prepaid expenses and other assets	2,945,913	2,678,786
Accrued interest receivable	511,368	589,057
Loans receivable, net (Note 3)	27,748,992	23,151,709
Advances to Diocesan entities, net (Note 4)	18,144,580	18,622,530
Bequests and other receivables, net (Notes 10 and 13)	2,108,822	670,901
Investments (Notes 5, 6 and 13)	169,406,354	167,811,429
Land, buildings and equipment, net (Note 7)	36,685,531	37,373,420
	<hr/>	<hr/>
Total assets	\$ 341,375,420	\$ 331,570,927
Liabilities and Net Assets		
Accounts payable and accrued expenses (Note 12)	\$ 6,631,905	\$ 5,015,777
Line of credit payable (Note 9)	14,850,622	14,850,622
Self-insurance claim liabilities (Notes 10 and 12)	3,698,875	4,474,723
Interest rate swap liability (Notes 6, 8 and 9)	9,756,583	9,185,278
Savings deposits (Note 3)	157,000,316	147,200,721
Annuities payable and other liabilities	40,611	42,301
Notes payable (Note 9)	72,385,000	73,755,000
	<hr/>	<hr/>
Total liabilities	264,363,912	254,524,422
Commitments and contingencies (Notes 3, 8, 9, 10, 11 and 12)		
Net assets:		
Without donor restrictions (Note 13)	40,305,825	39,875,118
With donor restrictions (Notes 13 and 14)	36,705,683	37,171,387
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Total net assets	77,011,508	77,046,505
	<hr/>	<hr/>
Total liabilities and net assets	\$ 341,375,420	\$ 331,570,927

See notes to financial statements.

Diocese of Orlando Administrative Offices

**Statement of Activities
Year Ended June 30, 2020
(With Comparative Totals for the Year Ended June 30, 2019)**

	Without Donor Restrictions	With Donor Restrictions	Total 2020	Total 2019
Revenues, gains and other support:				
Catholic appeal contributions	\$ -	\$ 15,127,057	\$ 15,127,057	\$ 15,131,310
Contributions and bequests	614,135	1,637,714	2,251,849	1,512,923
Self-insurance premiums and service fees	30,857,848	-	30,857,848	29,727,923
Investment income, net (Notes 3, 5 and 6)	8,111,861	371,088	8,482,949	12,373,379
Gain on sale of land, buildings and equipment	475,789	-	475,789	1,391,011
Actuarial adjustment to life annuities payable	(93,818)	95,508	1,690	3,707
Other income	2,784,914	-	2,784,914	1,597,399
Net assets released from restrictions (Note 14)	17,697,071	(17,697,071)	-	-
Total revenues, gains and other support	60,447,800	(465,704)	59,982,096	61,737,652
Expenses:				
Program services:				
Self-insurance program	27,051,771	-	27,051,771	26,549,850
Deposit and loan expenses	3,098,133	-	3,098,133	3,148,361
Pastoral	3,450,510	-	3,450,510	3,399,304
Social services	1,774,796	-	1,774,796	1,878,546
Religious personnel development	3,117,683	-	3,117,683	3,309,619
Plant activities	1,129,845	-	1,129,845	1,321,153
Education	2,402,931	-	2,402,931	2,424,967
Donations and special projects	4,055,464	-	4,055,464	1,182,094
Total program services	46,081,133	-	46,081,133	43,213,894
Supporting services:				
Diocesan administration	13,935,960	-	13,935,960	14,797,000
Total supporting services	13,935,960	-	13,935,960	14,797,000
Total expenses	60,017,093	-	60,017,093	58,010,894
Change in net assets	430,707	(465,704)	(34,997)	3,726,758
Net assets:				
Beginning	39,875,118	37,171,387	77,046,505	73,319,747
Ending	\$ 40,305,825	\$ 36,705,683	\$ 77,011,508	\$ 77,046,505

See notes to financial statements.

Diocese of Orlando Administrative Offices

Statement of Cash Flows

Year Ended June 30, 2020

(With Comparative Totals for the Year Ended June 30, 2019)

	2020	2019
Cash flows from operating activities:		
(Decrease) increase in net assets	\$ (34,997)	\$ 3,726,758
Adjustment to reconcile (decrease) increase in net assets to net cash used in operating activities:		
Depreciation	617,114	633,446
Gain on disposal of land, buildings and equipment	(475,789)	(1,391,011)
Realized and unrealized gain on investments	(2,241,148)	(5,732,491)
Change in fair value of interest rate swaps	571,305	677,937
Provision for uncollectible loans, advances, pledges and other, net	545,653	256,796
Changes in operating assets and liabilities:		
Bequests and other receivables	(1,437,921)	(150,614)
Pledges receivable	(541,400)	(51,686)
Prepaid expenses and other assets	(267,127)	(489,241)
Accrued interest receivable	77,689	(36,858)
Accounts payable and accrued expenses	1,616,128	(407,120)
Self-insurance claim liabilities	(775,848)	1,074,289
Annuities payable and other liabilities	(1,690)	(3,706)
Net cash used in operating activities	(2,348,031)	(1,893,501)
Cash flows from investing activities:		
Proceeds from sale of investments	49,629,568	42,390,312
Purchases of investments	(48,983,345)	(43,461,177)
Collections on advances made to Diocesan entities	481,093	707,713
Loans made to parishes and related entities	(11,833,263)	(6,455,807)
Collections on loans made to parishes and related entities	7,235,980	5,752,488
Purchases of land, buildings and equipment	(43,157)	(4,562)
Proceeds from sale of land, buildings and equipment	589,721	6,470,107
Net cash (used in) provided by investing activities	(2,923,403)	5,399,074

(Continued)

Diocese of Orlando Administrative Offices

Statement of Cash Flows (Continued)

Year Ended June 30, 2020

(With Comparative Totals for the Year Ended June 30, 2019)

	2020	2019
Cash flows from financing activities:		
Payments of notes payable	\$ (1,370,000)	\$ (1,290,000)
Receipt of permanently restricted contributions and bequests	-	3,283
Advances to related parties for construction	(3,143)	-
Deposits made by parishes and other Diocesan entities	78,771,602	75,962,150
Withdrawals made by parishes and other Diocesan entities	(68,972,007)	(64,442,331)
Net cash provided by financing activities	8,426,452	10,233,102
Net increase in cash and cash equivalents	3,155,018	13,738,675
Cash and cash equivalents:		
Beginning	65,541,785	51,803,110
Ending	\$ 68,696,803	\$ 65,541,785
Supplemental disclosure of cash flow information:		
Cash paid for interest	\$ 6,369,389	\$ 6,533,756

See notes to financial statements.

Diocese of Orlando Administrative Offices

Notes to Financial Statements

Note 1. Nature of Organization and Significant Accounting Policies

The Diocese of Orlando Administrative Offices (the Diocese) is a component of the Diocese of Orlando Corporation Sole (Corporation Sole), which is a not-for-profit corporation existing under the laws of the State of Florida. There are no stockholders, directors or officers in the Corporation Sole, only the holder of the office of Bishop of Orlando. The Bishop holds title to all assets and is liable for all indebtedness of the Corporation Sole. The title to all assets and the responsibility of all indebtedness passes to the Bishop's successor in office rather than to his relatives or other customary heirs. As of June 30, 2020, the authority for the Diocese of Orlando was vested in the Most Reverend John G. Noonan, as Bishop of the Diocese of Orlando.

A summary of the Diocese's significant accounting policies follows:

Basis of accounting and presentation: The financial statements of the Diocese do not include the accounts of other Diocesan entities or affiliates (e.g. parishes, schools, missions, affiliated corporations) within the Corporation Sole. The Diocese's financial statements also exclude multi-employer pension and post-retirement benefit accounts and contingent liabilities, which represent obligations of the Corporation Sole and other Diocesan entities and affiliates.

The financial statements, presented on the accrual basis of accounting, have been prepared to focus on the Diocese, as described in the preceding paragraph, and present balances and transactions according to the existence or absence of donor-imposed restrictions. This has been accomplished by classification of funds and transactions into two main classes of net assets as described below:

Fund Group	Net Asset Class
Current undesignated fund	Without donor restrictions
Current designated funds	Without donor restrictions
Designated for self-insurance funds	Without donor restrictions
Diocesan savings fund	Without donor restrictions
Plant fund	Without donor restrictions
Current restricted funds	With donor restrictions
Endowment funds	With donor restrictions
Life and gift annuity funds	With donor restrictions

Net assets and revenues, gains and other support and expenses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed stipulations, but may be designated for specific purposes by action of the Bishop.

Net assets with donor restrictions: Net assets subject to donor-imposed stipulations that may or will be met by actions of the Diocese, passage of time, or permanently maintained by the Diocese as an endowment.

Diocese of Orlando Administrative Offices

Notes to Financial Statements

Note 1. Nature of Organization and Significant Accounting Policies (Continued)

Support and revenues: Support and revenues are reported as an increase in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets with donor restrictions (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the two applicable classes of net assets.

Contributions, including unconditional promises to give, securities, materials and supplies and other assets, are recognized at fair value as support and revenue in the period received. Conditional contributions or promises to give are not recognized until the conditions on which they depend are substantially met. A contribution is considered to be conditional if it includes a barrier that must be overcome and either a right of return of assets or a right of release of a promise to transfer assets exists. Indicators of a barrier include measurable performance-related obligations or other measurable responsibility, a stipulation that limits discretion by the recipient on the conduct of an activity, and stipulations that are related to the purpose of the agreement. The Diocese does not consider probability of compliance with the barrier when determining if such awards are conditional and should be reported as deferred revenue until such conditions are met. Contributions of assets other than cash are recorded at their estimated fair value on the date the assets are received.

Restrictions that are satisfied in the period that revenue is received are classified as support without donor restrictions. Contributions of land, buildings and equipment without donor stipulations concerning the use of such long-lived assets are reported as unrestricted support and revenue. Contributions of cash or other assets to be used to acquire land, buildings and equipment with such donor stipulations are reported as revenues with donor restrictions; the restrictions are considered to be released at the time of acquisition of such long-lived assets.

Contributed services are recorded at fair value as in-kind contributions at the date of donation if the services provided: (a) create or enhance nonfinancial assets or (b) require specialized skills, which are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. The value of volunteered time is not reflected in the financial statements because it does not meet the above criteria. The Diocese did not receive in-kind contributions during the year ended June 30, 2020.

Income and net realized/unrealized gains (losses) on investments of endowment and similar funds are reported as follows:

- As increases (decreases) in net assets with donor restrictions – endowment if the terms of the gift or the Diocese's interpretation of relevant state law require that they be added to the principal of a permanent endowment fund
- As increases (decreases) in net assets with donor restrictions if the terms of the gift impose restrictions on the use of the income (loss)
- As increases (decreases) in net assets without donor restrictions in all other cases

Self-insurance premiums and other revenue recognition: Fees for services, including administering the self-insurance program for other Diocesan entities and affiliates, are recognized as revenue when the services are performed. Interest and investment income is recognized in the period when it is earned or when changes in fair values occur.

Diocese of Orlando Administrative Offices

Notes to Financial Statements

Note 1. Nature of Organization and Significant Accounting Policies (Continued)

Deposit and loan expenses: Deposit and loan expenses are comprised primarily of interest expense and provision for loan losses. Interest expense is recorded in the period it is incurred while the provision for loan losses is recorded as described in the Advances to Diocesan Entities and Loans Receivable section below.

Cash and cash equivalents: For purposes of the statement of cash flows, all highly liquid investments with a maturity of three months or less when purchased and containing no third-party restrictions are considered to be cash equivalents.

Pledges receivable: Pledges receivable represent amounts due from parishioners of those parishes participating in the Diocese's annual *Our Catholic Appeal*. Amounts due under pledges over a period of more than one year at the date of donation are reported at net present value using the market discount rate in effect at the date of the pledge. Pledges receivable are reviewed periodically for collectability and, when management believes collectability is uncertain, an allowance is established and charged to expense.

Advances to Diocesan entities and loans receivable: Advances to Diocesan entities and loans receivable represent amounts due to the Diocese from other Diocesan entities and affiliates. Advances and loans are made primarily for the purpose of capital improvements and, less frequently, to fund short-term working capital needs. Repayments are made from operating funds and donations received by those entities and are subject to general economic conditions.

Advances to Diocesan entities and loans receivable are reviewed periodically for collectability and, when management believes collectability of the principal is uncertain, an allowance for loan loss is established through a provision for loan losses charged to expense. Advances and loans are charged off when all collection efforts have ceased. Subsequent recoveries, if any, are credited to the allowance. Advances to Diocesan entities and loans receivable are shown in the statement of financial position net of an allowance for estimated uncollectible amounts.

Interest on Diocesan advances and loans receivable is recognized over the terms of the receivables and is calculated using the effective-interest method on principal amounts outstanding. The accrual of interest on these advances and receivables is generally discontinued when, in the opinion of management, full repayment of principal and interest is in doubt. Past due status is based on contractual terms of the advances and receivables. Interest on past due advances and receivables is recognized when actually paid by the borrower and only if collection of the principal is likely to occur. Interest on these advances and receivables is accounted for on the cost-recovery basis until the advances or receivables qualify for return to accrual status. Accrual of interest is generally resumed when the debtor is current on all principal and interest payments and collectability of the advance or receivable is no longer in doubt.

Impaired advances and loans: Advances and loans receivable are considered impaired when, based on current information and events, it is probable that the Diocese will be unable to collect all contractual principal and interest payments due in accordance with the terms of the agreement. Receivables that experience insignificant payment delays and payment shortfalls are not classified as impaired. The Diocese monitors all advances and loans in the portfolio on an ongoing basis and reviews classifications for all advances and loans in the portfolio in accordance with the accounting guidance for impaired loans and troubled debt restructurings. Impairment is measured on a receivable-by-receivable basis by either the present value of expected future cash flows discounted at the receivable's effective interest rate, the receivable's observable market price or the fair value of the collateral if the receivable is collateral dependent. Advances and loans with balances less than \$500,000 are not individually evaluated for impairment.

Diocese of Orlando Administrative Offices

Notes to Financial Statements

Note 1. Nature of Organization and Significant Accounting Policies (Continued)

Commitments to extend credit: In the normal course of business to meet the needs of other Diocesan entities, the Diocese is a party to commitments to extend credit. Those instruments involve, to varying degrees, elements of credit, liquidity and interest rate risk in excess of the amount recognized in the statement of financial position. The Diocese uses the same policies in making commitments to extend credit as it does for advances and loans receivable recorded in the statement of financial position. The Diocese's exposure to credit loss in the event of nonperformance by the other party for commitments to extend credit is represented by the contractual amount of those instruments.

Commitments to extend credit include funding additional amounts under existing loans for ongoing projects as long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses. Since many of the commitments may expire without being fully drawn upon, the total commitment amounts do not necessarily represent future cash requirements.

Investments: Investments consist principally of individual stocks, mutual funds, corporate bonds, U.S. Treasury obligations, alternative and pooled funds and international/foreign equities and bonds, and are carried at fair value.

Land, buildings and equipment: Land, land improvements, buildings and equipment acquisitions are capitalized at cost when purchased or, if donated, at the estimated fair value at the date of gift. Expenditures for major additions and improvements are capitalized, while minor replacements, maintenance and repairs are charged to expense as incurred. When property and equipment are retired or otherwise disposed, the cost and associated accumulated depreciation are removed from the accounts and any resulting gain or loss is included in the results of operations for the respective period. Depreciation of buildings and equipment is provided for using the straight-line method over the estimated useful lives of the respective assets.

The Diocese evaluates for impairment, on an on-going basis, the carrying value of land, buildings and equipment based on estimated future undiscounted cash flows. In the event such cash flows are not expected to be sufficient to recover the carrying value of the assets, the useful lives of the assets are revised or the assets are written down to their estimated fair values.

As of June 30, 2020, management determined that no impairment losses for long-lived assets was necessary.

Derivative financial instruments: Derivative financial instruments are recognized as either assets or liabilities at their fair value in the statement of financial position with the changes in the fair value reported in the current period change in net assets without donor restrictions. These instruments are recorded in the accompanying statement of financial position as an interest rate swap liability.

Self-insurance claim liabilities: As more fully described in Note 10, the Diocese maintains self-insurance plans for accident and health, property and general liability and unemployment compensation. Self-insurance claim liabilities reflect the estimated costs (including estimated loss development and loss adjustment expenses) for claims incurred under the various lines of coverage and are recorded at the estimated ultimate payment amounts. The liabilities relating to property, general liability and workers' and unemployment compensation insurance plans are based upon historical experience. These liabilities are calculated annually by an actuary and adjusted to the related actuarial calculation. Self-insurance claim liabilities relating to the Diocese's health plan are estimated with the assistance of the plan's administrator and are based upon historical experience, individual case estimates and estimates of incurred-but-not-reported claims.

Diocese of Orlando Administrative Offices

Notes to Financial Statements

Note 1. Nature of Organization and Significant Accounting Policies (Continued)

Life annuities payable: At various times, donors have made gifts to the Diocese and its affiliates in the form of charitable remainder annuity trusts, gift annuities and other similar arrangements. The Diocese holds these funds in trust and pays out annuities, at specified interest rates or income earned on the principal, to the donors of such funds for life. The annuity must be paid out of principal received and/or any investment income earned. Upon expiration of the donor, the remaining balance, if any, reverts to other specified beneficiaries or to the Diocese for its use in accordance with the donor's imposed restrictions or, in the absence of such restrictions, for the unrestricted use of the Diocese. The obligation of these annuities is based on the present value of expected future payments.

Functional expenses: Salaries and related payroll expenses are allocated among functional categories based on the estimated proportion of time spent relative to each function. All other expenses are allocated based on management's estimate of the relative functional activity. The Diocese's functional categories are as follows:

- **Self-insurance program:** Expenses related to administering the self-insurance program for other Diocesan entities and affiliates, including insurance premiums, insurance claims and administration costs for the following three insurance programs: accident and health, property and general liability and unemployment compensation.
- **Deposit and loan expenses:** Expenses related to interest, provision of loan losses and banking administration costs.
- **Pastoral:** Expenses related to the various laity, family and life ministries across the Diocese, as well as Diaconate formation, mission activities and communications, including Faith Fit.
- **Social services:** Expenses related to the social outreach needs of the faithful within the Diocese and beyond, including support to Catholic Charities of Central Florida and the Diocese of San Juan de la Maguana in the Dominican Republic
- **Religious personnel development:** Expenses related to vocations and seminarian education, clergy formation, ministry to senior priests and the San Pedro Spiritual Development Center.
- **Plant activities:** Expenses related to financing, acquisition, maintenance, depreciation and disposal of Diocesan land, buildings and equipment.
- **Education:** Expenses related to Catholic schools and Campus Ministry. Catholic schools in the Diocese proclaim the Gospel message within an academic environment from early education through high school. Campus ministry is an outreach to higher education, meeting the spiritual needs of students, faculty, and administration within the University community.
- **Donations and special projects:** Expenses related to donations outside of the recurring diocesan operations, including State and National outreach ministries.
- **General and administrative:** Expenses related to the general management and operations of the Diocese.

Use of estimates: The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Diocese of Orlando Administrative Offices

Notes to Financial Statements

Note 1. Nature of Organization and Significant Accounting Policies (Continued)

Income taxes: The Diocese is exempt from federal income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code. Accordingly, the Diocese accounts for its income tax related matters under accounting standards that provide a framework for the accounting and reporting of uncertainty in income taxes. The Diocese has assessed whether there were any uncertain tax positions, which may give rise to income tax liabilities and determined that there were no such matters requiring recognition in the accompanying financial statements.

Comparative data: The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Diocese's financial statements for the year ended June 30, 2019, from which the summarized information was derived.

Endowment funds: The Diocese has adopted accounting standards relating to endowments of not-for-profit organizations and net asset classification of funds subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and enhanced disclosures for all endowment funds. These standards require additional disclosures about endowments (both donor-restricted funds and board-designated funds).

The Diocese's endowment funds include donor restricted endowment funds. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. The Diocese maintains the original historical dollar value of the contribution received as an endowment. The Diocese classifies as net assets with donor restrictions – endowment: (a) the original value of gifts donated to the permanent endowment; (b) the original value of subsequent gifts to the permanent endowment and (c) a portion of investment returns that are required by the donor to be added to the endowment.

The Diocese considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund.
- The purposes of the organization and the donor-restricted endowment fund.
- General economic conditions.
- The possible effect of inflation and deflation.
- The expected total return from income and the appreciation of investments.
- Other resources of the organization.
- The investment policies of the organization.

Spending policy: Endowments are established to preserve principal and generate an income stream to support the purpose of the funds held. A spending policy establishes a reasonable, sustainable, consistent and predictable expenditure level which enables the Diocese to utilize endowment earnings to support its operations to the fullest extent possible, while ensuring that the principal value of the endowment is maintained and protected from the effects of inflation.

Diocese of Orlando Administrative Offices

Notes to Financial Statements

Note 1. Nature of Organization and Significant Accounting Policies (Continued)

The Diocese has set spending policies for endowments. The maximum recommended annual spending amount for endowments is 5% of the combined with and without donor restrictions – endowment funds. Distributions are made only from the without donor restriction – endowment (which consists of income derived from the restricted in perpetuity endowment). The original principal in the restricted in perpetuity – endowment is invested and is not available to fund any withdrawals. Carryover of unspent distributions and special payments in excess of the annual spending policy are allowable expenditures only with special approval of the Bishop. The endowment expenditure level is reviewed at least annually by the Bishop in order to remain current with changing market conditions, investment performance trends and funding needs.

Investment policy: The Diocese's general investment objective is to provide income to augment and support current operating needs together with principal growth to offset the impact of inflation. Invested funds are diversified across asset classes to achieve an optimal balance between risk and return. The Bishop, in consultation with the Diocesan Finance Council, engages selected fiscal agents to maintain a prudently diversified portfolio. All investment decisions are made in accordance with an established investment policy, which is recommended and periodically reviewed by the Diocesan Finance Council and approved by the Bishop.

Recently adopted accounting pronouncement: In June 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. ASU 2018-08 clarifies the guidance for evaluating whether a transaction is reciprocal (i.e., an exchange transaction) or nonreciprocal (i.e., a contribution) and for distinguishing between conditional and unconditional contributions. The Diocese adopted the provisions of ASU 2018-08 in fiscal year 2020, for transactions in which the entity serves as the resource recipient. The adoption of this ASU did not materially impact the financial statements and related disclosures.

New accounting pronouncements: In October 2018, the FASB issued ASU 2018-16, *Derivatives and Hedging (Topic 815): Inclusion of the Secured Overnight Financing Rate (SOFR) Overnight Index Swap (OIS) Rate as a Benchmark Interest Rate for Hedge Accounting Purposes*. ASU 2018-16 permits the use of the Overnight Index Swap Rate based on the Secured Overnight Financing Rate as a U.S. benchmark interest rate for hedge accounting purposes under Accounting Standards Codification (ASC) 815. The amendments in ASU 2018-16 are effective for the Diocese beginning on July 1, 2021 (the Diocese's fiscal year 2022). The amendments in ASU 2018-16 should be applied prospectively for qualifying new or redesignated hedging relationships entered into on or after the date of adoption. The Diocese is currently evaluating the impact that the ASU will have on the financial statements.

In August 2017, the FASB issued ASU 2017-12, *Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities*. The new guidance is intended to more closely align hedge accounting with entities' hedging strategies, simplify the application of hedge accounting, and increase the transparency of hedging programs. The amendments in ASU 2017-12 are effective for the Diocese beginning on July 1, 2021 (the Diocese's fiscal year 2022). Early adoption is permitted. For cash flow and net investment hedges existing at the date of adoption, ASU 2017-12 must be applied through a cumulative-effect adjustment. The amended presentation and disclosure guidance is required only prospectively. The Diocese is currently evaluating the impact of the adoption of this guidance on the financial statements.

Diocese of Orlando Administrative Offices

Notes to Financial Statements

Note 1. Nature of Organization and Significant Accounting Policies (Continued)

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease 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. ASU 2016-02 will be effective for the Diocese's fiscal year 2023, per ASU 2020-05 (see below). Early adoption is permitted. The Diocese is currently evaluating the impact of this ASU on the financial statements.

In May 2014, the FASB issued ASU 2014-09. The amendments in this update create Topic 606, *Revenue from Contracts with Customers*, and supersede the revenue recognition requirements in Topic 605, *Revenue Recognition*, including most industry-specific revenue recognition guidance throughout the Industry Topics of the Codification. The core principle of Topic 606 is that an entity recognizes 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. The amendments in this update will be effective for the Diocese's fiscal year 2021, per ASU 2020-05 (see below). The Diocese expects to adopt the cumulative effective transition method and is currently evaluating the impact of this ASU on the financial statements.

In June 2020, the FASB issued ASU 2020-05, *Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842): Effective Dates for Certain Entities*. The amendments in this update defer the effective date for adoption of ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, (on an optional basis) for private not-for-profit entities, provided they have not yet issued (or made available for issuance) financial statements as of June 3, 2020 that reflect the adoption of ASC 606, to annual reporting periods beginning after December 15, 2019 (the Diocese's fiscal year 2021). The Diocese has elected this option for the year ended June 30, 2020, and will defer adoption of Topic 606 accordingly. Additionally, the amendments in this update defer the effective date for adoption of ASU 2016-02, *Leases (Topic 842)*, for private not-for-profit entities to fiscal years beginning after December 15, 2021 (the Diocese's fiscal year 2023).

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. ASU 2016-13 amends guidance on reporting credit losses for assets held at amortized cost basis and available for sale debt securities. For assets held at amortized cost basis, ASU 2016-13 eliminates the probable initial recognition threshold in current GAAP and, instead, requires an entity to reflect its current estimate of all expected credit losses. The allowance for credit losses is a valuation account that is deducted from the amortized cost basis of the financial assets to present the net amount expected to be collected. This ASU affects entities holding financial assets and net investment in leases that are not accounted for at fair value through net income. The amendments affect loans, debt securities, trade receivables, net investments in leases, off balance sheet credit exposures, reinsurance receivables, and any other financial assets not excluded from the scope that have the contractual right to receive cash. The amendments in ASU 2016-13 are effective for private entities for fiscal years beginning after December 15, 2021 (the Diocese's fiscal year 2023). The Diocese is currently evaluating the impact this ASU will have on its financial statements.

The FASB and other entities issued new or modifications to, or interpretations of, existing accounting guidance during the year ended June 30, 2020. The Diocese has considered the new pronouncements that altered GAAP, and other than as disclosed in these notes to the financial statements, does not believe that any other new or modified principles will have a material impact on the Diocese's reported financial position or operations in the near-term.

Subsequent events: The Diocese has evaluated subsequent events through October 14, 2020, the date on which the financial statements were available to be issued.

Diocese of Orlando Administrative Offices

Notes to Financial Statements

Note 2. Pledges Receivable

Pledges receivable that are considered unconditional promises to give at June 30, 2020, are summarized as follows:

Amounts due within one year:	
<i>Our Catholic Appeal</i>	\$ 15,812,378
Less allowance for uncollectible pledges	<u>(685,321)</u>
	<u>\$ 15,127,057</u>

Note 3. Loans Receivable and Savings Deposits

The Diocese operates a Diocesan Savings Fund (the DSF) for Diocesan entities and affiliates. To borrow funds from the DSF, participants are required to meet certain underwriting criteria and demonstrate with reasonable assurance their capacity to repay the loan within the terms of their loan agreement. At June 30, 2020, the DSF held fixed rate loans receivable of \$36,448,079, less a loan loss allowance of \$8,699,087. The interest rate charged on outstanding loans as of and for the fiscal year ended June 30, 2020, ranged from 4.75% to 5.51%. Interest income recognized on outstanding loans totaled approximately \$1,013,500 for the year ended June 30, 2020, and is included in investment income, net, in the accompanying statement of activities. Fully amortizing loans totaling approximately \$13,793,800 mature at dates ranging from July 2020 to April 2036. The remaining balance of loans receivable are interest only with no predefined payment terms. As of June 30, 2020, the Diocese has commitments to fund additional amounts under existing loans for ongoing projects, which totaled approximately \$12,979,400.

The DSF also maintains savings accounts for entities and affiliates of the Diocese paying interest monthly on deposits at a current rate of 1.0%. The balance of such deposits at June 30, 2020, was \$157,000,316. Participating entities and affiliates can withdraw these amounts on demand. Interest expense on deposits held for diocesan entities and affiliates totaled approximately \$1,455,600 for the year ended June 30, 2020, and is included in deposit and loan expenses in the accompanying statement of activities.

At June 30, 2020, six parish/diocesan entities individually accounted for over 5% and totaled approximately 66% of gross loans receivable as follows:

Diocese Entity/Parish	Loans Receivable Balance	Percentage of Gross Loans Receivable
A	\$ 7,459,316	20%
B	5,171,059	14%
C	4,161,721	11%
D	3,535,622	10%
E	2,007,963	6%
F	1,864,263	5%

Diocese of Orlando Administrative Offices

Notes to Financial Statements

Note 3. Loans Receivable and Savings Deposits (Continued)

In accordance with the policy outlined in Note 1, changes in the allowance for loan losses for the year ended June 30, 2020, are as follows:

Allowance for loan losses, beginning of year	\$ 8,926,193
Reduction in allowance for loan losses	(227,106)
Recoveries	-
Allowance for loan losses, end of year	<u>\$ 8,699,087</u>
End of year allowance for loan loss amount allocated to:	
Loans individually evaluated for impairment (Note 1)	\$ 5,015,350
Loans collectively evaluated for impairment	3,683,737
	<u>\$ 8,699,087</u>
Gross loans:	
Individually evaluated for impairment (Note 1)	\$ 9,978,997
Collectively evaluated for impairment	26,469,082
	<u>\$ 36,448,079</u>

There were no loans past due 90 days or more still accruing interest as of June 30, 2020. Information about nonaccrual and impaired loans as of June 30, 2020, is as follows:

Impaired loans with a valuation allowance	<u>\$ 8,971,350</u>
Impaired loans without a valuation allowance	<u>\$ 1,007,647</u>
Average investment in impaired loans	<u>\$ 10,002,997</u>
Allowance related to impaired loans	<u>\$ 5,015,350</u>
Loans on non-accrual status	<u>\$ 9,978,997</u>
Interest income recognized on impaired loans during the year	<u>\$ -</u>
Interest income foregone on loans on non-accrual status	<u>\$ 474,002</u>

In its estimate of the specific allowance for loan losses, the Diocese considers the probability of troubled debt restructurings and its impact on expected cash flows in accordance with the guidance for troubled debt restructurings and impaired loans. No loan modifications occurred that were identified as troubled debt restructurings during the year ended June 30, 2020.

Diocese of Orlando Administrative Offices

Notes to Financial Statements

Note 4. Advances to Diocesan Entities, Net

Advances consist of the following at June 30, 2020:

Diocesan Entity	Amount
Father Lopez Catholic High School, Inc.	\$ 15,995,391
Bishop Moore Catholic High School, Inc.	5,676,602
Other	231,411
	21,903,404
Less allowance for uncollectible advances	(3,758,824)
Advances to Diocesan Entities, net	\$ 18,144,580

Advances to Diocesan entities bear interest at rates from 3.62% to 5.45%. The Father Lopez Catholic High School, Inc. and Bishop Moore Catholic High School, Inc. advances are for terms ranging from 25 to 30 years, while the remaining advances do not have specified repayment terms, but bear interest at 4.75%.

Changes in the allowance for uncollectible advances for the year ended June 30, 2020, are as follows:

Allowance for uncollectible advances, beginning of year	\$ 3,758,824
Write-offs of uncollectible advances	-
Increase in provision for uncollectible advances	-
Allowance for uncollectible advances, end of year	\$ 3,758,824
End of year allowance for uncollectible advances amount allocated to:	
Advances individually evaluated for impairment	\$ 3,640,000
Advances collectively evaluated for impairment	118,824
	\$ 3,758,824
Gross advances:	
Individually evaluated for impairment	\$ 15,995,391
Collectively evaluated for impairment	5,908,013
	\$ 21,903,404

Diocese of Orlando Administrative Offices

Notes to Financial Statements

Note 4. Advances to Diocesan Entities, Net (Continued)

There were no advances past due 90 days or more still accruing interest as of June 30, 2020. Information about nonaccrual and impaired advances as of June 30, 2020, is as follows:

Impaired advances with a valuation allowance	<u><u>\$ 15,995,391</u></u>
Average investment in impaired advances	<u><u>\$ 15,995,391</u></u>
Allowance related to impaired advances	<u><u>\$ 3,640,000</u></u>
Advances on non-accrual status	<u><u>\$ 15,995,391</u></u>

In its estimate of the specific allowance for losses on advances, the Diocese considers the probability of trouble debt restructurings and its impact on expected cash flows in accordance with the guidance for troubled debt restructurings and impaired advances. No modifications to advances occurred that were identified as troubled debt restructurings during the year ended June 30, 2020. During the year ended June 30, 2020, no interest income was recognized on impaired advances and no interest income was forgone on impaired advances to diocesan entities.

Note 5. Investments

Investments consist of the following at June 30, 2020:

	<u>Cost</u>	<u>Fair Value</u>
Equity securities:		
Common stocks:		
Domestic stocks	\$ 68,016	\$ 79,225
Mutual funds:		
Domestic stocks – Large Cap Growth Index	5,182,009	4,471,969
Asset Core Plus Bond IS (bond/fixed income)	64,968,983	70,246,362
All Asset Institutional	11,483,869	10,652,485
International Stock Fund	6,673,676	6,460,850
Emerging Markets Social Core	2,451,660	2,230,784
Small Cap ETF	2,119,730	1,778,272
Other mutual funds (mixed allocation)	445,226	487,064
Debt securities:		
Corporate bonds	26,450,267	26,311,283
U.S. Treasury obligations	7,911,022	7,996,972
Alternative funds:		
Multi-strategy (equity/fixed income) hedge fund	25,762,180	27,477,012
Pooled Investment with The Catholic Foundation of Central Florida, Inc.	9,127,892	11,214,076
	<u><u>\$ 162,644,530</u></u>	<u><u>\$ 169,406,354</u></u>

Diocese of Orlando Administrative Offices

Notes to Financial Statements

Note 5. Investments (Continued)

Realized gains totaled approximately \$2,120,200 and net unrealized gains totaled approximately \$121,000 for the year ended June 30, 2020, and are included in investment income, net, in the accompanying statement of activities.

The Diocese invests in various investment securities in accordance with its investment policy. These investment securities are exposed to various risks such as interest rate, market and credit risk. Due to the level of risk associated with certain investment securities and the uncertainty related to changes in their values, it is reasonable to expect that changes in the values of investment securities will occur in the near term and that such changes could materially affect the investment balance. Based on the Diocese's investment policy, there are no significant risk concentrations in its portfolio of debt and equity securities.

Note 6. Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or to pay to transfer a liability in an orderly transaction between market participants at a measurement date. In the determination of fair value, a fair value hierarchy was established which gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy are described more fully below:

- Level 1:** Unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. The types of investments included in Level 1 include listed equities and listed derivatives.
- Level 2:** Inputs other than quoted prices within Level 1 that are observable for the asset or liability, either directly or indirectly, and fair value is determined through the use of models or other valuation methodologies. Investments which are generally included in this category include assets or liabilities not priced in active markets, corporate bonds and loans, less liquid and restricted equity securities and certain over the counter derivatives. A significant adjustment to a Level 2 input could result in the Level 2 measurement becoming a Level 3 measurement.
- Level 3:** Inputs are unobservable for the asset or liability and include situations where there is little, if any, market activity for the asset or liability. The inputs used in the determination of fair value are based upon the best information given the circumstances and may require significant management judgment or estimation. Investments that are included in this category generally include equity and debt positions in private companies.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The Diocese's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the investment.

The Diocese has determined the estimated fair value amounts presented in these accompanying financial statements using available market information and appropriate methodologies on a consistent basis. However, considerable judgment is required in interpreting market data to develop the estimates of fair value. The estimates presented in these accompanying financial statements are not necessarily indicative of the amounts that could be realized in a current market exchange. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value amounts. The Diocese bases these fair value estimates on pertinent information available to them as of the end of each reporting period or at the time such amounts are recorded.

Diocese of Orlando Administrative Offices

Notes to Financial Statements

Note 6. Fair Value Measurements (Continued)

Common stock: Shares of common stock are valued at the closing price reported on the active market on which the shares are traded. If the shares are not traded on an active market, then the shares are valued based on quoted prices in inactive markets or by using data provided by independent third-party pricing sources as inputs.

Mutual funds: Shares of mutual funds are valued at the closing price reported on the active market on which the individual securities are traded. If the shares are not traded on an active market, then the shares are valued based on unobservable inputs (such as valuations of some alternative funds such as private equity investments and fund-of-funds investments).

Corporate bonds: Bonds are valued based on the last trade price of the fiscal year. When a bond has not been traded on the last day of the fiscal year, the price is obtained from an independent third-party pricing company.

Alternative funds: Valued as a practical expedient, at the net asset value (NAV) of the units held by the Diocese at year end, as reported by the investment manager and within the valuation guidelines stipulated in respective investment agreements.

Pooled funds: The fair value of the pooled investment with The Catholic Foundation of Central Florida, Inc. (the Foundation) is determined based on the Diocese's allocated share of the Foundation's investment pool. Information is provided to the Diocese by Foundation management in the form of quarterly investment reports and through the Foundation's annual audit. The pooled investment with the Foundation consists of Level 1, Level 2 and Level 3 securities. While there are no stated restrictions, redemption would require an executed agreement between the Foundation and the Diocese. Therefore, the pooled investment with the Foundation is classified as a Level 3 as redemption cannot occur in the near term, although redemption could occur within one year.

Interest rate swap contracts: The fair value of the Diocese's interest rate swap contracts (used for purposes other than trading) is the estimated amount the Diocese would pay to terminate these agreements at the reporting date, taking into account current interest rates and the creditworthiness of the counterparty for assets and the creditworthiness of the Diocese for liabilities. Interest rate swap contracts are classified as Level 2 as their market value is based on observable market based inputs or unobservable inputs that are corroborated by market data. In determining the appropriate levels, the Diocese performs an analysis of the liabilities that are subject to fair value measurements.

Diocese of Orlando Administrative Offices

Notes to Financial Statements

Note 6. Fair Value Measurements (Continued)

The following table summarizes fair value measurements by level at June 30, 2020, for assets measured at fair value on a recurring basis:

	Fair Value	Level 1	Level 2	Level 3
Equity securities:				
Common stocks:				
Domestic stocks	\$ 79,225	\$ 79,225	\$ -	\$ -
Mutual funds:				
Domestic stocks – Large Cap Growth Index	4,471,969	4,471,969	-	-
Asset Core Plus Bond IS (Bond/Fixed Income)	70,246,362	70,246,362	-	-
All Asset Institutional	10,652,485	10,652,485	-	-
International Stock Fund	6,460,850	6,460,850	-	-
Emerging Markets Social Core	2,230,784	2,230,784	-	-
Small Cap ETF	1,778,272	1,778,272	-	-
Other mutual funds (mixed allocation)	487,064	487,064	-	-
Debt securities:				
Corporate bonds	26,311,283	-	26,311,283	-
U.S. Treasury obligations	7,996,972	7,996,972	-	-
Pooled funds with The Catholic Foundation of Central Florida, Inc.	11,214,076	-	-	11,214,076
Total fair value hierarchy	141,929,342	\$ 104,403,983	\$ 26,311,283	\$ 11,214,076
Alternative funds: (*)				
Multi-strategy (equity/fix income) hedge fund	27,477,012			
Total investments	\$ 169,406,354			

(*) In accordance with Accounting Standards Codification (ASC) 820, Fair Value Measurements, certain investments that are measured using the NAV per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statement of financial position.

The following table summarizes fair value measurements by level at June 30, 2020, for liabilities measured at fair value on a recurring basis:

	Level 1	Level 2	Level 3	Total
Interest rate swap liability	\$ -	\$ 9,756,583	\$ -	\$ 9,756,583

For the year ended June 30, 2020, there were no transfers between levels.

The table below sets forth a summary of the changes in the fair value of the Diocese's Level 3 investment measured during the year ended June 30, 2020:

	Pooled Funds
Balance, beginning of year	\$ 11,519,785
Net realized and unrealized gains	94,057
Purchases	1,861,781
Sales	(2,261,547)
Balance, end of year	\$ 11,214,076

Diocese of Orlando Administrative Offices

Notes to Financial Statements

Note 6. Fair Value Measurements (Continued)

The significant investment strategy of the category of investments that calculate NAV per share and are not in active markets is as follows:

Alternative funds: To provide long-term capital appreciation and current income through investments in limited partnerships, which invest in diversified portfolios ranging from short-term to long-term instruments.

The following table discloses the fair value as of June 30, 2020, related to alternative funds that are valued at NAV:

Description	
AQR Delta	\$ 129,498
Comerica – Fundamental	6,170,753
Comerica – S&P Growth	6,837,521
S&P500IS	14,232,378
Other	106,862
	<u>\$ 27,477,012</u>

Redemptions under AQR Delta can be made monthly with a 30-day notice period. At least 95% of the estimated amount due normally on a 30-calendar day notice withdrawal will be settled in cash or at the discretion of the general partner, wholly or partially with portfolio securities of a partnership, within 10 business days after the withdrawal date.

Redemptions under Comerica and S&P 500 IS can be made daily at the NAV.

The table below sets forth a summary of the changes in the fair value of the Diocese's investments measured at NAV during the year ended June 30, 2020:

	<u>Alternative Funds</u>
Balance, beginning of year	\$ 30,660,707
Realized and unrealized gains	686,605
Purchases	3,510,349
Sales	(7,380,649)
Balance, end of year	<u>\$ 27,477,012</u>

Realized and unrealized gains above are included in change in net assets and are reported in investment income in the accompanying statement of activities. The amount of total gains or losses for the period included in change in net assets that is attributable to the change in unrealized losses relating to assets still held at the reporting date totaled approximately \$207,000.

Diocese of Orlando Administrative Offices

Notes to Financial Statements

Note 7. Land, Buildings and Equipment

Land, buildings and equipment consists of the following as of June 30, 2020:

	Useful Lives	Amount
Land and nondepreciable land improvements	-	\$ 28,312,369
Land improvements	15	248,048
Buildings	30	14,815,321
Equipment	10	2,821,538
Automobiles	5	21,212
Leasehold improvements	Life of Lease	<u>2,160,643</u>
		48,379,131
Less accumulated depreciation		<u>(11,693,600)</u>
		<u><u>\$ 36,685,531</u></u>

Depreciation expense for the year amounted to approximately \$617,100.

Note 8. Interest Rate Swap Liability

The Diocese employs the use of interest rate swap agreements to help reduce the impact that potential changes in interest rates can have on the debt service requirements associated with its variable-rate, long-term debt. By using derivative financial instruments to hedge exposures to changes in interest rates, the Diocese exposes itself to both credit risk and market risk. Credit risk is the potential for failure of the counter-party to the agreement to perform under the terms of the derivative contract. When the fair value of a derivative contract is positive, the counter-party generally owes the Diocese, which in turn creates credit risk. Conversely, the Diocese has no exposure to credit risk when the fair value of a derivative contract is negative since the Diocese generally owes the counter-party.

At June 30, 2020, the Diocese's liability for interest rate swap agreements consisted of the following:

Hedge Instrument	Trade Date	Maturity Date	Original Notional Amount	Current Notional Amount	Payment – Fixed Rate Index	Receives – Variable Rate Index*	Estimated Fair Value
Interest rate SWAP – Series 2010A Notes	10/10/2000	10/1/2025	\$ 10,000,000	\$ 3,780,000	4.60%	65% of 1-mth LIBOR	\$ (503,789)
Interest rate SWAP – Series 2010B Notes	6/10/2002	10/1/2030	13,250,000	13,250,000	4.18%	67% of 1-mth LIBOR	(5,172,078)
Interest rate SWAP – Series 2012A1 Notes	4/16/2012	7/1/2038	31,670,000	27,320,000	4.76%	70% of 1-mth LIBOR	(2,380,831)
Interest rate SWAP – Series 2012A2 Notes	4/16/2012	7/1/2038	<u>27,720,000</u>	<u>23,010,000</u>	4.06%	70% of 1-mth LIBOR	<u>(1,699,885)</u>
			<u>\$ 82,640,000</u>	<u>\$ 67,360,000</u>			<u>\$ (9,756,583)</u>

* The one-month London Interbank Offered Rate (LIBOR) rate as of June 30, 2020, was approximately 0.183%

During 2020, the Diocese recognized a loss from the change in fair value of interest rate swaps totaling \$571,304, which is reported separately in the accompanying statement of activities.

Diocese of Orlando Administrative Offices

Notes to Financial Statements

Note 9. Notes Payable and Lines of Credit

Notes payable and line of credit consist of the following at June 30, 2020:

Notes Payable	Amount
2010-A Tax-exempt variable rate bonds (the 2010-A Notes), due October 2025	\$ 10,000,000
2010-B Tax-exempt variable rate bonds (the 2010-B Notes), due October 2030	12,055,000
2012-A1 Tax-exempt variable rate bonds (the 2012-A1 Notes), due July 2038	27,320,000
2012-A2 Tax-exempt variable rate bonds (the 2012-A2 Notes), due July 2038	23,010,000
	<u>\$ 72,385,000</u>

Line of Credit	Amount
\$17.5 million variable rate revolving line of credit facility, due April 2022	<u>\$ 14,850,622</u>

During the year ended June 30, 2012, the Diocese issued the 2012-A1 and 2012-A2 Notes (the 2012 Notes) which totaled \$31,670,000 and \$27,720,000, respectively. The 2012 Notes were funded by tax exempt variable rate bank qualified loans; the proceeds of which were used to redeem notes issued by the Diocese in 2007 and 2008 (the 2007 and 2008 Notes). The Diocese financed a termination payment relating to previous debt and swap agreements by entering into two separate interest rate swap agreements (the 2012 swaps), which will require the Diocese to pay the counterparty over the term of the agreements a synthetically fixed interest rate of 4.76% and 4.06% on the 2012-A1 and 2012-A2 Notes, respectively.

As more fully described in Note 4, the Diocese previously issued the 2007 Notes during the year ended June 30, 2007, and advanced \$31,830,000 of the proceeds from the issue to fund construction of the Father Lopez high school as well as support other capital projects at a social service organization. The Diocese issued the 2008 Notes totaling \$48,000,000 during the year ended June 30, 2008, and used approximately \$24,400,000 of the proceeds to reimburse itself for prior qualifying capital projects, which will be used to make future loans to other Diocesan entities and affiliates to help fund their respective capital programs. The balance of the proceeds from the issuance of the 2008 Notes were used to support specific Diocesan capital projects.

During the year ended June 30, 2011, the Diocese issued the 2010-A and 2010-B Notes (the 2010 Notes) which totaled \$10,100,000 and \$12,180,000, respectively. The 2010 Notes were funded by tax exempt variable rate bank qualified loans, the proceeds of which were used to refund and refinance notes issued by the Diocese in 2000 and 2002.

Diocese of Orlando Administrative Offices

Notes to Financial Statements

Note 9. Notes Payable and Lines of Credit (Continued)

The 2010 Notes and 2012 Notes were issued subject to the Diocese and its related entities and affiliates granting of a security interest in the revenues of the combined organizations, which constitute the obligated group. In addition, the obligated group, on a combined basis, is subject to certain restrictive financial covenants, which govern the required levels of liquidity and debt service coverage. The liquidity financial covenant is measured semiannually and the debt service coverage covenant is measured annually and reported within 180 days of the Diocese's fiscal year end. At June 30, 2020, management believes that the obligated group, including the Diocese, was in compliance with these covenants. Scheduled principal maturities under the Diocese's notes payable agreements are due in future years as follows:

	Amount
Years ending June 30:	
2021	\$ 1,450,000
2022	1,545,000
2023	1,635,000
2024	1,745,000
2025	1,845,000
Thereafter	64,165,000
	<u>\$ 72,385,000</u>

As of June 30, 2020, the Diocese has an unsecured line of credit agreement with a commercial bank that permits borrowing of up to \$17,500,000, at a floating interest rate of one-month LIBOR plus 125 basis points (1.43% as of June 30, 2020). Under this agreement, monthly interest-only payments are due until maturity.

Total interest expense incurred during the year ended June 30, 2020, on all notes payable and lines of credit was approximately \$4,898,500 and is included in interest expense, deposit and loan expenses and plant activities in the accompanying statement of activities.

Note 10. Self-Insurance Programs

The Diocese and five other dioceses in the State of Florida participate in the Ecclesiastical Province of Miami's (the EPM) self-insurance program whereby each diocese provides their respective entities and affiliates with insurance coverage for workers' compensation claims. Each diocese and their participating entities and affiliates are charged a pro-rata share of the EPM program's estimated claim costs, administration fees, and policy premiums that are incurred in connection with the purchase of excess insurance coverage from outside carriers and management of the self-insurance program. Generally, amounts are recoverable from excess insurance carriers under this program after a specific claim has exceeded a specified retention limit of \$250,000 for workers' compensation claims.

The Diocese and three other dioceses in the State of Florida participate in the EPM self-insurance program whereby each diocese provides their respective entities and affiliates with insurance coverage for property damage losses and liability claims. Each diocese and their participating entities and affiliates are charged a pro-rata share of the EPM program's estimated claim costs, administration fees and policy premiums that are incurred in connection with the purchase of excess insurance coverage from outside carriers and management of the self-insurance program. Generally, amounts are recoverable from excess insurance carriers under this program after a claim has exceeded a specified retention limit of \$1,000,000 for a named windstorm property claim and \$250,000 for all other perils and property claims and \$250,000 for liability claims.

Diocese of Orlando Administrative Offices

Notes to Financial Statements

Note 10. Self-Insurance Programs (Continued)

In connection with the EPM program, the Diocese participates in an aggregate excess loss-sharing agreement. This sharing agreement covers property, liability, workers' compensation and other self-insured losses. This agreement allows each participating diocese to share in each other's losses above an actuarially determined threshold thereby providing each of the participants with an additional layer of protection from abnormally large or catastrophic losses during any given claim year.

Each participating diocese is assigned a maximum amount of losses that it will be responsible for during each plan year. For the policy years beginning April 1, 2019 and 2020, the Diocese's portion of the EPM's combined loss funds was approximately \$1,627,000 and \$2,055,300, respectively. The Diocese is responsible for losses incurred up to the amount of its combined loss fund requirements. This actuarially determined amount was incorporated into the estimate of the self-insurance claims liability that is contained in the accompanying statement of financial position. The other participating dioceses share proportionately in the remaining losses based on their share of the total loss funds. If the total loss funds were exhausted, each diocese would be responsible for its losses in excess of its assigned proportion. For the year ended June 30, 2020, the Diocese's claims incurred were less than its share of the total loss funds. As a result, the Diocese recorded a receivable as of June 30, 2020, totaling \$379,160 for amounts owed by certain other participating dioceses whose claims exceeded their respective loss funds. This amount is included in bequests and other receivables, net in the accompanying statement of financial position.

The Diocese also maintains a self-insurance program whereby it provides each of its entities and affiliates with insurance coverage for medical, dental, disability, life and unemployment claims. Each Diocesan entity and affiliate are charged a pro-rata share of the estimated claim costs, administration fees and policy premiums that are incurred in connection with the purchase of excess health insurance coverage from outside carriers. Generally, amounts are recoverable from excess insurance carriers under the health insurance program after a specific claim has exceeded the specified retention limit of \$250,000.

Provision has been made for the settlement of all incurred claims, both reported and unreported, for each open claim year. The liabilities for unpaid claims are estimates of the costs of claims incurred but not settled. Liability estimates for reported claims are primarily determined by evaluation of individual reported claims by the plan's third-party administrator. Liability estimates for claims incurred but not reported are based on prior experience and the advice of a third party administrator. The methods for making such estimates and for establishing the resulting liabilities are periodically reviewed and updated by the Diocese. In addition, the Diocese retains an actuary to perform an independent analysis of liability estimates established in connection with its participation in the EPM self-insurance program. Any adjustments resulting from the analysis are reflected in the statement of activities in the period determined.

Note 11. Employee Benefit Plans

The Diocese participates in a multi-employer master defined benefit retirement plan (the Plan) sponsored by the Diocese of Orlando Corporation Sole. Because the computed value of the vested benefits and plan assets for the Diocese's participants cannot be segregated from those of other Diocesan entities and affiliates participating in the Plan, it is not possible to determine that portion of the excess or deficiency which may be attributable solely to the Diocese.

Diocese of Orlando Administrative Offices

Notes to Financial Statements

Note 11. Employee Benefit Plans (Continued)

The Plan covers substantially all lay employees and priests employed by the Diocese, its related entities and affiliates. To become eligible, participants must have completed at least 1,000 hours of service and attained the age of 21 during a given Plan year. The Plan currently requires monthly employer contributions based on 8% of lay employee compensation and \$1,250 per eligible priest. Priests covered by the Plan are eligible for postretirement benefits of up to \$2,100 per month depending on length of service. Lay employees covered by the Plan are eligible to receive their accrued benefits upon their retirement or separation date. Lay participants may choose to have their benefits paid in the form of a lump sum or in one of several annuity options. Contributions made to the Plan by the Diocese for its eligible participants during the year ended June 30, 2020, totaled approximately \$484,100.

The Diocese also maintains a defined contribution plan under Section 403(b) of the Internal Revenue Code, which was adopted effective April 1, 2002, and covers all full-time employees. The 403(b) plan provides for discretionary matching contributions of up to 100% for the first 3% of eligible compensation contributed and provides for a 50% match on subsequent contributions up to 5% of eligible compensation. For 2020, the 403(b) plan allows all eligible employees to contribute up to \$19,000 of their annual compensation, subject to IRS limitations on maximum contributions. Eligible employees 50 years or over at the end of the calendar year can also make catch-up contributions of \$6,000. During the year ended June 30, 2020, the Diocese made matching contributions of approximately \$215,800 to the 403(b) plan. Administrative costs of the 403(b) plan, other than investment advisory and recordkeeping fees, are paid by the Diocese.

Note 12. Commitments and Contingencies

During the year ended June 30, 2014, the Diocese entered into a 40-year lease agreement for a facility that is used to provide faith-based services and ministries to students at the University of Central Florida. The following is a schedule of minimum future rental payments under the lease:

Years ending June 30:		
2021	\$	38,736
2022		38,736
2023		38,736
2024		61,332
2025		77,472
Thereafter		2,448,280
Minimum future rental payments	\$	<u>2,703,292</u>

The Diocese has recorded deferred rent under this agreement, including both the liability related to the straight-line recognition of rent expense and the tenant improvement allowance, totaling approximately \$894,900, which is included in accounts payable and accrued expenses in the accompanying statement of financial position. Rent expense recognized under this agreement during the year ended June 30, 2020, totaled approximately \$69,000, and is included in education expenses in the accompanying statement of activities.

During the year ending June 30, 2020, the Diocese entered into a 2-year lease agreement for the Jefferson parking garage with the City of Orlando to provide parking for use by its employees and members, patrons, visitors, guests and invitees of the Diocese during the construction of new parking facilities by the Diocese. Minimum future rental payments under the lease for fiscal years ending 2021 and 2022 will total \$219,443 and \$73,148, respectively.

Diocese of Orlando Administrative Offices

Notes to Financial Statements

Note 12. Commitments and Contingencies (Continued)

The Diocese has guaranteed loans made to certain Diocesan entities and affiliates, which total approximately \$9,250,000 at June 30, 2020. The borrowings under these loans mature through July 2038 and the guarantees cover the entire term of the borrowings. Upon the occurrence of any triggering event or condition under the guarantees, the Diocese can liquidate certain assets to recover amounts paid under the guarantees. No amount has been accrued for the Diocese's obligation under its guaranty arrangement since a triggering event or condition has not occurred.

The Diocese is a party to various construction contracts involving its parishes whose total contract value approximates \$25,587,200 as of June 30, 2020. The maximum amount of undiscounted payments the Diocese would have to make in the event of default under these contracts as of June 30, 2020, is approximately \$16,599,600, as approximately \$8,987,600 in payments have been made prior to June 30, 2020. In addition, subsequent to June 30, 2020, the Diocese entered into additional construction contracts for parish projects with values totaling approximately \$475,900.

The Diocese is a party to various litigation and other claims relating to allegations of personal injury and employee misconduct. The Diocese recognizes liabilities when a loss is probable and estimable. Such claims are covered under the Diocese's self-insurance program for general liability, as more fully described in Note 10, and, when appropriate, they are included in the self-insurance liability accrual in the accompanying statement of financial position.

Note 13. Net Assets

Net assets without donor restrictions consist of the following at June 30, 2020:

Without designations	\$ 26,731,413
Designated for self insurance	13,257,042
Designated for quasi endowments	14,673,728
Designated for bond funds	(41,658,712)
Designated by the Bishop for other specified purposes	16,460,165
Plant fund	10,842,189
	<u>\$ 40,305,825</u>

Net assets with donor restrictions include net assets restricted in perpetuity – endowment, and net assets with donor restrictions for time and specified purposes.

Restricted in perpetuity – endowment net assets consist of the following at June 30, 2020:

Investment in perpetuity, the income of which is expendable to support:

Schools	\$ 7,501,665
Vocations	5,590,543
Social Services	1,680,852
Priest convocation	534,550
Parishes	375,832
	<u>15,683,442</u>

Diocese of Orlando Administrative Offices

Notes to Financial Statements

Note 13. Net Assets (Continued)

Restricted net assets with donor restrictions for time and specified purposes consist of the following at June 30, 2020:

Pledges receivable – time restricted, diocesan operations	\$ 15,127,057
Investments and other assets – purpose restricted, program services	5,712,210
Investments and other assets – purpose restricted, Alive-in-Christ	60,449
Life and gift annuity funds – time and purpose restricted agency funds	122,525
	<u>21,022,241</u>
Total net assets with donor restrictions	<u>\$ 36,705,683</u>

The Diocese had the following donor restricted endowment-related activities for the year ended June 30, 2020:

	<u>With Donor Restrictions</u>		Total
	Restricted for Specified Purposes	Restricted in Perpetuity - Endowment	
Endowment net assets – June 30, 2019	\$ 4,227,857	\$ 15,678,328	\$ 19,906,185
Contributions	-	5,114	5,114
Total investment gain	350,803	-	350,803
Transfers out	(418,500)	-	(418,500)
Amounts appropriated for expenditures	(595,366)	-	(595,366)
Endowment net assets – June 30, 2020	<u>\$ 3,564,794</u>	<u>\$ 15,683,442</u>	<u>\$ 19,248,236</u>

Note 14. Net Assets Released from Restrictions

During the year ended June 30, 2020, net assets were released from donor restrictions by incurring expenses satisfying restricted purposes or by occurrence of other events specified by donors as follows:

Pledges receivable – passage of time	\$ 15,131,310
Program services – purpose restrictions accomplished	2,565,761
	<u>\$ 17,697,071</u>

Note 15. Concentrations

The Diocese serves and receives substantial financial support from parishioners in the nine county region of Central Florida. Accordingly, the financial strength of the Diocese is in large part reliant upon the general state of the local economy.

Financial instruments which potentially subject the Diocese to concentrations of credit risk consist of cash, cash equivalents, and investments. The Diocese places its cash, cash equivalents and investments with several financial institutions. At various times throughout the year ended, and at June 30, 2020, cash, cash equivalents and investment balances held at various financial institutions were in excess of federally insured limits. In addition, loans receivable and advances to Diocesan entities subject the Diocese to concentrations of credit risk (see Notes 3 and 4).

Diocese of Orlando Administrative Offices

Notes to Financial Statements

Note 16. Related Parties

The Diocese has advances and loans receivable from diocesan entities as more fully described in Notes 3 and 4. In addition to the other diocesan entities discussed in Note 1, there are certain other entities operating outside the auspices of the Diocese that are not included in the financial statements, but which the Diocese has an economic interest. The entities operated by the Diocese and other dioceses in the State of Florida are: the Regional Seminary of St. Vincent de Paul in Florida, Inc., a seminary for the education and development of candidates for priesthood; the Florida Catholic Newspaper, a Catholic newspaper; and the Florida Catholic Conference, Inc., a communications corporation engaged in the promotion of health, education, and welfare issues that are of central importance to the dioceses operating in the State of Florida. The Diocese and other dioceses in the State of Florida provide support to each of these entities in the form of tuition, quotas, operating subsidies, and capital contributions. Total payments made for the aforementioned purposes during the year by the Diocese to these entities were approximately \$693,700, \$194,000 and \$100,300, respectively.

The Foundation was established to raise, manage and distribute funds to provide long-term, sustainable support for the parishes, schools, agencies, and other ministries in the Diocese. During fiscal year 2016, the Diocese entered into an investment agreement with the Foundation, under which the Diocese invested funds in the Foundation's investment pool, which is managed by the Foundation. The types of investment holdings in the pooled investment are substantially similar to the Diocese's own holdings. See additional disclosures related to the pooled investment in Note 6.

Note 17. Liquidity and Availability of Resources

As of June 30, 2020, the following reflects the Diocese's financial assets, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of June 30, 2020:

Financial assets at end of year:	
Cash and cash equivalents	\$ 68,696,803
Pledges receivable - <i>Our Catholic Appeal</i>	15,127,057
Accrued interest receivable	511,368
Bequests and other receivables	2,108,822
Investments	169,406,354
Total financial assets	<u>255,850,404</u>
Less those unavailable for general expenditures within one year, due to:	
Commitments to fund Diocesan existing loans for ongoing projects	(12,979,400)
Diocesan savings accounts due on demand to entities and affiliates	(157,000,316)
Committed construction contract guarantees, payable in the event of default by related entities	(16,599,639)
Construction contracts entered into after year-end payable upon default by related entities	(475,914)
Contractual or donor imposed restrictions:	
Restricted by donor with purpose restrictions	<u>(36,705,683)</u>
Financial assets available to meet cash needs for general expenditure within one year	<u><u>\$ 32,089,452</u></u>

Diocese of Orlando Administrative Offices

Notes to Financial Statements

Note 17. Liquidity and Availability of Resources (Continued)

Diocesan savings accounts are relatively stable from year to year. Outflows are normally for general operating needs or construction obligation payments, which are offset by inflows related to seasonal operational surpluses and any capital campaign proceeds received. The Diocese structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, as part of its liquidity management, the Diocese invests cash in excess of daily requirements in various short-term investments which can include money market savings accounts, high yield savings accounts, certificates of deposit, and short-term treasury or agency instruments. The Diocese also has approximately \$2,649,000 available on a \$17.5 million line of credit as of June 30, 2020 (see Note 9), which it could draw upon in the event of an unanticipated liquidity need.

Note 18. COVID-19

On January 30, 2020, the World Health Organization declared the coronavirus outbreak (COVID-19) a “Public Health Emergency of International Concern” and on March 11, 2020, declared COVID-19 a pandemic. The extent to which COVID-19 impacts the operations of the Diocese in the future will depend on future developments, which are highly uncertain and cannot be predicted with confidence, including the duration of the outbreak, new information that may emerge concerning the severity of COVID-19, the actions taken to contain COVID-19 or treat its impact, and the impact of each of these items on the economies and financial markets in the United States. In particular, the continued spread of COVID-19 could adversely impact the Diocese’s operations, including among others, contributions, and may have a material adverse effect on the financial condition, results of operations and cash flows of the Diocese.

On April 21, 2020, the Diocese under the provisions of the *Coronavirus Aid, Relief and Economic Security Act (CARES Act)* received a \$1,878,957 *Paycheck and Protection Program* loan. The proceeds from the promissory note can be forgiven providing amounts up to 2.5 times of the Diocese’s monthly payroll and other qualifying expenses qualify for a period of 8- or 24-weeks. Any portion of the advance that does not qualify as permissible expenses is payable over a two-year period at 1% interest, with deferral of payments for the first six months. As of June 30, 2020, the Diocese has reduced the refundable advance by \$1,809,385, which represents qualified expenses incurred during the period April 21, 2020 through June 30, 2020. These funds are a component of other income in the accompanying statement of activities. The refundable advance balance of \$69,472, which is recorded in accounts payable and accrued expenses, represents the proceeds that have not been used as of June 30, 2020. Subsequent to June 30, 2020, the Diocese recognized the unused portion as other income since management believes expenditures after year-end qualify under the *Cares Act*.

Diocese of Orlando Administrative Offices

Notes to Financial Statements

Note 19. Functional Classification of Expenses

The following table presents expenses by both their natural and functional classification during the year ended June 30, 2020:

	Program Services									Supporting Services	Total Expenses
	Self Insurance	Deposit Loan Expenses	Pastoral	Social Services	Religious Personnel Development	Plant Activities	Education	Donations and Special Projects	Total Program Services	General and Administrative	
Administration expense	\$ 3,132,948	\$ 260,001	\$ 29,958	\$ 402,754	\$ 108,186	\$ 211,640	\$ 651,673	\$ -	\$ 4,797,160	\$ 3,594,012	\$ 8,391,172
Interest expense	-	2,838,132	-	-	-	219,299	-	-	3,057,431	3,890,423	6,947,854
Losses and loss adjustment expense	20,770,700	-	-	-	-	-	-	-	20,770,700	-	20,770,700
Premiums for excess coverage insurance	3,148,123	-	-	-	-	-	-	-	3,148,123	-	3,148,123
Bad debt expense	-	-	-	-	-	-	-	-	-	-	-
Salaries and related benefits	-	-	2,582,915	-	1,235,261	-	1,220,647	-	5,038,823	5,326,608	10,365,431
Property tax expense	-	-	-	-	-	81,792	-	-	81,792	2,587	84,379
Advertising expense	-	-	9,464	-	-	-	101,532	-	110,996	1,902	112,898
Subsidies expense	-	-	108,000	1,294,000	900,208	-	410,000	-	2,712,208	603,944	3,316,152
Education and tuition expense	-	-	161,615	-	873,149	-	6,779	-	1,041,543	7,954	1,049,497
Depreciation	-	-	-	-	-	617,114	-	-	617,114	-	617,114
Donations expense	-	-	-	33,240	-	-	-	4,055,464	4,088,704	508,530	4,597,234
Program development costs	-	-	558,558	44,802	879	-	12,300	-	616,539	-	616,539
Total	\$ 27,051,771	\$ 3,098,133	\$ 3,450,510	\$ 1,774,796	\$ 3,117,683	\$ 1,129,845	\$ 2,402,931	\$ 4,055,464	\$ 46,081,133	\$ 13,935,960	\$ 60,017,093

Independent Auditor's Report on the Supplementary Information

The Most Reverend John G. Noonan
Bishop of the Diocese of Orlando

We have audited the financial statements of the Diocese of Orlando Administrative Offices as of and for the year ended June 30, 2020, and have issued our report thereon, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole, see pages 1 and 2. We have previously audited the Diocese of Orlando Administrative Office's 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 21, 2019.

The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

RSM US LLP

Orlando, Florida
October 14, 2020

Diocese of Orlando Administrative Offices

Statement of Financial Position – Fund Group
 June 30, 2020
 (With Summarized Totals for June 30, 2019)

	Funds Without Donor Restrictions			Funds With Donor Restrictions			Eliminations	Total 2020	Total 2019
	Operating Funds	Diocesan Savings Fund	Plant Fund	Operating Fund	Endowment Funds	Life/Gift Annuity and Other Funds			
Assets									
Cash and cash equivalents	\$ 21,201,860	\$ 47,736,149	\$ 44,826	\$ 870,219	\$ 830,577	\$ 4,581	\$ (1,991,409)	\$ 68,696,803	\$ 65,541,785
Pledges receivable, net	-	-	-	15,127,057	-	-	-	15,127,057	15,131,310
Prepaid expenses and other assets	2,842,841	92,855	10,217	-	-	-	-	2,945,913	2,678,786
Accrued interest receivable	61,223	409,562	33,558	-	7,025	-	-	511,368	589,057
Loans receivable, net	-	27,748,992	-	-	-	-	-	27,748,992	23,151,709
Advances to Diocesan entities, net	18,141,437	-	3,143	-	-	-	-	18,144,580	18,622,530
Bequests and other receivables, net	1,035,540	1,073,282	-	-	-	-	-	2,108,822	670,901
Investments	47,749,045	79,930,584	25,313,263	-	16,241,124	172,338	-	169,406,354	167,811,429
Land, buildings and equipment, net	-	-	36,685,531	-	-	-	-	36,685,531	37,373,420
Due from other funds	52,758,684	27,252,544	6,172,000	2,723,556	2,169,510	-	(91,076,294)	-	-
Total assets	\$ 143,790,630	\$ 184,243,968	\$ 68,262,538	\$ 18,720,832	\$ 19,248,236	\$ 176,919	\$ (93,067,703)	\$ 341,375,420	\$ 331,570,927
Liabilities and Net Assets									
Liabilities:									
Accounts payable and accrued expenses	\$ 16,928,306	\$ 143,677	\$ 6,762,443	\$ 1,385,910	\$ -	\$ -	\$ (18,588,431)	\$ 6,631,905	\$ 5,015,777
Lines of credit payable	14,850,622	-	-	-	-	-	-	14,850,622	14,850,622
Self-insurance claim liabilities	3,698,875	-	-	-	-	-	-	3,698,875	4,474,723
Interest rate swap liability	8,056,698	1,699,885	-	-	-	-	-	9,756,583	9,185,278
Savings deposits	-	158,991,725	-	-	-	-	(1,991,409)	157,000,316	147,200,721
Annuities payable and other liabilities	-	-	-	-	-	40,611	-	40,611	42,301
Notes payable	49,375,000	23,010,000	-	-	-	-	-	72,385,000	73,755,000
Due to other funds	21,816,174	-	50,657,906	-	-	13,783	(72,487,863)	-	-
Total liabilities	114,725,675	183,845,287	57,420,349	1,385,910	-	54,394	(93,067,703)	264,363,912	254,524,422
Net assets (deficit):									
Without donor restrictions:									
Undesignated	26,332,732	398,681	10,842,189	-	-	-	-	37,573,602	34,336,825
Designated for special use	2,732,223	-	-	-	-	-	-	2,732,223	5,538,293
Total without donor restrictions	29,064,955	398,681	10,842,189	-	-	-	-	40,305,825	39,875,118
With donor restrictions									
	-	-	-	17,334,922	19,248,236	122,525	-	36,705,683	37,171,387
Total net assets	29,064,955	398,681	10,842,189	17,334,922	19,248,236	122,525	-	77,011,508	77,046,505
Total liabilities and net assets	\$ 143,790,630	\$ 184,243,968	\$ 68,262,538	\$ 18,720,832	\$ 19,248,236	\$ 176,919	\$ (93,067,703)	\$ 341,375,420	\$ 331,570,927

Diocese of Orlando Administrative Offices

Statement of Activities – Fund Group
 Year Ended June 30, 2020
 (With Summarized Totals for the Year Ended June 30, 2019)

	Funds Without Donor Restrictions			Funds With Donor Restrictions				Total 2020	Total 2019
	Operating Funds	Diocesan Savings Fund	Plant Fund	Operating Funds	Endowment Funds	Life/Gift Annuity and Other Funds	Eliminations		
Revenues, gains and other support:									
Catholic appeal contributions	\$ -	\$ -	\$ -	\$ 15,127,057	\$ -	\$ -	\$ -	\$ 15,127,057	\$ 15,131,310
Contributions and bequests	610,724	-	3,411	1,632,600	5,114	-	-	2,251,849	1,512,923
Self-insurance premiums and services fees	30,857,848	-	-	-	-	-	-	30,857,848	29,727,923
Investment income, net	1,559,881	6,831,942	716,898	11,358	350,803	8,927	(996,860)	8,482,949	12,373,379
Gain on sale of land, buildings and equipment	-	-	475,789	-	-	-	-	475,789	1,391,011
Actuarial adjustment to life annuities payable	-	-	-	-	-	1,690	-	1,690	3,707
Other income	3,097,963	-	72,434	93,818	-	-	(479,301)	2,784,914	1,597,399
Total revenues, gains and other support	36,126,416	6,831,942	1,268,532	16,864,833	355,917	10,617	(1,476,161)	59,982,096	61,737,652
Expenses:									
Program services:									
Self-insurance program	27,051,771	-	-	-	-	-	-	27,051,771	26,549,850
Deposit and loan expenses	-	3,120,570	-	-	-	-	(22,437)	3,098,133	3,148,361
Pastoral	3,450,510	-	-	-	-	-	-	3,450,510	3,399,304
Social services	1,293,935	-	-	480,861	-	-	-	1,774,796	1,878,546
Religious personnel development	3,117,683	-	-	-	-	-	-	3,117,683	3,309,619
Plant activities	-	-	2,104,268	-	-	-	(974,423)	1,129,845	1,321,153
Education	2,402,931	-	-	-	-	-	-	2,402,931	2,424,967
Donations and special projects	974,874	-	3,000,000	559,891	-	-	(479,301)	4,055,464	1,182,094
Total program services	38,291,704	3,120,570	5,104,268	1,040,752	-	-	(1,476,161)	46,081,133	43,213,894
Supporting services:									
Diocesan administration	9,807,780	-	-	(366,594)	-	-	-	9,441,186	9,822,564
Interest expense	3,319,119	-	-	-	-	-	-	3,319,119	3,480,357
Change in interest rate swap liability	755,941	(184,637)	-	-	-	-	-	571,304	677,937
Endowment activities	-	-	-	-	595,366	-	-	595,366	804,061
Life and gift annuities expenses	-	-	-	-	-	8,985	-	8,985	12,081
Total supporting services	13,882,840	(184,637)	-	(366,594)	595,366	8,985	-	13,935,960	14,797,000
Total expenses	52,174,544	2,935,933	5,104,268	674,158	595,366	8,985	(1,476,161)	60,017,093	58,010,894
Change in net assets before transfers	(16,048,128)	3,896,009	(3,835,736)	16,190,675	(239,449)	1,632	-	(34,997)	3,726,758
Interfund transfers	16,840,642	-	(422,080)	(16,000,062)	(418,500)	-	-	-	-
Change in net assets	792,514	3,896,009	(4,257,816)	190,613	(657,949)	1,632	-	(34,997)	3,726,758
Net assets (deficit):									
Beginning	28,272,441	(3,497,328)	15,100,005	17,144,309	19,906,185	120,893	-	77,046,505	73,319,747
Ending	\$ 29,064,955	\$ 398,681	\$ 10,842,189	\$ 17,334,922	\$ 19,248,236	\$ 122,525	\$ -	\$ 77,011,508	\$ 77,046,505

Diocese of Orlando Administrative Offices

Combining Statement of Financial Position Information – Operating Funds

June 30, 2020

(With Comparative Totals for June 30, 2019)

	Funds Without Donor Restrictions			Funds With Donor Restrictions	Total 2020	Total 2019
	Current Undesignated Fund	Current Designated Funds	Designated for Self-Insurance Funds	Current Restricted Funds		
Assets						
Cash and cash equivalents	\$ 5,399,881	\$ 2,068,722	\$ 13,733,257	\$ 870,219	\$ 22,072,079	\$ 21,062,851
Pledges receivable, net	-	-	-	15,127,057	15,127,057	15,131,310
Prepaid expenses and other assets	141,540	202,499	2,498,802	-	2,842,841	2,499,769
Accrued interest receivable	11,566	49,657	-	-	61,223	73,770
Advances to Diocesan entities, net	109,444	18,031,993	-	-	18,141,437	18,622,530
Bequests and other receivables, net	25,000	-	1,010,540	-	1,035,540	670,901
Investments	9,732,732	37,915,429	100,884	-	47,749,045	47,908,816
Due from other funds	35,787,963	16,886,126	84,595	2,723,556	55,482,240	52,254,163
Total assets	\$ 51,208,126	\$ 75,154,426	\$ 17,428,078	\$ 18,720,832	\$ 162,511,462	\$ 158,224,110
Liabilities and Net Assets (Deficit)						
Liabilities:						
Accounts payable and accrued expenses	\$ 10,024,772	\$ 6,431,373	\$ 472,161	\$ 1,385,910	\$ 18,314,216	\$ 16,507,876
Lines of credit payable	14,850,622	-	-	-	14,850,622	14,850,622
Self-insurance claim liabilities	-	-	3,698,875	-	3,698,875	4,474,723
Interest rate swap liability	-	8,056,698	-	-	8,056,698	7,300,756
Notes payable	-	49,375,000	-	-	49,375,000	50,095,000
Due to other funds	-	21,816,174	-	-	21,816,174	19,578,383
Total liabilities	24,875,394	85,679,245	4,171,036	1,385,910	116,111,585	112,807,360
Net assets (deficit):						
Without donor restrictions						
Undesignated	26,332,732	-	-	-	26,332,732	22,734,148
Designated for special use	-	(10,524,819)	13,257,042	-	2,732,223	5,538,293
Total net assets (deficit) without donor restrictions	26,332,732	(10,524,819)	13,257,042	-	29,064,955	28,272,441
With donor restrictions	-	-	-	17,334,922	17,334,922	17,144,309
Total net assets (deficit)	26,332,732	(10,524,819)	13,257,042	17,334,922	46,399,877	45,416,750
Total liabilities and net assets	\$ 51,208,126	\$ 75,154,426	\$ 17,428,078	\$ 18,720,832	\$ 162,511,462	\$ 158,224,110

Diocese of Orlando Administrative Offices

Combining Statement of Activities Information – Operating Funds
 Year Ended June 30, 2020
 (With Summarized Totals for the Year Ended June 30, 2019)

	Funds Without Donor Restrictions			Funds With Donor Restrictions	Total 2020	Total 2019
	Current Undesignated Fund	Current Designated Funds	Designated for Self-Insurance Funds	Current Restricted Funds		
Revenues, gains and other support:						
Catholic appeal contributions	\$ -	\$ -	\$ -	\$ 15,127,057	\$ 15,127,057	\$ 15,131,310
Contributions and bequests	396,448	214,276	-	1,632,600	2,243,324	1,475,201
Self-insurance premiums and service fees	3,506,057	82,120	27,269,671	-	30,857,848	29,727,923
Investment income, net	180,861	1,285,724	93,296	11,358	1,571,239	2,994,748
Other income	2,654,001	-	443,962	93,818	3,191,781	847,339
Gain on sale of land, buildings, and equipment	-	-	-	-	-	86,736
Total revenues, gains and other support	6,737,367	1,582,120	27,806,929	16,864,833	52,991,249	50,263,257
Expenses:						
Program services:						
Self-insurance program	-	-	27,051,771	-	27,051,771	26,549,850
Pastoral	3,450,510	-	-	-	3,450,510	3,399,304
Religious personnel development	3,093,442	24,241	-	-	3,117,683	3,309,619
Education	2,402,931	-	-	-	2,402,931	2,424,967
Donations and special projects	757,531	30,235	187,108	559,891	1,534,765	1,187,404
Social services	1,293,935	-	-	480,861	1,774,796	1,878,546
Total program services	10,998,349	54,476	27,238,879	1,040,752	39,332,456	38,749,690
Supporting services:						
Diocesan administration	9,705,113	102,667	-	(366,594)	9,441,186	9,822,563
Interest expense	155,122	3,163,997	-	-	3,319,119	3,480,357
Change in interest rate swap liability	-	755,941	-	-	755,941	630,185
Total supporting services	9,860,235	4,022,605	-	(366,594)	13,516,246	13,933,105
Total expenses	20,858,584	4,077,081	27,238,879	674,158	52,848,702	52,682,795
Excess (deficiency) of revenues, gains and other support over expenses	(14,121,217)	(2,494,961)	568,050	16,190,675	142,547	(2,419,538)
Transfers:						
Transfers (to) from operating	15,131,310	-	-	(16,000,062)	(868,752)	(1,146,074)
Transfers (to) from non-operating	2,588,491	(903,876)	24,717	-	1,709,332	2,146,241
Total net transfers	17,719,801	(903,876)	24,717	(16,000,062)	840,580	1,000,167
Change in net assets	3,598,584	(3,398,837)	592,767	190,613	983,127	(1,419,371)
Net assets (deficit):						
Beginning	22,734,148	(7,125,982)	12,664,275	17,144,309	45,416,750	46,836,121
Ending	\$ 26,332,732	\$ (10,524,819)	\$ 13,257,042	\$ 17,334,922	\$ 46,399,877	\$ 45,416,750

Diocese of Orlando Administrative Offices

Statement of Financial Position Information – Current Undesignated Fund
 June 30, 2020
 (With Comparative Totals for June 30, 2019)

	2020	2019
Assets		
Cash and cash equivalents	\$ 5,399,881	\$ 3,088,839
Prepaid expenses and other assets	141,540	86,568
Accrued interest receivable	11,566	13,041
Bequests and other receivables, net	25,000	-
Advances to Diocesan entities, net	109,444	26,256
Investments	9,732,732	9,997,610
Due from other funds	35,787,963	33,161,296
	<hr/>	<hr/>
Total assets	\$ 51,208,126	\$ 46,373,610
Liabilities and Net Assets Without Donor Restrictions		
Liabilities:		
Accounts payable and accrued expenses	\$ 10,024,772	\$ 8,788,840
Lines of credit payable	14,850,622	14,850,622
Total liabilities	24,875,394	23,639,462
	<hr/>	<hr/>
Net assets without donor restrictions	26,332,732	22,734,148
Total net assets without donor restrictions	26,332,732	22,734,148
	<hr/>	<hr/>
Total liabilities and net assets without donor restrictions	\$ 51,208,126	\$ 46,373,610

Diocese of Orlando Administrative Offices

**Statement of Activities Information – Current Undesignated Fund
Year Ended June 30, 2020
(With Comparative Totals for the Year Ended June 30, 2019)**

	2020	2019
Revenues, gains and other support:		
Contributions and bequests	\$ 396,448	\$ 377,661
Fees for services	3,506,057	2,492,759
Investment income, net	180,861	435,532
Other income	2,654,001	687,741
Gain on sale of land, buildings and equipment	-	86,736
Total revenues, gains and other support	6,737,367	4,080,429
Expenses:		
Program services:		
Pastoral	3,450,510	3,399,304
Religious personnel development	3,093,442	3,285,297
Education	2,402,931	2,424,967
Donations	757,531	811,682
Social services	1,293,935	1,482,897
Supporting services:		
Interest expense	155,122	205,882
Diocesan administration	9,705,113	8,867,933
Total expenses	20,858,584	20,477,962
Deficiency of support and revenue over expenses	(14,121,217)	(16,397,533)
Transfers:		
Transfer from operating funds	15,131,310	15,039,221
Transfer from nonoperating funds	2,588,491	2,904,941
Total transfers	17,719,801	17,944,162
Change in net assets	3,598,584	1,546,629
Net assets without donor restrictions:		
Beginning	22,734,148	21,187,519
Ending	\$ 26,332,732	\$ 22,734,148

Diocese of Orlando Administrative Offices

Combining Statement of Financial Position Information – Current Designated Funds

June 30, 2020

(With Summarized Totals for June 30, 2019)

	Bishop's Quasi Endowment Fund	Bishop Moore Bond Fund	Bond II Fund	2007 Bond Diocesan Fund	2007 Bond Bridge Fund	2007 Bond Permanent Fund	2007 Bond Hope Fund	Florida Manor Fund	Long-Term Care Fund for Priests	Orlando Catholic Education Foundation Fund	Satellite Communications Fund	Quasi/ Clergy Endowment Fund	Bond Fund Reserve	Total 2020	Total 2019
Assets															
Cash and cash equivalents	\$ 41,737	\$ 17,546	\$ 25,400	\$ 124	\$ 1,135,094	\$ 213	\$ 11	\$ 24,375	\$ 824,222	\$ -	\$ -	\$ -	\$ -	\$ 2,068,722	\$ 2,689,210
Prepaid expenses and other assets	-	7,629	84,805	24,077	41,274	41,274	3,440	-	-	-	-	-	-	202,499	218,340
Accrued interest receivable	23,830	-	-	-	7,517	-	-	18,310	-	-	-	-	-	49,657	60,729
Advances to Diocesan entities, net	-	3,636,602	2,040,000	-	3,760,391	8,595,000	-	-	-	-	-	-	-	18,031,993	18,596,274
Investments	18,178,973	-	-	-	5,656,729	-	-	14,079,727	-	-	-	-	-	37,915,429	37,820,894
Due from other funds	2,547,684	3,824,232	6,172,000	1,212,175	-	-	-	1,354,496	88,766	31,008	37,583	62,179	1,556,003	16,886,126	16,908,985
Total assets	\$ 20,792,224	\$ 7,486,009	\$ 8,322,205	\$ 1,236,376	\$ 10,601,005	\$ 8,636,487	\$ 3,451	\$ 15,476,908	\$ 912,988	\$ 31,008	\$ 37,583	\$ 62,179	\$ 1,556,003	\$ 75,154,426	\$ 76,294,432
Liabilities and Net Assets (Deficit)															
Without Donor Restrictions															
Liabilities:															
Accounts payable and accrued expenses	\$ 6,180,675	\$ 32,926	\$ 68,524	\$ 31,745	\$ 61,948	\$ 54,430	\$ 2,803	\$ 3,439	\$ (5,117)	\$ -	\$ -	\$ -	\$ -	\$ 6,431,373	\$ 6,446,275
Interest rate swap liability	-	503,789	5,172,078	509,736	952,094	874,003	44,998	-	-	-	-	-	-	8,056,698	7,300,756
Notes payable	-	10,000,000	12,055,000	5,850,000	10,925,000	10,030,000	515,000	-	-	-	-	-	-	49,375,000	50,095,000
Due to other funds	-	-	12,737,167	-	5,583,310	3,418,936	76,761	-	-	-	-	-	-	21,816,174	19,578,383
Total liabilities	6,180,675	10,536,715	30,032,769	6,391,481	17,522,352	14,377,369	639,562	3,439	(5,117)	-	-	-	-	85,679,245	83,420,414
Net assets (deficit) without donor restrictions	14,611,549	(3,050,706)	(21,710,564)	(5,155,105)	(6,921,347)	(5,740,882)	(636,111)	15,473,469	918,105	31,008	37,583	62,179	1,556,003	(10,524,819)	(7,125,982)
Total liabilities and net assets (deficit) without donor restrictions	\$ 20,792,224	\$ 7,486,009	\$ 8,322,205	\$ 1,236,376	\$ 10,601,005	\$ 8,636,487	\$ 3,451	\$ 15,476,908	\$ 912,988	\$ 31,008	\$ 37,583	\$ 62,179	\$ 1,556,003	\$ 75,154,426	\$ 76,294,432

Diocese of Orlando Administrative Offices

Combining Statement of Activities Information – Current Designated Funds
 Year Ended June 30, 2020
 (With Summarized Totals for the Year Ended June 30, 2019)

	Bishop's Quasi Endowment Fund	Bishop Moore Bond Fund	Bond II Fund	2007 Bond Diocesan Fund	2007 Bond Bridge Fund	2007 Bond Permanent Fund	2007 Bond Hope Fund	Florida Manor Fund	Long-term Care Fund for Priests	Orlando Catholic Education Foundation Fund	Satellite Communications Fund	Quasi/ Clergy Endowment Fund	Bond Fund Reserve	Total 2020	Total 2019
Revenues, gains and other support:															
Contributions and bequest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 214,276	\$ -	\$ -	\$ -	\$ -	\$ 214,276	\$ 222,540
Fees for services	-	23,154	11,406	-	-	-	-	-	-	-	-	-	47,560	82,120	92,895
Investment income, net	461,649	182,618	85,428	-	162,904	-	-	393,125	-	-	-	-	-	1,285,724	2,479,887
Total revenues, gains and other support	461,649	205,772	96,834	-	162,904	-	-	393,125	214,276	-	-	-	47,560	1,582,120	2,795,322
Expenses:															
Religious personnel development	13,379	-	-	-	-	-	-	10,862	-	-	-	-	-	24,241	24,322
Donations and special projects	16,231	-	-	-	-	-	-	14,004	-	-	-	-	-	30,235	27,956
Interest expense	-	489,282	865,732	387,303	723,412	664,078	34,190	-	-	-	-	-	-	3,163,997	3,274,475
Change in interest rate swap liability	-	(13,221)	1,170,330	(86,168)	(160,149)	(147,269)	(7,582)	-	-	-	-	-	-	755,941	630,185
Diocesan administration	-	2,625	8,791	1,713	12,546	2,937	224	-	73,831	-	-	-	-	102,667	1,567,811
Total expenses	29,610	478,686	2,044,853	302,848	575,809	519,746	26,832	24,866	73,831	-	-	-	-	4,077,081	5,524,749
Transfer (in) out	(304,000)	-	-	155,000	(265,000)	265,000	15,000	(769,876)	-	-	-	-	-	(903,876)	(769,500)
Total net transfers	(304,000)	-	-	155,000	(265,000)	265,000	15,000	(769,876)	-	-	-	-	-	(903,876)	(769,500)
Change in net assets	128,039	(272,914)	(1,948,019)	(147,848)	(677,905)	(254,746)	(11,832)	(401,617)	140,445	-	-	-	47,560	(3,398,837)	(3,498,927)
Net assets (deficit) without donor restrictions:															
Beginning	14,483,510	(2,777,792)	(19,762,545)	(5,007,257)	(6,243,442)	(5,486,136)	(624,279)	15,875,086	777,660	31,008	37,583	62,179	1,508,443	(7,125,982)	(3,627,055)
Ending	\$ 14,611,549	\$ (3,050,706)	\$ (21,710,564)	\$ (5,155,105)	\$ (6,921,347)	\$ (5,740,882)	\$ (636,111)	\$ 15,473,469	\$ 918,105	\$ 31,008	\$ 37,583	\$ 62,179	\$ 1,556,003	\$ (10,524,819)	\$ (7,125,982)

Diocese of Orlando Administrative Offices

Combining Statement of Financial Position Information – Current Restricted Funds

June 30, 2020

(With Summarized Totals for June 30, 2019)

	Assets				Liabilities	Net Assets	Total
	Cash and Cash Equivalents	Pledges Receivable, net	Due From Other Funds	Total	Accounts Payable and Accrued Expenses	With Donor Restrictions	Liabilities and Net Assets With Donor Restrictions
Bishop Dorsey Colloquium Fund	\$ 6,465	\$ -	\$ 19,030	\$ 25,495	\$ -	\$ 25,495	\$ 25,495
Custodian Missionary Coop/ Custodial Collections Funds	-	-	1,350,986	1,350,986	1,299,980	51,006	1,350,986
Disaster Relief Fund	-	-	238,428	238,428	-	238,428	238,428
Papenbrock (Needy Children) Fund	-	-	9,000	9,000	-	9,000	9,000
Propagation of the Faith Fund	117,773	-	1,103,483	1,221,256	-	1,221,256	1,221,256
Sister Diocese Fund	685,532	-	-	685,532	83,195	602,337	685,532
Seminarian Support Fund	-	-	2,629	2,629	2,735	(106)	2,629
Alive-in-Christ – Campus Ministry	60,449	-	-	60,449	-	60,449	60,449
Pledges receivable	-	15,127,057	-	15,127,057	-	15,127,057	15,127,057
Total current restricted funds, June 30, 2020	\$ 870,219	\$ 15,127,057	\$ 2,723,556	\$ 18,720,832	\$ 1,385,910	\$ 17,334,922	\$ 18,720,832
Total current restricted funds, June 30, 2019	\$ 604,335	\$ 15,131,310	\$ 2,294,974	\$ 18,030,619	\$ 886,310	\$ 17,144,309	\$ 18,030,619

Diocese of Orlando Administrative Offices

**Combining Statement of Activities Information – Current Restricted Funds
Year Ended June 30, 2020
(With Summarized Totals for the Year Ended June 30, 2019)**

	Revenues, Gains and Other Support					Expenses and Other Deductions					Change in Net Assets	Net Assets		
	Catholic Appeal Contributions	Contributions and Bequests	Investment Income, net	Other Income	Total	Social Services	Donations		Diocesan Administration	Transfers		Total	Net Assets Beginning of Year	Net Assets With Donor Restrictions End of Year
							and Special							
							Projects	Projects						
Bishop Dorsey Colloquium Fund	\$ -	\$ -	\$ 64	\$ -	\$ 64	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 64	\$ 25,431	\$ 25,495	
Custodian Missionary Coop/ Custodial Collections Funds	-	559,891	-	-	559,891	-	559,891	(366,774)	366,774	559,891	-	51,006	51,006	
Disaster Relief Fund	-	-	-	-	-	-	-	-	-	-	-	238,428	238,428	
Papenbrock (Needy Children) Fund	-	-	3,000	-	3,000	-	-	-	-	-	3,000	6,000	9,000	
Propagation of the Faith Fund	-	-	-	-	-	-	-	180	(4,520)	(4,340)	4,340	1,216,916	1,221,256	
Sister Diocese Fund	-	814,887	7,692	93,818	916,397	480,861	-	-	248,676	729,537	186,860	415,477	602,337	
Seminarian Support Fund	-	257,822	-	-	257,822	-	-	-	257,822	257,822	-	(106)	(106)	
Alive-in-Christ – Campus Ministry	-	-	602	-	602	-	-	-	-	-	602	59,847	60,449	
Diocesan Assessments	15,127,057	-	-	-	15,127,057	-	-	-	15,131,310	15,131,310	(4,253)	15,131,310	15,127,057	
Total current restricted funds, June 30, 2020	\$ 15,127,057	\$ 1,632,600	\$ 11,358	\$ 93,818	\$ 16,864,833	\$ 480,861	\$ 559,891	\$ (366,594)	\$ 16,000,062	\$ 16,674,220	\$ 190,613	\$ 17,144,309	\$ 17,334,922	
Total current restricted funds, June 30, 2019	\$ 15,131,310	\$ 875,000	\$ 11,552	\$ -	\$ 16,017,862	\$ 395,649	\$ 347,766	\$ (613,181)	\$ 16,185,295	\$ 16,315,529	\$ (297,667)	\$ 17,441,976	\$ 17,144,309	

Diocese of Orlando Administrative Offices

Combining Statement of Financial Position Information – Designated for Self-Insurance Funds

June 30, 2020

(With Summarized Totals for June 30, 2019)

	Property and General Liability Fund	Accident and Health Fund	Unemployment Compensation Funds	Total 2020	Total 2019
Assets					
Cash and cash equivalents	\$ 5,487,183	\$ 5,396,996	\$ 2,849,078	\$ 13,733,257	\$ 14,680,467
Prepaid expenses and other assets	2,498,802	-	-	2,498,802	2,194,861
Bequests and other receivables, net	948,454	62,086	-	1,010,540	670,901
Investments	100,884	-	-	100,884	90,312
Due from (to) other funds	514,700	(346,288)	(83,817)	84,595	(111,092)
Total assets	\$ 9,550,023	\$ 5,112,794	\$ 2,765,261	\$ 17,428,078	\$ 17,525,449
Liabilities and Net Assets Without Donor Restrictions					
Liabilities:					
Accounts payable and accrued expenses	\$ 51,422	\$ 420,739	\$ -	\$ 472,161	\$ 386,451
Self-insurance claim liabilities	2,198,485	1,450,390	50,000	3,698,875	4,474,723
Total liabilities	2,249,907	1,871,129	50,000	4,171,036	4,861,174
Net assets without donor restrictions, designated for special use, self-insurance fund	7,300,116	3,241,665	2,715,261	13,257,042	12,664,275
Total liabilities and net assets without donor restrictions	\$ 9,550,023	\$ 5,112,794	\$ 2,765,261	\$ 17,428,078	\$ 17,525,449

Diocese of Orlando Administrative Offices

Combining Statement of Activities Information – Designated for Self-Insurance Funds
 Year Ended June 30, 2020
 (With Summarized Totals for the Year Ended June 30, 2019)

	Property and General Liability Fund	Accident and Health Fund	Unemployment Compensation Funds	Total 2020	Total 2019
Revenues, gains and other support:					
Self-insurance premiums and service fees	\$ 6,668,200	\$ 20,082,040	\$ 519,431	\$ 27,269,671	\$ 27,142,269
Investment income, net	69,744	17,026	6,526	93,296	67,777
Other income	443,384	578	-	443,962	159,598
Total revenues, gains and other support	7,181,328	20,099,644	525,957	27,806,929	27,369,644
Expenses:					
Losses and loss adjustment expenses	2,191,790	18,578,910	-	20,770,700	20,141,750
Premium for excess coverage insurance	3,148,123	-	-	3,148,123	2,383,712
Donations and special projects	-	-	187,108	187,108	-
Administration expense	1,224,865	1,798,654	109,429	3,132,948	4,024,388
Total expenses	6,564,778	20,377,564	296,537	27,238,879	26,549,850
Transfers in	-	24,717	-	24,717	10,800
Change in net assets without donor restrictions	616,550	(253,203)	229,420	592,767	830,594
Net assets without donor restrictions:					
Beginning	6,683,566	3,494,868	2,485,841	12,664,275	11,833,681
Ending	\$ 7,300,116	\$ 3,241,665	\$ 2,715,261	\$ 13,257,042	\$ 12,664,275

Diocese of Orlando Administrative Offices

**Statement of Financial Position Information – Diocesan Savings Fund
June 30, 2020
(With Comparative Totals for June 30, 2019)**

	2020	2019
Assets		
Cash and cash equivalents	\$ 47,736,149	\$ 44,948,708
Prepaid expenses and other assets	92,855	98,016
Accrued interest receivable	409,562	459,708
Loans receivable, net	27,748,992	23,151,709
Bequests and other receivables, net	1,073,282	-
Investments	79,930,584	75,498,356
Due from other funds	27,252,544	27,252,544
	<u>27,252,544</u>	<u>27,252,544</u>
Total assets	\$ 184,243,968	\$ 171,409,041
	<u>\$ 184,243,968</u>	<u>\$ 171,409,041</u>
Liabilities and Net Assets Without Donor Restrictions		
Liabilities:		
Accounts payable and accrued expenses	\$ 143,677	\$ 111,522
Interest rate swap liability	1,699,885	1,884,522
Savings deposits	158,991,725	149,250,325
Notes payable	23,010,000	23,660,000
	<u>23,010,000</u>	<u>23,660,000</u>
Total liabilities	183,845,287	174,906,369
	<u>183,845,287</u>	<u>174,906,369</u>
Net assets (deficit) without donor restrictions	398,681	(3,497,328)
	<u>398,681</u>	<u>(3,497,328)</u>
Total liabilities and net assets (deficit) without donor restrictions	\$ 184,243,968	\$ 171,409,041
	<u>\$ 184,243,968</u>	<u>\$ 171,409,041</u>

Diocese of Orlando Administrative Offices

**Statement of Activities Information – Diocesan Savings Fund
Year Ended June 30, 2020
(With Comparative Totals for the Year Ended June 30, 2019)**

	2020	2019
Revenues, gains and other support:		
Investment income, net	\$ 6,831,942	\$ 8,051,900
Other income	-	1,242,802
Total revenues, gains and other support	6,831,942	9,294,702
Expenses:		
Interest expense	2,838,132	2,756,499
Change in interest rate swap liability	(184,637)	47,752
Bad debt	-	155,000
Other	282,438	262,167
Total expenses	2,935,933	3,221,418
Change in net assets without donor restrictions	3,896,009	6,073,284
Net assets (deficit) without donor restrictions:		
Beginning	(3,497,328)	(9,570,612)
Ending	\$ 398,681	\$ (3,497,328)

Diocese of Orlando Administrative Offices

**Statement of Financial Position Information – Plant Fund
June 30, 2020
(With Comparative Totals for June 30, 2019)**

	2020	2019
Assets		
Cash and cash equivalents	\$ 44,826	\$ 592,495
Advances to Diocesan entities, net	3,143	-
Prepaid expenses and other assets	10,217	81,001
Accrued interest receivable	33,558	44,368
Investments	25,313,263	27,504,151
Land, buildings and equipment, net	36,685,531	37,373,420
Due from other funds	6,172,000	6,172,000
	<u>68,262,538</u>	<u>71,767,435</u>
Total assets	\$ 68,262,538	\$ 71,767,435
Liabilities and Net Assets Without Donor Restrictions		
Liabilities:		
Accounts payable and accrued expenses	\$ 6,762,443	\$ 6,927,985
Due to other funds	50,657,906	49,739,445
Total liabilities	<u>57,420,349</u>	<u>56,667,430</u>
Net assets without donor restrictions	<u>10,842,189</u>	<u>15,100,005</u>
Total liabilities and net assets without donor restrictions	\$ 68,262,538	\$ 71,767,435

Diocese of Orlando Administrative Offices

**Statement of Activities Information – Plant Fund
Year Ended June 30, 2020
(With Comparative Totals for the Year Ended June 30, 2019)**

	2020	2019
Additions:		
Contributions and bequests	\$ 3,411	\$ -
Investment income, net	716,898	1,579,823
Gain on sale of land and property	475,789	1,304,275
Other income	72,434	46,258
Total additions	1,268,532	2,930,356
Deductions:		
Property taxes	81,792	82,420
Depreciation	617,114	633,446
Interest expense	1,193,722	1,585,634
Other	211,640	314,149
Donations	3,000,000	533,690
Total deductions	5,104,268	3,149,339
Transfers:		
Transfers from other funds	(422,080)	(797,168)
Change in net assets without donor restrictions	(4,257,816)	(1,016,151)
Net assets without donor restrictions:		
Beginning	15,100,005	16,116,156
Ending	\$ 10,842,189	\$ 15,100,005

Diocese of Orlando Administrative Offices

Combining Statement of Financial Position Information – Endowment Funds

June 30, 2020

(With Summarized Totals for June 30, 2019)

	Seminarian Burse Fund	St. Anne's Shrine Fund	Pelletier Fund	Dennis Quinn Fund	Papenbrock Fund	School Endowment Fund	Alive in Christ Endowment Fund	Bishop Dorsey Fund	Total 2020	Total 2019
Assets										
Cash and cash equivalents	\$ 3,499	\$ -	\$ -	\$ 229,753	\$ 8,980	\$ -	\$ 562,838	\$ 25,507	\$ 830,577	\$ 982,955
Accrued interest receivable	6,988	-	-	-	-	-	37	-	7,025	11,211
Investments	4,568,934	-	-	264,902	193,216	-	11,214,072	-	16,241,124	16,727,509
Due from (to) other funds	73,803	31,223	24,936	-	-	1,535,136	(5,136)	509,548	2,169,510	2,184,510
Total assets	\$ 4,653,224	\$ 31,223	\$ 24,936	\$ 494,655	\$ 202,196	\$ 1,535,136	\$ 11,771,811	\$ 535,055	\$ 19,248,236	\$ 19,906,185
Liabilities and Net Assets With Donor Restrictions										
Net assets with donor restrictions	\$ 4,653,224	\$ 31,223	\$ 24,936	\$ 494,655	\$ 202,196	\$ 1,535,136	\$ 11,771,811	\$ 535,055	\$ 19,248,236	\$ 19,906,185
Total liabilities and net assets with donor restrictions	\$ 4,653,224	\$ 31,223	\$ 24,936	\$ 494,655	\$ 202,196	\$ 1,535,136	\$ 11,771,811	\$ 535,055	\$ 19,248,236	\$ 19,906,185

Diocese of Orlando Administrative Offices

Combining Statement of Activities Information – Endowment Funds
 Year Ended June 30, 2020
 (With Summarized Totals for the Year Ended June 30, 2019)

	Seminarian Burse Fund	St. Anne's Shrine Fund	Pelletier Fund	Dennis Quinn Fund	Papenbrock Fund	School Endowment Fund	Alive in Christ Endowment Fund	Bishop Dorsey Fund	Total 2020	Total 2019
Revenue, gains, and other support:										
Contributions and bequests	\$ 5,114	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,114	\$ 37,722
Investment income, net	237,458	-	-	10,842	9,444	-	92,805	254	350,803	1,052,844
Total revenue, gains and other support	242,572	-	-	10,842	9,444	-	92,805	254	355,917	1,090,566
Expenses:										
Fees and expenses	3,007	-	-	5,675	16,694	15,000	554,990	-	595,366	804,061
Transfers:										
Transfers to current restricted fund	(418,500)	-	-	-	-	-	-	-	(418,500)	(203,000)
Change in net assets with donor restrictions	(178,935)	-	-	5,167	(7,250)	(15,000)	(462,185)	254	(657,949)	83,505
Net assets with donor restrictions:										
Beginning	4,832,159	31,223	24,936	489,488	209,446	1,550,136	12,233,996	534,801	19,906,185	19,822,680
Ending	\$ 4,653,224	\$ 31,223	\$ 24,936	\$ 494,655	\$ 202,196	\$ 1,535,136	\$ 11,771,811	\$ 535,055	\$ 19,248,236	\$ 19,906,185

Diocese of Orlando Administrative Offices

**Combining Statement of Financial Position Information – Life/Gift Annuity and Other Funds
June 30, 2020
(With Summarized Totals for June 30, 2019)**

	Total 2020	Total 2019
Assets		
Cash and cash equivalents	\$ 4,581	\$ 4,380
Investments	<u>172,338</u>	<u>172,597</u>
Total assets	<u>\$ 176,919</u>	<u>\$ 176,977</u>
Liabilities and Net Assets With Donor Restrictions		
Liabilities:		
Life annuities payable	\$ 32,753	\$ 33,914
Gift annuities payable	7,858	8,387
Due to other funds	<u>13,783</u>	<u>13,783</u>
Total liabilities	54,394	56,084
Net assets with donor restrictions	<u>122,525</u>	120,893
Total liabilities and net assets with donor restrictions	<u>\$ 176,919</u>	<u>\$ 176,977</u>

Diocese of Orlando Administrative Offices

Combining Statement of Activities Information – Life/Gift Annuity and Other Funds

Year Ended June 30, 2020

(With Summarized Totals for the Year Ended June 30, 2019)

	Total 2020	Total 2019
Additions:		
Investment income, net	\$ 8,927	\$ 13,865
Actuarial adjustment to life annuities payable	1,690	3,707
Total additions	10,617	17,572
Deductions:		
Annuities paid	6,858	9,394
Miscellaneous expenses	2,127	2,687
Total deductions	8,985	12,081
Change in net assets with donor restrictions	1,632	5,491
Net assets with donor restrictions:		
Beginning	120,893	115,402
Ending	\$ 122,525	\$ 120,893