

Diocese of Orlando Administrative Offices

Financial Report
June 30, 2021

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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, 2021, 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, 2021, 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 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 14, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

RSM US LLP

Orlando, Florida
October 22, 2021

Diocese of Orlando Administrative Offices

Statement of Financial Position

June 30, 2021

(With Summarized Comparative Totals for June 30, 2020)

	2021	2020
Assets		
Cash and cash equivalents	\$ 52,954,252	\$ 68,696,803
Contributions receivable, net (Notes 2 and 13)	15,556,034	15,127,057
Prepaid expenses and other assets	3,205,596	2,945,913
Accrued interest receivable	695,605	511,368
Loans receivable, net (Note 3)	34,060,591	27,748,992
Advances to Diocesan entities, net (Note 4)	5,142,698	18,144,580
Bequests and other receivables, net (Notes 10 and 13)	1,988,682	2,108,822
Investments (Notes 5, 6 and 13)	175,076,253	169,406,354
Land, buildings and equipment, net (Note 7)	32,494,768	36,685,531
	<u>321,174,479</u>	<u>341,375,420</u>
Total assets	\$ 321,174,479	\$ 341,375,420
Liabilities and Net Assets		
Accounts payable and accrued expenses (Note 12)	\$ 4,847,329	\$ 6,631,905
Line of credit payable (Note 9)	-	14,850,622
Self-insurance claim liabilities (Notes 10 and 12)	3,256,034	3,698,875
Interest rate swap liability (Notes 8)	-	9,756,583
Savings deposits (Note 3)	171,500,707	157,000,316
Annuities payable and other liabilities	39,017	40,611
Notes payable, net of debt issuance costs (Note 9)	47,361,682	72,385,000
	<u>227,004,769</u>	<u>264,363,912</u>
Total liabilities	227,004,769	264,363,912
Commitments and contingencies (Notes 3, 9, 10, 11 and 12)		
Net assets:		
Without donor restrictions (Note 13)	52,937,126	40,305,825
With donor restrictions (Notes 13 and 14)	41,232,584	36,705,683
	<u>94,169,710</u>	<u>77,011,508</u>
Total net assets	94,169,710	77,011,508
	<u>\$ 321,174,479</u>	<u>\$ 341,375,420</u>
Total liabilities and net assets	\$ 321,174,479	\$ 341,375,420

See notes to financial statements.

Diocese of Orlando Administrative Offices

Statement of Activities

Year Ended June 30, 2021

(With Summarized Comparative Totals for the Year Ended June 30, 2020)

	Without Donor Restrictions	With Donor Restrictions	Total 2021	Total 2020
Revenues, gains and other support:				
Catholic appeal contributions	\$ -	\$ 15,556,034	\$ 15,556,034	\$ 15,127,057
Contributions and bequests	3,087,997	1,708,713	4,796,710	2,251,849
Contributions - Paycheck Protection Program	69,472	-	69,472	1,809,385
Self-insurance administration fees and other service fees	30,777,016	-	30,777,016	30,857,848
Investment income, net (Notes 3, 5 and 6)	24,883,405	4,489,925	29,373,330	8,482,949
Gain on sale of land, buildings and equipment	3,425,362	-	3,425,362	475,789
Actuarial adjustment to life annuities payable	-	1,594	1,594	1,690
Other income	1,005,412	38,800	1,044,212	975,529
Net assets released from restrictions (Note 14)	17,268,165	(17,268,165)	-	-
Total revenues, gains and other support	80,516,829	4,526,901	85,043,730	59,982,096
Expenses:				
Program services:				
Self-insurance program	31,752,943	-	31,752,943	27,051,771
Deposit and loan program	3,165,000	-	3,165,000	3,098,133
Pastoral	2,873,696	-	2,873,696	3,450,510
Social services	1,890,251	-	1,890,251	1,774,796
Religious personnel development	3,178,465	-	3,178,465	3,117,683
Plant activities	1,005,459	-	1,005,459	1,129,845
Education	2,276,923	-	2,276,923	2,402,931
Special projects	1,407,727	-	1,407,727	4,055,464
Total program services	47,550,464	-	47,550,464	46,081,133
Supporting services:				
Diocesan administration	20,335,064	-	20,335,064	13,935,960
Total supporting services	20,335,064	-	20,335,064	13,935,960
Total expenses	67,885,528	-	67,885,528	60,017,093
Change in net assets	12,631,301	4,526,901	17,158,202	(34,997)
Net assets:				
Beginning	40,305,825	36,705,683	77,011,508	77,046,505
Ending	\$ 52,937,126	\$ 41,232,584	\$ 94,169,710	\$ 77,011,508

See notes to financial statements.

Diocese of Orlando Administrative Offices

Statement of Cash Flows

Year Ended June 30, 2021

(With Summarized Comparative Totals for the Year Ended June 30, 2020)

	2021	2020
Cash flows from operating activities:		
Increase (decrease) in net assets	\$ 17,158,202	\$ (34,997)
Adjustment to reconcile increase (decrease) in net assets to net cash used in operating activities:		
Depreciation and amortization	613,613	617,114
Gain on sale of land, buildings and equipment	(3,425,362)	(475,789)
Realized and unrealized gain on investments	(20,960,003)	(2,241,148)
Change in fair value of interest rate swaps	(3,446,877)	571,305
Provision for uncollectible loans, advances, contributions receivable and other, net	11,930,193	545,653
Changes in operating assets and liabilities:		
Bequests and other receivables	120,140	(1,437,921)
Contributions receivable	(3,779)	(541,400)
Prepaid expenses and other assets	(259,683)	(267,127)
Accrued interest receivable	(184,237)	77,689
Accounts payable and accrued expenses	(1,784,576)	1,616,128
Self-insurance claim liabilities	(442,841)	(775,848)
Annuities payable and other liabilities	(1,594)	(1,690)
Net cash used in operating activities	(686,804)	(2,348,031)
Cash flows from investing activities:		
Proceeds from sale of investments	72,275,018	49,629,568
Purchases of investments	(56,984,914)	(48,983,345)
Collections on advances made to Diocesan entities	708,459	481,093
Loans made to parishes and related entities	(13,362,560)	(11,833,263)
Collections on loans made to parishes and related entities	7,050,961	7,235,980
Purchases of land, buildings and equipment	(850,366)	(43,157)
Proceeds from sale of land, buildings and equipment	7,855,255	589,721
Net cash provided by (used in) investing activities	16,691,853	(2,923,403)

(Continued)

Diocese of Orlando Administrative Offices

Statement of Cash Flows (Continued)

Year Ended June 30, 2021

(With Summarized Comparative Totals for the Year Ended June 30, 2020)

	2021	2020
Cash flows from financing activities:		
Net proceeds from note payable	\$ 47,685,000	\$ -
Payments of line of credit	(14,850,622)	-
Payments of notes payable	(72,385,000)	(1,370,000)
Payments of debt issuance costs	(325,695)	-
Payments on interest rate swap liability	(6,309,706)	-
Advances made to Diocesan entities	(61,968)	(3,143)
Deposits made by parishes and other Diocesan entities	79,397,009	78,771,602
Withdrawals made by parishes and other Diocesan entities	(64,896,618)	(68,972,007)
Net cash (used in) provided by financing activities	(31,747,600)	8,426,452
Net (decrease) increase in cash and cash equivalents	(15,742,551)	3,155,018
Cash and cash equivalents:		
Beginning	68,696,803	65,541,785
Ending	\$ 52,954,252	\$ 68,696,803
Supplemental disclosure of cash flow information:		
Cash paid for interest	\$ 5,687,635	\$ 6,369,389

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, 2021, 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 paragraphs, 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 donor 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 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 restrictions, may be designated for specific purposes by action of the Bishop.

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

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 net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor restriction or by law. Expirations of restrictions on net assets with donor restrictions (i.e., the donor-restricted purpose has been fulfilled and/or the restricted time period has elapsed) are reported as reclassifications between the two applicable classes of net assets.

Contributions, including contributions receivable, securities, materials and supplies and other assets, are recognized at net realizable value, if due in one year or less, or net present value using the market discount rate in effect at the date of the unconditional promise to give, if due in more than one year, 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 met or explicitly waived by the donor. 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 restriction that limits discretion by the recipient on the conduct of an activity, and restrictions that are related to the purpose of the agreement. Contributions of assets other than cash are recorded at their estimated fair value on the date the assets are received.

Donor 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 restrictions 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 restrictions are reported as revenues with donor restrictions; the restrictions are considered to be released at the time such long-lived assets are placed into service.

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, 2021.

Investment income is reported in the statement of activities and consists of interest and dividend income and realized and unrealized gains and losses, less direct external and internal investment expenses. 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

Diocese of Orlando Administrative Offices

Notes to Financial Statements

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

Self-insurance administration fees and other service fees: Fees for services, including administering the self-insurance program for other Diocesan entities and affiliates, are recognized in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 606, *Revenue from Contracts with Customers*.

Due to the short period of time over which services are provided, fees for services are recognized during the same month in which services are provided, which is when performance obligations are satisfied.

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.

Contributions receivable: Contributions receivable represent amounts due from parishioners of those parishes participating in the Diocese's annual *Our Catholic Appeal*. Amounts due under contributions receivable due in one year or less are reported at net realizable value. Amounts due under contributions receivable 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 unconditional promise to give. Contributions receivable are reviewed at least annually 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.

Diocese of Orlando Administrative Offices

Notes to Financial Statements

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

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.

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. 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 over \$2,500 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.

Impairment of long-lived assets: The Diocese evaluates the recoverability of its land, buildings and equipment whenever adverse events or changes in the business climate indicate that the expected undiscounted future cash flows from the related asset may be less than previously anticipated. If the net book value of the related asset exceeds the undiscounted future cash flows of the asset, the carrying amount would be reduced to the present value of its expected future cash flows and an impairment loss would be recognized. Management believes no indication of impairment exists June 30, 2021.

Diocese of Orlando Administrative Offices

Notes to Financial Statements

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

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.

As of June 30, 2021, the Diocese has terminated the derivative financial instruments as reflected in the accompanying statement of financial position.

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 include both specific case reserves and estimated incurred but not reported amounts which 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.

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 death 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.

Debt issuance costs: Debt issuance costs are amortized over the term of the long-term debt using the effective interest method. As of June 30, 2021, unamortized debt issuance costs were approximately \$323,000, which are included in liabilities as a direct reduction of the related long-term debt. There were no unamortized debt issuance costs as of June 30, 2020. There was approximately \$2,400 of amortization expense of debt issuance costs included in interest expense during the year ending June 30, 2021.

Diocese of Orlando Administrative Offices

Notes to Financial Statements

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

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 that can be identified with a specific program or support service are charged directly to the function. Certain other costs have been allocated among program and supporting services benefited. Such allocations are determined by management on an equitable basis that is consistently applied. 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 program:** 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.
- **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 (U.S. 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.

Advertising expenses: Advertising costs are expensed as incurred. Total advertising costs approximated \$90,000 for the year ending June 30, 2021.

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 as a religious organization 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.

Endowment funds: The Diocese is subject to the Florida Uniform Prudent Management of Institutional Funds Act (FL UPMIFA) and, thus, classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those net assets are time restricted until appropriated for expenditure. Those net assets are also subject to purpose restrictions that must be met before reclassifying those net assets to net assets without donor restrictions. The Diocese has interpreted FL UPMIFA as requiring the preservation of the fair value of the original gifts as of the gift date of the donor-restricted endowment fund, unless a donor stipulates the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, the Diocese considers a fund to be underwater if the fair value of the fund is less than the sum of: (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 has interpreted FL UPMIFA as permitting spending from underwater funds in accordance with the prudent measures required under the law.

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 Diocese 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 Diocese.
- The investment policies of the Diocese.

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.

The Diocese has set spending policies for endowments. The maximum recommended annual spending amount for endowments is 5% of the 36-month average market value of the fund, as calculated at fiscal year-end. 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 Diocese's policy allows spending from underwater endowment funds, if necessary. As of June 30, 2021, the Diocese does not have any underwater endowments. 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.

Diocese of Orlando Administrative Offices

Notes to Financial Statements

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

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.

Reclassifications: Certain amounts in the 2020 summarized comparative financial statements have been reclassified in order to conform with the 2021 presentation. These reclassifications had no effect on the previously reported results of operations or cash flows.

Recently adopted accounting pronouncements: In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which supersedes 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 Diocese adopted the provisions of ASU 2014-09 in fiscal year 2021. The adoption of this ASU did not materially impact the financial statements and related disclosures.

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurements (Topic 820): Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement*, which modifies the disclosure requirements for fair value measurements by removing, modifying or adding certain disclosures. ASU 2018-13 is effective for all entities for fiscal years beginning after December 15, 2019. The Diocese adopted this standard retrospectively in the current year. The adoption of this ASU did not have a significant impact on the financial statements.

Recently issued accounting pronouncements: In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, which sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract (i.e. lessees and lessors). The new standard requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on the principal of whether or not the lease is effectively a financed purchase by the lessee. This classification will determine whether lease expense is recognized based on an effective interest method or on a straight-line basis over the term of the lease, respectively. A lessee is also required to record a right-of-use asset and a lease liability for all leases with a term of greater than 12 months regardless of their classification. Leases with a term of 12 months or less will be accounted for similar to existing guidance for operating leases today. The new standard requires lessors to account for leases using an approach that is substantially equivalent to existing guidance for sales type leases, direct financing leases and operating leases. ASU 2016-02 will be effective for the Diocese's fiscal year 2023, due to the Diocese's election to defer adoption according to ASU 2020-05, *Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842): Effective Dates for Certain Entities*, which was issued in June 2020 and permitted the deferral of ASU 2016-02 for entities which had not yet adopted the standard. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative periods presented in the financial statements, with certain practical expedients available. The Diocese is in the process of evaluating the impact of this new guidance.

Diocese of Orlando Administrative Offices

Notes to Financial Statements

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

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 U.S. 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 changes in net assets. 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, 2022 (the Diocese's fiscal year 2024). The Diocese is currently evaluating the impact this ASU will have on its financial statements.

In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. ASU 2020-07 clarifies the presentation and disclosure of contributed nonfinancial assets, as such assets should be presented as a separate line item in the statement of activities, apart from contributions of cash and other financial assets. ASU 2020-07 will be effective for the Diocese's fiscal year 2023, applied on a retrospective basis. 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, 2021. The Diocese has considered the new pronouncements that altered U.S. 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 22, 2021, the date on which the financial statements were available to be issued. There were no subsequent events, other than as disclosed in Note 12, that would require adjustment to or disclosure in the accompanying financial statements.

Note 2. Contributions Receivable

Contributions receivable at June 30, 2021, are summarized as follows:

Amounts due within one year:

<i>Our Catholic Appeal</i>	\$ 15,816,157
Less allowance for uncollectible contributions receivable	(260,123)
	<u>\$ 15,556,034</u>

Diocese of Orlando Administrative Offices

Notes to Financial Statements

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, 2021, the DSF held fixed rate loans receivable as follows:

At June 30, 2021

Gross fixed rate loans receivable	\$ 38,959,387
Less allowance for loan losses	(4,898,796)
Loans receivable, net	<u>\$ 34,060,591</u>

The interest rate charged on outstanding loans as of and for the fiscal year ended June 30, 2021, ranged from 4.75% to 5.51%. Interest income recognized on outstanding loans totaled approximately \$1,727,200 for the year ended June 30, 2021, and is included in investment income, net, in the accompanying statement of activities. Fully amortizing loans totaling approximately \$27,065,700 mature at dates ranging from December 2021 to October 2036. The remaining balance of loans receivable are interest only with no predefined payment terms. As of June 30, 2021, the Diocese has commitments to fund additional amounts under existing loans for ongoing projects, which totaled approximately \$6,850,100.

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, 2021, was approximately \$171,501,000. Participating entities and affiliates can withdraw these amounts on demand. Interest expense on deposits held for Diocesan entities and affiliates totaled approximately \$1,555,200 for the year ended June 30, 2021, and is included in deposit and loan expenses in the accompanying statement of activities.

At June 30, 2021, seven parish/Diocesan entities individually accounted for over 5% and totaled approximately 70% of gross loans receivable as follows:

Diocesan Entity/Parish	Loans Receivable Balance	Percentage of Gross Loans Receivable
A	\$ 8,289,158	21%
B	5,993,130	15%
C	5,165,913	13%
D	2,407,671	6%
E	2,082,202	5%
F	2,002,950	5%
G	1,951,595	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, 2021, are as follows:

Allowance for loan losses, beginning of year	\$ 8,699,087
Write-offs	<u>(3,800,291)</u>
Allowance for loan losses, end of year	<u>\$ 4,898,796</u>
End of year allowance for loan loss amount allocated to:	
Loans individually evaluated for impairment (Note 1)	\$ 865,913
Loans collectively evaluated for impairment	<u>4,032,883</u>
	<u>\$ 4,898,796</u>
Gross loans:	
Individually evaluated for impairment (Note 1)	\$ 5,971,560
Collectively evaluated for impairment	<u>32,987,827</u>
	<u>\$ 38,959,387</u>

There were no loans past due 90 days or more still accruing interest as of June 30, 2021. Information about nonaccrual and impaired loans as of June 30, 2021, is as follows:

Impaired loans with a valuation allowance	<u>\$ 5,165,913</u>
Impaired loans without a valuation allowance	<u>\$ 805,647</u>
Average investment in impaired loans	<u>\$ 7,975,275</u>
Allowance related to impaired loans	<u>\$ 865,913</u>
Loans on non-accrual status	<u>\$ 5,971,560</u>
Interest income recognized on impaired loans during the year	<u>\$ -</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, 2021.

Diocese of Orlando Administrative Offices

Notes to Financial Statements

Note 4. Advances to Diocesan Entities, Net

Advances to Diocesan Entities consist of the following at June 30, 2021:

<u>Diocesan Entity</u>	<u>Amount</u>
H	\$ 15,995,391
B	5,077,837
Other	183,685
	<u>21,256,913</u>
Less allowance for uncollectible advances	<u>(16,114,215)</u>
Advances to Diocesan Entities, net	<u>\$ 5,142,698</u>

Advances to Diocesan entities bear interest at rates from 3.62% to 5.45%. Diocesan Entities H and B 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, 2021, are as follows:

Allowance for uncollectible advances, beginning of year	\$ 3,758,824
Write-offs of uncollectible advances	-
Increase in provision for uncollectible advances	12,355,391
Allowance for uncollectible advances, end of year	<u>\$ 16,114,215</u>

End of year allowance for uncollectible advances amount allocated to:

Advances individually evaluated for impairment	\$ 15,995,391
Advances collectively evaluated for impairment	118,824
	<u>\$ 16,114,215</u>

Gross advances:

Individually evaluated for impairment	\$ 15,995,391
Collectively evaluated for impairment	5,261,522
	<u>\$ 21,256,913</u>

There were no advances past due 90 days or more still accruing interest as of June 30, 2021. Information about nonaccrual and impaired advances as of June 30, 2021, is as follows:

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

Diocese of Orlando Administrative Offices

Notes to Financial Statements

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

In its estimate of the specific allowance for losses on advances, 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 advances. No modifications to advances occurred that were identified as troubled debt restructurings during the year ended June 30, 2021. During the year ended June 30, 2021, no interest income was recognized on impaired advances.

Note 5. Investments

Investments consist of the following at June 30, 2021:

	Cost	Fair Value
Equity securities:		
Common stocks:		
Domestic stocks	\$ 52,573	\$ 65,894
Mutual funds:		
Domestic stocks – Large Cap Growth Index	4,177,293	4,984,883
Asset Core Plus Bond IS (bond/fixed income)	65,419,514	69,405,202
All Asset Institutional	11,420,734	12,575,827
International Stock Fund	6,071,796	7,779,537
Emerging Markets Social Core	1,936,210	2,525,249
Small Cap ETF	1,590,367	2,207,290
Other mutual funds (mixed allocation)	458,897	615,020
Debt securities:		
Corporate bonds	22,284,110	21,734,409
U.S. Treasury obligations	10,421,448	10,400,075
Alternative funds:		
Multi-strategy (equity/fixed income) hedge fund	20,879,304	28,255,089
Pooled investment with The Catholic Foundation of Central Florida, Inc.	9,436,165	14,527,778
	<u>\$ 154,148,411</u>	<u>\$ 175,076,253</u>

Realized gains totaled approximately \$6,349,000 and net unrealized gains totaled approximately \$14,611,000 for the year ended June 30, 2021, 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.

Diocese of Orlando Administrative Offices

Notes to Financial Statements

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 U.S. Treasury obligations.

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 and corporate bonds. 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 and include situations where there is little, if any, market activity for the asset. 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 pooled funds with The Catholic Foundation of Central Florida, Inc.

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 for investments 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 for investments 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.

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).

Diocese of Orlando Administrative Offices

Notes to Financial Statements

Note 6. Fair Value Measurements (Continued)

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 restricted 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. The pooled investment with the Foundation is classified as a Level 3 as its fair value is based on information provided by the Foundation and not a direct observable input.

The following table summarizes fair value measurements by level at June 30, 2021, for assets measured at fair value on a recurring basis:

	Fair Value	Level 1	Level 2	Level 3
Equity securities:				
Common stocks:				
Domestic stocks	\$ 65,894	\$ 65,894	\$ -	\$ -
Mutual funds:				
Domestic stocks – Large Cap Growth Index	4,984,883	4,984,883	-	-
Asset Core Plus Bond IS (Bond/Fixed Income)	69,405,202	69,405,202	-	-
All Asset Institutional	12,575,827	12,575,827	-	-
International Stock Fund	7,779,537	7,779,537	-	-
Emerging Markets Social Core	2,525,249	2,525,249	-	-
Small Cap ETF	2,207,290	2,207,290	-	-
Other mutual funds (mixed allocation)	615,020	615,020	-	-
Debt securities:				
Corporate bonds	21,734,409	-	21,734,409	-
U.S. Treasury obligations	10,400,075	10,400,075	-	-
Pooled funds with The Catholic Foundation of Central Florida, Inc.	14,527,778	-	-	14,527,778
Total fair value hierarchy	146,821,164	\$ 110,558,977	\$ 21,734,409	\$ 14,527,778
Alternative funds:(*)				
Multi-strategy (equity/fixed income) hedge fund	28,255,089			
Total investments	\$ 175,076,253			

(*) 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.

Diocese of Orlando Administrative Offices

Notes to Financial Statements

Note 6. Fair Value Measurements (Continued)

During the year ended June 30, 2021, there were no transfers into or out of Level 3 investments. 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, 2021:

	<u>Pooled Funds</u>
Balance, beginning of year	\$ 11,214,076
Net realized and unrealized gains	3,483,893
Purchases	3,518,055
Sales	<u>(3,688,246)</u>
Balance, end of year	<u>\$ 14,527,778</u>

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, 2021, related to alternative funds that are valued at NAV:

<u>Description</u>	
Comerica – Fundamental	\$ 6,552,429
Comerica – S&P Growth	6,583,009
S&P500IS	14,997,487
Other	122,164
	<u>\$ 28,255,089</u>

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, 2021:

	<u>Alternative Funds</u>
Balance, beginning of year	\$ 27,477,015
Realized and unrealized gains	9,458,185
Purchases	2,960,464
Sales	<u>(11,640,575)</u>
Balance, end of year	<u>\$ 28,255,089</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 gains relating to assets still held at the reporting date totaled approximately \$6,547,800.

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, 2021:

	Useful Lives	Amount
Land and nondepreciable land improvements	-	\$ 24,164,002
Land improvements	15	248,048
Buildings	30	14,643,554
Equipment	10	2,907,073
Automobiles	5	21,213
Leasehold improvements	Life of Lease	2,170,467
Construction in process	-	513,585
		<u>44,667,942</u>
Less accumulated depreciation		<u>(12,173,174)</u>
		<u><u>\$ 32,494,768</u></u>

Depreciation expense for the year amounted to approximately \$611,200.

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.

During the year ending June 30, 2021, the Diocese terminated the interest rate swap agreement and has no liability for interest rate swap agreement as reflected in the accompanying statement of financial position. The Diocese paid \$6,309,706 as a result of this termination, which is reported separately on the statement of cash flows.

During 2021, the Diocese recognized a gain from the change in fair value of interest rate swaps totaling \$3,446,877, which is included in Diocesan Administration expenses on the statement of activities (see also Note 19).

Note 9. Notes Payable and Line of Credit

Notes payable and line of credit consist of the following at June 30, 2021:

Note Payable	Amount
2021-A Tax-exempt variable rate bond (the 2021-A Note), due July 2038	\$ 47,685,000
Less debt issuance costs, net	<u>(323,318)</u>
	<u><u>\$ 47,361,682</u></u>

Diocese of Orlando Administrative Offices

Notes to Financial Statements

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

During the year ended June 30, 2021, the Diocese issued the 2021-A Note (the 2021 Note) which totaled \$47,685,000. The note payable bears interest at a rate equal to 2.05% per annum multiplied by a margin rate factor. The margin rate factor shall be one, as long as the federal corporate tax rate is 21%, and thereafter shall increase or decrease based on the maximum federal corporate tax rate. The 2021 Note was funded by tax exempt variable rate bank qualified loans; the proceeds of which were used to redeem notes issued by the Diocese in 2010 and 2012 (the 2010 and 2012 Notes).

The 2021 Note was 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 and the debt service coverage covenant are measured annually and reported within 180 days of the Diocese's fiscal year end. At June 30, 2021, 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:

	<u>Amount</u>
Years ending June 30:	
2022	\$ 2,370,000
2023	2,415,000
2024	2,465,000
2025	2,520,000
2026	2,570,000
Thereafter	35,345,000
	<u>\$ 47,685,000</u>

As of June 30, 2021, the Diocese has an unsecured line of credit agreement with a commercial bank that permits borrowing of up to \$10,000,000, at a variable interest rate of one-month LIBOR plus 125 basis points not to fall below 1.75% per annum (1.75% as of June 30, 2021). Under this agreement, monthly interest-only payments are due until the date of maturity, which is May 17, 2022. As of June 30, 2021, the Diocese has not drawn on this line of credit.

Total interest expense incurred during the year ended June 30, 2021, on all notes payable and lines of credit was approximately \$3,873,000 and is included in expenses in the accompanying statement of activities (see also Note 19).

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 \$500,000 for workers' compensation claims.

Diocese of Orlando Administrative Offices

Notes to Financial Statements

Note 10. Self-Insurance Programs (Continued)

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 \$1,000,000 for all other perils and property claims and \$500,000 for liability claims.

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, 2020 and 2021, the Diocese's portion of the EPM's combined loss funds was approximately \$2,055,300 and \$2,224,500, 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, 2021, 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, 2021, totaling \$837,660 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 \$300,000.

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.

Diocese of Orlando Administrative Offices

Notes to Financial Statements

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.

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, 2021, totaled approximately \$432,900.

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 2021, the 403(b) plan allows all eligible employees to contribute up to \$19,500 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 up to \$6,500. During the year ended June 30, 2021, the Diocese made matching contributions of approximately \$246,800 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, Contingencies and Uncertainties

Commitments: 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 as of June 30, 2021:

Years ending June 30:	
2022	\$ 38,736
2023	38,736
2024	61,332
2025	77,472
2026	77,472
Thereafter	2,370,808
Minimum future rental payments	<u>\$ 2,664,556</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 \$910,300, 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, 2021, totaled approximately \$69,000, and is included in education and tuition expenses in the accompanying statement of activities.

Diocese of Orlando Administrative Offices

Notes to Financial Statements

Note 12. Commitments, Contingencies and Uncertainties (Continued)

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 the fiscal year ending 2022 will total \$73,148. Rent expense recognized under this agreement during the year ended June 30, 2021, totaled approximately \$284,000, and is included in Diocesan administration expenses in the accompanying statement of activities.

The Diocese has guaranteed loans made to certain Diocesan entities and affiliates, which total approximately \$9,070,000 at June 30, 2021. 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 \$27,953,900 as of June 30, 2021. The maximum amount of undiscounted payments the Diocese would have to make in the event of default under these contracts as of June 30, 2021, is approximately \$5,331,900, as approximately \$22,622,000 in payments have been made prior to June 30, 2021.

Contingencies: 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 reasonably 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.

On April 21, 2020, the Diocese applied for and received \$1,878,957 from the Paycheck Protection Program (PPP) as part of the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The PPP provided a loan that could be forgiven if certain criteria were met. The Diocese determined that it adhered to the criteria set forth by the PPP and recognized the forgiveness of the loan funds as contribution revenue in the accompanying statement of activities in the amount of \$69,472 during the year ended June 30, 2021, and \$1,809,385 during the year ended June 30, 2020. The Diocese submitted their forgiveness application in fiscal year 2021 and received approval and forgiveness from the Small Business Administration (SBA) and lender, respectively, subsequent to June 30, 2021. The loan is subject to audit by the SBA for a period of six years following forgiveness.

Uncertainties: 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 various businesses, including 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 and its variants, 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 of the United States. The extent of any future impact of COVID-19 and its variants on the Diocese's operations and financial performance are uncertain and cannot be predicted. Management is continually monitoring the impact of COVID-19.

Diocese of Orlando Administrative Offices

Notes to Financial Statements

Note 13. Net Assets

Net assets without donor restrictions consist of the following at June 30, 2021:

Without designations	\$ (22,558,205)
Designated for self-insurance	10,092,571
Designated for bond funds	26,387,548
Designated by the Bishop for other specified purposes	21,378,718
Plant fund	17,636,494
	<u>\$ 52,937,126</u>

Net assets with donor restrictions include net assets restricted in perpetuity – endowment, and net assets with donor restrictions for time and specified purposes. Net assets with donor restrictions consist of the following at June 30, 2021:

Endowment investments restricted in perpetuity, the income of which is expendable to support:

Schools	\$ 7,568,792
Vocations	5,590,541
Social services	1,680,852
Priest convocation	534,550
Parishes	375,831
	<u>15,750,566</u>

Accumulated earnings on endowment funds - purpose restricted and time restricted for appropriation	7,227,367
Contributions receivable – time restricted, Diocesan operations	15,556,034
Investments and other assets – purpose restricted, program services	2,567,700
Life and gift annuity funds – time and purpose restricted agency funds	130,917
	<u>25,482,018</u>
Total net assets with donor restrictions	<u>\$ 41,232,584</u>

Note 14. Endowments

Endowment composition and activities consist of the following as of and for the year ended June 30, 2021:

	<u>With Donor Restrictions</u>		Total
	Restricted by Purpose and/or Time	Held in Perpetuity	
Endowment net assets – June 30, 2020	\$ 3,564,794	\$ 15,683,442	\$ 19,248,236
Contributions	-	67,124	67,124
Total investment gain	4,439,879	-	4,439,879
Transfers out	(176,505)	-	(176,505)
Amounts appropriated for expenditures	(600,801)	-	(600,801)
Endowment net assets – June 30, 2021	<u>\$ 7,227,367</u>	<u>\$ 15,750,566</u>	<u>\$ 22,977,933</u>

Diocese of Orlando Administrative Offices

Notes to Financial Statements

Note 15. Net Assets Released from Restrictions

During the year ended June 30, 2021, net assets were released from donor restrictions by incurring expenses satisfying donor restricted purposes or by occurrence of other events specified by donors as follows:

Contributions receivable – passage of time	\$ 15,127,057
Program services – purpose restrictions accomplished	<u>2,141,108</u>
	<u>\$ 17,268,165</u>

Note 16. 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 custodial 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, 2021, cash and cash equivalents 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).

Note 17. 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 \$846,000, \$6,400 and \$96,200, 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 5 and 6.

Diocese of Orlando Administrative Offices

Notes to Financial Statements

Note 18. Liquidity and Availability of Resources

As of June 30, 2021, 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, 2021:

Financial assets at end of year:	
Cash and cash equivalents	\$ 52,954,252
Contributions receivable, net – Our Catholic Appeal	15,556,034
Accrued interest receivable	695,605
Bequests and other receivables	1,988,682
Investments	<u>175,076,253</u>
Total financial assets	<u>246,270,826</u>
Less those unavailable for general expenditures within one year, due to:	
Commitments to fund Diocesan existing loans for ongoing projects	(6,850,100)
Diocesan savings accounts due on demand to entities and affiliates	(171,500,707)
With donor-imposed restrictions:	
Net assets with donor restrictions	<u>(41,232,584)</u>
Financial assets available to meet cash needs for general expenditure within one year	<u><u>\$ 26,687,435</u></u>

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 \$10,000,000 available on a \$10,000,000 line of credit as of June 30, 2021 (Note 9), which it could draw upon in the event of an unanticipated liquidity need.

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, 2021:

	Program Services									Supporting Services	
	Self Insurance	Deposit and Loan Program	Pastoral	Social Services	Religious Personnel Development	Plant Activities	Education	Special Projects	Total Program Services	General and Administrative	Total Expenses
Interest expense and change in interest rate swap liability	\$ -	\$ 2,811,611	\$ -	\$ -	\$ -	\$ 98,865	\$ -	\$ -	\$ 2,910,476	\$ (785,602)	\$ 2,124,874
Insurance claims - loss and loss adjustment expense	24,884,532	-	-	-	-	-	-	-	24,884,532	-	24,884,532
Insurance premiums	3,957,838	-	-	-	-	-	-	-	3,957,838	-	3,957,838
Professional fees	2,576,779	281,732	56,245	-	90,408	-	232,552	-	3,237,716	2,258,720	5,496,436
Seminars and conferences	-	-	106,862	-	16,843	-	86,853	-	210,558	17,020	227,578
Travel expense	-	-	10,717	-	10,561	-	30,487	-	51,765	42,911	94,676
Bad debt expense	-	-	-	-	-	-	-	-	-	12,037,928	12,037,928
Salaries and related benefits	-	-	2,192,282	-	1,242,278	-	1,223,960	-	4,658,520	4,767,126	9,425,646
Property tax expense	-	-	-	-	-	64,361	-	-	64,361	2,587	66,948
Advertising expense	-	-	2,689	-	-	-	76,726	-	79,415	10,230	89,645
Subsidies expense	-	-	120,000	1,285,000	810,000	-	385,000	-	2,600,000	270,124	2,870,124
Education and tuition expense	-	-	128,666	-	977,167	-	2,574	-	1,108,407	5,220	1,113,627
Depreciation	-	-	-	-	-	611,236	-	-	611,236	-	611,236
Donations expense	-	-	-	14,506	-	-	-	1,407,727	1,422,233	501,532	1,923,765
Program development costs	-	-	54,030	590,745	-	174	1,158	-	646,107	-	646,107
Other expense	333,794	71,657	202,205	-	31,208	230,823	237,613	-	1,107,300	1,207,268	2,314,568
Total	\$ 31,752,943	\$ 3,165,000	\$ 2,873,696	\$ 1,890,251	\$ 3,178,465	\$ 1,005,459	\$ 2,276,923	\$ 1,407,727	\$ 47,550,464	\$ 20,335,064	\$ 67,885,528

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, 2021, 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 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 14, 2020.

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.

Orlando, Florida
October 22, 2021

Diocese of Orlando Administrative Offices

Statement of Financial Position – Fund Group

June 30, 2021

(With Summarized Comparative Totals for June 30, 2020)

	Funds without donor restrictions			Funds with donor restrictions			Eliminations	Total 2021	Total 2020
	Operating Funds	Diocesan Savings Fund	Plant Fund	Operating Fund	Endowment Funds	Life/Gift Annuity and Other Funds			
Assets									
Cash and cash equivalents	\$ 19,936,383	\$ 33,134,458	\$ 45,406	\$ 1,111,232	\$ 554,015	\$ 1,917	\$ (1,829,159)	\$ 52,954,252	\$ 68,696,803
Contributions receivable, net	-	-	-	15,556,034	-	-	-	15,556,034	15,127,057
Prepaid expenses and other assets	3,195,379	-	10,217	-	-	-	-	3,205,596	2,945,913
Accrued interest receivable	44,616	632,157	11,910	-	6,922	-	-	695,605	511,368
Loans receivable, net	-	34,060,591	-	-	-	-	-	34,060,591	27,748,992
Advances to Diocesan entities, net	5,077,837	-	64,861	-	-	-	-	5,142,698	18,144,580
Bequests and other receivables, net	1,988,682	-	-	-	-	-	-	1,988,682	2,108,822
Investments	57,203,618	85,218,564	12,209,785	-	20,262,486	181,800	-	175,076,253	169,406,354
Land, buildings and equipment, net	-	-	32,494,768	-	-	-	-	32,494,768	36,685,531
Due from other funds	41,877,522	27,252,544	-	3,146,916	2,154,510	-	(74,431,492)	-	-
Total assets	\$ 129,324,037	\$ 180,298,314	\$ 44,836,947	\$ 19,814,182	\$ 22,977,933	\$ 183,717	\$ (76,260,651)	\$ 321,174,479	\$ 341,375,420
Liabilities and Net Assets									
Liabilities:									
Accounts payable and accrued expenses	\$ 2,386,180	\$ 166,977	\$ 680,522	\$ 1,690,448	\$ -	\$ -	\$ (76,798)	\$ 4,847,329	\$ 6,631,905
Lines of credit payable	-	-	-	-	-	-	-	-	14,850,622
Self-insurance claim liabilities	3,256,034	-	-	-	-	-	-	3,256,034	3,698,875
Interest rate swap liability	-	-	-	-	-	-	-	-	9,756,583
Savings deposits	-	173,329,866	-	-	-	-	(1,829,159)	171,500,707	157,000,316
Annuities payable and other liabilities	-	-	-	-	-	39,017	-	39,017	40,611
Notes payable	47,361,682	-	-	-	-	-	-	47,361,682	72,385,000
Due to other funds	47,820,980	-	26,519,931	-	-	13,783	(74,354,694)	-	-
Total liabilities	100,824,876	173,496,843	27,200,453	1,690,448	-	52,800	(76,260,651)	227,004,769	264,363,912
Net assets (deficit):									
Without donor restrictions:									
Undesignated	(29,359,676)	6,801,471	17,636,494	-	-	-	-	(4,921,711)	37,573,602
Designated for special use	57,858,837	-	-	-	-	-	-	57,858,837	2,732,223
Total without donor restrictions	28,499,161	6,801,471	17,636,494	-	-	-	-	52,937,126	40,305,825
With donor restrictions									
	-	-	-	18,123,734	22,977,933	130,917	-	41,232,584	36,705,683
Total net assets	28,499,161	6,801,471	17,636,494	18,123,734	22,977,933	130,917	-	94,169,710	77,011,508
Total liabilities and net assets	\$ 129,324,037	\$ 180,298,314	\$ 44,836,947	\$ 19,814,182	\$ 22,977,933	\$ 183,717	\$ (76,260,651)	\$ 321,174,479	\$ 341,375,420

Diocese of Orlando Administrative Offices

Statement of Activities – Fund Group

Year Ended June 30, 2021

(With Summarized Comparative Totals for the Year Ended June 30, 2020)

	Funds without donor restrictions			Funds with donor restrictions			Eliminations	Total 2021	Total 2020
	Operating Funds	Diocesan Savings Fund	Plant Fund	Operating Funds	Endowment Funds	Life/Gift Annuity and Other Funds			
Revenues, gains and other support:									
Catholic appeal contributions	\$ -	\$ -	\$ -	\$ 15,556,034	\$ -	\$ -	\$ -	\$ 15,556,034	\$ 15,127,057
Contributions and bequests	2,851,635	-	236,362	1,641,588	67,125	-	-	4,796,710	2,251,849
Contributions - Paycheck Protection Program	69,472	-	-	-	-	-	-	69,472	1,809,385
Self-insurance administration fees and other service fees	30,777,016	-	-	-	-	-	-	30,777,016	30,857,848
Investment income, net	12,253,988	8,762,105	5,184,438	12,955	4,439,879	37,091	(1,317,126)	29,373,330	8,482,949
Gain on sale of land, buildings and equipment	-	-	3,425,362	-	-	-	-	3,425,362	475,789
Actuarial adjustment to life annuities payable	-	-	-	-	-	1,594	-	1,594	1,690
Other income	1,457,138	-	29,499	38,800	-	-	(481,225)	1,044,212	975,529
Total revenues, gains and other support	47,409,249	8,762,105	8,875,661	17,249,377	4,507,004	38,685	(1,798,351)	85,043,730	59,982,096
Expenses:									
Program services:									
Self-insurance program	31,752,943	-	-	-	-	-	-	31,752,943	27,051,771
Deposit and loan program	-	3,186,200	-	-	-	-	(21,200)	3,165,000	3,098,133
Pastoral	2,873,696	-	-	-	-	-	-	2,873,696	3,450,510
Social services	1,285,000	-	-	605,251	-	-	-	1,890,251	1,774,796
Religious personnel development	3,178,465	-	-	-	-	-	-	3,178,465	3,117,683
Plant activities	-	-	2,301,385	-	-	-	(1,295,926)	1,005,459	1,129,845
Education	2,276,923	-	-	-	-	-	-	2,276,923	2,402,931
Special projects	1,420,047	-	385,000	83,905	-	-	(481,225)	1,407,727	4,055,464
Total program services	42,787,074	3,186,200	2,686,385	689,156	-	-	(1,798,351)	47,550,464	46,081,133
Supporting services:									
Diocesan administration	8,478,913	-	-	(344,733)	-	-	-	8,134,180	9,441,186
Interest expense	2,661,275	-	-	-	-	-	-	2,661,275	3,319,119
Bad debt expense	12,355,391	-	-	-	-	-	-	12,355,391	-
Change in interest rate swap liability	(2,619,992)	(826,885)	-	-	-	-	-	(3,446,877)	571,304
Endowment activities	-	-	-	-	600,802	-	-	600,802	595,366
Life and gift annuities expenses	-	-	-	-	-	30,293	-	30,293	8,985
Total supporting services	20,875,587	(826,885)	-	(344,733)	600,802	30,293	-	20,335,064	13,935,960
Total expenses	63,662,661	2,359,315	2,686,385	344,423	600,802	30,293	(1,798,351)	67,885,528	60,017,093
Change in net assets before transfers	(16,253,412)	6,402,790	6,189,276	16,904,954	3,906,202	8,392	-	17,158,202	(34,997)
Interfund transfers	15,687,618	-	605,029	(16,116,142)	(176,505)	-	-	-	-
Change in net assets	(565,794)	6,402,790	6,794,305	788,812	3,729,697	8,392	-	17,158,202	(34,997)
Net assets:									
Beginning	29,064,955	398,681	10,842,189	17,334,922	19,248,236	122,525	-	77,011,508	77,046,505
Ending	\$ 28,499,161	\$ 6,801,471	\$ 17,636,494	\$ 18,123,734	\$ 22,977,933	\$ 130,917	\$ -	\$ 94,169,710	\$ 77,011,508

Diocese of Orlando Administrative Offices

Combining Statement of Financial Position Information – Operating Funds

June 30, 2021

(With Summarized Comparative Totals for June 30, 2020)

	Funds Without Donor Restrictions			Funds With Donor Restrictions	Total 2021	Total 2020
	Current Undesignated Fund	Current Designated Funds	Designated for Self-Insurance Funds	Current Donor Restricted Funds		
Assets						
Cash and cash equivalents	\$ 7,363,655	\$ 4,012,025	\$ 8,560,703	\$ 1,111,232	\$ 21,047,615	\$ 22,072,079
Contributions receivable, net	-	-	-	15,556,034	15,556,034	15,127,057
Prepaid expenses and other assets	158,365	5,154	3,031,860	-	3,195,379	2,842,841
Accrued interest receivable	8,613	36,003	-	-	44,616	61,223
Advances to Diocesan entities, net	-	5,077,837	-	-	5,077,837	18,141,437
Bequests and other receivables, net	50,488	-	1,938,194	-	1,988,682	1,035,540
Investments	12,253,814	44,832,379	117,425	-	57,203,618	47,749,045
Due from other funds	-	41,763,875	113,647	3,146,916	45,024,438	55,482,240
Total assets	\$ 19,834,935	\$ 95,727,273	\$ 13,761,829	\$ 19,814,182	\$ 149,138,219	\$ 162,511,462
Liabilities and Net Assets (Deficit)						
Liabilities:						
Accounts payable and accrued expenses	\$ 1,820,429	\$ 152,527	\$ 413,224	\$ 1,690,448	\$ 4,076,628	\$ 18,314,216
Lines of credit payable	-	-	-	-	-	14,850,622
Self-insurance claim liabilities	-	-	3,256,034	-	3,256,034	3,698,875
Interest rate swap liability	-	-	-	-	-	8,056,698
Notes payable	-	47,361,682	-	-	47,361,682	49,375,000
Due to other funds	47,374,182	446,798	-	-	47,820,980	21,816,174
Total liabilities	49,194,611	47,961,007	3,669,258	1,690,448	102,515,324	116,111,585
Net assets (deficit):						
Without donor restrictions						
Undesignated	(29,359,676)	-	-	-	(29,359,676)	26,332,732
Designated for special use	-	47,766,266	10,092,571	-	57,858,837	2,732,223
Total net assets (deficit) without donor restrictions	(29,359,676)	47,766,266	10,092,571	-	28,499,161	29,064,955
With donor restrictions						
Total net assets (deficit)	(29,359,676)	47,766,266	10,092,571	18,123,734	46,622,895	46,399,877
Total liabilities and net assets (deficit)	\$ 19,834,935	\$ 95,727,273	\$ 13,761,829	\$ 19,814,182	\$ 149,138,219	\$ 162,511,462

Diocese of Orlando Administrative Offices

Combining Statement of Activities Information – Operating Funds

Year Ended June 30, 2021

(With Summarized Comparative Totals for the Year Ended June 30, 2020)

	Funds Without Donor Restrictions			Funds With Donor Restrictions	Total 2021	Total 2020
	Current Undesignated Fund	Current Designated Funds	Designated for Self-Insurance Funds	Current Donor Restricted Funds		
Revenues, gains and other support:						
Catholic appeal contributions	\$ -	\$ -	\$ -	\$ 15,556,034	\$ 15,556,034	\$ 15,127,057
Contributions and bequests	451,230	2,400,405	-	1,641,588	4,493,223	2,243,324
Contributions - Paycheck Protection Program	69,472	-	-	-	69,472	1,809,385
Self-insurance administration fees and other service fees	2,813,400	72,857	27,890,759	-	30,777,016	30,857,848
Investment income, net	2,735,365	9,488,218	30,405	12,955	12,266,943	1,571,239
Other income	789,830	-	667,308	38,800	1,495,938	1,382,396
Total revenues, gains and other support	6,859,297	11,961,480	28,588,472	17,249,377	64,658,626	52,991,249
Expenses:						
Program services:						
Self-insurance program	-	-	31,752,943	-	31,752,943	27,051,771
Pastoral	2,873,696	-	-	-	2,873,696	3,450,510
Religious personnel development	3,151,978	26,487	-	-	3,178,465	3,117,683
Education	2,276,923	-	-	-	2,276,923	2,402,931
Special projects	1,292,276	127,771	-	83,905	1,503,952	1,534,765
Social services	1,285,000	-	-	605,251	1,890,251	1,774,796
Total program services	10,879,873	154,258	31,752,943	689,156	43,476,230	39,332,456
Supporting services:						
Diocesan administration	8,262,957	215,956	-	(344,733)	8,134,180	9,441,186
Interest expense	69,903	2,591,372	-	-	2,661,275	3,319,119
Bad debt expense	-	12,355,391	-	-	12,355,391	-
Change in interest rate swap liability	-	(2,619,992)	-	-	(2,619,992)	755,941
Total supporting services	8,332,860	12,542,727	-	(344,733)	20,530,854	13,516,246
Total expenses	19,212,733	12,696,985	31,752,943	344,423	64,007,084	52,848,702
Excess (deficiency) of revenues, gains and other support over expenses	(12,353,436)	(735,505)	(3,164,471)	16,904,954	651,542	142,547
Transfers:						
Transfers (to) from operating	15,127,057	-	-	(16,116,142)	(989,085)	(868,752)
Transfers (to) from non-operating	(58,466,029)	59,026,590	-	-	560,561	1,709,332
Total net transfers	(43,338,972)	59,026,590	-	(16,116,142)	(428,524)	840,580
Change in net assets	(55,692,408)	58,291,085	(3,164,471)	788,812	223,018	983,127
Net assets (deficit):						
Beginning	26,332,732	(10,524,819)	13,257,042	17,334,922	46,399,877	45,416,750
Ending	\$ (29,359,676)	\$ 47,766,266	\$ 10,092,571	\$ 18,123,734	\$ 46,622,895	\$ 46,399,877

Diocese of Orlando Administrative Offices

Statement of Financial Position Information – Current Undesignated Fund
 June 30, 2021
 (With Summarized Comparative Totals for June 30, 2020)

	2021	2020
Assets		
Cash and cash equivalents	\$ 7,363,655	\$ 5,399,881
Prepaid expenses and other assets	158,365	141,540
Accrued interest receivable	8,613	11,566
Bequests and other receivables, net	50,488	25,000
Advances to Diocesan entities, net	-	109,444
Investments	12,253,814	9,732,732
Due from other funds	-	35,787,963
	<u> </u>	<u> </u>
Total assets	\$ 19,834,935	\$ 51,208,126
Liabilities and Net Assets (Deficit) Without Donor Restrictions		
Liabilities:		
Accounts payable and accrued expenses	\$ 1,820,429	\$ 10,024,772
Lines of credit payable	-	14,850,622
Due to other funds	47,374,182	-
	<u> </u>	<u> </u>
Total liabilities	49,194,611	24,875,394
Net assets (deficit) without donor restrictions	<u>(29,359,676)</u>	<u>26,332,732</u>
Total net assets (deficit) without donor restrictions	(29,359,676)	26,332,732
	<u> </u>	<u> </u>
Total liabilities and net assets (deficit) without donor restrictions	\$ 19,834,935	\$ 51,208,126

Diocese of Orlando Administrative Offices

**Statement of Activities Information – Current Undesignated Fund
Year Ended June 30, 2021
(With Summarized Comparative Totals for the Year Ended June 30, 2020)**

	2021	2020
Revenues, gains and other support:		
Contributions and bequests	\$ 451,230	\$ 396,448
Contributions - Paycheck Protection Program	69,472	1,809,385
Fees for services	2,813,400	3,506,057
Investment income, net	2,735,365	180,861
Other income	789,830	844,616
Total revenues, gains and other support	6,859,297	6,737,367
Expenses:		
Program services:		
Pastoral	2,873,696	3,450,510
Religious personnel development	3,151,978	3,093,442
Education	2,276,923	2,402,931
Donations	1,292,276	757,531
Social services	1,285,000	1,293,935
Supporting services:		
Interest expense	69,903	155,122
Diocesan administration	8,262,957	9,705,113
Total expenses	19,212,733	20,858,584
Deficiency of support and revenue over expenses	(12,353,436)	(14,121,217)
Transfers:		
Transfer from operating funds	15,127,057	15,131,310
Transfer from (to) nonoperating funds	(58,466,029)	2,588,491
Total transfers	(43,338,972)	17,719,801
Change in net assets	(55,692,408)	3,598,584
Net assets (deficit) without donor restrictions:		
Beginning	26,332,732	22,734,148
Ending	\$ (29,359,676)	\$ 26,332,732

Diocese of Orlando Administrative Offices

Combining Statement of Financial Position Information – Current Designated Funds
 June 30, 2021
 (With Summarized Comparative Totals for June 30, 2020)

	Bond Sinking Fund	Bishop Moore Bond Fund	Bond II Fund	2007 Bond Diocesan Fund	2007 Bond Bridge Fund	2007 Bond Permanent Fund	2007 Bond Hope Fund	2021 Bond Fund	Florida Manor Fund	Long-Term Care Fund for Priests	Orlando Catholic Education Foundation Fund	Satellite Communications Fund	Clergy Fund	Bond Fund Reserve	Total 2021	Total 2020
Assets																
Cash and cash equivalents	\$ 84,120	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 571,661	\$ 62,667	\$ 3,293,577	\$ -	\$ -	\$ -	\$ -	\$ 4,012,025	\$ 2,068,722
Prepaid expenses and other assets	-	-	-	-	-	-	-	5,154	-	-	-	-	-	-	5,154	202,499
Accrued interest receivable	20,585	-	-	-	-	-	-	-	15,418	-	-	-	-	-	36,003	49,657
Advances to Diocesan entities, net	-	-	-	-	-	-	-	5,077,837	-	-	-	-	-	-	5,077,837	18,031,993
Investments	22,277,453	-	-	-	-	-	-	5,435,188	17,119,738	-	-	-	-	-	44,832,379	37,915,429
Due from other funds	2,532,982	-	-	-	-	-	-	36,156,883	1,342,897	-	31,008	37,583	62,179	1,600,343	41,763,875	16,886,126
Total assets	\$ 24,915,140	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 47,246,723	\$ 18,540,720	\$ 3,293,577	\$ 31,008	\$ 37,583	\$ 62,179	\$ 1,600,343	\$ 95,727,273	\$ 75,154,426
Liabilities and Net Assets (Deficit)																
Without Donor Restrictions																
Liabilities:																
Accounts payable and accrued expenses	\$ 8,796	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,180	\$ 3,504	\$ 136,047	\$ -	\$ -	\$ -	\$ -	\$ 152,527	\$ 6,431,373
Interest rate swap liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,056,698
Notes payable	-	-	-	-	-	-	-	47,361,682	-	-	-	-	-	-	47,361,682	49,375,000
Due to other funds	-	-	-	-	-	-	-	-	-	446,798	-	-	-	-	446,798	21,816,174
Total liabilities	8,796	-	-	-	-	-	-	47,365,862	3,504	582,845	-	-	-	-	47,961,007	85,679,245
Net assets (deficit) without donor restrictions	24,906,344	-	-	-	-	-	-	(119,139)	18,537,216	2,710,732	31,008	37,583	62,179	1,600,343	47,766,266	(10,524,819)
Total liabilities and net assets (deficit) without donor restrictions	\$ 24,915,140	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 47,246,723	\$ 18,540,720	\$ 3,293,577	\$ 31,008	\$ 37,583	\$ 62,179	\$ 1,600,343	\$ 95,727,273	\$ 75,154,426

Diocese of Orlando Administrative Offices

Combining Statement of Activities Information – Current Designated Funds
 Year Ended June 30, 2021
 (With Summarized Comparative Totals for the Year Ended June 30, 2020)

	Bond Sinking Fund	Bishop Moore Bond Fund	Bond II Fund	2007 Bond Diocesan Fund	2007 Bond Bridge Fund	2007 Bond Permanent Fund	2007 Bond Hope Fund	2021 Bond 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 2021	Total 2020
Revenues, gains and other support:																
Contributions and bequest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,400,405	\$ -	\$ -	\$ -	\$ -	\$ 2,400,405	\$ 214,276
Fees for services	-	17,135	11,382	-	-	-	-	-	-	-	-	-	-	44,340	72,857	82,120
Investment income, net	4,470,533	156,588	85,116	-	1,302,908	-	-	-	3,473,073	-	-	-	-	-	9,488,218	1,285,724
Total revenues, gains and other support	4,470,533	173,723	96,498	-	1,302,908	-	-	-	3,473,073	2,400,405	-	-	-	44,340	11,961,480	1,582,120
Expenses:																
Religious personnel development	14,823	-	-	-	-	-	-	-	11,664	-	-	-	-	-	26,487	24,241
Special projects	18,915	-	-	-	-	-	-	-	14,662	94,194	-	-	-	-	127,771	30,235
Interest expense	-	328,974	652,920	319,082	595,987	547,252	28,018	119,139	-	-	-	-	-	-	2,591,372	3,163,997
Change in interest rate swap liability	-	(155,056)	(1,309,105)	(247,463)	(462,217)	(424,183)	(21,968)	-	-	-	-	-	-	-	(2,619,992)	755,941
Bad debt expense	-	-	-	-	3,760,391	8,595,000	-	-	-	-	-	-	-	-	12,355,391	-
Diocesan administration	-	8,636	85,262	24,433	52,262	41,891	3,472	-	-	-	-	-	-	-	215,956	102,667
Total expenses	33,738	182,554	(670,923)	96,052	3,946,423	8,759,960	9,522	119,139	26,326	94,194	-	-	-	-	12,696,985	4,077,081
Transfer in (out)	5,858,000	3,059,537	21,043,143	5,251,157	9,564,862	14,500,842	645,633	-	(383,000)	(513,584)	-	-	-	-	59,026,590	(903,876)
Total net transfers	5,858,000	3,059,537	21,043,143	5,251,157	9,564,862	14,500,842	645,633	-	(383,000)	(513,584)	-	-	-	-	59,026,590	(903,876)
Change in net assets	10,294,795	3,050,706	21,710,564	5,155,105	6,921,347	5,740,882	636,111	(119,139)	3,063,747	1,792,627	-	-	-	44,340	58,291,085	(3,398,837)
Net assets (deficit) without donor restrictions:																
Beginning	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)
Ending	\$ 24,906,344	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (119,139)	\$ 18,537,216	\$ 2,710,732	\$ 31,008	\$ 37,583	\$ 62,179	\$ 1,600,343	\$ 47,766,266	\$ (10,524,819)

Diocese of Orlando Administrative Offices

Combining Statement of Financial Position Information – Current Donor Restricted Funds

June 30, 2021

(With Summarized Comparative Totals for June 30, 2020)

	Assets				Liabilities	Net Assets	Total
	Cash and Cash Equivalents	Contributions Receivable, net	Due From (To) Other Funds	Total	Accounts Payable and Accrued Expenses	With Donor Restrictions	Liabilities and Net Assets With Donor Restrictions
Bishop Dorsey Colloquium Fund	\$ 6,531	\$ -	\$ 19,030	\$ 25,561	\$ -	\$ 25,561	\$ 25,561
Campus Ministry Fund	98,388	-	-	98,388	-	98,388	98,388
Custodian Missionary Co-op/ Custodial Collections Funds	-	-	1,659,604	1,659,604	1,608,598	51,006	1,659,604
Disaster Relief Fund	-	-	238,428	238,428	-	238,428	238,428
Papenbrock (Needy Children) Fund	-	-	9,750	9,750	-	9,750	9,750
Propagation of the Faith Fund	-	-	1,221,348	1,221,348	-	1,221,348	1,221,348
Sister Diocese Fund	1,006,313	-	-	1,006,313	82,988	923,325	1,006,313
Seminarian Support Fund	-	-	(1,244)	(1,244)	(1,138)	(106)	(1,244)
Alive-in-Christ – Campus Ministry	-	-	-	-	-	-	-
Contributions receivable	-	15,556,034	-	15,556,034	-	15,556,034	15,556,034
Total current restricted funds, June 30, 2021	\$ 1,111,232	\$ 15,556,034	\$ 3,146,916	\$ 19,814,182	\$ 1,690,448	\$ 18,123,734	\$ 19,814,182
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

Diocese of Orlando Administrative Offices

Combining Statement of Activities Information – Current Donor Restricted Funds
 Year Ended June 30, 2021
 (With Summarized Comparative Totals for the Year Ended June 30, 2020)

	Revenues, Gains and Other Support					Expenses and Other Deductions					Change in Net Assets	Net Assets With Donor Restrictions Beginning of Year	Net Assets With Donor Restrictions End of Year
	Catholic Appeal Contributions	Contributions and Bequests	Investment Income, net	Other Income	Total	Social Services	Donations and Special Projects	Diocesan Administration	Transfers	Total			
Bishop Dorsey Colloquium Fund	\$ -	\$ -	\$ 66	\$ -	\$ 66	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 66	\$ 25,495	\$ 25,561
Campus Ministry Fund	-	163,800	848	-	164,648	-	-	-	66,260	66,260	98,388	-	98,388
Custodian Missionary Co-op/ Custodial Collections Funds	-	-	-	-	-	-	-	(344,778)	344,778	-	-	51,006	51,006
Disaster Relief Fund	-	-	-	-	-	-	-	-	-	-	-	238,428	238,428
Papenbrock (Needy Children) Fund	-	-	750	-	750	-	-	-	-	-	750	9,000	9,750
Propagation of the Faith Fund	-	-	-	-	-	-	45	(137)	(92)	(92)	92	1,221,256	1,221,348
Sister Diocese Fund	-	1,154,309	11,189	38,800	1,204,298	605,251	-	-	278,059	883,310	320,988	602,337	923,325
Seminarian Support Fund	-	323,479	-	-	323,479	-	83,905	-	239,574	323,479	-	(106)	(106)
Alive-in-Christ – Campus Ministry	-	-	102	-	102	-	-	-	60,551	60,551	(60,449)	60,449	-
Diocesan Contributions	15,556,034	-	-	-	15,556,034	-	-	-	15,127,057	15,127,057	428,977	15,127,057	15,556,034
Total current restricted funds, June 30, 2021	\$ 15,556,034	\$ 1,641,588	\$ 12,955	\$ 38,800	\$ 17,249,377	\$ 605,251	\$ 83,905	\$ (344,733)	\$ 16,116,142	\$ 16,460,565	\$ 788,812	\$ 17,334,922	\$ 18,123,734
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

Diocese of Orlando Administrative Offices

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

June 30, 2021

(With Summarized Comparative Totals for June 30, 2020)

	Property and General Liability Fund	Accident and Health Fund	Unemployment Compensation Fund	Total 2021	Total 2020
Assets					
Cash and cash equivalents	\$ 5,908,381	\$ 2,290,341	\$ 361,981	\$ 8,560,703	\$ 13,733,257
Prepaid expenses and other assets	2,990,038	41,822	-	3,031,860	2,498,802
Bequests and other receivables, net	1,838,317	99,877	-	1,938,194	1,010,540
Investments	117,425	-	-	117,425	100,884
Due from (to) other funds	113,647	(2,500,000)	2,500,000	113,647	84,595
Total assets	\$ 10,967,808	\$ (67,960)	\$ 2,861,981	\$ 13,761,829	\$ 17,428,078
Liabilities and Net Assets Without Donor Restrictions					
Liabilities:					
Accounts payable and accrued expenses	\$ 83,718	\$ 329,506	\$ -	\$ 413,224	\$ 472,161
Self-insurance claim liabilities	1,755,726	1,470,308	30,000	3,256,034	3,698,875
Total liabilities	1,839,444	1,799,814	30,000	3,669,258	4,171,036
Net assets (deficit) without donor restrictions, designated for special use, self-insurance fund	9,128,364	(1,867,774)	2,831,981	10,092,571	13,257,042
Total liabilities and net assets (deficit) without donor restrictions	\$ 10,967,808	\$ (67,960)	\$ 2,861,981	\$ 13,761,829	\$ 17,428,078

Diocese of Orlando Administrative Offices

Combining Statement of Activities Information – Designated for Self-Insurance Funds

Year Ended June 30, 2021

(With Summarized Comparative Totals for the Year Ended June 30, 2020)

	Property and General Liability Fund	Accident and Health Fund	Unemployment Compensation Fund	Total 2021	Total 2020
Revenues, gains and other support:					
Self-insurance administration fees and other service fees	\$ 7,648,191	\$ 19,755,035	\$ 487,533	\$ 27,890,759	\$ 27,269,671
Investment income, net	22,274	3,931	4,200	30,405	93,296
Other income	667,308	-	-	667,308	443,962
Total revenues, gains and other support	8,337,773	19,758,966	491,733	28,588,472	27,806,929
Expenses:					
Insurance claims - losses and loss adjustment expenses	1,745,719	22,799,011	339,802	24,884,532	20,770,700
Insurance premiums	3,807,814	150,024	-	3,957,838	3,148,123
Professional fees	693,714	1,855,122	27,944	2,576,780	2,687,338
Special projects	-	-	-	-	187,108
Administration expense	262,278	64,248	7,267	333,793	445,610
Total expenses	6,509,525	24,868,405	375,013	31,752,943	27,238,879
Transfers in	-	-	-	-	24,717
Change in net assets without donor restrictions	1,828,248	(5,109,439)	116,720	(3,164,471)	592,767
Net assets (deficit) without donor restrictions:					
Beginning	7,300,116	3,241,665	2,715,261	13,257,042	12,664,275
Ending	\$ 9,128,364	\$ (1,867,774)	\$ 2,831,981	\$ 10,092,571	\$ 13,257,042

Diocese of Orlando Administrative Offices

Statement of Financial Position Information – Diocesan Savings Fund

June 30, 2021

(With Summarized Comparative Totals for June 30, 2020)

	2021	2020
Assets		
Cash and cash equivalents	\$ 33,134,458	\$ 47,736,149
Prepaid expenses and other assets	-	92,855
Accrued interest receivable	632,157	409,562
Loans receivable, net	34,060,591	27,748,992
Bequests and other receivables, net	-	1,073,282
Investments	85,218,564	79,930,584
Due from other funds	27,252,544	27,252,544
	<u>180,298,314</u>	<u>184,243,968</u>
Total assets	\$ 180,298,314	\$ 184,243,968
Liabilities and Net Assets Without Donor Restrictions		
Liabilities:		
Accounts payable and accrued expenses	\$ 166,977	\$ 143,677
Interest rate swap liability	-	1,699,885
Savings deposits	173,329,866	158,991,725
Notes payable	-	23,010,000
Total liabilities	<u>173,496,843</u>	<u>183,845,287</u>
Net assets without donor restrictions	<u>6,801,471</u>	<u>398,681</u>
Total liabilities and net assets without donor restrictions	\$ 180,298,314	\$ 184,243,968

Diocese of Orlando Administrative Offices

Statement of Activities Information – Diocesan Savings Fund

Year Ended June 30, 2021

(With Summarized Comparative Totals for the Year Ended June 30, 2020)

	2021	2020
Revenues, gains and other support:		
Investment income, net	\$ 8,762,105	\$ 6,831,942
Total revenues, gains and other support	8,762,105	6,831,942
Expenses:		
Interest expense	2,811,611	2,838,132
Change in interest rate swap liability	(826,885)	(184,637)
Other	374,589	282,438
Total expenses	2,359,315	2,935,933
Change in net assets without donor restrictions	6,402,790	3,896,009
Net assets (deficit) without donor restrictions:		
Beginning	398,681	(3,497,328)
Ending	\$ 6,801,471	\$ 398,681

Diocese of Orlando Administrative Offices

**Statement of Financial Position Information – Plant Fund
June 30, 2021
(With Summarized Comparative Totals for June 30, 2020)**

	2021	2020
Assets		
Cash and cash equivalents	\$ 45,406	\$ 44,826
Advances to Diocesan entities, net	64,861	3,143
Prepaid expenses and other assets	10,217	10,217
Accrued interest receivable	11,910	33,558
Investments	12,209,785	25,313,263
Land, buildings and equipment, net	32,494,768	36,685,531
Due from other funds	-	6,172,000
	<hr/>	<hr/>
Total assets	\$ 44,836,947	\$ 68,262,538
Liabilities and Net Assets Without Donor Restrictions		
Liabilities:		
Accounts payable and accrued expenses	\$ 680,522	\$ 6,762,443
Due to other funds	26,519,931	50,657,906
Total liabilities	<hr/> 27,200,453	<hr/> 57,420,349
Net assets without donor restrictions	<hr/> 17,636,494	<hr/> 10,842,189
	<hr/>	<hr/>
Total liabilities and net assets without donor restrictions	\$ 44,836,947	\$ 68,262,538

Diocese of Orlando Administrative Offices

Statement of Activities Information – Plant Fund

Year Ended June 30, 2021

(With Summarized Comparative Totals for the Year Ended June 30, 2020)

	2021	2020
Additions:		
Contributions and bequests	\$ 236,362	\$ 3,411
Investment income, net	5,184,438	716,898
Gain on sale of land and property	3,425,362	475,789
Other income	29,499	72,434
Total additions	8,875,661	1,268,532
Deductions:		
Property taxes	64,361	81,792
Depreciation	611,236	617,114
Interest expense	1,391,578	1,193,722
Other	234,210	211,640
Donations	385,000	3,000,000
Total deductions	2,686,385	5,104,268
Transfers:		
Transfers from (to) other funds	605,029	(422,080)
Change in net assets without donor restrictions	6,794,305	(4,257,816)
Net assets without donor restrictions:		
Beginning	10,842,189	15,100,005
Ending	\$ 17,636,494	\$ 10,842,189

Diocese of Orlando Administrative Offices

Combining Statement of Financial Position Information – Endowment Funds

June 30, 2021

(With Summarized Comparative Totals for June 30, 2020)

	Seminarian Burse Fund	St. Anne's Shrine Fund	Pelletier Fund	Parish Endowment Fund	Papenbrock Fund	School Endowment Fund	Alive in Christ Endowment Fund	Bishop Dorsey Fund	Total 2021	Total 2020
Assets										
Cash and cash equivalents	\$ 2,236	\$ -	\$ -	\$ 224,870	\$ 9,159	\$ -	\$ 291,987	\$ 25,763	\$ 554,015	\$ 830,577
Accrued interest receivable	6,918	-	-	-	-	-	4	-	6,922	7,025
Investments	5,159,679	-	-	336,302	238,731	-	14,527,774	-	20,262,486	16,241,124
Due from (to) other funds	73,803	31,223	24,936	-	-	1,520,136	(5,136)	509,548	2,154,510	2,169,510
Total assets	\$ 5,242,636	\$ 31,223	\$ 24,936	\$ 561,172	\$ 247,890	\$ 1,520,136	\$ 14,814,629	\$ 535,311	\$ 22,977,933	\$ 19,248,236
Liabilities and Net Assets with Donor Restrictions										
Net assets with donor restrictions	\$ 5,242,636	\$ 31,223	\$ 24,936	\$ 561,172	\$ 247,890	\$ 1,520,136	\$ 14,814,629	\$ 535,311	\$ 22,977,933	\$ 19,248,236
Total liabilities and net assets with donor restrictions	\$ 5,242,636	\$ 31,223	\$ 24,936	\$ 561,172	\$ 247,890	\$ 1,520,136	\$ 14,814,629	\$ 535,311	\$ 22,977,933	\$ 19,248,236

Diocese of Orlando Administrative Offices

Combining Statement of Activities Information – Endowment Funds

Year Ended June 30, 2021

(With Summarized Comparative Totals for the Year Ended June 30, 2020)

	Seminarian Burse Fund	St. Anne's Shrine Fund	Pelletier Fund	Parish Endowment Fund	Papenbrock Fund	School Endowment Fund	Alive in Christ Endowment Fund	Bishop Dorsey Fund	Total 2021	Total 2020
Revenue, gains, and other support:										
Contributions and bequests	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 67,125	\$ -	\$ 67,125	\$ 5,114
Investment income, net	829,468	-	-	72,711	53,581	-	3,483,863	256	4,439,879	350,803
Total revenue, gains and other support	829,468	-	-	72,711	53,581	-	3,550,988	256	4,507,004	355,917
Expenses:										
Fees and expenses	3,056	-	-	6,194	7,887	15,000	568,665	-	600,802	595,366
Transfers:										
Transfers to current unrestricted fund	(237,000)	-	-	-	-	-	-	-	(237,000)	-
Transfers from current restricted fund	-	-	-	-	-	-	60,495	-	60,495	(418,500)
Total transfers	(237,000)	-	-	-	-	-	60,495	-	(176,505)	(418,500)
Change in net assets with donor restrictions	589,412	-	-	66,517	45,694	(15,000)	3,042,818	256	3,729,697	(657,949)
Net assets with donor restrictions:										
Beginning	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
Ending	\$ 5,242,636	\$ 31,223	\$ 24,936	\$ 561,172	\$ 247,890	\$ 1,520,136	\$ 14,814,629	\$ 535,311	\$ 22,977,933	\$ 19,248,236

Diocese of Orlando Administrative Offices

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

June 30, 2021

(With Summarized Comparative Totals for June 30, 2020)

	2021	2020
Assets		
Cash and cash equivalents	\$ 1,917	\$ 4,581
Investments	181,800	172,338
Total assets	\$ 183,717	\$ 176,919
Liabilities and Net Assets With Donor Restrictions		
Liabilities:		
Life annuities payable	\$ 39,017	\$ 32,753
Gift annuities payable	-	7,858
Due to other funds	13,783	13,783
Total liabilities	52,800	54,394
Net assets with donor restrictions	130,917	122,525
Total liabilities and net assets with donor restrictions	\$ 183,717	\$ 176,919

Diocese of Orlando Administrative Offices

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

Year Ended June 30, 2021

(With Summarized Comparative Totals for the Year Ended June 30, 2020)

	Total 2021	Total 2020
Additions:		
Investment income, net	\$ 37,091	\$ 8,927
Actuarial adjustment to life annuities payable	1,594	1,690
Total additions	38,685	10,617
Deductions:		
Disbursements	22,437	-
Annuities paid	5,656	6,858
Miscellaneous expenses	2,200	2,127
Total deductions	30,293	8,985
Change in net assets with donor restrictions	8,392	1,632
Net assets with donor restrictions:		
Beginning	122,525	120,893
Ending	\$ 130,917	\$ 122,525