

**CATHOLIC DIOCESE OF ST. PETERSBURG
PASTORAL CENTER AND AFFILIATES**

**Combined Financial Statements
and Supplementary Financial Information**

**June 30, 2020 and 2019
(With Independent Auditor's Report Thereon)**

**CATHOLIC DIOCESE OF ST. PETERSBURG
PASTORAL CENTER AND AFFILIATES**

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Mayer Hoffman McCann P.C.

13577 Feather Sound Drive, Suite 400 ■ Clearwater, FL 33762
Main: 727.572.1400 ■ Fax: 727.571.1933 ■ www.mhmcpa.com

Independent Auditor's Report

Most Reverend Gregory L. Parkes, Bishop and
Diocesan Finance Council of the Catholic Diocese of St. Petersburg:

We have audited the accompanying combined financial statements of the Catholic Diocese of St. Petersburg Pastoral Center and Affiliates (see Note 1 to the combined financial statements) (collectively, the "Pastoral Center"), which comprise the combined statements of financial position as of June 30, 2020 and 2019, and the related combined statements of activities and cash flows for the years then ended, the related combined statement of functional expenses for the year ended June 30, 2020, and the related notes to the combined financial statements.

Management's Responsibility for the Combined Financial Statements

Management is responsible for the preparation and fair presentation of these combined 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 combined 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 combined financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Pastoral Center's preparation and fair presentation of the combined 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 Pastoral Center'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 combined 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 combined financial statements referred to above present fairly, in all material respects, the financial position of the Catholic Diocese of St. Petersburg Pastoral Center and Affiliates as of June 30, 2020 and 2019, the changes in their net assets and their cash flows for the years then ended, and their functional expenses for the year ended June 30, 2020, in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Catholic Diocese of St. Petersburg Pastoral Center and Affiliates' 2019 combined financial statements, and we expressed an unmodified audit opinion on those audited combined financial statements in our report dated November 15, 2019. In our opinion, the summarized comparative information presented herein for the year ended June 30, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Supplementary Financial Information

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

Mayer Hoffman McCann P.C.

December 1, 2020
Clearwater, Florida

**CATHOLIC DIOCESE OF ST. PETERSBURG
PASTORAL CENTER AND AFFILIATES**

Combined Statements of Financial Position

June 30, 2020 and 2019

Assets	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 7,499,183	6,935,109
Investments:		
Diocesan investments	82,999,485	65,106,071
Held for others	101,224,618	92,973,623
Insurance premiums receivable, net	481,524	984,448
Pledges receivable, net	1,181,220	1,558,333
Estates and trusts receivable	3,187,775	3,119,363
Loans receivable - parishes and schools, net	7,118,641	12,941,733
Prepaid expenses and other assets	923,193	1,410,076
Cemetery plots and other inventory	812,734	294,428
Notes and other receivables, net	9,968,094	9,492,362
Land, buildings and equipment, net	<u>28,918,958</u>	<u>31,104,926</u>
Total assets	<u>\$ 244,315,425</u>	<u>225,920,472</u>
 Liabilities and Net Assets 		
Liabilities:		
Accounts payable, accrued expenses and other liabilities	\$ 7,321,491	5,561,480
Deposits held in trust - parishes and schools	78,379,018	70,155,953
Deposits held in trust - other	22,845,600	22,817,670
Estimated liability for insurance claims	3,422,501	5,721,211
Annuity obligations	788,869	836,292
Loans payable	<u>1,279,200</u>	<u>-</u>
Total liabilities	114,036,679	105,092,606
Net assets:		
Without donor restrictions:		
Undesignated	9,055,763	10,067,167
Invested in land, buildings and equipment, net	24,323,776	27,929,247
Designated for specific purposes	<u>70,706,159</u>	<u>57,495,462</u>
	104,085,698	95,491,876
With donor restrictions	<u>26,193,048</u>	<u>25,335,990</u>
Total net assets	<u>130,278,746</u>	<u>120,827,866</u>
Total liabilities and net assets	<u>\$ 244,315,425</u>	<u>225,920,472</u>

**CATHOLIC DIOCESE OF ST. PETERSBURG
PASTORAL CENTER AND AFFILIATES**

Combined Statements of Activities

For the Years Ended June 30, 2020 and 2019

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:						
Support:						
Parish assessments and Annual Pastoral Appeal	\$ 9,250,949	2,449,759	11,700,708	9,724,759	2,839,589	12,564,348
Contributions and bequests	800,818	1,452,642	2,253,460	500,926	677,060	1,177,986
Revenue:						
Insurance premium revenue	26,858,850	-	26,858,850	28,136,686	-	28,136,686
Investment return	2,973,862	300,033	3,273,895	6,523,834	682,923	7,206,757
Interest income on loans	488,516	-	488,516	593,309	-	593,309
Programs and sales	6,649,819	-	6,649,819	6,461,771	-	6,461,771
Gain (loss) on sale of property and equipment	61,042	-	61,042	(13,010)	-	(13,010)
Other revenues	532,134	-	532,134	538,684	2,486	541,170
Change in value of split-interest agreements	(64,623)	-	(64,623)	(69,726)	-	(69,726)
Net assets released from restrictions	3,345,376	(3,345,376)	-	3,423,995	(3,423,995)	-
Total support and revenue	50,896,743	857,058	51,753,801	55,821,228	778,063	56,599,291
Expenses:						
Program services:						
Clergy, religious, vocations and seminarian education	2,095,707	-	2,095,707	2,323,232	-	2,323,232
Catholic formation and education	3,870,915	-	3,870,915	4,073,948	-	4,073,948
Catholic social services	1,761,258	-	1,761,258	1,655,771	-	1,655,771
Parish, school and diocesan services	5,366,033	-	5,366,033	6,306,781	-	6,306,781
Pastoral leadership	1,028,430	-	1,028,430	1,292,567	-	1,292,567
Catholic enterprises:						
Bethany Center	1,981,569	-	1,981,569	2,140,267	-	2,140,267
Calvary Catholic Cemetery	1,955,446	-	1,955,446	1,956,676	-	1,956,676
Insurance Trusts	20,576,040	-	20,576,040	27,770,126	-	27,770,126
Savings and Loan	2,117,256	-	2,117,256	1,394,367	-	1,394,367
Total program services	40,752,654	-	40,752,654	48,913,735	-	48,913,735
Supporting services:						
Administration and fundraising	1,550,267	-	1,550,267	1,245,721	-	1,245,721
Total expenses	42,302,921	-	42,302,921	50,159,456	-	50,159,456
Other changes:						
Transfer of endowments to others	-	-	-	-	(1,048,023)	(1,048,023)
Change in net assets	8,593,822	857,058	9,450,880	5,661,772	(269,960)	5,391,812
Net assets, beginning of year	95,491,876	25,335,990	120,827,866	89,830,104	25,605,950	115,436,054
Net assets, end of year	\$ 104,085,698	26,193,048	130,278,746	95,491,876	25,335,990	120,827,866

See accompanying independent auditor's report and notes to combined financial statements.

**CATHOLIC DIOCESE OF ST. PETERSBURG
PASTORAL CENTER AND AFFILIATES**

Combined Statement of Functional Expenses

**For the Year Ended June 30, 2020
(With Comparative Totals for 2019)**

	Program Services						Supporting Services			Total Expenses		
	Clergy, Religious, Vocations and Seminarist Education	Catholic Formation and Education	Catholic Social Services	Parish, School and Diocesan Services	Catholic Enterprises	Pastoral Leadership	Total	Administration	Fundraising	Total	2020	2019
Salaries	\$ 579,222	1,098,913	134,395	2,348,431	1,878,675	304,076	6,343,712	382,295	158,146	540,441	6,884,153	6,737,203
Employee benefits, less intradiocesan insurance premiums of \$1,290,665 and \$1,164,554	355,522	189,575	23,443	397,827	316,776	107,330	1,390,473	71,857	19,934	91,791	1,482,264	1,358,501
	934,744	1,288,488	157,838	2,746,258	2,195,451	411,406	7,734,185	454,152	178,080	632,232	8,366,417	8,095,704
Grants, contributions and subsidies to Diocesan entities	-	1,146,360	384,587	289,824	500,000	-	2,320,771	-	-	-	2,320,771	3,887,975
Grants to Diocesan School Corporations	77,375	155,425	1,100,000	244,029	-	-	1,576,829	-	-	-	1,576,829	1,409,074
Insurance claims	-	-	-	-	16,049,474	-	16,049,474	-	-	-	16,049,474	22,143,388
Insurance premiums	-	-	-	-	3,388,932	-	3,388,932	-	-	-	3,388,932	3,375,399
Programs/conferences sponsored/clergy support	809,438	852,463	36,862	623,129	9,743	23,436	2,355,071	993	167	1,160	2,356,231	2,641,933
Professional fees	41,424	40,168	1,057	556,764	1,435,814	2,084	2,077,311	132,858	60,718	193,576	2,270,887	2,339,310
Travel, meetings and education	38,031	41,722	5,640	52,003	15,545	56,489	209,430	3,978	1,590	5,568	214,998	306,656
Property maintenance and taxes	16,964	15,094	1,916	61,376	116,883	16,426	228,659	19,152	61	19,213	247,872	277,199
Utilities and telephone	35,918	49,052	7,668	111,493	160,666	28,444	393,241	20,481	3,233	23,714	416,955	419,999
Assessments and quotas	-	-	-	30,198	-	417,087	447,285	-	-	-	447,285	450,706
Building/equipment maintenance	55,764	75,914	12,423	125,168	212,055	30,014	511,338	49,276	8,059	57,335	568,673	575,830
Supplies	10,711	16,221	3,105	44,182	22,597	12,638	109,454	9,168	3,933	13,101	122,555	111,356
Postage	3,999	2,455	4,161	105,964	7,455	2,313	126,347	4,074	1,203	5,277	131,624	116,863
Dues and periodicals	10,947	8,539	785	50,751	3,107	2,733	76,862	1,351	834	2,185	79,047	80,140
Stipends and contract labor	2,950	44,894	6,114	5,119	1,200	-	60,277	-	-	-	60,277	66,120
Rent	705	21,803	216	172,450	-	360	195,534	276	-	276	195,810	189,447
Cost of sales and other related expenses	-	-	-	-	804,970	-	804,970	-	-	-	804,970	721,562
Advertising	-	400	-	22,215	34,002	-	56,617	-	-	-	56,617	87,105
Interest paid to independent entities on deposits held	-	-	-	-	1,292,372	-	1,292,372	-	-	-	1,292,372	1,117,803
Depreciation	-	36,458	-	-	888,200	-	924,658	555,648	148	555,796	1,480,454	1,441,631
Net provisions (recoveries) for loan and other losses	56,737	75,459	38,886	125,110	(508,155)	25,000	(186,963)	22,906	17,928	40,834	(146,129)	304,256
Total expenses	\$ 2,095,707	3,870,915	1,761,258	5,366,033	26,630,311	1,028,430	40,752,654	1,274,313	275,954	1,550,267	42,302,921	50,159,456

See accompanying independent auditor's report and notes to combined financial statements.

**CATHOLIC DIOCESE OF ST. PETERSBURG
PASTORAL CENTER AND AFFILIATES**

Combined Statements of Cash Flows

For the Years Ended June 30, 2020 and 2019

	2020	2019
Cash flows from operating activities:		
Change in net assets	\$ 9,450,880	5,391,812
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Provision for doubtful accounts, net of recoveries	(131,850)	323,297
Provision for insurance claims, net of recoveries	(2,298,710)	844,601
Loss (gain) on sale of property and equipment	(61,042)	13,010
Amortization of discount on loans receivable	(14,286)	(19,041)
Depreciation expense	1,480,454	1,441,631
Net realized and unrealized losses (gains) on investments	3,164,574	(3,250,637)
Change in value of split-interest agreements	64,623	69,726
Changes in operating assets and liabilities:		
Insurance premiums receivable	1,046,841	(947,130)
Pledges receivable	350,355	(147,828)
Estates and trusts receivable	(68,412)	(27,951)
Other receivables	(402,999)	(952,805)
Prepaid expenses and other assets	486,883	(613,607)
Cemetery plots and other inventory	(518,306)	72,613
Accounts payable, accrued expenses and other liabilities	1,760,011	548,951
Net cash provided by operating activities	14,309,016	2,746,642
Cash flows from investing activities:		
Proceeds from sales and maturities of investments	14,393,413	17,350,004
Purchases of investments	(43,670,000)	(22,431,000)
Net change in deposits held in trust	8,218,599	(6,882,532)
Net purchases of investments	(21,057,988)	(11,963,528)
Collections on loans receivable	12,700,849	8,138,281
Loans to Diocesan entities - parishes and schools	(8,890,513)	(9,371,040)
Collections on notes and other receivables	1,569,000	144,489
Purchases of land, buildings, and equipment	(44,407)	(1,515,262)
Proceeds from sales of land, buildings and equipment	810,963	8,051
Net cash used in investing activities	(14,912,096)	(14,559,009)
Cash flows from financing activities:		
Proceeds received from issuance of federal loans	1,279,200	-
Payments to donor annuitants	(112,046)	(111,720)
Net cash provided by (used in) financing activities	1,167,154	(111,720)
Net increase (decrease) in cash and cash equivalents	564,074	(11,924,087)
Cash and cash equivalents, beginning of year	6,935,109	18,859,196
Cash and cash equivalents, end of year	\$ 7,499,183	6,935,109
Noncash activities:		
Increase in value of deposits held in trust - Non-Diocesan entities	\$ 32,396	237,649

See accompanying independent auditor's report and notes to combined financial statements.

**CATHOLIC DIOCESE OF ST. PETERSBURG
PASTORAL CENTER AND AFFILIATES**

Notes to Combined Financial Statements

June 30, 2020 and 2019

(1) Nature of Operations and Basis for Presentation

The Catholic Diocese of St. Petersburg (the “Diocese”) was established by the Roman Catholic Church in 1968 to serve the Catholic community in Citrus, Hernando, Hillsborough, Pasco and Pinellas Counties in West Central Florida. The Diocese of St. Petersburg, Inc. employs Bishop Gregory L. Parkes and his supporting staff to administer Diocesan assets and minister to parishes, schools and other Diocesan entities.

For the purposes of this financial report, the assets, liabilities, net assets, and activities of Diocese of St. Petersburg, Inc. have been reported on a combined basis with those of the following separate legal entities due to some degree of common control and for the convenience of the primary users of these combined financial statements who are interested in all combined entities (collectively referred to as the “Pastoral Center and Affiliates” or simply the “Pastoral Center”):

- WBVM - 90.5 FM, Inc.
- Bethany Center, Inc.
- Our Lady of Good Counsel Camp, Inc.
- Miserere Guild, Inc. d/b/a Calvary Catholic Cemetery
- Miserere Guild of Hillsborough, Inc. d/b/a Resurrection Cemetery, Inc.
- Savings and Loan Trust of the Diocese of St. Petersburg (Savings and Loan Trust)
- Insurance and Employee Benefit Trust of the Diocese of St. Petersburg (Insurance and Employee Benefit Trust)
- Emmaus Foundation, Inc. d/b/a The Catholic Foundation of the Diocese of St. Petersburg (the “Catholic Foundation”)

This financial report is intended to provide transparency and accountability to the parishioners of the Diocese, many of whom have made financial contributions directly to the Diocese, or indirectly supported the Diocese through the financial support of parishes. In addition, this report serves other users who are also interested in the financial condition of entities that are funded through other sources. Inclusion in this report does not indicate that assets, net assets, or cash flows of any entity are available for other entities, nor do any liabilities attach to any of the entities with which an entity has been combined. Each entity has a specific purpose and its governing board has a fiduciary responsibility to the owners or beneficiaries of that entity. Assets which entities have acquired are distinct from the assets of other entities even though they may be commingled in a fund such as the Savings and Loan Trust of the Diocese of St. Petersburg.

The Pastoral Center’s audited combined financial statements do not include the assets, liabilities, net assets or activities of certain other separate legal entities such as parishes, missions, parochial schools, Diocesan high school corporations, Morning Star school corporations, Catholic Academies - Diocese of St. Petersburg, Inc., Catholic School System - Diocese of St. Petersburg, Inc., Catholic Formation, Inc., Catholic Charities, Diocese of St. Petersburg, Inc., DOSP USF Housing, Inc., multiple corporations providing affordable housing and other entities. However, Catholic Formation, Inc. and Catholic Charities, Diocese of St. Petersburg, Inc. each have separate audits conducted by independent certified public accounting firms with audited statements published on their respective websites.

**CATHOLIC DIOCESE OF ST. PETERSBURG
PASTORAL CENTER AND AFFILIATES**

Notes to Combined Financial Statements - Continued

(1) Nature of Operations and Basis for Presentation - Continued

The operations of the Diocese regularly include related party transactions with entities that are not combined, as well as with those that are combined. The Pastoral Center receives the majority of its operational support from approximately 80 parishes in the five-county area of the Diocese. In addition, the Pastoral Center provides significant financial support to many of the entities mentioned above, including those which are combined for reporting purposes and those which are not combined for reporting purposes.

The Pastoral Center has the following major types of ministries and program activities.

Pastoral Programs

Ministries and Apostolates: faith ministries and migrant apostolates; Miserere Guild, Inc., d/b/a Calvary Catholic Cemetery; WBVM - 90.5 FM, Inc., a radio station; Bethany Center, Inc., a retreat center; and Our Lady of Good Counsel Camp, Inc., a summer camp.

Catholic Formation and Education: education and formational ministries and programs; Catholic Education Foundation, Inc. whose purpose is to support the Catholic schools of the Catholic Diocese of St. Petersburg; and Emmaus Foundation, Inc. d/b/a The Catholic Foundation of the Diocese of St. Petersburg.

Social Services: providing support to Catholic Charities, and other operating ministries and social service activities.

Clergy Development and Religious: promoting and educating candidates to the priesthood, providing clergy support, providing support to seminaries and providing program services to the religious women and men in Diocesan institutions.

Parochial Services: providing various ministry and administrative support services to parishes, educational institutions and other Diocesan entities.

Insurance Programs: administration of the Diocesan insurance and employee benefit programs (a trust).

Savings and Loan Programs: an investing and lending program utilizing commingled funds for the Pastoral Center, parishes and educational institutions (a trust).

Property Administration: various activities related to the planning and maintenance of all Diocesan owned properties.

Stewardship: programs for encouraging and developing giving within the Diocese.

**CATHOLIC DIOCESE OF ST. PETERSBURG
PASTORAL CENTER AND AFFILIATES**

Notes to Combined Financial Statements - Continued

(2) Summary of Significant Accounting Policies

(a) Basis of Accounting

These combined financial statements, which are presented on the accrual basis of accounting, have been prepared to focus on the Pastoral Center as a whole. Net assets and revenues, expenses, gains and losses 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 not subject to donor-imposed stipulations. Included in net assets without donor restrictions are net assets designated for specific programs by management based upon the nature and types of programs. Such designations are subject to change.

Net Assets With Donor Restrictions: Net assets subject to donor-imposed stipulations are expected to be met by actions of the Pastoral Center and/or the passage of time or include a stipulation that assets provided be maintained in perpetuity by the Pastoral Center. Generally, the donors of these assets permit the Pastoral Center to use all or part of the income earned on related investments for general or specific purposes.

Revenues are reported as increases 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 stipulation. Expirations of donor restricted assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

Contributions, including unconditional promises to give (pledges), are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value and are subsequently adjusted as necessary based on any permanent impairment of their fair value.

Interfund balances and interfund transactions are eliminated from these combined financial statements.

Assets are presented in the accompanying combined statements of financial position according to their nearness of conversion to cash, and liabilities according to the nearness of their maturity and resulting use of cash.

**CATHOLIC DIOCESE OF ST. PETERSBURG
PASTORAL CENTER AND AFFILIATES**

Notes to Combined Financial Statements - Continued

(2) Summary of Significant Accounting Policies - Continued

(b) Cash and Cash Equivalents

Other than short-term investments, the Pastoral Center considers all highly liquid instruments with an original maturity of three months or less to be cash equivalents. Cash is on deposit at several high quality financial institutions in bank deposit accounts which at times, may exceed federally insured limits. The Pastoral Center has not experienced any losses in such accounts and believes it is not exposed to any significant risk.

(c) Loans Receivable - Parishes and Schools (Savings and Loan Trust)

A savings and loan program is administered by a Board of Trustees appointed by the Bishop of the Diocese. Loans made from the Trust are restricted to qualified Diocesan entities including parishes, schools and Catholic Charities. Loans may be made for construction projects and operational needs of the entities. Entities must submit written applications for loans demonstrating, among other things, their ability to repay the loan. All loan requests of greater than \$50,000 must be approved by the Bishop and the Board of Trustees. Loans of less than \$50,000 may be approved by the Bishop.

Loans are made at fixed interest rates (currently 4%) that are reviewed and adjusted periodically as necessary by the Trustees based upon the needs of the Trust and current market rate conditions. Such loans are amortized over periods ranging from 3 years to 30 years, depending on the size and type of loan, and the financial condition and needs of the entity. In some cases, usually involving construction projects, loans are not amortized until the completion of all of the requirements of the project or another event. In some cases, based on the entity's financial condition and/or the purpose of the loan, loans are made at zero percent interest.

On a quarterly basis, Pastoral Center management reviews the payment history of each loan, and based on such history, the financial condition of the entity and other pertinent factors, establishes an allowance for loans that they believe may not be collectible. Such allowances are reported to and approved by the Trustees on a quarterly basis as part of the Trust's quarterly financial statements.

(d) Notes and Other Receivables

Certain other notes and accounts receivable result from the ministries and operations of the Pastoral Center. Included are long-term, non-interest bearing land loans to certain parishes, stop-loss insurance claims' recoveries, costs advanced on low-income housing construction projects of the Diocese, Cemetery trade receivables, parish assessment receivables and other miscellaneous advances that are made outside the Savings and Loan Trust. Except for the land loans, these receivables are usually collected within one year. However, management analyzes the collectability of the receivables in this account on a quarterly basis, records an estimated allowance for uncollectible items, and reports the receivables net of the allowance.

**CATHOLIC DIOCESE OF ST. PETERSBURG
PASTORAL CENTER AND AFFILIATES**

Notes to Combined Financial Statements - Continued

(2) Summary of Significant Accounting Policies - Continued

(e) Pledges Receivable

Unconditional promises to give that are expected to be collected within one year are recorded net of an allowance for doubtful pledges. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows net of an allowance for doubtful pledges. The discounts on those amounts are computed using a risk adjusted interest rate which corresponds with the collection period of the respective pledge. Amortization of discounts is included in contribution revenue.

(f) Bequests Receivable

The Catholic Foundation recognizes its interest in estates in process as a receivable (when the Court declares the related will valid) at fair value and as net assets with donor restrictions.

(g) Estates and Trusts Receivable

The Pastoral Center recognizes a receivable and revenue for their interest in estates and trusts in process based on the inventories of assets and conditions contained in the respective documents. The Pastoral Center records receivables (when the court declares the related document valid) as net assets with donor restrictions. As funds (those with time or purpose restrictions) are collected, donor restricted assets are reclassified to net assets without donor restrictions if the donor-stipulated purpose has been fulfilled and reported in the combined statements of activities as net assets released from restrictions.

(h) Land, Buildings and Equipment

Land, buildings and equipment are stated at cost, when purchased or at fair value at date of gift, when donated. Land is valued at cost which, in the aggregate, is less than fair value. Depreciation on buildings and equipment is calculated using the straight-line method over the estimated useful lives of the assets.

(i) Pledges Payable

Unconditional promises for expenditures approved by the Board of Trustees and management are recorded as pledges payable in the year they are approved and the recipient is identified. These unconditional promises are expected to be paid in future years as specified in the approval process.

**CATHOLIC DIOCESE OF ST. PETERSBURG
PASTORAL CENTER AND AFFILIATES**

Notes to Combined Financial Statements - Continued

(2) Summary of Significant Accounting Policies - Continued

(j) Impairment of Long-Lived Assets

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated from the use and eventual disposition of the asset, excluding interest. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset. Assets to be disposed of would be separately presented in the combined statements of financial position and reported at the lower of carrying amount or fair value less costs to sell and no longer depreciated. No impairment charges were recorded during the years ended June 30, 2020 and 2019.

In addition to consideration of impairment upon events or changes in circumstances described above, management regularly evaluates the remaining lives of its impaired long-lived assets. If estimates are revised, the carrying value of affected assets is depreciated or amortized over the remaining lives.

(k) Fair Value Measurements of Investments

The Pastoral Center evaluates the fair value measurements of financial assets and financial liabilities that are recognized or disclosed at fair value in the combined financial statements on a recurring basis. In accordance with generally accepted accounting principles, fair value measurements are evaluated by a fair value hierarchy that distinguishes between assumptions based on market data (observable inputs) and the Pastoral Center's assumptions (unobservable inputs). Determining where an asset or liability falls within the hierarchy depends on the lowest level of input that is significant to the fair value measurement as a whole. There are three levels of hierarchy:

Level 1: based on quoted market prices in active markets for identical assets or liabilities;

Level 2: based on inputs other than Level 1 inputs which are either directly or indirectly observable;

Level 3: based on unobservable inputs. The Pastoral Center does not have any Level 3 fair value measurements.

The Pastoral Center evaluates its hierarchy disclosures annually, and based on various factors it is possible that an asset or liability may be classified differently from year to year. The Pastoral Center's Level 2 alternative investments are valued at net asset value (NAV). The Pastoral Center does not have any unfunded commitments for these investments and the investments are redeemable daily.

**CATHOLIC DIOCESE OF ST. PETERSBURG
PASTORAL CENTER AND AFFILIATES**

Notes to Combined Financial Statements - Continued

(2) Summary of Significant Accounting Policies - Continued

(k) Fair Value Measurements of Investments - Continued

Fair value of investments measured on a recurring basis at June 30, 2020 and 2019 are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
June 30, 2020:				
Mutual funds	\$ 106,532,636	-	-	106,532,636
Marketable equity securities	9,375,419	-	-	9,375,419
Bonds and other income securities	405,975	35,435,144	-	35,841,119
Short-term investments	13,332,721	-	-	13,332,721
Certificates of deposit	-	239,000	-	239,000
	<u>\$ 129,646,751</u>	<u>35,674,144</u>	<u>-</u>	<u>165,320,895</u>
Alternative investments measured at NAV				<u>18,903,208 (a)</u>
Total investments, at fair value				<u>\$ 184,224,103</u>
June 30, 2019:				
Mutual funds	\$ 101,688,909	-	-	101,688,909
Marketable equity securities	11,333,734	-	-	11,333,734
Bonds and other income securities	401,044	15,541,743	-	15,942,787
Short-term investments	11,395,680	-	-	11,395,680
Certificates of deposit	-	254,646	-	254,646
	<u>\$ 124,819,367</u>	<u>15,796,389</u>	<u>-</u>	<u>140,615,756</u>
Alternative investments measured at NAV				<u>17,463,938 (a)</u>
Total investments, at fair value				<u>\$ 158,079,694</u>

(a) In accordance with Accounting Standards Codification (ASC) Subtopic 820-10, certain investments that were measured at net asset value per share (or its equivalent) 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 line items presented in the accompanying combined statements of financial position.

(l) Other Fair Value Measurements

At June 30, 2020 and 2019, the following methods, assumptions and accounting principles were used to estimate the fair value of each of the following classes of financial instruments for which it is practical to estimate that value:

Pledges Receivable: The fair value is determined at the present value of the amount pledged based on the risk adjusted interest rate which corresponds with the collection period of the respective pledge.

Loans Receivable: Except for non-interest-bearing loans in the amount of \$825,639 and \$1,440,514 at June 30, 2020 and 2019, respectively, the carrying amount of loans receivable approximates fair value because these financial instruments bear rates which approximate current market rates for loans of similar collateral position, credit quality and maturities. Noninterest bearing loans relate to planned construction for certain parishes.

**CATHOLIC DIOCESE OF ST. PETERSBURG
PASTORAL CENTER AND AFFILIATES**

Notes to Combined Financial Statements - Continued

(2) Summary of Significant Accounting Policies - Continued

(l) Other Fair Value Measurements - Continued

Notes and Other Receivables: The carrying amount of notes and other receivables includes land purchase receivables that are not subject to repayment terms at the present time. Such land purchase receivables were \$6,266,954 and \$5,858,954 at June 30, 2020 and 2019, respectively, and are non-interest bearing. It is not practical, nor possible, to obtain independent estimates of the fair values for these receivables (see Note 7).

Savings Deposits: The carrying amount of savings deposits approximates fair value because of the short-term maturities of these financial instruments.

(m) Endowments

The Pastoral Center follows applicable Florida law with respect to donor-restricted funds and complies with any donor imposed restrictions on the use of the investment income or net appreciation resulting from the donor restricted funds in perpetuity. However, when there is an absence of donor restrictions on the use of the investment income or net appreciation, the Pastoral Center follows applicable law.

The Pastoral Center has adopted investment and spending policies that attempt to provide a predictable stream of funding to programs supported by its endowment assets, which include both internally designated and donor restricted endowments while seeking to maintain the purchasing power of these endowment assets over the long term. The objective is to maintain the purchasing power of endowment assets in perpetuity by seeking long-term returns, which either match or exceed the spending rate plus inflation.

To satisfy its long-term rate-of-return objectives, the Pastoral Center relies on a total return strategy using higher returning asset classes. Asset allocation is global in scope and allows the investment of foreign and domestic securities in the portfolio. The Pastoral Center targets a diversified asset allocation that places an emphasis on equity-based and fixed income mutual funds, and marketable equity securities to achieve its long-term return objectives within prudent risk constraints.

(n) Going Concern Evaluation

On an annual basis, as required by ASC Topic 205, *Presentation of Financial Statements - Going Concern*, the Pastoral Center performs an evaluation to determine whether there are conditions or events (known and reasonably knowable), considered in the aggregate, that raise substantial doubt about the Pastoral Center's ability to continue as a going concern within one year after the date that the combined financial statements are available to be issued.

**CATHOLIC DIOCESE OF ST. PETERSBURG
PASTORAL CENTER AND AFFILIATES**

Notes to Combined Financial Statements - Continued

(2) Summary of Significant Accounting Policies - Continued

(o) Parish Assessments and Annual Pastoral Appeal

Parish assessments help fund the various ministry budgets of the Pastoral Center and are recorded in the year the parish is assessed by the Pastoral Center. Such assessment is based on each parish's offertory, among other factors. The Annual Pastoral Appeal (APA) represents pledges received from parishioners to help pay their parish's assessment. APA pledges receivable at June 30, 2020 and 2019 are included in net assets with donor restrictions since they will not be available to the Diocese until the next fiscal year.

(p) Functional Allocation of Expenses

The costs of providing the various programs and other activities of the Diocese have been summarized on a functional basis in the combined statement of functional expenses. Expenses directly attributable to a specific functional area of the Pastoral Center are reported as direct expenses of those functional areas while indirect costs that benefit multiple functional areas have been allocated among the functional areas based on either time spent by employees on each functional area or based on a square footage analysis for all indirect occupancy-related expenses.

(q) Reclassifications

Certain amounts appearing in the 2019 combined financial statements have been reclassified to conform to the presentation in 2020.

(r) Income Taxes

In an annually updated ruling, the Internal Revenue Service has held that the agencies, instrumentalities and educational, charitable and religious institutions operated, supervised or controlled by or in connection with the Roman Catholic Church in the United States, its territories or possessions appearing in "The Official Catholic Directory" are exempt from federal income tax under the provisions of Section 501(c)(3) of the Internal Revenue Code. The Diocese and the combined entities within these financial statements are listed in "The Official Catholic Directory" and therefore the Pastoral Center is exempt from income tax. Accordingly, the accompanying financial statements reflect no provision for income taxes.

The Diocese has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; and to review other matters that may be considered tax positions. No amounts of unrecognized tax benefits or liabilities have been recorded by the Pastoral Center as of June 30, 2020 or 2019.

(s) Cemetery - Perpetual Care Funds

Included in the Cemetery's sales contract is a commitment to maintain graves, crypts, niches and memorial gardens in perpetuity and the contract stipulates 10% of such sales shall be segregated for the perpetual care of the Cemetery. The Cemetery has set these funds aside as a reserve designated for this commitment.

**CATHOLIC DIOCESE OF ST. PETERSBURG
PASTORAL CENTER AND AFFILIATES**

Notes to Combined Financial Statements - Continued

(2) Summary of Significant Accounting Policies - Continued

(t) Use of Estimates

The preparation of the combined financial statements in accordance with generally accepted accounting principles in the United States of America requires management of the Pastoral Center to make estimates and assumptions that affect the amounts reported in the combined financial statements and accompanying notes. Significant items subject to such estimates include the estimates of the allowances for uncollectible loans and pledges and the reserves for insurance claims. Actual results could differ from those estimates.

(u) Subsequent Events

In accordance with generally accepted accounting principles in the United States of America the management of the Pastoral Center must evaluate subsequent events, and must recognize and disclose events or transactions occurring after the combined statement of financial position date under certain circumstances. The Pastoral Center evaluated its June 30, 2020 combined financial statements for subsequent events through December 1, 2020, the date the combined financial statements were available to be issued. The Pastoral Center is not aware of any subsequent events which would require recognition or disclosure in the combined financial statements.

(v) Recent Accounting Pronouncement

In 2020, the Pastoral Center adopted Accounting Standards Update (ASU) No. 2018-08, *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (Topic 958) issued by the Financial Accounting Standards Board ("FASB"). The contribution standard addresses inconsistency in revenue recognition when an item should be considered a contribution or an exchange type transaction subject to other guidance. It also provides guidance as to when a contribution should be considered conditional, which for example, is typically the case when funds are received under governmental grants and contracts. Conditional contributions have different revenue recognition when compared to non-reciprocal transfers of resources in that amounts are reflected as earned when barriers to entitlement are overcome with any difference being deferred where applicable.

The contribution standard was applied using the modified retrospective method. This method was applied to transactions that were not complete or had otherwise already been recognized as of the beginning of fiscal year 2020. The adoption of this guidance did not have an impact on the Pastoral Center's combined financial statements.

**CATHOLIC DIOCESE OF ST. PETERSBURG
PASTORAL CENTER AND AFFILIATES**

Notes to Combined Financial Statements - Continued

(3) Investments

Investments at June 30, 2020 and 2019 consist of the following:

	<u>2020</u>		<u>2019</u>	
	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>
Mutual funds:				
Large Cap Growth Equity	\$ 36,010,131	33,032,612	34,861,028	28,902,363
Small Cap Value Equity	60,527	55,942	62,642	43,006
Domestic Fixed Income	39,925,649	34,952,861	36,137,071	32,511,732
Global Balanced / TAA	11,917,478	12,112,040	11,359,710	10,863,797
International Equity	18,618,851	18,964,015	19,268,458	18,133,843
Marketable equity securities:				
Domestic - Small Cap Value	9,375,419	9,871,748	11,333,734	10,799,336
Bonds and other income securities:				
US Government obligations	4,699,947	4,633,766	9,510,404	9,140,920
Mortgage-backed securities	1,269,465	1,261,363	5,031,403	5,016,046
Corporate bonds	29,465,732	29,348,938	999,936	987,355
Aggregate bond index	405,975	374,881	401,044	392,672
Alternative investments:				
Passive S&P 500 Equity	18,903,208	7,842,269	17,463,938	7,302,147
Short-term investments:				
Prime Obligations Institutional FFS	13,332,721	13,332,721	11,395,680	11,395,680
Certificates of deposit	239,000	239,000	254,646	254,646
	<u>\$ 184,224,103</u>	<u>166,022,156</u>	<u>158,079,694</u>	<u>135,743,543</u>

Investments at June 30, 2020 and 2019 are held for the following funds/activities:

	<u>2020</u>	<u>2019</u>
Savings and Loan Fund Trust	\$ 141,572,260	115,643,131
Emmaus Foundation, Inc.	27,718,188	27,435,563
Endowed Funds	10,490,763	10,853,186
Cemetery Funds	4,442,892	4,147,814
Total investments	<u>\$ 184,224,103</u>	<u>158,079,694</u>
Including:		
Held in Trust for Parishes and Schools	\$ 78,379,018	70,155,953
Held in Trust for the Catholic Foundation and other Funds	<u>22,845,600</u>	<u>22,817,670</u>
Total investments held in trust	<u>\$ 101,224,618</u>	<u>92,973,623</u>

Included in the Savings and Loan Fund Trust investments above are investments of \$0 and \$1,741,334 at June 30, 2020 and 2019, respectively, which are pledged as collateral for self-insurance of workers compensation claims (see Note 6).

**CATHOLIC DIOCESE OF ST. PETERSBURG
PASTORAL CENTER AND AFFILIATES**

Notes to Combined Financial Statements - Continued

(3) Investments - Continued

The components of net investment return for the years ended June 30, 2020 and 2019 are as follows:

	2020	2019
Interest and dividend income	\$ 6,786,249	4,271,942
Net realized and unrealized gains (losses)	(3,164,574)	3,250,637
Management and custodial fees	(347,780)	(315,822)
Total investment return, net	\$ 3,273,895	7,206,757

(4) Pledges Receivable

Pledges receivable from participating parishes and other entities at June 30, 2020 and 2019 are as follows:

	2020	2019
Pledges receivable	\$ 1,208,820	1,563,166
Less allowance for doubtful pledges	(27,600)	(4,833)
Net pledges receivable	\$ 1,181,220	1,558,333

An allowance for doubtful pledges is provided for balances due when the collection of such amounts is considered doubtful. Although the Pastoral Center continues to work with these donors, at present there has been no decision made as to a definitive and adequate means of repayment.

The activity in the allowance for doubtful accounts is as follows:

	Amount
Balance at June 30, 2018	\$ 6,800
Provision for doubtful accounts	5,047
Write-offs	(7,014)
Balance at June 30, 2019	4,833
Provision for doubtful accounts	26,758
Write-offs	(3,991)
Balance at June 30, 2020	\$ 27,600

**CATHOLIC DIOCESE OF ST. PETERSBURG
PASTORAL CENTER AND AFFILIATES**

Notes to Combined Financial Statements - Continued

(5) Loans Receivable - Parishes and Schools (Savings and Loan Fund Trust)

Loans receivable from Diocesan entities at June 30, 2020 and 2019 are as follows:

	2020	2019
Parishes and parochial schools	\$ 10,361,984	17,013,223
High schools	827,614	487,718
	11,189,598	17,500,941
Less discount on non-interest bearing loans	(16,281)	(30,567)
Less allowance for doubtful loans	(4,054,676)	(4,528,641)
Loans receivable, net	\$ 7,118,641	12,941,733

An allowance for doubtful loans is provided for balances due when the collection of such amounts is considered doubtful. Although the Trust continues to work with these entities and has restructured the terms on certain loans, at present there has been no decision made as to a definitive and adequate means of repayment. The interest rate charged for loans was 4.0% during the years ended June 30, 2020 and 2019, except for loans of \$825,639 and \$1,440,514 outstanding as of June 30, 2020 and 2019, respectively, which are non-interest bearing.

The activity in the allowance for doubtful loans was as follows:

	Amount
Balance at June 30, 2018	\$ 5,068,302
Net provision (recoveries)	(539,661)
Write-offs	-
Balance at June 30, 2019	4,528,641
Net provision (recoveries)	50,042
Write-offs	(524,007)
Balance at June 30, 2020	\$ 4,054,676

(6) Insurance and Employee Benefits Trust

All Diocesan entities, including parishes and schools, are required to participate in the insurance programs that are administered through this Trust. The insurance programs include: Property, Liability, Workers' Compensation, Vehicle, Unemployment Compensation, Group Health, Group Life, Short-term Disability, Long-term Disability, Student Accident, and Special Events. Some of these programs are fully-insured through independent underwriters; some are self-funded; and some are funded with a combination of fully-insured and self-funded sources. The two self-funded programs with the highest potential risk (Workers' Compensation and Group Health) use fully-insured stop-loss insurances to protect against catastrophic losses.

**CATHOLIC DIOCESE OF ST. PETERSBURG
PASTORAL CENTER AND AFFILIATES**

Notes to Combined Financial Statements - Continued

(6) Insurance and Employee Benefits Trust - Continued

Participating entities are charged premiums based upon the estimated costs of the programs, including insurance premiums paid to underwriters, self-insured claims expenses, excess and stop-loss insurance premiums, professional administration fees, necessary reserves and administration costs.

Reserves for self-funded insurance claims for potential uninsured losses are computed using actuarial valuations and management estimates. In the opinion of management, the reserves for insurance claims of \$3,422,501 and \$5,721,211 at June 30, 2020 and 2019, respectively, represent adequate provision for unpaid losses which have been incurred, but may not be reported, as of June 30, 2020 and 2019.

Insurance premiums receivable from participating entities at June 30, 2020 and 2019 are as follows:

	2020	2019
Insurance premiums receivable	\$ 1,341,427	2,388,268
Less allowance for doubtful accounts	(859,903)	(1,403,820)
Net insurance premiums receivable	\$ 481,524	984,448

The activity in the allowance for doubtful accounts was as follows:

	Amount
Balance at June 30, 2018	\$ 654,238
Net provision (recoveries)	749,582
Write-offs	-
Balance at June 30, 2019	1,403,820
Net provision (recoveries)	(543,917)
Write-offs	-
Balance at June 30, 2020	\$ 859,903

**CATHOLIC DIOCESE OF ST. PETERSBURG
PASTORAL CENTER AND AFFILIATES**

Notes to Combined Financial Statements - Continued

(7) Notes and Other Receivables

Notes and other receivables are as follows:

	2020	2019
Land purchase receivables	\$ 6,266,954	5,858,954
Ministry and program trade receivables	893,951	827,261
Parish assessment receivables	1,321,559	1,209,202
Other	3,440,364	3,216,412
	11,922,828	11,111,829
Less allowance for doubtful accounts	(1,954,734)	(1,619,467)
Notes and other receivables, net	\$ 9,968,094	9,492,362

The activity in the allowance for doubtful accounts was as follows:

	Amount
Balance at June 30, 2018	\$ 1,511,213
Provision for doubtful accounts	108,329
Write-offs	(75)
Balance at June 30, 2019	1,619,467
Provision for doubtful accounts	335,267
Write-offs	-
Balance at June 30, 2020	\$ 1,954,734

The land purchase receivables included in notes and other receivables are amounts advanced to fourteen parishes to fund the cost of the parishes' land, determined in accordance with Diocesan Policy at the time of the creation of the parish. The amounts paid are non-interest bearing and are not subject to a recovery agreement at the present time. However, by agreement with the parishes, under certain circumstances, the Bishop of the Diocese of St. Petersburg may demand that the amounts be repaid to the Savings and Loan Fund Trust. Management has classified these transactions with the parishes as receivables at their book value since (1) it is not known when the Bishop may request the recovery of the amounts paid, and (2) the amounts paid are ultimately secured by the parishes' property, and in the event of the closing and sale of the parish, first dollar proceeds would come to the Savings and Loan Fund Trust of the Diocese of St. Petersburg and would be sufficient to recover the receivables.

**CATHOLIC DIOCESE OF ST. PETERSBURG
PASTORAL CENTER AND AFFILIATES**

Notes to Combined Financial Statements - Continued

(8) Land, Buildings and Equipment

Land, buildings and equipment consist of the following at June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>	<u>Useful Life</u>
Buildings and improvements	\$ 33,049,933	32,488,161	10 - 30 years
Construction-in-progress	417,082	1,030,554	-
Computer equipment	1,136,878	1,153,175	5 - 10 years
Furniture and fixtures	3,293,255	3,206,200	5 - 20 years
Vehicles	337,931	365,496	3 - 5 years
	<u>38,235,079</u>	<u>38,243,586</u>	
Less accumulated depreciation	<u>(21,907,671)</u>	<u>(20,451,615)</u>	
	16,327,408	17,791,971	
Land	<u>12,591,550</u>	<u>13,312,955</u>	
	<u>\$ 28,918,958</u>	<u>31,104,926</u>	

Depreciation expense for the years ended June 30, 2020 and 2019 was \$1,480,454 and \$1,441,631, respectively.

(9) Leases

The Pastoral Center leases equipment under capital leases, which are included in accounts payable, accrued expenses and other liabilities. The economic substance of the lease is that the Pastoral Center is financing the acquisition of the equipment through the lease, and accordingly, they are recorded as capital lease obligations as of June 30, 2020 and 2019 totaling \$0 and \$1,368, respectively. The cost and accumulated amortization of the leased assets as of June 30, 2020 were \$15,438 and \$15,438, respectively. The cost and accumulated amortization of the leased assets as of June 30, 2019 were 15,438 and \$14,152, respectively. The leases expired over various dates during fiscal 2020.

The Pastoral Center also leases equipment, office and residential space during the course of operations under operating leases. Rent expense for these leases was \$195,810 and \$189,447 for the years ended June 30, 2020 and 2019, respectively.

The Pastoral Center has entered into an agreement to lease office space from a parish for WBVM - 90.5 FM, Inc. The lease is for 25 years, which commenced October 2009. The lease may be terminated by the Pastoral Center with six months written notice to the parish. For the years ended June 30, 2020 and 2019, rent expense for the lease was \$86,500 and \$84,804, respectively.

**CATHOLIC DIOCESE OF ST. PETERSBURG
PASTORAL CENTER AND AFFILIATES**

Notes to Combined Financial Statements - Continued

(10) Bank Debt

The unsecured line of credit is for working capital needs up to \$10,000,000 and the balance drawn was \$0 at June 30, 2020 and 2019. The line of credit bears interest at a rate of LIBOR plus .97% (1.14% at June 30, 2020) and matures in June 2021.

The Pastoral Center is subject to a financial covenant with the bank which stipulates the Pastoral Center must maintain unencumbered and unrestricted investments, with a fair value of at least the total loans outstanding, including amounts due to the bank for which the Diocese has guaranteed repayment or is a co-signor (see Note 16) or \$23.7 million. At June 30, 2020 and 2019, the Pastoral Center was in compliance with this covenant.

There was no interest paid on the line of credit during the years ended June 30, 2020 and 2019.

(11) Deposits Held in Trust - Non-Diocesan Entities

Deposits held in trust - Non-Diocesan entities are held and managed by the Catholic Foundation under various programs for the benefit of various ministries in the Diocese. The net investment income earned or losses incurred on these deposits is distributed to the participants.

Deposits held in trust for non-Diocesan entities at June 30, 2020 and 2019 are as follows:

	2020	2019
A Catholic corporation	\$ 11,484,591	11,796,936
School endowments	8,080,966	8,300,670
Other Diocesan entities	15,324	14,816
A Parochial school	2,488,257	2,577,132
Other entities	776,462	128,116
Total	\$ 22,845,600	22,817,670

(12) Designated for Specific Programs

Net assets designated for specific programs at June 30, 2020 and 2019 were as follows:

	2020	2019
Cemetery operations and care	\$ 12,635,386	7,407,404
Insurance/employee benefit trust	24,526,604	16,400,657
Annual Pastoral Appeal	5,946,542	6,421,571
Savings and Loan Trust	27,141,036	26,682,952
Communications	741	741
Good Counsel Camp	455,850	582,137
Total	\$ 70,706,159	57,495,462

**CATHOLIC DIOCESE OF ST. PETERSBURG
PASTORAL CENTER AND AFFILIATES**

Notes to Combined Financial Statements - Continued

(13) Federal Loans Payable

The Diocese of St. Petersburg (Diocese) and Bethany Center, Inc. (Bethany) applied for and received forgivable Paycheck Protection Program (PPP) Loans in the total amount of \$1,279,200 as provided under the Federal Coronavirus Aid, Relief and Economic Security Act. The Diocese PPP loan for \$1,153,500 was funded on April 29, 2020 and the Bethany PPP loan for \$125,700 was funded on May 7, 2020. Under the terms of each loan, the balance is forgivable to the extent the proceeds are used for certain qualified costs for the 24 week period through November 29, 2020 for the Diocese loan and December 6, 2020 for the Bethany loan, and that certain employment levels are maintained. To the extent a portion of either loan does not meet the criteria to be forgiven, such amount is due and payable in monthly installments beginning December 2020 for a period of eighteen months and each loan will bear interest at a rate of 1%.

(14) Net assets with Donor Restrictions

Net assets with donor restrictions at June 30, 2020 and 2019 consist of the following:

	2020	2019
<i>Purpose restrictions:</i>		
Catholic formation and education	\$ 5,904,001	4,507,352
Assistance to the needy	69,448	108,136
Clergy and seminarian support	2,893,750	3,170,895
Communications	160,615	128,029
Other ministries	889,127	976,001
	9,916,941	8,890,413
<i>Time restrictions:</i>		
Assistance to the needy	3,041,168	2,946,033
Annual Pastoral Appeal	1,151,170	1,547,873
Charitable gift annuities	547,853	561,121
	4,740,191	5,055,027
<i>To be held in perpetuity:</i>		
Catholic formation and education	5,973,032	5,860,950
Seminarian support	2,385,573	2,385,573
Diocesan ministries	1,802,954	1,802,954
Cemetery care	129,352	129,352
Parish ministry and support	1,067,768	1,035,484
Other	177,237	176,237
	11,535,916	11,390,550
Total net assets with donor restrictions	\$ 26,193,048	25,335,990

**CATHOLIC DIOCESE OF ST. PETERSBURG
PASTORAL CENTER AND AFFILIATES**

Notes to Combined Financial Statements - Continued

(14) Net assets with Donor Restrictions - Continued

Net assets with donor restrictions in perpetuity are invested in one of three ways. They are either invested in the Diocesan Savings and Loan Trust where they earn a fixed rate of return; or, they are placed in the Catholic Foundation for investment with independent investment managers; or, they are placed directly with independent investment institutions. The Trust and the Foundation are governed by separate Boards of Trustees that are appointed by the Bishop of the Diocese of St. Petersburg. These Trustees oversee the investment of these funds. For those funds placed with independent investment managers and institutions, investment policies are adopted that consider the purposes and needs for the earnings based on the individual restrictions of the funds' donors.

In 2019, the Catholic Foundation transferred a donor endowment of \$218,271 to the catholic high school named as the beneficiary. In 2019, the Pastoral Center also transferred an endowment of \$829,752 restricted for the support of seminarians to St. Vincent de Paul Regional Seminary's endowment.

(15) Annuity Obligations

The Catholic Foundation is certified by the State of Florida to market and manage charitable gift annuity contracts. Under these contracts, a donor transfers assets to the Catholic Foundation at the beginning of the contract and the Catholic Foundation makes predetermined quarterly payments to the donor, or in certain cases donors' spouses, over their remaining lifetimes. Upon the donors' death, the remaining assets are available for the Catholic Foundation's use, subject to any specific donor restrictions. Annuity obligations are stated at the actuarial present value of future cash flows expected to be paid to donors over their lifetimes. The discount rates used in computing the present value of annuity obligations range from 1.2% to 6.2% as of June 30, 2020 and 2019. At June 30, 2020 and 2019, annuity obligations totaled \$788,869 and \$836,292, respectively.

State law requires the Catholic Foundation to maintain a reserve fund in connection with its gift annuity program. The required amount to be maintained in the fund is based on a multiple of the actuarial value of the related annuity obligations.

**CATHOLIC DIOCESE OF ST. PETERSBURG
PASTORAL CENTER AND AFFILIATES**

Notes to Combined Financial Statements - Continued

(16) Commitments and Contingencies

(a) Loan Contingencies

The Diocese entered into a line of credit arrangement with a financial institution to provide up to \$40 million in financing for construction and renovation projects undertaken by Diocesan parishes, a high school and Catholic Charities, Diocese of St. Petersburg, Inc. The respective Diocesan entities are responsible for repayment of any amounts borrowed, and the Savings and Loan Trust of the Diocese is a co-signer on all loans. The loans have maturity dates that range from May 15, 2020 to September 1, 2029, however the loans are subject to renewal at those times. The amount outstanding on borrowings by Diocesan entities, which is not reflected in these combined financial statements at June 30, 2020 and 2019 under this line of credit, was \$23,669,249 and \$17,319,184, respectively. The Diocese has not experienced any losses on these borrowings for the years ended June 30, 2020 and 2019.

(b) Guarantees

The Diocese guaranteed borrowings from a commercial bank by Catholic Charities, Diocese of St. Petersburg, Inc.; a \$300,000 revolving line of credit. The \$300,000 revolving line of credit bears interest at a variable rate based on the 30 day LIBOR rate, plus 1.47% and is not less than 3.0%. Total borrowings under the term loan and the revolving line of credit guaranteed by the Pastoral Center which are not reflected in these combined financial statements at June 30, 2020 and 2019 were \$0 and \$157,891, respectively. The guarantee is for the entire amount and term of the borrowings. The guarantee is secured by deposits and investments, if any, maintained by Catholic Charities at the commercial bank. If Catholic Charities defaults on a payment, the Pastoral Center would have to perform under the guarantee. It is not practical to obtain independent estimates of the fair values for the contingent liability for this guaranteed debt.

During 2012 the Diocese guaranteed a borrowing from a commercial bank by Catholic Charities - Arbor Villas, Inc. and Catholic Charities, Diocese of St. Petersburg, Inc.; a \$1,000,000 commercial real estate term loan. The amount due under this loan guaranteed by the Diocese which is not reflected in these combined financial statements at June 30, 2020 and 2019 was \$0 and \$135,000, respectively. The loan was paid in full during 2020. During 2020, the Diocese guaranteed a borrowing from a commercial bank by Catholic Charities Housing, Inc. in the amount of \$1.65 million. The amount due under this loan guaranteed by the Diocese which is not reflected in these combined financial statements at June 30, 2020 was \$1,628,173. The loan is secured by deposits and investments, if any, maintained by Catholic Charities Housing, Inc. at the commercial bank and the low-income housing project purchased with the loan, including rents, leases and profits of Catholic Charities Housing, Inc. It is not practical to obtain independent estimates of the fair values for the contingent liability for this guaranteed debt.

**CATHOLIC DIOCESE OF ST. PETERSBURG
PASTORAL CENTER AND AFFILIATES**

Notes to Combined Financial Statements - Continued

(16) Commitments and Contingencies - Continued

(c) Litigation

The Pastoral Center is subject to asserted and unasserted claims arising in the course of its activities. While the result of litigation cannot be predicted with absolute certainty, management believes the final outcome will not have a materially adverse effect on the Pastoral Center's financial condition. The Pastoral Center has accrued for estimated losses as of June 30, 2020 and 2019.

(17) Pension Plan

The Diocese has a multiemployer defined benefit pension plan named "Pension Plan for the Employees of the Entities of the Diocese of St. Petersburg" (the "Plan"). The Plan is a non-contributory plan and covers employees of all Diocesan entities who meet participation requirements. The Pastoral Center and the other employer entities of the Diocese make contributions to the Plan equal to amounts accrued for pension expense, which includes the amortization of past service cost over periods of 15 to 30 years. Information concerning Plan assets and accrued benefits is not kept with respect to each individual participating entity; the Plan is administered and evaluated only on an aggregate basis. Eligible employees, as defined in the Plan document, are entitled to pension benefits beginning with normal retirement age equal to a defined amount per unit of service. In addition, eligible employees, as defined in the Plan document, may be entitled to early retirement and disability benefits under certain circumstances. As a Church, the Plan is not subject to ERISA. A favorable Determination Letter was received from the Internal Revenue Service for the Plan during 2014. The Pastoral Center's total pension expense for the years ended June 30, 2020 and 2019 was \$886,185 and \$773,473, respectively.

Total contributions to the Plan by all participating entities were approximately \$9 million and \$8.9 million for the years ended June 30, 2020 and 2019, respectively. As of June 30, 2020, the most recent actuarial valuation, the accumulated Plan benefits and the assets available for such benefits are as follows:

	Amount
Vested benefits:	
Participants currently receiving payments	\$ 135,537,985
Terminated vested participants	26,344,946
Other participants	64,815,444
	226,698,375
Nonvested benefits	3,768,217
Total actuarial present value of accumulated plan benefits	\$ 230,466,592
Net assets available for plan benefits	\$ 210,278,386

**CATHOLIC DIOCESE OF ST. PETERSBURG
PASTORAL CENTER AND AFFILIATES**

Notes to Combined Financial Statements - Continued

(17) Pension Plan - Continued

The Pastoral Center also offers a 401(k) Plan for substantially all of the employees of the entities of the Diocese. This Plan is administered separately from the Defined Benefit Pension Plan discussed above. This Plan is a non-contributory plan, and as such, the Pastoral Center did not make any contributions to the plan during fiscal years 2020 and 2019.

(18) Related Parties

In addition to the operating ministries disclosed in Note 1, there are certain other ministries operating outside the geographic area of the Diocese that are not included in the combined financial statements, in which the Pastoral Center has an economic and ministerial interest. They are ministries owned and operated by dioceses included in the Province of Florida, as follows: St. Vincent de Paul Regional Seminary, The Florida Catholic Conference (FCC), and the Florida Conference of Catholic Bishops (FCCB).

The Pastoral Center's percentage of ownership in the seminary is between 20% and 25% and, for the FCC and FCCB is between 40% and 45%. The Pastoral Center, and the other dioceses in the Province of Florida, provides support to each of these ministries in the form of tuition and operating subsidies.

For the years ended June 30, 2020 and 2019, the Diocese provided operating subsidies to the St. Vincent de Paul Regional Seminary in the amounts of \$77,375 and \$91,202, respectively, to the FCC in the amounts of \$115,726 and \$180,460, respectively, and to FCCB in the amounts of \$97,745 and \$90,728, respectively.

The Diocese has also formed several corporations that operate within the Diocese that are not included in the combined financial statements. They are Catholic Formation, Inc., Catholic Academies - Diocese of St. Petersburg, Inc., Catholic School System - Diocese of St. Petersburg, Inc. and DOSP USF Housing, Inc.

Catholic Formation, Inc. was formed to conduct the activities of a capital campaign throughout the Diocese. The capital campaign is taking place over several years and the primary purpose is to provide support to Catholic education and Seminarian education for the Diocese. As of June 30, 2020 and 2019, the Diocese received advances in the amounts of \$1,002,026 and \$17,792, respectively, from Catholic Formation, Inc. The advances represent funding of certain parish-share grants which were later disbursed by the Diocese for Catholic Formation, Inc. The advances were included in accounts payable, accrued expenses, and other liabilities.

The two Catholic School Corporations were formed to provide support to certain Catholic Schools of the Diocese. Parish assessments include a special assessment for the schools in the amount of \$1,298,589 and \$1,291,716, for the years ended June 30, 2020 and 2019, respectively. The related subsidy expense for 2020 and 2019 was \$1,097,789 and \$266,303, respectively.

**CATHOLIC DIOCESE OF ST. PETERSBURG
PASTORAL CENTER AND AFFILIATES**

Notes to Combined Financial Statements - Continued

(18) Related Parties - Continued

During 2016 the Diocese created DOSP USF Housing, Inc., a not for profit Florida corporation for the purpose of investing in the development of faith-based student housing adjacent to the campus of the University of South Florida in Tampa, Florida. During 2017, the Diocese advanced \$1,715,000 to DOSP USF Housing, Inc. as initial funding of this entity. This loan has accrued interest at 4% since inception. The balance due was \$1,858,583 and \$1,895,253 as of June 30, 2020 and 2019, respectively. Due to the start-up nature of this activity, repayment terms have not been set. The provision for doubtful accounts includes an allowance for half of the value of the loan as of June 30, 2020.

(19) Endowments

The Diocese has interpreted Florida Uniform Prudent Management of Institutional Funds Act (FUPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Diocese classifies as donor restricted net assets in perpetuity (a) the original value of the gifts donated to the permanent endowment, (b) the original value of the subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified as restricted net assets in perpetuity is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Diocese in a manner consistent with the standard of prudence prescribed by FUPMIFA. Any amount not appropriated for expenditure will be reclassified, subject to the original endowment restrictions imposed by the donor.

In accordance with FUPMIFA, the Diocese considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

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

The Diocese has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Under this policy, the Diocese relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). A diversified asset allocation is utilized to achieve its long-term return objectives with prudent risks.

**CATHOLIC DIOCESE OF ST. PETERSBURG
PASTORAL CENTER AND AFFILIATES**

Notes to Combined Financial Statements - Continued

(19) Endowments - Continued

The Diocese has a policy of appropriating distributions each year of approximately 4% to 5% of the endowment funds. Accordingly, over the long term, the Diocese expects the current spending policy to allow its endowments to grow. This is consistent with the Diocese's objective to maintain the purchasing power of the endowment assets held in perpetuity as well as to provide additional real growth through new gifts and investment return.

At June 30, 2020, endowed net assets are comprised of \$2,195,499 and \$11,535,916 of donor restricted funds and restrictions in perpetuity, respectively, totaling \$13,731,415. The changes in endowment net assets for the year ending June 30, 2020 are as follows:

	<u>With Donor Restrictions</u>
Endowments, beginning of year	\$ 13,834,197
Contributions	145,366
Investment return	196,315
Distribution of earnings (expenditures)	<u>(444,463)</u>
Endowments, end of year	\$ <u>13,731,415</u>

(20) Liquidity and Availability of Resources

The Pastoral Center is supported by contributions both with and without donor restrictions and must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the Pastoral Center's liquidity management, it structures its financial assets to be available as its general expenditures, liabilities and other obligations come due.

**CATHOLIC DIOCESE OF ST. PETERSBURG
PASTORAL CENTER AND AFFILIATES**

Notes to Combined Financial Statements - Continued

(20) Liquidity and Availability of Resources - Continued

As of June 30, 2020 and 2019, the Pastoral Center's financial assets available to meet general expenditures within one year were as follows:

	<u>2020</u>	<u>2019</u>
Financial assets:		
Cash and cash equivalents	\$ 7,499,183	6,935,109
Investments	184,224,103	158,079,694
Insurance premiums receivable	481,524	984,448
Pledges receivable	1,181,220	1,558,333
Estates and trusts receivable	3,187,775	3,119,363
Loans receivable	7,118,641	12,941,733
Notes and other receivables	9,968,094	9,492,362
	<u>213,660,540</u>	<u>193,111,042</u>
Less amounts unavailable for general expenditure within one year due to:		
Contractual or donor-imposed restrictions:		
Endowments	(11,535,916)	(11,390,550)
Deposits held in trust	(101,224,618)	(92,973,623)
Long-term contributions receivable	(3,187,775)	(3,119,363)
Long-term loans receivable	(7,118,641)	(12,941,733)
Long-term notes and other receivables	(9,968,094)	(9,492,362)
Donor-imposed restrictions	(9,916,941)	(8,890,413)
Time restrictions	(3,041,168)	(2,946,033)
Charitable gift annuities	(547,853)	(561,121)
	<u>(146,541,006)</u>	<u>(142,315,198)</u>
Board-designations for specific purposes, net of long-term receivables above	<u>(51,852,249)</u>	<u>(32,213,294)</u>
Financial assets available to meet general expenditures within one year	<u>\$ 15,267,285</u>	<u>18,582,550</u>

General expenditures of the Pastoral Center totaled approximately \$42.3 million and \$50.2 million in 2020 and 2019, respectively.

**CATHOLIC DIOCESE OF ST. PETERSBURG
PASTORAL CENTER AND AFFILIATES**

Notes to Combined Financial Statements - Continued

(21) Risks and Uncertainties

The novel coronavirus (“COVID-19”) spread rapidly across the world in the first quarter of 2020 and was declared a pandemic by the World Health Organization in March 2020. The government and private sector responses to contain its spread began to adversely affect the broader economy and business in general in March 2020 and those impacts will likely affect the Pastoral Center’s operations through the remainder of calendar year 2020, although such effects may vary significantly. The pandemic has greatly contributed to significant deterioration and instability in financial markets. As a result, there has been heightened market risk and the Pastoral Center’s investment portfolio has incurred significant volatility in fair value since March 2020.

The Pastoral Center’s operations have not been significantly impacted, however, the duration and extent of the pandemic and its effects over longer terms cannot be reasonably estimated as of the date the combined financial statements were available for issuance. The risks and uncertainties resulting from the pandemic that may affect the results of operating activities, cash flows and financial condition include the nature and duration of any potential curtailment of various Pastoral Center activities and the long-term effect on church activities. Because the values of the Pastoral Center’s investments have and will fluctuate in response to changing market conditions, the amount of losses that will be recognized in subsequent periods, if any, and the related impact on the Pastoral Center’s liquidity cannot be determined at this time.

SUPPLEMENTARY FINANCIAL INFORMATION

**CATHOLIC DIOCESE OF ST. PETERSBURG
PASTORAL CENTER**

Schedule of Financial Position Information by Fund

June 30, 2020

Assets	Operating Funds	Savings and Loan Trust	Insurance / Benefits Trust	Cemetery Funds	(Emmaus) Catholic Foundation	Endowment Funds	Elimination Entries	Total
Cash and cash equivalents	\$ 23,115,432	3,861,180	21,148,855	6,159,555	2,299,002	100,593	(49,185,434) (a)	7,499,183
Investments	1,632,972	141,572,260	-	4,442,892	42,412,846	8,857,791	(14,694,658) (b)	184,224,103
Insurance premiums receivable, net	-	-	481,524	-	-	-	-	481,524
Pledges receivable, net	1,151,170	-	-	-	30,050	-	-	1,181,220
Estates and trusts receivable	3,187,775	-	-	-	-	-	-	3,187,775
Loans receivable - parishes and schools, net	-	7,138,325	-	-	-	-	(19,684) (c)	7,118,641
Prepaid expenses and other assets	303,185	-	531,749	83,259	5,000	-	-	923,193
Cemetery plots and other inventory	3,500	-	-	809,234	-	-	-	812,734
Notes and other receivables, net	2,419,194	8,465,028	17,096	1,183,185	81,665	-	(2,198,074) (c)	9,968,094
Land, buildings and equipment, net	27,005,946	-	-	2,859,116	300,000	-	(1,246,104) (d)	28,918,958
Due from other funds	-	-	7,473,340	1,246,650	-	-	(8,719,990) (b)	-
Total assets	\$ 58,819,174	161,036,793	29,652,564	16,783,891	45,128,563	8,958,384	(76,063,944)	244,315,425

(Continued)

**CATHOLIC DIOCESE OF ST. PETERSBURG
PASTORAL CENTER**

Schedule of Financial Position Information by Fund - Continued

Liabilities and Net Assets	Operating Funds	Savings and Loan Trust	Insurance / Benefits Trust	Cemetery Funds	(Emmaus) Catholic Foundation	Endowment Funds	Elimination Entries	Total
Liabilities:								
Accounts payable, accrued expenses and other liabilities	\$ 3,953,091	50,947	1,703,459	1,037,718	22,316	553,960	-	7,321,491
Deposits held in trust - parishes and schools	-	127,564,452	-	-	-	-	(49,185,434) (a)	78,379,018
Deposits held in trust - Non-Diocesan entities	1,333	-	-	251,671	37,164,941	122,313	(14,694,658) (b)	22,845,600
Estimated liability for insurance claims	-	-	3,422,501	-	-	-	-	3,422,501
Annuity obligations	-	-	-	-	788,869	-	-	788,869
Loans payable	3,496,958	-	-	-	-	-	(2,217,758) (c)	1,279,200
Due to other funds	1,234,081	6,280,358	-	-	1,036,491	169,060	(8,719,990) (b)	-
Total liabilities	8,685,463	133,895,757	5,125,960	1,289,389	39,012,617	845,333	(74,817,840)	114,036,679
Net assets:								
Unrestricted:								
Undesignated	8,095,788	-	-	-	1,120,468	(160,493)	-	9,055,763
Invested in land, buildings and equipment	22,710,764	-	-	2,859,116	-	-	(1,246,104) (d)	24,323,776
Designated for specific programs	6,403,133	27,141,036	24,526,604	12,635,386	-	-	-	70,706,159
Total unrestricted	37,209,685	27,141,036	24,526,604	15,494,502	1,120,468	(160,493)	(1,246,104)	104,085,698
With donor restrictions	12,924,026	-	-	-	4,995,478	8,273,544	-	26,193,048
Total net assets	50,133,711	27,141,036	24,526,604	15,494,502	6,115,946	8,113,051	(1,246,104)	130,278,746
Total liabilities and net assets	\$ 58,819,174	161,036,793	29,652,564	16,783,891	45,128,563	8,958,384	(76,063,944)	244,315,425

(a) Elimination of interdiocesan savings account

(b) Elimination of interdiocesan accounts

(c) Elimination of interdiocesan borrowings

(d) Elimination of interdiocesan property sale

**CATHOLIC DIOCESE OF ST. PETERSBURG
PASTORAL CENTER**

Schedule of Activities Information by Fund

For the Year Ended June 30, 2020

	Operating Funds	Savings and Loan Trust	Insurance / Benefits Trust	Cemetery Funds	(Emmaus) Catholic Foundation	Endowment Funds	Elimination Entries	Total
Support and revenue:								
Support:								
Parish assessments and Annual Pastoral Appeal	\$ 11,700,708	-	-	-	-	-	-	11,700,708
Contributions and bequests	1,621,624	-	-	3,400,000	881,836	-	(3,650,000) (a)	2,253,460
Revenue:								
Insurance premium revenues	-	-	28,606,490	-	-	-	(1,747,640) (b)	26,858,850
Investment return	611,212	2,908,716	346,675	121,046	124,658	1,744	(840,156) (c)	3,273,895
Programs, sales and other revenue	3,785,624	489,903	4,040	3,216,823	398,029	-	(223,950) (c)	7,670,469
Gains (losses) on sale of property and equipment	70,725	-	-	(9,683)	-	-	-	61,042
Change in value of split-interest agreements	-	-	-	-	(64,623)	-	-	(64,623)
Transfers from other funds	11,913,215	-	-	282,261	599,827	-	(12,795,303) (d)	-
Total support and revenue	29,703,108	3,398,619	28,957,205	7,010,447	1,939,727	1,744	(19,257,049)	51,753,801
Expenses:								
Salaries and employee benefits	8,549,436	-	-	1,016,076	159,327	-	(1,358,422) (b)	8,366,417
Grants, contributions and subsidies	6,577,588	500,000	-	-	470,012	-	(3,650,000) (a)	3,897,600
Insurance claims	-	-	16,049,474	-	-	-	-	16,049,474
Interest on deposits	-	2,132,528	-	-	-	-	(840,156) (c)	1,292,372
Interest on bank debt	1,387	-	-	-	-	-	(1,387) (e)	-
Insurance premiums	290,446	-	3,388,932	98,392	379	-	(389,217) (b)	3,388,932
Program and other expenses	5,800,894	28,251	1,305,743	834,875	226,602	-	(222,564) (c)	7,973,801
Depreciation	1,357,302	-	-	122,932	220	-	-	1,480,454
Net provisions (recoveries) for loan and other losses	335,268	35,756	(543,919)	8	26,758	-	-	(146,129)
Transfers to other funds	10,782,149	244,000	631,028	537,259	599,827	1,040	(12,795,303) (d)	-
Total expenses	33,694,470	2,940,535	20,831,258	2,609,542	1,483,125	1,040	(19,257,049)	42,302,921
Change in net assets	(3,991,362)	458,084	8,125,947	4,400,905	456,602	704	-	9,450,880
Net assets, beginning of year	54,125,073	26,682,952	16,400,657	11,093,597	5,659,344	8,112,347	(1,246,104)	120,827,866
Net assets, end of year	\$ 50,133,711	27,141,036	24,526,604	15,494,502	6,115,946	8,113,051	(1,246,104)	130,278,746

- (a) Elimination of interfund grants
- (b) Elimination of interfund insurance premiums and expense
- (c) Elimination of interfund savings interest, programs, professional and administrative fees
- (d) Elimination of interfund transfers
- (e) Elimination of interest on interdiocesan borrowings