CATHOLIC DIOCESE OF ST. PETERSBURG
PASTORAL CENTER AND AFFILIATES

Combined Financial Statements
and Supplementary Financial Information

June 30, 2021 and 2020
(With Independent Auditors' Report Thereon)

CATHOLIC DIOCESE OF ST. PETERSBURG PASTORAL CENTER AND AFFILIATES

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Independent Auditors' 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, 2021 and 2020, 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, 2021, 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.

Auditors' 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 auditors' 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 auditors consider 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, 2021 and 2020, 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, 2021, 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' 2020 combined financial statements, and we expressed an unmodified audit opinion on those audited combined financial statements in our report dated December 1, 2020. In our opinion, the summarized comparative information presented herein for the year ended June 30, 2020, is consistent, in all material respects, with the audited combined 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.

November 30, 2021
St. Petersburg, Florida

CATHOLIC DIOCESE OF ST. PETERSBURG PASTORAL CENTER AND AFFILIATES

Combined Statements of Financial Position

June 30, 2021 and 2020

		2021	2020
Assets			
Cash and cash equivalents	$	12,362,304	7,499,183
Investments:			
Diocesan investments		129,675,254	82,999,485
Held for others		121,574,069	101,224,618
Insurance premiums receivable, net		53,048	481,524
Pledges receivable, net		972,612	1,181,220
Estates and trusts receivable		4,151,169	3,187,775
Loans receivable - parishes and schools, net		6,144,135	7,118,641
Prepaid expenses and other assets		902,641	923,193
Cemetery plots and other inventory		670,043	812,734
Notes and other receivables, net		8,630,419	9,968,094
Land, buildings and equipment, net		28,681,618	28,918,958
Total assets	$	313,817,312	244,315,425
Liabilities and Net Assets			
Liabilities:			
Accounts payable, accrued expenses and other liabilities	$	6,917,244	7,321,491
Deposits held in trust - parishes and schools		90,906,407	78,379,018
Deposits held in trust - other		30,667,662	22,845,600
Estimated liability for insurance claims		3,684,121	3,422,501
Annuity obligations		759,842	788,869
Loans payable		-	1,279,200
Total liabilities		132,935,276	114,036,679
Net assets:			
Without donor restrictions:			
Undesignated		10,468,401	9,055,763
Invested in land, buildings and equipment, net		23,163,430	24,323,776
Designated for specific purposes		110,284,728	70,706,159
		143,916,559	104,085,698
With donor restrictions		36,965,477	26,193,048
Total net assets		180,882,036	130,278,746
Total liabilities and net assets	$	313,817,312	244,315,425

CATHOLIC DIOCESE OF ST. PETERSBURG PASTORAL CENTER AND AFFILIATES

Combined Statements of Activities

For the Years Ended June 30, 2021 and 2020

	2021			2020		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	**Without Donor Restrictions**	**With Donor Restrictions**	**Total**
Support and revenue:						
Support:						
Parish assessments and Annual Pastoral Appeal	$ 10,835,365	1,916,791	12,752,156	9,250,949	2,449,759	11,700,708
Contributions and bequests	2,348,683	14,313,510	16,662,193	800,818	1,452,642	2,253,460
Revenue:						
Insurance premium revenue	26,111,265	-	26,111,265	26,858,850	-	26,858,850
Investment return	31,681,839	4,015,659	35,697,498	2,973,862	300,033	3,273,895
Interest income on loans	325,941	-	325,941	488,516	-	488,516
Programs and sales	5,307,336	-	5,307,336	6,649,819	-	6,649,819
Gain on sale of property and equipment	9,123	-	9,123	61,042	-	61,042
Gain on extinguishment of debt	1,279,200	-	1,279,200	-	-	-
Other revenues	1,291,714	-	1,291,714	532,134	-	532,134
Change in value of split-interest agreements	(79,188)	-	(79,188)	(64,623)	-	(64,623)
Net assets released from restrictions	9,473,531	(9,473,531)	-	3,345,376	(3,345,376)	-
Total support and revenue	88,584,809	10,772,429	99,357,238	50,896,743	857,058	51,753,801
Expenses:						
Program services:						
Clergy, religious, vocations and seminarian education	1,770,344	-	1,770,344	2,095,707	-	2,095,707
Catholic formation and education	8,125,786	-	8,125,786	3,870,915	-	3,870,915
Catholic social services	4,082,352	-	4,082,352	1,761,258	-	1,761,258
Parish, school and diocesan services	4,823,611	-	4,823,611	5,366,033	-	5,366,033
Pastoral leadership	989,677	-	989,677	1,028,430	-	1,028,430
Catholic enterprises:						
Bethany Center	1,804,573	-	1,804,573	1,981,569	-	1,981,569
Calvary Catholic Cemetery	1,924,862	-	1,924,862	1,955,446	-	1,955,446
Insurance Trusts	20,826,676	-	20,826,676	20,576,040	-	20,576,040
Savings and Loan	1,224,078	-	1,224,078	2,117,256	-	2,117,256
Total program services	45,571,959	-	45,571,959	40,752,654	-	40,752,654
Supporting services:						
Administration and fundraising	1,667,419	-	1,667,419	1,550,267	-	1,550,267
Total expenses	47,239,378	-	47,239,378	42,302,921	-	42,302,921
Other changes:						
Cumulative effect adjustment due to adoption of ASC Topic 606	(1,514,570)	-	(1,514,570)	-	-	-
Change in net assets	39,830,861	10,772,429	50,603,290	8,593,822	857,058	9,450,880
Net assets, beginning of year	104,085,698	26,193,048	130,278,746	95,491,876	25,335,990	120,827,866
Net assets, end of year	$ 143,916,559	36,965,477	180,882,036	104,085,698	26,193,048	130,278,746

CATHOLIC DIOCESE OF ST. PETERSBURG PASTORAL CENTER AND AFFILIATES

Combined Statement of Functional Expenses

For the Year Ended June 30, 2021
(With Comparative Totals for 2020)

	Program Services							Supporting Services			Total Expenses	
	Clergy, Religious, Vocations and Seminarian Education	Catholic Formation and Education	Catholic Social Services	Parish, School and Diocesan Services	Catholic Enterprises	Pastoral Leadership	Total	Administration	Fundraising	Total	2021	2020
Salaries	$ 590,757	1,050,033	127,618	2,122,819	1,793,241	319,618	6,004,086	454,111	187,347	641,458	6,645,544	6,884,153
Employee benefits, less intradiocesan insurance premiums of $1,306,315 and $1,290,665	388,309	191,036	22,338	398,292	288,254	106,461	1,394,690	70,351	26,459	96,810	1,491,500	1,482,264
	979,066	1,241,069	149,956	2,521,111	2,081,495	426,079	7,398,776	524,462	213,806	738,268	8,137,044	8,366,417
Grants, contributions and subsidies to Diocesan entities	-	850,197	2,752,802	358,800	500,250	-	4,462,049	-	-	-	4,462,049	2,320,771
Grants to Diocesan School Corporations	-	4,651,537	1,100,000	256,371	-	-	6,007,908	-	-	-	6,007,908	1,576,829
Insurance claims	-	-	-	-	15,850,703	-	15,850,703	-	-	-	15,850,703	16,049,474
Insurance premiums	2,000	-	-	-	3,478,828	-	3,480,828	-	-	-	3,480,828	3,388,932
Programs/conferences sponsored/clergy support	546,778	351,280	15,021	467,467	31,017	48,208	1,459,771	882	97	979	1,460,750	2,356,231
Professional fees	36,154	33,760	1,433	403,712	1,201,990	2,272	1,679,321	139,719	53,438	193,157	1,872,478	2,270,887
Travel, meetings and education	26,839	25,733	3,835	28,992	14,494	34,585	134,478	3,599	754	4,353	138,831	214,998
Property maintenance and taxes	20,094	18,989	2,563	48,527	139,140	11,641	240,954	45,523	61	45,584	286,538	247,872
Utilities and telephone	36,183	50,860	8,203	115,250	161,031	29,722	401,249	22,402	3,208	25,610	426,859	416,955
Assessments and quotas	-	-	-	30,198	-	360,137	390,335	-	-	-	390,335	447,285
Building/equipment maintenance	48,136	87,053	12,714	123,700	193,479	34,266	499,348	50,106	7,995	58,101	557,449	568,673
Supplies	13,136	12,922	1,631	31,236	19,824	16,812	95,561	6,672	2,952	9,624	105,185	122,555
Postage	4,776	2,536	1,479	97,367	8,021	1,880	116,059	4,551	1,849	6,400	122,459	131,624
Dues and periodicals	9,117	7,557	752	34,097	6,082	2,366	59,971	1,082	184	1,266	61,237	79,047
Stipends and contract labor	4,550	55,163	300	9,251	1,050	300	70,614	-	-	-	70,614	60,277
Rent	710	21,258	218	174,193	-	362	196,741	278	-	278	197,019	195,810
Cost of sales and other related expenses	-	-	-	-	621,936	-	621,936	-	-	-	621,936	804,970
Advertising	-	-	-	24,076	12,668	-	36,744	-	-	-	36,744	56,617
Interest paid to independent entities on deposits held	-	-	-	-	840,160	-	840,160	-	-	-	840,160	1,292,372
Depreciation	-	36,458	-	-	907,194	-	943,652	594,657	-	594,657	1,538,309	1,480,454
Net provisions (recoveries) for loan and other losses	42,805	679,414	31,445	99,263	(289,173)	21,047	584,801	5,892	(16,750)	(10,858)	573,943	(146,129)
Total expenses	$ 1,770,344	8,125,786	4,082,352	4,823,611	25,780,189	989,677	45,571,959	1,399,825	267,594	1,667,419	47,239,378	42,302,921

See accompanying independent auditors' 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, 2021 and 2020

		2021	2020
Cash flows from operating activities:			
Change in net assets	$	50,603,290	9,450,880
Adjustments to reconcile change in net assets to net cash provided by operating activities:			
Provision for doubtful accounts, net of recoveries		573,943	(131,850)
Provision for insurance claims, net of recoveries		461,620	(2,298,710)
Gain on sale of property and equipment		(9,123)	(61,042)
Amortization of discount on loans receivable		(9,337)	(14,286)
Depreciation expense		1,538,309	1,480,454
Net realized and unrealized losses (gains) on investments		(23,775,941)	3,164,574
Gain on the extinguishment of debt		(1,279,200)	-
Change in value of split-interest agreements		79,188	64,623
Changes in operating assets and liabilities:			
Insurance premiums receivable		342,334	1,046,841
Pledges receivable		233,608	350,355
Estates and trusts receivable		(963,394)	(68,412)
Other receivables		30,349	(402,999)
Prepaid expenses and other assets		20,552	486,883
Cemetery plots and other inventory		142,691	(518,306)
Accounts payable, accrued expenses and other liabilities		(604,247)	1,760,011
Deposits held in trust		12,525,912	8,218,599
Net cash provided by operating activities		39,910,554	22,527,615
Cash flows from investing activities:			
Proceeds from sales and maturities of investments		5,544,364	14,393,413
Purchases of investments		(40,970,104)	(43,670,000)
Net purchases of investments		(35,425,740)	(29,276,587)
Collections on loans receivable		4,118,882	12,700,849
Loans to Diocesan entities - parishes and schools		(2,727,514)	(8,890,513)
Collections on notes and other receivables		387,000	1,569,000
Purchases of land, buildings, and equipment		(1,302,371)	(44,407)
Proceeds from sales of land, buildings and equipment		10,525	810,963
Net cash used in investing activities		(34,939,218)	(23,130,695)
Cash flows from financing activities:			
Proceeds received from issuance of federal loans		-	1,279,200
Payments to donor annuitants		(108,215)	(112,046)
Net cash provided by (used in) financing activities		(108,215)	1,167,154
Net increase in cash and cash equivalents		4,863,121	564,074
Cash and cash equivalents, beginning of year		7,499,183	6,935,109
Cash and cash equivalents, end of year	$	12,362,304	7,499,183
Noncash activities:			
Increase in value of deposits held in trust - Non-Diocesan entities	$	7,823,539	32,396

(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 with independent Boards of Directors 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.

(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 (operated within a trust).

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

(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.

(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.

(2) Summary of Significant Accounting Policies - Continued

(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 borrowings of Diocesan entities must be approved by the Bishop. All loans made by the Savings and Loan Trust must be approved by the Board of Trustees, however, the Trustees have delegated the authority to the Bishop to approve emergency loans of less than $50,000.

Loans are made at fixed interest rates (currently 3%) 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.

(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.

(2) Summary of Significant Accounting Policies - Continued

(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.

(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, 2021 and 2020.

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.

(2) Summary of Significant Accounting Policies - Continued

(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 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.

Fair value of investments measured on a recurring basis at June 30, 2021 are as follows:

	Level 1	Level 2	Level 3	Total
June 30, 2021:				
Mutual funds	$ 152,410,051	-	-	152,410,051
Marketable equity securities	16,304,697	-	-	16,304,697
Bonds and other income securities	480,858	43,796,248	-	44,277,106
Short-term investments	11,596,516	-	-	11,596,516
Certificates of deposit	-	239,000	-	239,000
	$ 180,792,122	44,035,248	-	224,827,370
Alternative investments measured at NAV				26,421,953 (a)
Total investments, at fair value				$ 251,249,323

(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 are as follows:

	Level 1	Level 2	Level 3	Total
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
	$ 129,646,751	35,674,144	-	165,320,895
Alternative investments measured at NAV				18,903,208 **(a)**
Total investments, at fair value				$ 184,224,103

(a) *In accordance with Accounting Standards Codification 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, 2021 and 2020, 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 (see Note 5), 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.

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 $5,879,954 and $6,266,954 at June 30, 2021 and 2020, 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.

(2) Summary of Significant Accounting Policies - Continued

(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 Accounting Standards Codification ("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.

(o) Revenue Recognition

During fiscal 2021, the Pastoral Center, utilizing the modified retrospective method, adopted Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. As part of the adoption, the Pastoral Center has evaluated each of the five steps of Topic 606 which are as follows: (1) Identify the contract with the customer; (2) Identify the performance obligations in the contract; (3) Determine the transaction price; (4) Allocate the transaction price to the performance obligations; and (5) Recognize revenue when (or as) performance obligations are satisfied.

(2) Summary of Significant Accounting Policies - Continued

(o) Revenue Recognition - Continued

The Pastoral Center considers a contract with a customer to exist under Topic 606 when there is approval and commitment from the Pastoral Center and the customer, the rights of the parties and payment terms are identified, the contract has commercial substance, and the collectability of consideration is probable. The Pastoral Center evaluates each service deliverable contracted with the customer to determine whether it represents promises to transfer distinct services under ASC Topic 606. These are referred to as performance obligations. One or more service deliverables often represent a single performance obligation. This evaluation requires significant judgment and the impact of combining or separating performance obligations may change the time over which revenue from the contract is recognized.

The Pastoral Center derives revenue from contracts with customers from its parish and school assessments, cemetery sales, asset management fees, administrative service fees, Bethany Retreat Center lodging, food and meeting space sales, and program and conference fees associated with various ministries.

Parish and School Assessments: 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. Assessments are billed annually and the Pastoral Center recognizes revenues over time since parishes receive and consume the benefits of the services provided by the Pastoral Center ratably over the year. The Annual Pastoral Appeal ("APA") represents pledges received from parishioners to help pay their parish's assessment. APA pledges receivable at June 30, 2021 and 2020 are included in net assets with donor restrictions since they will not be available to the Diocese until the next fiscal year.

Cemetery Sales: Cemetery operations generate revenue primarily through sales of cemetery interment rights (primarily grave sites, lawn crypts, mausoleum spaces and niches), related cemetery merchandise (such as outer burial containers, memorial markers and floral placements) and services (interments, inurnments and installation of cemetery merchandise). Cemetery services and products are provided on both an at-need and pre-need basis. Cemetery arrangements sold at the time of death are referred to as at-need cemetery contracts. The performance obligation on these at-need contracts for cemetery property, merchandise and services are distinct. The performance obligations from the time of death to the disposition of the remains, include delivering cemetery property, unearthing the ground, interring remains and installing merchandise on the cemetery grounds. Each item on the contract is recognized as a distinct good or service.

(2) Summary of Significant Accounting Policies - Continued

(o) Revenue Recognition - Continued

The performance obligation is satisfied and revenue is recognized on the purchase date of the interment right, on the date of the cemetery service, and on the date of delivery of the merchandise (set on cemetery grounds). Payment is due at or before the time of transfer. Outstanding balances due from customers, if any, on completed at-need contracts are included in notes and other receivables on the accompanying combined statements of financial position. The performance obligation is satisfied at the date of the service, the purchase of the interment right or the delivery of the merchandise as control has transferred to the customer. At this time, the contract is signed by the customer and the Cemetery is entitled to payment.

Cemetery arrangements sold prior to death are referred to as pre-need cemetery contracts. Amounts paid by the customer, pursuant to the pre-need funeral contracts, initially are recognized as deferred revenue and are recognized as revenue when control of the funeral service and/or merchandise revenue is transferred to the customer. For pre-need cemetery interment rights, the performance obligation is the sale of the interment right and revenue is recognized at the time the contract is signed. Control of cemetery interment rights is transferred to the customer upon execution of the contract as customers select a specific location and space for their interment right, thus, restricting the cemetery from other use or transfer of the contracted cemetery property. The interment right is deeded to the customer when the contract is paid in full.

Within Calvary's sales contract for interment rights, the Cemetery commits to maintaining graves, crypts, niches and memorial gardens in perpetuity, and segregating 10% of such sales as a reserve designated for this commitment. Based on this commitment, the Cemetery allocates a portion of the sales contract as a long-term liability to recognize this performance obligation.

The Cemetery pays commissions on new at-need and pre-need contracts. Topic 606 also requires the deferral of incremental direct selling costs to the period in which the related revenue is recognized, when material. Calvary recognizes 100% of commission expense at the time the contract has been fully collected. The portion of the commission attributable to the portion of the pre-need contracts for graves, crypts, niches and memorial gardens that are fully paid and still pre-need (not completed) is considered immaterial and therefore, as a practical matter, this portion of the sales commission is recognized at time of collection and not deferred until contract completion.

Asset Management Fees: The Catholic Foundation manages investments on behalf of the Diocese and various Diocesan entities. The Catholic Foundation charges 75 basis points of the assets under management as an asset management fee. The asset management fee is calculated monthly and billed quarterly. There are no performance based incentive fees. The Catholic Foundation recognizes asset management fees over the time period the assets are held.

(2) Summary of Significant Accounting Policies - Continued

(o) Revenue Recognition - Continued

Administrative Service Fees: The Pastoral Center provides accounting support services to certain parishes and schools within the Diocese of St. Petersburg. Pricing is based on a monthly fee for standard accounting services. Special projects are billed separately at an hourly rate, when applicable. Revenue is recognized over time since the accounting services are considered a series of distinct services in which the parishes and schools receive and consume the benefits as services are performed by the Pastoral Center.

Bethany Center Sales: Bethany Center, Inc. operates a retreat facility including private overnight accommodations, meeting space and food services. Bethany Center recognizes revenues from lodging, food and conferences when the service is provided to the customer, generally over the time period of the conference or retreat. Bethany Center has determined that over time recognition is appropriate because the customer receives and consumes the benefit of the services ratably over the days the conference or retreat is held.

Programs and Conference Fees: The Pastoral Center administers a variety of ministries which include the charging of program fees and/or attendance fees. The Pastoral Center recognizes revenue for ministries and program fees over the time period of the related event since the customer receives and consumes the benefit of the services ratably over the days the ministry or conference is held.

Advertising: Spirit FM is a Christian radio station owned by the Diocese of St. Petersburg. Spirit FM broadcasts contemporary Christian music and offers Christ-centered programs. Spirit FM accepts donations from sponsors that are recognized on the radio station. Revenue is recognized ratably over the time period when the spot is broadcast. Contracts typically cover a period of 3-4 weeks and are billed by contract. To the extent the amount billed exceeds the amount of revenue recognized at any reporting period, the excess is deferred until the advertising spots are aired. Commissions of 15% are paid to media agents and are recognized over the time period of the broadcast contract.

(p) Insurance Premium Revenue

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 specific stop-loss insurances to protect against catastrophic losses.

(2) Summary of Significant Accounting Policies - Continued

(p) Insurance Premium Revenue - 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.

(q) 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.

(r) Reclassifications

Certain amounts appearing in the 2020 combined financial statements have been reclassified to conform to the presentation in 2021.

(s) 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 entities within these combined financial statements are listed in “The Official Catholic Directory” and therefore the Pastoral Center is exempt from income tax. Accordingly, the accompanying combined 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, 2021 or 2020.

(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, 2021 combined financial statements for subsequent events through November 30, 2021, 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 May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606).* The core principle of the new guidance is that an entity will recognize revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. The standard provides a five-step analysis of transactions that determine when and how revenue is recognized. Additionally, the guidance requires disclosures related to the nature, amount, timing and uncertainty of revenue that is recognized. In August 2015, the FASB issued ASU No. 2015-14 which deferred the provisions of ASU No. 2014-09 to annual reporting periods beginning after December 15, 2018. In June 2020, the FASB issued ASU No. 2020-05, which deferred the effective date for all entities that had not yet adopted Topic 606 using the modified retrospective approach. The Pastoral Center adopted this guidance on July 1, 2020 using the modified retrospective approach. The cumulative impact of adopting Topic 606 on July 1, 2020 was a decrease in net assets without donor restrictions of $1,514,570. Under the modified retrospective approach, the Pastoral Center was not required to restate comparative financial information prior to the adoption of these standards, and therefore, such information presented prior to July 1, 2020 continues to be reported under the Pastoral Center’s previous accounting policies. Prior to the adoption of Topic 606, the Pastoral Center recognized revenue at a point in time for certain pre-need contracts sold by the Cemetery. The amount set aside for maintenance of grave sites, crypts and vaults was recognized as revenue when transferred to the Cemetery’s perpetual care fund. With the adoption of Topic 606, a portion of Cemetery contract revenue is now allocated to the performance obligation to maintain grave sites, crypts or vaults in perpetuity, and therefore deferred indefinitely and recognized as a liability. Although the Cemetery has set aside cash and investments in a perpetual care fund that far exceeds the amount of this liability, this liability was previously unrecorded.

(2) Summary of Significant Accounting Policies - Continued

(v) Recent Accounting Pronouncement - Continued

The effects of adopting Topic 606 were (1) a charge of $1,514,570 to net assets without donor restrictions and an increase in the perpetual care liability as of July 1, 2020, for the cumulative effect on prior years of having adopted the new standard; (2) a reduction in sales and net income for the year ended June 30, 2021 of $45,436; and (3) a $45,436 increase in the perpetual care liability which totals $1,560,006 at June 30, 2021.

(3) Investments

Investments at June 30, 2021 and 2020 consist of the following:

	2021		2020	
	Fair Value	Cost	Fair Value	Cost
Mutual funds:				
Large Cap Growth Equity	$ 53,537,284	43,014,010	36,010,131	33,032,612
Small Cap Value Equity	217,637	146,762	60,527	55,942
Domestic Fixed Income	48,800,811	44,833,322	39,925,649	34,952,861
Global Balanced / TAA	21,501,860	19,367,243	11,917,478	12,112,040
International Equity	27,978,488	21,730,326	18,618,851	18,964,015
Other equity funds	373,971	319,915	-	-
Marketable equity securities:				
Domestic - Small Cap Value	16,304,697	13,383,273	9,375,419	9,871,748
Bonds and other income securities:				
US Government obligations	9,968,725	10,144,216	4,699,947	4,633,766
Mortgage-backed securities	766,803	766,305	1,269,465	1,261,363
Corporate bonds	33,060,720	33,132,950	29,465,732	29,348,938
Aggregate bond index	480,858	463,225	405,975	374,881
Alternative investments:				
Passive S&P 500 Equity	26,421,953	8,392,557	18,903,208	7,842,269
Short-term investments:				
Prime Obligations Institutional FFS	11,596,516	11,596,516	13,332,721	13,332,721
Certificates of deposit	239,000	239,000	239,000	239,000
	$ 251,249,323	207,529,620	184,224,103	166,022,156

(3) Investments - Continued

Investments at June 30, 2021 and 2020 are held for the following funds/activities:

	2021	2020
Savings and Loan Fund Trust	$ 194,682,438	141,572,260
Emmaus Foundation, Inc.	38,212,560	27,718,188
Endowed Funds	12,289,159	10,490,763
Cemetery Funds	6,065,166	4,442,892
Total investments	$ 251,249,323	184,224,103
Including:		
Held in Trust for Parishes and Schools	$ 90,906,407	78,379,018
Held in Trust for the Catholic Foundation and other Funds	30,667,662	22,845,600
Total investments held in trust	$ 121,574,069	101,224,618

The components of net investment return for the years ended June 30, 2021 and 2020 are as follows:

	2021	2020
Interest and dividend income	$ 12,219,323	6,786,249
Net realized and unrealized gains (losses)	23,775,941	(3,164,574)
Management and custodial fees	(297,766)	(347,780)
Total investment return, net	$ 35,697,498	3,273,895

(4) Pledges Receivable

Pledges receivable from participating parishes and other entities at June 30, 2021 and 2020 are as follows:

		2021	2020
Pledges receivable	$	972,612	1,208,820
Less allowance for doubtful pledges		-	(27,600)
Net pledges receivable	$	972,612	1,181,220

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, 2019	$	4,833
Provision for doubtful accounts		26,758
Write-offs		(3,991)
Balance at June 30, 2020		27,600
Net recoveries of bad debt provision		(25,000)
Write-offs		(2,600)
Balance at June 30, 2021	$	-

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

Loans receivable from Diocesan entities at June 30, 2021 and 2020 are as follows:

		2021	2020
Parishes and parochial schools	$	9,310,511	10,361,984
High schools		487,718	827,614
		9,798,229	11,189,598
Less discount on non-interest bearing loans		(6,944)	(16,282)
Less allowance for doubtful loans		(3,647,150)	(4,054,675)
Loans receivable, net	$	6,144,135	7,118,641

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 3% and 4% during the years ended June 30, 2021 and 2020, respectively, except for loans of $3,326,095 and $825,639 outstanding as of June 30, 2021 and 2020, respectively, which are non-interest bearing.

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

		Amount
Balance at June 30, 2019	$	4,528,640
Net provision (recoveries)		50,042
Write-offs		(524,007)
Balance at June 30, 2020		4,054,675
Net provision (recoveries)		(407,525)
Write-offs		-
Balance at June 30, 2021	$	3,647,150

(6) Insurance and Employee Benefits Trust

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 $3,684,121 and $3,422,501 at June 30, 2021 and 2020, respectively, represent adequate provision for unpaid losses which have been incurred, but may not be reported, as of June 30, 2021 and 2020.

Insurance premiums receivable from participating entities at June 30, 2021 and 2020 are as follows:

	2021	2020
Insurance premiums receivable	$ 999,093	1,341,427
Less allowance for doubtful accounts	(946,045)	(859,903)
Net insurance premiums receivable	$ 53,048	481,524

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

	Amount
Balance at June 30, 2019	$ 1,403,820
Net provision (recoveries)	(543,917)
Write-offs	-
Balance at June 30, 2020	859,903
Net provision (recoveries)	86,142
Write-offs	-
Balance at June 30, 2021	$ 946,045

(7) Notes and Other Receivables

Notes and other receivables are as follows:

	2021	2020
Land purchase receivables	$ 5,879,954	6,266,954
Ministry and program trade receivables	1,794,331	893,951
Parish assessment receivables	1,704,113	1,321,559
Other	2,127,081	3,440,364
	11,505,479	11,922,828
Less allowance for doubtful accounts	(2,875,060)	(1,954,734)
Notes and other receivables, net	$ 8,630,419	9,968,094

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

	Amount
Balance at June 30, 2019	$ 1,619,467
Provision for doubtful accounts	335,267
Write-offs	-
Balance at June 30, 2020	1,954,734
Provision for doubtful accounts	920,326
Write-offs	-
Balance at June 30, 2021	$ 2,875,060

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.

(8) Land, Buildings and Equipment

Land, buildings and equipment consist of the following at June 30, 2021 and 2020:

	2021	2020	Useful Life
Buildings and improvements	$ 33,800,506	33,049,933	10 - 30 years
Construction-in-progress	903,844	417,082	-
Computer equipment	1,159,157	1,136,878	5 - 10 years
Furniture and fixtures	3,293,255	3,293,255	5 - 20 years
Vehicles	342,085	337,931	3 - 5 years
	39,498,847	38,235,079	
Less accumulated depreciation	(23,408,779)	(21,907,671)	
	16,090,068	16,327,408	
Land	12,591,550	12,591,550	
	$ 28,681,618	28,918,958	

Depreciation expense for the years ended June 30, 2021 and 2020 was $1,538,309 and $1,480,454, respectively.

(9) Leases

The Pastoral Center leases equipment, office and residential space during the course of operations under operating leases. Rent expense for these leases was $197,020 and $195,810 for the years ended June 30, 2021 and 2020, 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, 2021 and 2020, rent expense for the lease was $88,230 and $86,500, respectively.

(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, 2021 and 2020. The line of credit bears interest at a rate of LIBOR plus .97% (1.07% at June 30, 2021) and matures on November 30, 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 or Pastoral Center has guaranteed repayment or is a co-signor (see Note 16) or $27.9 million. At June 30, 2021 and 2020, 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, 2021 and 2020.

(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, 2021 and 2020 are as follows:

		2021	2020
A Catholic corporation	$	14,470,337	11,484,591
School endowments		10,147,418	8,080,966
Other Diocesan entities		18,084	15,324
A Parochial school		3,038,652	2,488,257
Other entities		2,993,171	776,462
Total	$	30,667,662	22,845,600

(12) Designated for Specific Programs

Net assets designated for specific programs at June 30, 2021 and 2020 were as follows:

		2021	2020
Cemetery operations and care	$	14,711,577	12,635,386
Insurance/employee benefit trust		32,349,570	24,526,604
Annual Pastoral Appeal		6,957,296	5,946,542
Savings and Loan Trust		55,718,183	27,141,036
Communications		741	741
Good Counsel Camp		547,361	455,850
Total	$	110,284,728	70,706,159

(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. The Diocese received a notice of a legal release from the obligation on April 22, 2021 and Bethany received a notice of legal release from the obligation on February 12, 2021. Therefore, the accompanying combined statement of activities includes a gain on the extinguishment of debt for $1,279,200 for the year ended June 30, 2021.

(14) Net Assets With Donor Restrictions

Net assets with donor restrictions at June 30, 2021 and 2020 consist of the following:

	2021	2020
Purpose restrictions:		
Catholic formation and education	$ 9,497,227	5,904,001
Affordable housing	5,692,835	-
Assistance to the needy	119,970	69,448
Clergy and seminarian support	2,263,954	2,893,750
Communications	189,236	160,615
Other ministries	2,002,066	889,127
	19,765,288	9,916,941
Time restrictions:		
Assistance to the needy	3,921,924	3,041,168
Annual Pastoral Appeal	924,189	1,151,170
Charitable gift annuities	547,853	547,853
	5,393,966	4,740,191
To be held in perpetuity:		
Catholic formation and education	6,025,095	5,973,032
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	1,159,967	1,067,768
Other	303,282	177,237
	11,806,223	11,535,916
Total net assets with donor restrictions	$ 36,965,477	26,193,048

(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.

(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, 2021 and 2020. At June 30, 2021 and 2020, annuity obligations totaled $759,842 and $788,869, 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.

(16) Commitments and Contingencies

(a) Loan Contingencies

The Diocese entered into a financing 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 November 1, 2023 to January 26, 2031, 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, 2021 and 2020 under this line of credit, was $27,885,235 and $23,669,249, respectively. The Diocese has not experienced any losses on these borrowings for the years ended June 30, 2021 and 2020.

(16) Commitments and Contingencies - Continued

(b) Guarantees

The Pastoral Center has guaranteed all loans issued under the $40 million financing agreement, as well as a $600,000 revolving line of credit at a commercial bank by Catholic Charities, Diocese of St. Petersburg, Inc. The $600,000 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%. It is not practical to obtain independent estimates of the fair values for the contingent liability for this guaranteed debt.

(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, 2021 and 2020.

(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, 2021 and 2020 was $939,605 and $886,185, respectively.

Total contributions to the Plan by all participating entities were approximately $9 million for each of the years ended June 30, 2021 and 2020.

(17) Pension Plan - Continued

As of June 30, 2021, 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	$ 140,161,603
Terminated vested participants	35,025,957
Other participants	67,094,498
	242,282,058
Nonvested benefits	3,713,579
Total actuarial present value of accumulated plan benefits	$ 245,995,637
Net assets available for plan benefits	$ 260,100,568

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 2021 and 2020.

(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, provide support to each of these ministries in the form of tuition and operating subsidies.

For the years ended June 30, 2021 and 2020, the Diocese provided operating subsidies to the St. Vincent de Paul Regional Seminary in the amounts of $0 and $77,375, respectively, to the FCC in the amounts of $127,674 and $167,093, respectively, and to FCCB in the amounts of $79,728 and $97,745, respectively.

As explained in Note 1, the Diocese has formed separately incorporated entities that operate within the Diocese that are not included in the combined financial statements.

(18) Related Parties - Continued

Catholic Formation, Inc. was formed to conduct the activities of a capital campaign throughout the Diocese. The capital campaign is now complete. As of June 30, 2021 and 2020, the Pastoral Center received advances in the amounts of $0 and $1,002,026, 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. In addition, the Pastoral Center received a donation of $4,681,203 from Catholic Formation, Inc. which was recorded as contribution revenue for the year ended June 30, 2021 and is classified as a component of net assets with donor restrictions as of June 30, 2021.

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 $992,602 and $1,298,589, for the years ended June 30, 2021 and 2020, respectively. The related subsidy expense for 2021 and 2020 was approximately $4.6 million and $1.1 million, respectively.

Three corporations which own and operate affordable housing refinanced their projects and contributed a combined total of $7,557,205 to the Pastoral Center during the year ended June 30, 2021 as a restricted contribution to be used for affordable housing. As of June 30, 2021, $5,692,835 remains available in cash and is classified as a component of net assets with donor restrictions.

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 $1,424,781 and $1,858,583 as of June 30, 2021 and 2020, 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 approximately $434,000 as of June 30, 2021.

(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.

(19) Endowments - Continued

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 predicable 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.

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, 2021, endowed net assets are comprised of $3,997,552 and $11,806,223 of donor restricted funds and restrictions in perpetuity, respectively, totaling $15,803,775. The changes in endowment net assets for the year ending June 30, 2021 are as follows:

	With Donor Restrictions
Endowments, beginning of year	$ 13,731,415
Contributions	270,307
Investment return	2,894,964
Distribution of earnings, transfers and other withdrawals	(1,092,911)
Endowments, end of year	$ 15,803,775

(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.

As of June 30, 2021 and 2020, the Pastoral Center's financial assets available to meet general expenditures within one year were as follows:

	2021	2020
Financial assets:		
Cash and cash equivalents	$ 12,362,304	7,499,183
Investments	251,249,323	184,224,103
Insurance premiums receivable	53,048	481,524
Pledges receivable	972,612	1,181,220
Estates and trusts receivable	4,151,169	3,187,775
Loans receivable	6,144,135	7,118,641
Notes and other receivables	8,630,419	9,968,094
Total financial assets	283,563,010	213,660,540
Less amounts unavailable for general expenditure within one year due to:		
Contractual or donor-imposed restrictions:		
Endowments	(11,806,223)	(11,535,916)
Deposits held in trust	(121,574,069)	(101,224,618)
Long-term contributions receivable	(4,151,169)	(3,187,775)
Long-term loans receivable	(6,144,135)	(7,118,641)
Long-term notes and other receivables	(8,630,419)	(9,968,094)
Donor-imposed restrictions	(19,765,288)	(9,916,941)
Time restrictions	(3,921,924)	(3,041,168)
Charitable gift annuities	(547,853)	(547,853)
Total contractual or donor-imposed restrictions	(176,541,080)	(146,541,006)
Board-designations for specific purposes, net of long-term receivables above	(92,018,470)	(51,852,249)
Financial assets available to meet general expenditures within one year	$ 15,003,460	15,267,285

General expenditures of the Pastoral Center totaled approximately $47.2 million and $42.3 million in 2021 and 2020, respectively.

(21) <u>Risks and Uncertainties</u>

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 had a significant effect on parishes, Diocesan and parochial schools, and other Diocesan entities which indirectly affected the Pastoral Center. Those impacts also had a direct impact on the Pastoral Center's operations, resulting in a reduction in the workforce and corresponding reduction in some ministries which are expected to continue throughout the remainder of 2021. 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 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 might be recognized in subsequent periods, if any, 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, 2021

Assets		Diocese of St. Petersburg, Inc. Operating Funds	Endowment Funds	Total	Savings and Loan Trust	Insurance / Benefits Trust	Calvary Cemetery	(Emmaus) Catholic Foundation	Elimination Entries	Total
Cash and cash equivalents	$	28,228,396	101,603	28,329,999	9,250,767	21,359,461	5,607,322	1,699,821	(53,885,066) **(a)**	12,362,304
Investments		3,434,016	8,855,143	12,289,159	194,682,438	-	6,065,166	56,327,896	(18,115,336) **(b)**	251,249,323
Insurance premiums receivable, net		-	-	-	-	53,048	-	-	-	53,048
Pledges receivable, net		924,189	-	924,189	-	-	-	48,423	-	972,612
Estates and trusts receivable		4,151,169	-	4,151,169	-	-	-	-	-	4,151,169
Loans receivable - parishes and schools, net		-	-	-	6,144,135	-	-	-	-	6,144,135
Prepaid expenses and other assets		290,994	-	290,994	-	518,171	90,976	2,500	-	902,641
Cemetery plots and other inventory		3,500	-	3,500	-	-	666,543	-	-	670,043
Notes and other receivables, net		1,220,511	-	1,220,511	8,078,228	251,944	1,277,810	-	(2,198,074) **(c)**	8,630,419
Land, buildings and equipment, net		26,213,736	-	26,213,736	-	-	3,413,986	300,000	(1,246,104) **(d)**	28,681,618
Due from other funds		2,318,327	-	2,318,327	-	14,713,285	1,786,204	-	(18,817,816) **(b)**	-
Total assets	$	66,784,838	8,956,746	75,741,584	218,155,568	36,895,909	18,908,007	58,378,640	(94,262,396)	313,817,312

(Continued)

CATHOLIC DIOCESE OF ST. PETERSBURG PASTORAL CENTER

Schedule of Financial Position Information by Fund - Continued

Liabilities and Net Assets	Diocese of St. Petersburg, Inc. Operating Funds	Endowment Funds	Total	Savings and Loan Trust	Insurance / Benefits Trust	Calvary Cemetery	(Emmaus) Catholic Foundation	Elimination Entries	Total
Liabilities:									
Accounts payable, accrued expenses and other liabilities	$ 3,354,180	-	3,354,180	76,838	862,218	1,025,981	38,021	-	5,357,238
Deposits held in trust - parishes and schools	-	-	-	144,791,473	-	-	-	(53,885,066) **(a)**	90,906,407
Deposits held in trust - other	2,509	119,665	122,174	-	-	249,030	48,411,794	(18,115,336) **(b)**	30,667,662
Estimated liability for insurance claims	-	-	-	-	3,684,121	-	-	-	3,684,121
Annuity obligations	-	-	-	-	-	-	759,842	-	759,842
Loans payable	2,198,074	-	2,198,074	-	-	-	-	(2,198,074) **(c)**	-
Perpetual Care Fund liability	-	-	-	-	-	1,560,006	-	-	1,560,006
Due to other funds	-	706,099	706,099	17,569,074	-	-	542,643	(18,817,816) **(b)**	-
Total liabilities	5,554,763	825,764	6,380,527	162,437,385	4,546,339	2,835,017	49,752,300	(93,016,292)	132,935,276
Net assets:									
Unrestricted:									
Undesignated	19,541,179	(142,562)	19,398,617	-	-	-	1,443,822	-	20,842,439
Invested in land, buildings and equipment	23,048,121	-	23,048,121	-	-	1,361,413	-	(1,246,104) **(d)**	23,163,430
Designated for specific programs	7,505,398	-	7,505,398	55,718,183	32,349,570	14,711,577	-	-	110,284,728
Total unrestricted	50,094,698	(142,562)	49,952,136	55,718,183	32,349,570	16,072,990	1,443,822	(1,246,104)	154,290,597
With donor restrictions	11,135,377	8,273,544	19,408,921	-	-	-	7,182,518	-	26,591,439
Total net assets	61,230,075	8,130,982	69,361,057	55,718,183	32,349,570	16,072,990	8,626,340	(1,246,104)	180,882,036
Total liabilities and net assets	$ 66,784,838	8,956,746	75,741,584	218,155,568	36,895,909	18,908,007	58,378,640	(94,262,396)	313,817,312

(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, 2021

	Diocese of St. Petersburg, Inc. Operating Funds	Diocese of St. Petersburg, Inc. Endowment Funds	Diocese of St. Petersburg, Inc. Total	Savings and Loan Trust	Insurance / Benefits Trust	Calvary Cemetery	(Emmaus) Catholic Foundation	Elimination Entries	Total
Support and revenue:									
Support:									
Parish assessments and Annual Pastoral Appeal	$ 12,752,156	-	12,752,156	-	-	-	-	-	12,752,156
Contributions and bequests	15,745,372	-	15,745,372	-	-	700	1,166,121	(250,000) **(a)**	16,662,193
Revenue:									
Insurance premium revenues	-	-	-	-	27,849,197	-	-	(1,737,932) **(b)**	26,111,265
Investment return	3,147,904	1,010	3,148,914	29,998,007	207,279	1,315,724	1,430,341	(402,767) **(c)**	35,697,498
Programs, sales and other revenue	2,468,742	17,523	2,486,265	326,233	900,658	3,085,159	445,573	(318,897) **(c)**	6,924,991
Gain on sale of property and equipment	9,123	-	9,123	-	-	-	-	-	9,123
Gain on extinguishment of debt	1,279,200	-	1,279,200	-	-	-	-	-	1,279,200
Change in value of split-interest agreements	-	-	-	-	-	-	(79,188)	-	(79,188)
Transfers from other funds	26,175,215	-	26,175,215	-	-	294,453	223,738	(26,693,406) **(d)**	-
Total support and revenue	61,577,712	18,533	61,596,245	30,324,240	28,957,134	4,696,036	3,186,585	(29,403,002)	99,357,238
Expenses:									
Salaries and employee benefits	8,189,596	-	8,189,596	-	-	1,044,171	210,103	(1,306,315) **(b)**	8,137,555
Grants, contributions and subsidies	10,050,471	-	10,050,471	500,000	-	250	186,762	(267,523) **(a)**	10,469,960
Insurance claims	-	-	-	-	15,854,767	-	-	-	15,854,767
Interest on deposits	-	-	-	1,362,935	-	-	-	(522,774) **(c)**	840,161
Interest on bank debt	292	-	292	-	-	-	-	(292) **(e)**	-
Insurance premiums	331,709	-	331,709	-	3,478,828	100,856	1,053	(431,617) **(b)**	3,480,829
Program and other expenses	4,591,885	-	4,591,885	40,365	1,064,473	748,671	79,535	(181,075) **(c)**	6,343,854
Depreciation	1,415,946	-	1,415,946	-	-	122,363	-	-	1,538,309
Net provisions (recoveries) for loan and other losses	888,112	-	888,112	(407,525)	86,142	32,214	(25,000)	-	573,943
Transfers to other funds	25,013,337	602	25,013,939	251,318	649,958	554,453	223,738	(26,693,406) **(d)**	-
Total expenses	50,481,348	602	50,481,950	1,747,093	21,134,168	2,602,978	676,191	(29,403,002)	47,239,378
Other changes:									
Cumulative effect adjustment due to adoption of ASC Topic 606	-	-	-	-	-	(1,514,570)	-	-	(1,514,570)
Change in net assets	11,096,364	17,931	11,114,295	28,577,147	7,822,966	578,488	2,510,394	-	50,603,290
Net assets, beginning of year	50,133,711	8,113,051	58,246,762	27,141,036	24,526,604	15,494,502	6,115,946	(1,246,104)	130,278,746
Net assets, end of year	$ 61,230,075	8,130,982	69,361,057	55,718,183	32,349,570	16,072,990	8,626,340	(1,246,104)	180,882,036

(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