DIOCESE OF VENICE IN FLORIDA, INC.

COMBINED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2021 AND 2020

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DIOCESE OF VENICE IN FLORIDA, INC.
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INDEPENDENT AUDITORS' REPORT

Most Reverend Frank J. Dewane, Bishop
Diocese of Venice in Florida, Inc.
Venice, Florida

We have audited the accompanying combined financial statements of the Diocese of Venice in Florida, Inc. (a nonprofit organization), which comprise the combined statements of financial position as of June 30, 2021 and 2020, and the related combined statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the combined financial statements.

Management's Responsibility for the 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 auditor considers internal control relevant to the entity'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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

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

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Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of the Diocese of Venice in Florida, Inc., as of June 30, 2021 and 2020, and the change in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Fort Myers, Florida
October 26, 2021

DIOCESE OF VENICE IN FLORIDA, INC.
COMBINED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2021 AND 2020

	2021	2020
ASSETS		
Cash and Cash Equivalents	$ 73,572,370	$ 42,673,167
Accounts Receivable, Net	509,153	1,168,296
Investments (Parishes and Diocesan)	92,990,391	83,553,905
Loans Receivable from Diocesan Entities, Net	34,756,965	33,432,771
Notes Receivable	247,687	250,856
Land, Buildings, and Equipment, Net	8,873,100	9,418,738
Other Assets	3,892,451	3,079,185
Land Held for Future Expansion	49,159,198	47,643,712
Total Assets	$ 264,001,315	$ 221,220,630
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	$ 2,061,278	$ 2,928,232
Insurance Claims Payable	1,472,681	1,694,494
Savings on Deposit from Diocesan Entities	112,069,531	85,852,792
Deferred Revenue	12,229,546	10,078,486
Funds Held for Others	3,528,057	3,320,177
Other Liabilities	5,000	67,704
Notes Payable	6,253,962	4,715,347
Total Liabilities	137,620,055	108,657,232
NET ASSETS		
Without Donor Restrictions:		
Designated for Outreach	3,146,295	2,000,023
Designated Endowment	7,296,368	6,001,079
Designated for Land, Buildings, and Equipment	8,873,100	9,418,738
Designated for Future Expansion	49,159,198	46,828,982
Undesignated	55,209,236	45,617,513
Total Without Donor Restrictions	123,684,197	109,866,335
With Donor Restrictions:		
Purpose Restrictions	1,097,063	1,097,063
Endowment Fund	1,600,000	1,600,000
Total With Donor Restrictions	2,697,063	2,697,063
Total Net Assets	126,381,260	112,563,398
Total Liabilities and Net Assets	$ 264,001,315	$ 221,220,630

See accompanying Notes to Combined Financial Statements.

DIOCESE OF VENICE IN FLORIDA, INC.
COMBINED STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING ACTIVITIES			
Support and Revenues:			
Parish Assessment/Catholic Faith Appeal	$ 13,290,410	$ -	$ 13,290,410
Program Revenue	21,448,855	-	21,448,855
Contributions	1,013,541	-	1,013,541
Investment Return	13,220,325	-	13,220,325
Loan Interest	1,548,825	-	1,548,825
Miscellaneous	137,967	-	137,967
Property Program	808,822	-	808,822
Total Support and Revenues	51,468,745	-	51,468,745
Net Assets Released from Restrictions	-	-	-
Total Support and Revenues	51,468,745	-	51,468,745
Expenses:			
Program Services:			
Outreach Programs and Faith Formation	3,351,132	-	3,351,132
Mission and Apostolate Support	4,631,732	-	4,631,732
Catholic School Support	1,715,859	-	1,715,859
Vocations and Clergy Formation	865,664	-	865,664
Insurance Programs	19,008,416	-	19,008,416
Savings and Loan Program	2,524,363	-	2,524,363
Property Program	317,119	-	317,119
Total Program Service Expenses	32,414,285	-	32,414,285
Support Services:			
Temporal Services	4,673,468	-	4,673,468
Stewardship and Development	563,130	-	563,130
Total Support Service Expenses	5,236,598	-	5,236,598
Total Expenses	37,650,883	-	37,650,883
CHANGE IN NET ASSETS	13,817,862	-	13,817,862
Net Assets - Beginning of Year	109,866,335	2,697,063	112,563,398
NET ASSETS - END OF YEAR	$ 123,684,197	$ 2,697,063	$ 126,381,260

See accompanying Notes to Combined Financial Statements.

DIOCESE OF VENICE IN FLORIDA, INC.
COMBINED STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING ACTIVITIES			
Support and Revenues:			
Parish Assessment/Catholic Faith Appeal	$ 13,199,940	$ -	$ 13,199,940
Program Revenue	20,513,820	-	20,513,820
Contributions	626,496	811,770	1,438,266
Investment Return	1,387,521	-	1,387,521
Loan Interest	1,483,442	-	1,483,442
Miscellaneous	165,157	-	165,157
Property Program	1,146,977	-	1,146,977
Total Support and Revenues	38,523,353	811,770	39,335,123
Net Assets Released from Restrictions	-	-	-
Total Support and Revenues	38,523,353	811,770	39,335,123
Expenses:			
Program Services:			
Outreach Programs and Faith Formation	2,905,586	-	2,905,586
Mission and Apostolate Support	6,715,631	-	6,715,631
Catholic School Support	1,764,167	-	1,764,167
Vocations and Clergy Formation	940,533	-	940,533
Insurance Programs	16,694,443	-	16,694,443
Savings and Loan Program	1,655,552	-	1,655,552
Property Program	212,409	-	212,409
Total Program Service Expenses	30,888,321	-	30,888,321
Support Services:			
Temporal Services	5,114,193	-	5,114,193
Stewardship and Development	621,209	-	621,209
Total Support Service Expenses	5,735,402	-	5,735,402
Total Expenses	36,623,723	-	36,623,723
CHANGE IN NET ASSETS	1,899,630	811,770	2,711,400
Net Assets - Beginning of Year	107,966,705	1,885,293	109,851,998
NET ASSETS - END OF YEAR	$ 109,866,335	$ 2,697,063	$ 112,563,398

See accompanying Notes to Combined Financial Statements.

DIOCESE OF VENICE IN FLORIDA, INC.
COMBINED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2021

	Program Activities								Supporting Activities		
	Outreach Programs and Faith Formation	Mission and Apostolate Support	Catholic School Support	Vocations and Clergy Formation	Insurance Programs	Savings and Loan Program	Property Program	Total Program	Temporal Services	Fundraising	Total Expenses
Personnel Costs	$ 961,391	$ 473,478	$ 23,304	$ 38,389	$ -	$ -	$ -	$ 1,496,562	$ 2,770,891	$ 226,488	$ 4,493,941
Professional Fees	427,903	1,637	8,242	11,278	502,855	-	-	951,915	666,354	32,441	1,650,710
Occupancy	360,496	180,018	6,689	18,101	-	-	317,119	882,423	898,553	53,488	1,834,464
Travel	67,680	92	-	389	-	-	-	68,161	(17,279)	722	51,604
Conferences	273,088	-	147	44,874	-	-	-	318,109	18,524	1,294	337,927
Grants and Assistance	13,661	129,180	-	707,298	-	-	-	850,139	-	-	850,139
Payments to Affiliates	1,070,831	3,836,989	1,669,083	39,747	-	-	-	6,616,650	111,698	-	6,728,348
Office Expense	119,092	1,227	8,408	2,057	31,403	22	-	162,209	219,543	17,648	399,400
Other Expenses	49,114	9,111	(14)	3,531	242,126	-	-	303,868	31,483	-	335,351
Advertising and Promotion	7,817	-	-	-	-	-	-	7,817	-	231,049	238,866
Interest Expense	-	-	-	-	10,929	2,387,818	-	2,398,747	(59,794)	-	2,338,953
Insurance Administrative	-	-	-	-	786,452	-	-	786,452	-	-	786,452
Reinsurance Premiums	-	-	-	-	5,911,511	-	-	5,911,511	-	-	5,911,511
Insurance Claims Expense	59	-	-	-	11,523,140	-	-	11,523,199	49	-	11,523,248
Doubtful Accounts	-	-	-	-	-	136,523	-	136,523	33,446	-	169,969
Total	$ 3,351,132	$ 4,631,732	$ 1,715,859	$ 865,664	$ 19,008,416	$ 2,524,363	$ 317,119	$ 32,414,285	$ 4,673,468	$ 563,130	$ 37,650,883

See accompanying Notes to Combined Financial Statements.

DIOCESE OF VENICE IN FLORIDA, INC.
COMBINED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2020

	Program Activities								Supporting Activities		
	Outreach Programs and Faith Formation	Mission and Apostolate Support	Catholic School Support	Vocations and Clergy Formation	Insurance Programs	Savings and Loan Program	Property Program	Total Program	Temporal Services	Fundraising	Total Expenses
Personnel Costs	$ 1,124,638	$ 484,928	$ -	$ 73,065	$ -	$ -	$ -	$ 1,682,631	$ 2,484,023	$ 253,420	$ 4,420,074
Management Fees	5,000	-	-	-	-	-	-	5,000	-	-	5,000
Professional Fees	324,020	-	-	5,680	727,839	-	-	1,057,539	529,392	100,827	1,687,758
Occupancy	290,529	153,524	-	15,291	-	-	212,409	671,753	774,580	45,873	1,492,206
Travel	62,844	82	-	1,071	289	-	-	64,286	157,689	261	222,236
Conferences	390,648	-	-	62,866	288	-	-	453,802	36,718	45,096	535,616
Grants and Assistance	17,949	98,063	-	693,408	-	-	-	809,420	480	-	809,900
Payments to Affiliates	527,200	5,979,034	1,764,167	83,320	-	-	-	8,353,721	336,829	195	8,690,745
Office Expense	79,544	-	-	2,959	756	-	-	83,259	213,015	24,766	321,040
Other Expenses	19,071	-	-	1,171	217,073	-	-	237,315	15,563	-	252,878
Advertising and Promotion	64,143	-	-	1,702	-	-	-	65,845	1,189	150,771	217,805
Interest Expense	-	-	-	-	7,149	1,867,164	-	1,874,313	246,283	-	2,120,596
Insurance Administrative	-	-	-	-	855,835	-	-	855,835	-	-	855,835
Reinsurance Premiums	-	-	-	-	5,189,790	-	-	5,189,790	-	-	5,189,790
Insurance Claims Expense	-	-	-	-	9,695,424	-	-	9,695,424	-	-	9,695,424
Doubtful Accounts	-	-	-	-	-	(211,612)	-	(211,612)	318,432	-	106,820
Total	$ 2,905,586	$ 6,715,631	$ 1,764,167	$ 940,533	$ 16,694,443	$ 1,655,552	$ 212,409	$ 30,888,321	$ 5,114,193	$ 621,209	$ 36,623,723

See accompanying Notes to Combined Financial Statements.

DIOCESE OF VENICE IN FLORIDA, INC.
COMBINED STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ 13,817,862	$ 2,711,400
Adjustments to Reconcile Change in Net Assets to Net Cash Net Cash Used by Operating Activities:		
Depreciation	468,920	291,647
Provision for Doubtful Accounts, Net of Recoveries	169,969	106,820
Net Realized and Unrealized (Gains) Losses on Investments	(13,737,826)	837,858
Contribution of Securities	(2,807,724)	(5,429,056)
Gain on Sale of Land, Buildings, and Equipment	249,216	(167,040)
Gain on Sale of Land Held for Future Expansion	(473,461)	(896,722)
(Increase) Decrease in:		
Accounts Receivable	625,697	4,037,710
Accrued Interest Receivable	(293,935)	(452,627)
Other Assets	(813,266)	(462,330)
Accrued Interest on Notes Receivable	(4,000)	(63,728)
Increase (Decrease) in:		
Accounts Payable and Other Liabilities	(866,954)	293,485
Insurance Claims Payable	(221,813)	724,806
Deferred Revenue	2,151,060	(5,322,030)
Funds Held for Others	207,880	(220,983)
Other Liabilities	(62,704)	(182,678)
Net Cash Used by Operating Activities	(1,591,079)	(4,193,468)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Sales of Land, Buildings, and Equipment	-	328,290
Purchase of Land, Buildings, and Equipment	(172,498)	(767,182)
Proceeds from Sales of Land Held for Future Expansion	596,533	1,119,514
Net (Increase) Decrease in Loans Receivable	(1,166,782)	205,227
Purchases of Land Held for Future Expansion	(1,638,558)	(572,820)
Loans Made to Diocesan Entities	-	(437,721)
Collections on Notes Receivable	7,169	2,415,219
Proceeds from Sales and Maturities of Investments	38,821,565	49,514,266
Purchase of Investments	(31,712,501)	(34,712,439)
Net Cash Provided by Investing Activities	4,734,928	17,092,354
CASH FLOWS FROM FINANCING ACTIVITIES		
Net Increase in Savings on Deposit	26,216,739	8,121,487
Payments on Mortgage Notes Payable	1,538,615	355,820
Net Cash Provided by Financing Activities	27,755,354	8,477,307
NET INCREASE IN CASH AND CASH EQUIVALENTS	30,899,203	21,376,193
Cash and Cash Equivalents - Beginning of Year	42,673,167	21,296,974
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 73,572,370	$ 42,673,167
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Paid for Interest	$ 2,338,953	$ 1,956,756

See accompanying Notes to Combined Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

The Diocese of Venice in Florida was established by Pope Saint John Paul II in 1984 from parts of the Archdiocese of Miami, Diocese of Orlando, and the Diocese of St. Petersburg, and is geographically comprised of the 10 counties of southwest Florida. The Chancery offices of the Diocese conduct business through the Diocese of Venice in Florida, Inc. (the Catholic Center), which consists of the Office of the Bishop and his Curia or support staff, who minister to parishes, schools, and other institutions within the geographical Diocese of Venice in Florida. The Catholic Center's accounts do not include the assets, liabilities, net assets, revenues, or expenses of parishes, missions, schools, Catholic Charities of the Diocese of Venice, and low income housing units, among others. Certain institutions within the geographical Diocese of Venice are separately incorporated as nonprofit corporations under the laws of the state of Florida. The Catholic Center does include assets, liabilities, net assets, revenues, and expenses of the outreach and support service programs that are under the direct administrative operations of the Catholic Center.

His Excellency, Most Reverend Frank J. Dewane, in his capacity as Bishop, holds title to real property within the geographical Diocese including its parishes, missions, schools, and certain institutions under both the laws of the state of Florida and the laws of the Roman Catholic Church in trust for these entities. He is empowered under both civil and Ecclesiastical law to receive and hold title to real property, administer all real property, and to dispose of all real property of each and every entity in the geographical Diocese, for the benefit and use of those entities. Deeds for all real property for parishes and schools are in the name of "Frank J. Dewane as Bishop of the Diocese of Venice in Florida, His Successors in Office, a corporation sole." A corporation sole is not a statutory corporation. It exists under the common law doctrine that is recognized in the state of Florida by Florida Statute §2.01. Authority is referenced to Reid v. Barry, 112 So.846 (Fla). Under the doctrine, the Bishop "solely" is the corporation and is the only interested person. Since it is not a statutory corporation, there are no articles of incorporation, by-laws, or any officers or directors. Real property assets held by the Corporation Sole in trust for the Catholic Center are included in the accompanying combined financial statements.

The assets, liabilities, net assets, revenues, and expenses of the Employee Benefits Trust are included in the accompanying combined financial statements. The purpose of the Employee Benefits Trust is to hold in trust funds received from Diocesan entities within the Diocese of Venice in Florida, Inc. to be pooled for employee benefit programs. This program is governed by trustees and administered by the Catholic Center.

The assets, liabilities, net assets, revenues, and expenses of the Insurance Trust are included in the accompanying combined financial statements. The purpose of the Insurance Trust is to hold in trust funds received from Diocesan entities within the Diocese of Venice in Florida, Inc. to be used to provide insurance coverage, insuring such entities from liabilities and risks of loss. This program is governed by trustees and administered by the Catholic Center.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Nature of Organization (Continued)

The assets, liabilities, net assets, revenues, and expenses of Trinity Real Estate Trust are included in the accompanying combined financial statements. This property-revolving program is governed by a trustee and administered by the Catholic Center. Its purpose is to hold and manage real property held for future expansion of parishes and schools within the geographical Diocese along with expendable resources designated for real property acquisitions.

The assets, liabilities, net assets, revenues, and expenses of Diocese of Venice Savings and Loan Trust Fund are included in the accompanying combined financial statements. This cooperative savings and loan program is governed by trustees and administered by the Catholic Center in trust for entities within the geographical Diocese. Its purpose is to manage deposits of medium to long-term funds and also to issue loans to participating members, primarily for construction projects.

The assets, liabilities, net assets, revenues, and expenses of All Saints Catholic Cemetery, Inc. are included in the accompanying combined financial statements. Its current purpose is to hold and manage real property for a future Catholic cemetery in Sarasota, Florida.

The Catholic Center receives financial support from and provides financial support and services to approximately 86 parishes and schools in the geographical Diocese of Venice in Florida. In addition, under Canon Law, subject to certain specific restrictions, the Bishop of the Diocese is responsible for canonical oversight of all diocesan assets for the purpose of fulfilling the ministerial purposes of the Catholic Church.

Basis of Presentation

These combined financial statements, which are prepared on the accrual basis of accounting, have been prepared to focus on the Catholic Center as a whole. Net assets and revenues, gains, and losses are classified based on donor-imposed restrictions. Accordingly, net assets of the Catholic Center and changes therein are classified and reported as follows:

Without Donor Restrictions – Net assets available for use in general operations and not subject to donor restrictions. Included herein are net assets designated for specific programs based upon the nature and types of programs. Such designations are subject to change.

With Donor Restrictions – Those resources subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Liquidity

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.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue and expense during the reporting period. Actual results could differ from those estimates. Significant items subject to such estimates include the allowances for doubtful loans and the reserves for insurance claims.

Cash and Cash Equivalents

For purposes of the combined statements of cash flows, the Catholic Center considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

The Catholic Center places its cash with financial institutions. At times, such cash balances may be in excess of federally insured limits.

Investments

Investments in marketable securities with readily determinable fair values and investments in debt and other securities are reported at fair value in the combined statements of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying combined statements of activities.

Receivables

Receivables are stated at the amount management expects to collect from outstanding balances. The Catholic Center uses the allowance method of accounting for doubtful accounts, which is based on management judgment using historical information. Additions to the allowance are based on several factors which include, but are not limited to, analytical review of loss experience in relation to outstanding receivables, a continuing review of economically disadvantaged and other parishes which are currently unable to meet their financial obligations, and overall adequacy of collateral on the existing receivable balances. Accounts receivable includes assessments and fees due from parishes at June 30, 2021 and 2020.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Land, Buildings, and Equipment, Net

All land, buildings, and equipment of the Catholic Center are recorded at their historical cost. Donated assets are recorded at fair market value at the date of the gift. Donated assets are treated as unrestricted in the absence of stipulations by the donor about how long the asset may be used. All maintenance and repair of assets are charged to operations as incurred. Depreciation of buildings and equipment is provided for by charges to operations using straight-line methods over the estimated useful lives ranging from 3 to 40 years. All land, buildings, and equipment are capitalized unless the asset has a value less than $5,000 in which case it is expensed in the period incurred.

Land Held for Future Expansion

The Catholic Center purchases real estate for the purpose of providing future parish sites. The property is recorded at cost and the related real estate taxes, maintenance, legal, and other costs are expensed as incurred. For the years June 30, 2020 and prior, when a parish was established, the cost and a 6% annual market appreciation was charged to the parish. Proceeds from the sale of land held for future expansion are designated for future property acquisitions. At June 30, 2021 and 2020, the Catholic Center had $-0- and $76,391, respectively, of deferred revenue related to real estate sales recorded under the installment method of revenue recognition.

Split-Interest Agreements

The Catholic Center from time to time is named residual beneficiary of certain charitable remainder trusts. In addition, the Catholic Center is a named beneficiary for bequests under existing will and trust instruments. The assets of these trusts and bequests are not included in the combined statements of financial position of the Catholic Center because the designation of ultimate beneficiary is revocable at the discretion of the grantor/testator.

Annuity Obligations

The Catholic Center is obligated under charitable gift annuity agreements. The obligations were calculated based on actuarial assumptions and the fair values at the dates of receipt. The Catholic Center has recorded a gift annuity obligation equal to the present value of the total anticipated future payments to the beneficiaries. Gains or losses resulting from changes in actuarial assumptions are included in change in value of gift annuities on the combined statements of activities.

Donated Materials and Services

Donated materials are recorded as contributions at their estimated fair value at the date of receipt. The Catholic Center has adopted a policy which recognizes donated services provided by individuals possessing specialized skills which would typically need to be purchased if not provided by donation. No such services were donated during the years ended June 30, 2021 and 2020. Many volunteers have donated their time to Diocesan program services and administrative functions performing tasks that do not require specialized skills.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

Contributions are recognized when the donor makes the donation to the Catholic Center. All donor-restricted contributions are reported as increases in with or without donor restricted net assets depending on the nature of the restrictions. Contributions with donor restrictions are reported as net assets with donor restrictions and are then reclassified to net assets without donor restrictions upon expiration of the time or use restriction in the combined statements of activities. However, contributions with donor restrictions whose restrictions are met in the same reporting period are shown as net assets without donor restrictions.

Parish assessments primarily fund the various outreach programs of the Catholic Center. Assessments are based on a standard formula, which is largely based on parish offertory income. The assessment goals are issued to parishes each January for the fiscal year starting in July. All receipts received after the goal is issued and prior to the start of the fiscal year are recorded as deferred revenue.

All Diocesan entities, including parishes and schools, are required to participate in the insurance programs that are administered through the Self Insurance and Employee Benefit Programs. Participating individuals and entities are charged premiums based upon the estimated costs of the programs, including insurance premiums paid for stop-loss coverage, self-insured claims expenses, and professional program administration.

All land sales to parishes are recorded under the installment method which apportions each cash receipt and principal payment by the buyer on debt assumed between cost recovered and profit. The apportionment is in the same ratio as total cost and total profit bear to the sales value.

Functional Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The consolidated statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Occupancy costs are allocated based on the department’s proportion of total head count for the Diocesan departments residing in the Catholic Center. Administrative expenses are allocated based upon the estimated time spent by administrative departments on the various funds.

Fair Value Measurement of Investments and Annuity Obligations

The Catholic Center categorizes its assets and liabilities measured at fair value into a three-level hierarchy based on the priority of the inputs to the valuation technique used to determine fair value. Accounting standards emphasize that fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability and establishes a fair value hierarchy. The fair value hierarchy consists of three levels of inputs that may be used to measure fair value as follows:

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurement of Investments and Annuity Obligations (Continued)

Level 1 – Financial assets and liabilities are valued using inputs that are unadjusted quoted prices in active markets accessible at the measurement date of identical financial assets and liabilities. The inputs include those traded on an active exchange, such as the New York Stock Exchange, as well as U.S. Treasury and other U.S. government and agency mortgage-backed securities that are traded by dealers or brokers in active over-the-counter markets.

Level 2 – Financial assets and liabilities are valued using inputs and quoted prices for similar assets, or inputs that are observable, either directly or indirectly for substantially the full term through corroboration with observable market data. Level 2 includes private collateralized mortgage obligations, certificates of deposit, municipal bonds, and corporate debt securities.

Level 3 – Financial assets and liabilities are valued using pricing inputs which are unobservable for the asset or inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset. Level 3 includes private equity, venture capital, hedge funds, and real estate.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to an assessment of the quality, risk, or liquidity profile of the asset or liability.

The Catholic Center also follows the fair value option for financial assets and liabilities standard. This standard allows entities the irrevocable option to elect fair value for the initial and subsequent measurement for certain financial assets and liabilities on a contract-by-contract basis. The Catholic Center has not elected to measure any newly acquired financial instruments at fair value at June 30, 2021, as permitted. However, the Catholic Center may elect to measure newly acquired financial instruments at fair value in the future.

Income Taxes

In an annually updated ruling, the Internal Revenue Service (IRS) 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 (IRC). The Diocese of Venice in Florida is listed in “The Official Catholic Directory” and, therefore, is exempt from income tax. Accordingly, the accompanying combined financial statements reflect no provision for income taxes.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reclassifications

Certain amounts in the 2020 financial statements have been reclassified to conform with the 2021 presentation. These reclassifications do not affect net assets as previously reported.

Subsequent Events

In preparing these financial statements, the Catholic Center has evaluated events and transactions for potential recognition or disclosure through October 26, 2021, the date the financial statements were available to be issued.

Change in Accounting Principles

In May 2014, the Financial Accounting Standard Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers*. The guidance requires the Catholic Center to recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the Catholic Center expects to be entitled in exchange for those goods or services. The guidance also requires expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. Additionally, qualitative and quantitative disclosures are required regarding customer contracts, significant judgments and changes in judgments, and assets recognized from the costs to obtain or fulfill a contract.

ASU 2014-09 requires organizations to exercise more judgment and recognize revenue using a five-step process. The Catholic Center adopted ASU 2014-09 using the modified retrospective method for all contracts effective July 1, 2020 and is using a portfolio approach to group contracts with similar characteristics and analyze historical cash collections trends. Modified retrospective adoption requires entities to apply the standard retrospectively to the most current period presented in the financial statements, requiring the cumulative effect of the retrospective application as an adjustment to the opening balance of net assets at the date of initial application. Prior periods have not been adjusted. No cumulative-effect adjustment in net assets was recorded as the adoption of ASU 2014-09 did not significantly impact the Catholic Center's reported historical revenue. In addition, retrospective application of ASU 2014-09 would not have resulted in a change in revenue as previously presented.

The adoption of ASU 2014-09 has no impact on the Catholic Center's accounts receivable as it was historically recorded net of allowance for doubtful accounts. The adoption of ASU 2014-09 did not have a significant impact on the Catholic Center's statement of activities for the year ended June 30, 2021.

The FASB issued ASU 2018-13 *Fair Value Measurement (Topic 820): Disclosure Framework – Changes to the Disclosure Requirement for Fair Value Measurement*. The ASU removes and modifies disclosure requirements retrospectively for nonpublic entities. The ASU is effective for fiscal years beginning after December 31, 2019.

NOTE 2 LIQUIDITY AND AVAILABILITY

The Catholic Center regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The Catholic Center has various sources of liquidity at its disposal, including cash and cash equivalents, marketable debt and equity securities, and lines of credit. See Note 9 for information about the Catholic Center's line of credit.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Catholic Center considers all expenditures related to its ongoing activities as described in Note 1 to be general expenditures. In addition to financial assets available to meet general expenditures over the next 12 months, the Catholic Center operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures.

The table below presents financial assets available for general expenditures within one year at June 30:

Financial Assets at Year-End:	2021	2020
Cash and Cash Equivalents	$ 73,572,370	$ 42,673,167
Accounts Receivable, Net	509,153	1,168,296
Money Market and CD	-	9,412,137
Investments	92,990,391	74,141,768
Loans Receivable	34,756,965	33,432,771
Notes Receivable	247,687	250,856
Total Financial Assets	202,076,566	161,078,995
Less Amounts Not Available to be Used Within One Year:		
Cash Held In Trust	70,782,990	38,072,653
Investments Held In Trust	31,484,399	33,058,774
Accounts Receivable Held in Trust	72,665	1,142,315
Loans Receivable Held in Trust	34,756,965	33,384,975
Due on Note Payable	6,253,962	4,715,347
Funds Held for Others	3,533,057	3,320,177
Net Assets with Donor Restrictions	2,697,063	1,885,293
Net Assets Designated by Board Programs	3,146,295	2,000,023
Designated Investments Operating as Endowments	7,296,368	6,001,080
Financial Assets Not Available to be Used Within One Year	160,023,764	123,580,637
Financial Assets Available to Meet General Expenditures Within One Year	$ 42,052,802	$ 37,498,358

NOTE 3 ACCOUNTS RECEIVABLE

Accounts receivable consist of the following at June 30:

	2021	2020
Insurance Premiums	$ 72,665	$ 1,137,527
Other Receivables	568,269	362,259
Employee Benefit Premiums	-	4,788
Allowance for Doubtful Accounts	(131,781)	(336,278)
Accounts Receivable, Net	$ 509,153	$ 1,168,296

During the years ended June 30, 2021 and 2020, doubtful accounts expense was recorded totaling $33,446 and $318,432, respectively.

At June 30, 2021, the Catholic Center had $76,445 in receivables owed from one customer, which constitutes approximately 15% of accounts receivable, and is included in the accompanying balance sheet.

NOTE 4 INVESTMENTS

Investments consist of the following at June 30:

	2021	
	Market Value	Cost
Domestic Equities	$ 39,381,103	$ 25,085,052
Foreign Equities	18,380,502	14,890,661
Corporate Bonds	9,405,001	9,283,069
Government Bonds	17,755,179	17,581,028
Government Backed Securities	2,162,435	2,129,845
Mortgage Backed Securities	3,727,083	3,694,676
Exchange Traded Funds	2,179,088	1,832,348
Total Investments	$ 92,990,391	$ 74,496,679

	2020	
	Market Value	Cost
Domestic Equities	$ 26,156,138	$ 19,855,227
Foreign Equities	12,156,207	12,007,051
Corporate Bonds	10,277,562	9,780,675
Government Bonds	15,531,743	15,176,349
Government Backed Securities	3,506,929	3,418,373
Mortgage Backed Securities	4,066,898	3,953,481
Certificates of Deposit	9,412,172	9,238,000
Exchange Traded Funds	2,446,256	2,394,161
Total Investments	$ 83,553,905	$ 75,823,317

NOTE 4 INVESTMENTS (CONTINUED)

Investment income earned and market value change on these investments consisted of the following for the years ended June 30:

	2021	2020
Interest and Dividends	$ 2,515,271	$ 2,348,934
Realized Gains (Losses), Net	2,764,949	451,909
Unrealized Gains (Losses), Net	8,268,686	(1,133,368)
Management Fees	(328,581)	(279,954)
Total Investment Return	$ 13,220,325	$ 1,387,521

NOTE 5 LOANS RECEIVABLE AND SAVINGS ON DEPOSIT (SAVINGS & LOAN TRUST FUND)

Loans receivable and savings on deposit represent loans to and deposits from Diocesan entities, respectively. They are held by the Diocese of Venice Savings and Loan Trust Fund which is established for the mutual benefit of its participants. The provision for doubtful loans receivable is estimated by management based on an analysis of outstanding loans and related accrued interest. During the years ended June 30, 2021 and 2020, doubtful loans expense (recovery) was recorded totaling $136,523 and $(211,612), respectively.

Loans receivable due from parishes generally bear interest at a variable rate which was 4.75% at June 30, 2021 and 2020, and are due over periods ranging from 1 to 10 years. Total interest income associated with these loans for the years ended June 30, 2021 and 2020 was $1,509,043 and $1,375,889, respectively. At June 30, 2021 and 2020, loans receivable included accrued interest receivable totaling $3,465,977 and $3,172,042, respectively, and are due as follows:

	2021	2020
Loans Receivable - Current Year	$ 3,254,376	$ 4,173,873
Loans Receivable - Greater than One Year	41,216,937	38,649,644
Estimate of Doubtful Loans Receivable	(9,714,348)	(9,390,746)
Total Loans Receivable	$ 34,756,965	$ 33,432,771

Savings on deposit from Diocesan entities totaled $112,069,531 and $85,852,792 at June 30, 2021 and 2020, respectively, and bear interest at a variable rate which was 2.75% at June 30, 2021 and 2020. Interest expense on such deposits totaled $2,504,950 and $1,867,164 during the years ended June 30, 2021 and 2020, respectively. The Savings & Loan Trust pooled investments portfolio had a market value of $32,200,198 and $24,070,967 at June 30, 2021 and 2020, respectively. Depositors who invest funds in this portfolio are regularly allocated a share of total investment returns in proportion to their investment in the portfolio. The return on investment for the period ending June 30, 2021 and 2020 was 27.29% and 0.78%, respectively.

NOTE 6 NOTES RECEIVABLE

Notes receivable are summarized as follows at June 30:

Description	2021	2020
Note Receivable from nonprofit corporation, unsecured, interest accruing at 2%, interest only payments commencing June 30, 2013 and payable thereafter annually, any unpaid interest and principal due in full at maturity date, April 2, 2023.	$ 200,000	$ 200,000
Other	47,687	50,856
Total Mortgages and Other Notes Receivable	$ 247,687	$ 250,856

A summary of the scheduled principal collections of notes receivable is as follows at June 30, 2021:

Year Ending June 30,	Amount
2022	$ 47,687
2023	200,000
Total	$ 247,687

NOTE 7 LAND, BUILDINGS, AND EQUIPMENT

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

	2021	2020
Land	$ 4,215,000	$ 4,367,186
Equipment	738,452	738,452
Buildings and Improvements	10,455,170	10,232,296
Total	15,408,622	15,337,934
Less: Accumulated Depreciation	(6,535,522)	(5,919,196)
Total Land, Buildings, and Equipment	$ 8,873,100	$ 9,418,738

Depreciation expense for the years ended June 30, 2021 and 2020 was $468,920 and $291,647, respectively.

NOTE 8 LAND HELD FOR FUTURE EXPANSION

Land held for future expansion totals $49,159,198 and $47,643,712 at June 30, 2021 and 2020, respectively, and consists of land purchased or donated, designated to be used and held for future parish sites or for other religious purposes. The cost basis of the land includes original purchase price in addition to certain engineering and other permitting costs incurred in conjunction with the original purchase.

NOTE 9 LINE OF CREDIT

Effective November 20, 2020, the Catholic Center has a $15,000,000 revolving line of credit with a bank that is due November 20, 2022. Interest accrues at the greater of the Overnight LIBOR rate of 0.09% at June 30, 2021, plus 1% or 1% and is payable monthly. The line of credit was collateralized by certain investment accounts of the Catholic Center. The total outstanding amount of this line of credit at June 30, 2021 was $6,253,962.

Through November 19, 2020, the Catholic Center had a $10,000,000 revolving line of credit with a bank that was due on demand. Interest accrued at the 30-day LIBOR rate of 0.18% at June 30, 2020, plus 1.25% and was payable monthly. The line of credit was collateralized by business assets of the Catholic Center. The total outstanding amount of this line of credit at June 30, 2020 was $4,715,347. This revolving line of credit was paid in full and closed during the fiscal year ended June 30, 2021.

NOTE 10 ANNUITY OBLIGATIONS

The Catholic Center has received funds for gift annuities. The annuity agreements provide that the Catholic Center will pay annuitants an amount each year based on the established life expectancy of the donor. The recorded annuity obligation at June 30, 2021 and 2020 of $283,794 and $354,854, respectively, represents the present value of future cash flows expected to be paid to the donors, and is included in funds held for others on the combined statement of financial position. Payments to beneficiaries for the years ended June 30, 2021 and 2020 totaled $43,898 and $53,316, respectively.

Additionally, the Catholic Center has received funds for gift annuities in which the ultimate beneficiaries are third parties other than the Catholic Center. The total estimated amounts owed to others related to these annuity obligations total $-0- and $67,704 at June 30, 2021 and 2020, respectively.

State statutes require that assets equal to the sum of the outstanding annuity agreements, and a surplus of 10% of that amount, be maintained as a reserve in a separate fund. As of June 30, 2021 and 2020, the Catholic Center is in compliance with the state statutes.

NOTE 11 FAIR VALUE MEASUREMENTS

The Catholic Center uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. For additional information on how the Catholic Center measures fair value, refer to Note 1 – Summary of Significant Accounting Policies.

The following tables present the fair value hierarchy for the balances of the assets and liabilities of the Catholic Center measured at fair value on a recurring basis as of June 30:

	2021			
	Level 1	Level 2	Level 3	Total
Investments:				
Domestic Equities	$ 39,381,103	$ -	$ -	$ 39,381,103
Foreign Equities	18,380,502	-	-	18,380,502
Corporate Bonds	-	9,405,001	-	9,405,001
Government Bonds	-	17,755,179	-	17,755,179
Government Backed Securities	-	2,162,435	-	2,162,435
Mortgage Backed Securities	-	3,727,083	-	3,727,083
Certificates of Deposit	-	-	-	-
Exchange Traded Funds	2,179,088	-	-	2,179,088
Real Estate Investment Funds	-	-	-	-
Total Investments	$ 59,940,693	$ 33,049,698	$ -	$ 92,990,391
Liabilities:				
Annuity Obligations	$ -	$ -	$ 283,794	$ 283,794

	2020			
	Level 1	Level 2	Level 3	Total
Investments:				
Domestic Equities	$ 26,156,138	$ -	$ -	$ 26,156,138
Foreign Equities	12,156,207	-	-	12,156,207
Corporate Bonds	-	10,277,562	-	10,277,562
Government Bonds	-	15,531,743	-	15,531,743
Government Backed Securities	-	3,506,929	-	3,506,929
Mortgage Backed Securities	-	4,066,898	-	4,066,898
Certificates of Deposit	-	9,412,172	-	9,412,172
Exchange Traded Funds	2,446,256	-	-	2,446,256
Total Investments	$ 40,758,601	$ 42,795,304	$ -	$ 83,553,905
Liabilities:				
Annuity Obligations	$ -	$ -	$ 422,558	$ 422,558

NOTE 11 FAIR VALUE MEASUREMENTS (CONTINUED)

Instrument	Fair Value 2021	Fair Value 2020	Principal Valuation Technique	Unobservable Inputs
Annuities	$ 283,794	$ 422,558	Estimated Payout Percentages; Life Expectancies; IRS Remainder Factors	Life Expectancies

	Annuities 2021	Annuities 2020
Change in Value	$ (138,764)	$ (222,110)

NOTE 12 EMPLOYEE RETIREMENT PLANS

The Catholic Center makes contributions to a multiemployer defined benefit Pension Plan and a 403(b) Plan through the Diocese of Venice Retirement Program Trust. The Plans cover eligible employees from Diocesan institutions, such as parishes and schools, which as noted in Note 1, are not combined with the Chancery Office for financial reporting purposes.

The Pension Plan is a noncontributory defined benefit pension plan established July 1, 2012 by a spin-off from the Seventh Amended and Restated Pension Plan for Employees within the Archdiocese of Miami/Diocese of Venice (Prior Plan). The Pension Plan is a qualified plan and is exempt from income taxes under the provisions of the IRC. The Pension Plan is a “Church Plan” as defined in Section 414(e) of the IRC and is exempt from Title I of the Employee retirement Income Security Act of 1974 (ERISA), as amended. The Pension Plan was most recently amended effective July 21, 2017.

The Pension Plan covers all members in the Prior Plan who are designated as Transferred members immediately prior to July 1, 2012. All other eligible employees of the Diocese of Venice, as defined by the Pension Plan, were able to commence participation immediately or upon their subsequent employment, appointment, assignment, re-employment, reappointment, or reassignment. Effective July 1, 2014, the Pension Plan was frozen with regard to participation of certain Lay employees based on their years of service and no Lay employee hired on or after July 1, 2014 is eligible to participate in the Pension Plan.

NOTE 12 EMPLOYEE RETIREMENT PLANS (CONTINUED)

The following table discloses quantitative information of the Pension Plan as of and for the year ended February 1, 2021, which is the date of the latest actuarial valuation.

Legal Name and Plan Number	Plan EIN	Actuarial Present Value of Accumulated Plan Benefits	Fair Value of Plan Assets	Total Contributions	Long-Term Funded Status
Diocese of Venice Pension Plan & Trust, Number 001	45-6947361	$ 116,818,193	$ 120,351,208	$ 6,235,332	103%

Effective July 1, 2014, the Diocese of Venice adopted an Internal Revenue Code 403(b) retirement savings plan for substantially all employees of the Catholic Center and Diocesan entities. Contributions to the 403(b) plan are made by employees through salary deferrals as well as by the Catholic Center in both a noncontributory and matching component. The plan is exempt from the reporting requirements of ERISA.

The Catholic Center's contribution to both the pension and 403(b) plans is a fixed amount per priest and a percentage of qualified salaries for Lay employees established by the trustees of the Plan. The Catholic Center's contributions to the plans for the years ended June 30, 2021 and 2020 are as follows:

	2021	2020
Employer Contributions	$ 490,538	$ 453,045

NOTE 13 OTHER EMPLOYEE BENEFITS

The Catholic Center provides postemployment health and other insurance coverage benefits to certain retired clergy. The Catholic Center is required to disclose the over or under funded status of a defined benefit postemployment plan and changes in the funding in the year in which the change occurs in unrestricted net assets. At June 30, 2021 and 2020, the postemployment obligation of the Catholic Center of approximately $5,481,435 and $5,369,000, respectively, is unfunded and calculated using the IRS life expectancy tables with a 2.78% and 2.72% discount rate, respectively. These obligations are based on the list of priests who are assigned to the Catholic Center at each respective fiscal year-end. Being that the majority of these priests will be assigned to another institution prior to their retirement, management believes that the full amount of the obligations noted above will not be realized and, therefore, these amounts are not recognized. The Catholic Center estimates postemployment health and other insurance benefit payments will be approximately $148,000, $159,000, $171,000, $181,000, and $191,000 for the next five years, and approximately $1,098,000 in the aggregate for the five fiscal years thereafter.

NOTE 14 ENDOWMENT

Endowment net asset composition by type of fund as of June 30:

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-Restricted Endowment Funds	$ -	$ 1,600,000	$ 1,600,000
Designated Endowment Funds	7,296,368	-	7,296,368
Total Endowment Funds	$ 7,296,368	$ 1,600,000	$ 8,896,368

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-Restricted Endowment Funds	$ -	$ 1,600,000	$ 1,600,000
Designated Endowment Funds	6,001,079	-	6,001,079
Total Endowment Funds	$ 6,001,079	$ 1,600,000	$ 7,601,079

The Catholic Center’s endowment consists of two funds established for a variety of purposes. One endowment is donor-restricted and its income is to be used for operations and other administrative costs. The other consists of funds designated to function as an endowment. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Catholic Center has interpreted the relevant law 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 Catholic Center classifies as with donor restrictions net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of 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 with donor restrictions net assets is classified as without donor restrictions net assets. The Catholic Center considers all earnings on endowment funds to be available for current year operations.

NOTE 14 ENDOWMENT (CONTINUED)

Endowment net asset composition by fund type as of June 30, 2021 and 2020 and during the years then ended is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets - June 30, 2019	$ 5,923,308	$ 1,600,000	$ 7,523,308
Investment Return:			
Investment Income	155,705	-	155,705
Net Realized and Unrealized Losses	(77,934)	-	(77,934)
Total Investment Return	77,771	-	77,771
Contributions	-	-	-
Appropriations of Endowment Assets for Expenditure	-	-	-
Endowment Net Assets - June 30, 2020	6,001,079	1,600,000	7,601,079
Investment Return:			
Investment Income	213,483	-	213,483
Net Realized and Unrealized Losses	1,081,806	-	1,081,806
Total Investment Return	1,295,289	-	1,295,289
Contributions	-	-	-
Appropriations of Endowment Assets for Expenditure	-	-	-
Endowment Net Assets - June 30, 2021	$ 7,296,368	$ 1,600,000	$ 8,896,368

The Catholic Center has an investment policy statement (IPS) that is based on providing funding for its various programs. The objective of the IPS is to preserve capital and provide growth, income, and inflation protection with a moderate level of risk. The target rate of return is 5% to 7% over a 20-year time horizon. The Catholic Center IPS limits the type of investments to equities, fixed income, and real estate investment trusts. In addition, the policy limits that investments adhere to the prohibitions of investments in companies substantially engaged in the manufacturing, distribution, or provision of products or services that are inconsistent with the teachings of the Roman Catholic Church. No minimum performance yields have been established; however, the Catholic Center measures performance of fund managers within specified benchmarks. Performance is reviewed quarterly by both the Diocesan Investment Committee and the Diocesan Finance Council.

Spending Policy

The Catholic Center has a spending policy to determine the endowment distribution each year. In establishing this policy, the Catholic Center considers the long-term expected return on its endowment net of investment fees, inflation, and administrative fees. The Catholic Center's goal is to provide sustainable funding to Diocesan programs in perpetuity.

NOTE 15 PURPOSE RESTRICTIONS

Net assets with donor restrictions are restricted for the following purpose at June 30:

	2021	2020
Bequest	$ 811,770	$ 811,770
Elder Care	285,293	285,293
Total	$ 1,097,063	$ 1,097,063

NOTE 16 SELF-INSURANCE PROGRAMS

The Diocese of Venice and certain other Roman Catholic dioceses in the state of Florida participate in their own self-insurance programs to provide coverage for property, workers' compensation, general liability, and certain other lines of coverage. A "first sharing agreement" enables each participating diocese to share each other's losses. Each diocese is allocated a sharing limit which represents the maximum amount of losses a diocese will retain under the agreement in any one year. For the policy years beginning April 1, 2021 and 2020, the Diocese of Venice's allocated sharing limit is $856,030 and $1,020,875, respectively. The Diocese of Venice retains losses incurred up to the amount of its allocated sharing limit. The other participating dioceses share in the remaining losses in proportion to their share of the total agreement, not to exceed their own respective limits. If the sharing limit for all participating dioceses in a certain claim year is exhausted, the Diocese of Venice retains its own losses in excess of its assigned proportion.

The Diocese of Venice and certain other dioceses within the state of Florida are members of the Bishop's Plan Insurance Company (BPIC), an insurance captive, to provide excess coverage for certain risks. Membership in BPIC requires each member to purchase insurance as a condition of membership. Accordingly, the Diocese of Venice purchases insurance coverage required for membership.

All eligible employees of the Catholic Center and all Diocesan entities are offered health and dental insurance benefits through a self-insured plan. All entities are charged a premium estimated to cover the costs of the plan.

NOTE 17 RELATED PARTIES

The Savings & Loan Trust has loans receivable from and savings on deposit payable to Diocesan entities as more fully described in Note 5. In addition to the other Diocesan entities discussed in Note 1, there are certain entities that are not included in the financial statements in which the Catholic Center has an economic interest. At June 30, 2021 and 2020, the Catholic Community Foundation of Southwest Florida, Inc. owed the Savings and Loan Trust Fund $479,688 and $585,452, respectively. During the years ended June 30, 2021 and 2020, the Catholic Center received support from parishes in the form of Diocesan assessments of approximately $13,300,000 and $13,200,000, respectively, and provided support to Diocesan entities in the form of subsidies in the amounts of $6,843,597 and $5,914,928, at June 30, 2021 and 2020, respectively. In addition, entities supported by the Catholic Center and other Florida dioceses are; the Regional Seminary of St. Vincent de Paul in Florida, Inc. a seminary for the education and development of candidates for priesthood; the Florida Catholic Newspaper, a Catholic newspaper; Florida Conference of Catholic Bishops, Inc. a liaison to state government on matters of concern to the Catholic Church in Florida; and the Florida Catholic Conference, Inc. a communications corporation engaged in the promotion of health, education and welfare issues that are of central importance to Florida dioceses. The Catholic Center and other Florida dioceses provide support to each of these entities in the form of tuition, quotas, operating subsidies and capital contributions. Total payments made for the aforementioned purposes during the year by the Catholic Center to these entities were $282,380, $922, $30,365, and $73,408, respectively.

NOTE 18 COMMITMENTS AND CONTINGENCIES

The Catholic Center is involved in various asserted claims arising in the ordinary course of operations. In addition, the Catholic Center has consulted with legal counsel with respect to certain asserted and unasserted claims. In the opinion of management, the Catholic Center has made adequate provision for losses, if any, and while the ultimate result of these claims cannot be predicted with certainty, management believes the final outcome will not have a materially adverse effect on the Catholic Center’s financial position.

At June 30, 2021 and 2020, the Catholic Center is contingently liable for a letter of credit in the amount of $447,560 placed with a financial institution, as required by Florida Power & Light. The letter of credit has a maturity date of June 6, 2022 and can be automatically extended for up to one year from that date.