

Diocese of Orlando Administrative Offices

Financial Report
June 30, 2018

Contents

Independent auditor's report	1-2
------------------------------	-----

Financial statements	
Statement of financial position	3
Statement of activities	4
Statement of cash flows	5-6
Notes to financial statements	7-29

Independent auditor's report on the supplementary information	30
---	----

Supplementary information	
Statement of financial position – fund group	31
Statement of activities – fund group	32
Combining statement of financial position information – operating funds	33
Combining statement of activities information – operating funds	34
Statement of financial position information – current undesignated fund	35
Statement of activities information – current undesignated fund	36
Combining statement of financial position information – current designated funds	37
Combining statement of activities information – current designated funds	38
Combining statement of financial position information – current restricted funds	39
Combining statement of activities information – current restricted funds	40
Combining statement of financial position information – designated for self-insurance funds	41
Combining statement of activities information – designated for self-insurance funds	42
Statement of financial position information – diocesan savings fund	43
Statement of activities information – diocesan savings fund	44
Statement of financial position information – plant fund	45
Statement of activities information – plant fund	46
Combining statement of financial position information – endowment funds	47
Combining statement of activities information – endowment funds	48
Combining statement of financial position information – life/gift annuity and other funds	49
Combining statement of activities information – life/gift annuity and other funds	50

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the Diocese of Orlando Administrative Offices (a component of the Diocese of Orlando Corporation Sole, as described in Note 1), which comprise the statement of financial position as of June 30, 2018, the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Diocese of Orlando Administrative Offices as of June 30, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Diocese of Orlando Administrative Office's 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 13, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

RSM US LLP

Orlando, Florida
October 18, 2018

Diocese of Orlando Administrative Offices

Statement of Financial Position

June 30, 2018

(With Comparative Totals for June 30, 2017)

	2018	2017
Assets		
Cash and cash equivalents	\$ 51,803,110	\$ 58,110,987
Pledges receivable, net (Notes 2 and 13)	15,042,504	14,680,201
Prepaid expenses and other assets	2,189,545	2,063,265
Accrued interest receivable	552,199	484,363
Loans receivable, net (Note 3)	21,205,590	19,400,243
Advances to Diocesan entities, net (Note 4)	20,870,243	22,019,319
Bequests and other receivables, net (Note 13)	520,287	487,657
Investments (Notes 5, 6 and 13)	161,008,072	150,543,983
Land, buildings and equipment, net (Note 7)	43,081,400	43,587,053
	<hr/>	<hr/>
Total assets	\$ 316,272,950	\$ 311,377,071
Liabilities and Net Assets		
Accounts payable and accrued expenses (Note 12)	\$ 5,422,899	\$ 5,267,194
Line of credit payable (Note 9)	14,850,622	14,850,622
Self-insurance claim liabilities (Notes 10 and 12)	3,400,434	3,246,921
Interest rate swap liability (Notes 6, 8 and 9)	8,507,339	12,510,335
Savings deposits (Note 3)	135,680,902	133,394,919
Annuities payable and other liabilities	46,007	48,211
Notes payable (Note 9)	75,045,000	76,255,000
	<hr/>	<hr/>
Total liabilities	242,953,203	245,573,202
Commitments and contingencies (Notes 3, 8, 9, 10, 11 and 12)		
Net assets (Note 14):		
Unrestricted	35,939,689	25,296,198
Temporarily restricted (Note 13)	21,739,452	25,077,363
Permanently restricted (Notes 13 and 14)	15,640,606	15,430,308
	<hr/>	<hr/>
Total net assets	73,319,747	65,803,869
	<hr/>	<hr/>
Total liabilities and net assets	\$ 316,272,950	\$ 311,377,071

See notes to financial statements.

Diocese of Orlando Administrative Offices

Statement of Activities

Year Ended June 30, 2018

(With Comparative Totals for the Year Ended June 30, 2017)

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total 2018	Total 2017
Revenues, gains and other support:					
Catholic appeal contributions	\$ -	\$ 15,039,221	\$ -	\$ 15,039,221	\$ 14,616,717
Contributions and bequests	727,458	765,172	185,014	1,677,644	1,050,052
Self-insurance premiums and service fees	29,768,932	-	-	29,768,932	28,502,760
Interest and dividend income (Notes 3 and 4)	5,523,685	338,831	-	5,862,516	5,867,322
Investment income (Notes 5 and 6)	224,076	750,464	-	974,540	4,403,196
Gain on sale of land, buildings and equipment	2,571,921	(7,916)	25,284	2,589,289	1,254,986
Actuarial adjustment to life annuities payable	-	2,206	-	2,206	1,526
Other income	2,208,758	-	-	2,208,758	801,978
Net assets released from restrictions (Note 15)	20,225,889	(20,225,889)	-	-	-
Total revenues, gains and other support	61,250,719	(3,337,911)	210,298	58,123,106	56,498,537
Expenses:					
Program services:					
Self-insurance program	24,641,087	-	-	24,641,087	25,008,036
Deposit and loan expenses	3,173,967	-	-	3,173,967	3,524,616
Pastoral	3,500,962	-	-	3,500,962	3,306,728
Social services	1,798,485	-	-	1,798,485	1,797,145
Religious personnel development	3,861,889	-	-	3,861,889	3,714,560
Plant activities	1,253,929	-	-	1,253,929	1,198,183
Education	2,409,948	-	-	2,409,948	2,617,459
Donations and special projects	1,856,925	-	-	1,856,925	1,419,182
Total program services	42,497,192	-	-	42,497,192	42,585,909
Supporting services:					
Diocesan administration	8,056,071	-	-	8,056,071	8,720,679
Interest expense (Note 9)	3,371,440	-	-	3,371,440	3,274,680
Change in interest rate swap liability (Note 8)	(4,002,996)	-	-	(4,002,996)	(5,690,740)
Endowment activities	676,399	-	-	676,399	136,113
Life and gift annuity expenses	9,122	-	-	9,122	8,807
Total supporting services	8,110,036	-	-	8,110,036	6,449,539
Total expenses	50,607,228	-	-	50,607,228	49,035,448
Increase (decrease) in net assets	10,643,491	(3,337,911)	210,298	7,515,878	7,463,089
Net assets:					
Beginning	25,296,198	25,077,363	15,430,308	65,803,869	58,340,780
Ending	\$ 35,939,689	\$ 21,739,452	\$ 15,640,606	\$ 73,319,747	\$ 65,803,869

See notes to financial statements.

Diocese of Orlando Administrative Offices

Statement of Cash Flows

Year Ended June 30, 2018

(With Comparative Totals for the Year Ended June 30, 2017)

	2018	2017
Cash flows from operating activities:		
Increase in net assets	\$ 7,515,878	\$ 7,463,089
Adjustment to reconcile increase in net assets to net cash (used in) provided by operating activities:		
Depreciation/amortization	666,660	683,294
Gain on disposal of land, buildings and equipment	(2,589,289)	(1,254,986)
Realized and unrealized gain on investments	(974,540)	(4,403,196)
Change in fair value of interest rate swaps	(4,002,996)	(5,690,738)
(Reduction in) provision for uncollectible loans, advances, pledges and other, net	(747,457)	2,280,637
Changes in operating assets and liabilities:		
Bequests and other receivables	(32,630)	333,096
Pledges receivable	22,182	534,983
Prepaid expenses and other assets	(126,280)	100,949
Accrued interest receivable	(67,836)	221,122
Accounts payable and accrued expenses	155,705	596,453
Self-insurance claim liabilities	153,513	11,972
Annuities payable and other liabilities	(2,204)	(1,526)
Net cash (used in) provided by operating activities	(29,294)	875,149
Cash flows from investing activities:		
Proceeds from sale of investments	47,607,826	45,554,728
Purchases of investments	(57,097,375)	(64,953,613)
Collections on advances made to Diocesan entities	697,976	1,158,119
Loans made to parishes and related entities	(5,508,775)	(2,261,423)
Collections on loans made to parishes and related entities	4,484,391	3,629,651
Purchases of land, buildings and equipment	(443,390)	(445,580)
Proceeds from sale of land, buildings and equipment	2,871,672	1,255,027
Net cash used in investing activities	(7,387,675)	(16,063,091)

(Continued)

Diocese of Orlando Administrative Offices

Statement of Cash Flows (Continued)

Year Ended June 30, 2018

(With Comparative Totals for the Year Ended June 30, 2017)

	2018	2017
Cash flows from financing activities:		
Proceeds from line of credit	\$ 5,500,000	\$ 2,500,000
Payments of line of credit	(5,500,000)	-
Payments of notes payable	(1,210,000)	(2,431,774)
Receipt of permanently restricted contributions and bequests	33,109	76,998
Deposits made by parishes and other Diocesan entities	64,947,454	67,055,600
Withdrawals made by parishes and other Diocesan entities	(62,661,471)	(72,765,143)
Net cash provided by (used in) financing activities	1,109,092	(5,564,319)
Net decrease in cash and cash equivalents	(6,307,877)	(20,752,261)
Cash and cash equivalents:		
Beginning	58,110,987	78,863,248
Ending	\$ 51,803,110	\$ 58,110,987
Supplemental disclosure of cash flow information:		
Cash paid for interest	\$ 6,266,534	\$ 6,213,734

See notes to financial statements.

Diocese of Orlando Administrative Offices

Notes to Financial Statements

Note 1. Nature of Organization and Significant Accounting Policies

The Diocese of Orlando Administrative Offices (the Diocese) is a component of the Diocese of Orlando Corporation Sole (Corporation Sole), which is a not-for-profit corporation existing under the laws of the State of Florida. There are no stockholders, directors or officers in the Corporation Sole, only the holder of the office of Bishop of Orlando. The Bishop holds title to all assets and is liable for all indebtedness of the Corporation Sole. The title to all assets and the responsibility of all indebtedness passes to the Bishop's successor in office rather than to his relatives or other customary heirs. As of June 30, 2018, the authority for the Diocese of Orlando was vested in the Most Reverend John G. Noonan, as Bishop of the Diocese of Orlando.

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

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

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

Fund Group	Net Asset Class
Current undesignated fund	Unrestricted, temporarily restricted
Current designated funds	Unrestricted
Current restricted funds	Temporarily restricted
Designated for self-insurance funds	Unrestricted
Diocesan savings fund	Unrestricted
Plant fund	Unrestricted
Endowment funds	Permanently, temporarily restricted
Life and gift annuity funds	Temporarily restricted

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

- **Permanently restricted net assets:** Net assets subject to donor-imposed stipulations that the assets be maintained permanently. Generally, the donors of these assets permit the Diocese to use all or part of the income earned on related investments for general or specific purposes.
- **Temporarily restricted net assets:** Net assets subject to donor-imposed stipulations that may or will be met by actions of the Diocese and/or the passage of time.
- **Unrestricted net assets:** Net assets not subject to donor-imposed stipulations.

Diocese of Orlando Administrative Offices

Notes to Financial Statements

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

Support and revenue: Support and revenue is reported as an increase in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets (i.e. the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

Contributions, including pledges receivable or unconditional promises to give, securities, materials and supplies and other assets, are recognized at fair value as support and revenue in the period received. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value on the date the assets are received.

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

Contributed services are recorded at fair value as in-kind contributions at the date of donation if the services provided: (a) create or enhance nonfinancial assets, or (b) require specialized skills, which are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. The value of volunteered time is not reflected in the financial statements because it does not meet the above criteria. The Diocese did not receive in-kind contributions during the year ended June 30, 2018.

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

- As increases (decreases) in permanently restricted net assets if the terms of the gift or the Diocese's interpretation of relevant state law require that they be added to the principal of a permanent endowment fund;
- As increases (decreases) in temporarily restricted net assets if the terms of the gift impose restrictions on the use of the income (loss); and
- As increases (decreases) in unrestricted net assets in all other cases.

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

Deposit and loan expenses: Deposit and loan expenses are comprised primarily of interest expense and provision for loan losses. Interest expense is recorded in the period it is incurred while the provision for loan losses is recorded as described below.

Diocese of Orlando Administrative Offices

Notes to Financial Statements

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

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

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

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

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

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

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

Diocese of Orlando Administrative Offices

Notes to Financial Statements

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

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

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

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

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

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

Derivative financial instruments: Derivative financial instruments are recognized as either assets or liabilities at their fair value in the statement of financial position with the changes in the fair value reported in the current period change in unrestricted net assets. These instruments are recorded in the accompanying statement of financial position as an interest rate swap liability.

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

Diocese of Orlando Administrative Offices

Notes to Financial Statements

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

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

Functional 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 statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

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

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

Comparative data: The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Diocese's financial statements for the year ended June 30, 2017, from which the summarized information was derived.

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

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

Diocese of Orlando Administrative Offices

Notes to Financial Statements

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

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

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

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

The Diocese has set spending policies for endowments. The maximum recommended annual spending amount for endowments is 5% of the combined restricted and unrestricted endowment funds. Distributions are made only from the unrestricted endowment (which consists of income derived from the endowment). The original principal in the restricted endowment is invested in perpetuity and is not available to fund any withdrawals. Carryover of unspent distributions and special payments in excess of the annual spending policy are allowable expenditures only with special approval of the Bishop. The endowment expenditure level is reviewed at least annually by the Bishop in order to remain current with changing market conditions, investment performance trends and funding needs.

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

Recent accounting pronouncements: In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*, which simplifies and improves how a not-for-profit organization classifies its net assets, as well as the information it presents in financial statements and notes about its liquidity, financial performance, and cash flows. Among other changes, the ASU replaces the three current classes of net assets with two new classes, "net assets with donor restrictions" and "net assets without donor restrictions", and expands disclosures about the nature and amount of any donor restrictions. ASU 2016-14 will be effective for the Diocese's fiscal year 2019 with early adoption permitted with certain restrictions. Management is currently evaluating the impact the adoption of this guidance will have on its financial statements.

Diocese of Orlando Administrative Offices

Notes to Financial Statements

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

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. ASU 2016-02 will be effective for the Diocese's fiscal year 2021. Management is currently evaluating the impact of this ASU on its financial statements.

In May 2014, the FASB issued ASU 2014-09. The amendments in this update create Topic 606, *Revenue from Contracts with Customers*, and supersede the revenue recognition requirements in Topic 605, *Revenue Recognition*, including most industry-specific revenue recognition guidance throughout the Industry Topics of the Codification. In addition, the amendments supersede the cost guidance in Subtopic 605-35 *Revenue Recognition – Construction-Type and Production-Type Contracts*, and create new Subtopic 340-40, *Other Assets and Deferred Costs – Contracts with Customers*. The core principle of Topic 606 is that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The amendments in this update will be effective for the Diocese's fiscal year 2019 with early adoption permitted with certain restrictions. Management is currently evaluating the impact of this ASU on the financial statements.

Subsequent events: The Diocese has evaluated subsequent events through October 18, 2018, the date on which the financial statements were available to be issued.

Note 2. Pledges Receivable

Pledges receivable that are considered unconditional promises to give at June 30, 2018, are summarized as follows:

Amounts due within one year:

Our Catholic Appeal	\$ 15,232,465
Alive-in-Christ	<u>3,283</u>
	15,235,748
Less allowance for uncollectible pledges	<u>(193,244)</u>
	<u><u>\$ 15,042,504</u></u>

Diocese of Orlando Administrative Offices

Notes to Financial Statements

Note 3. Loans Receivable and Savings Deposits

The Diocese operates a Diocesan Savings Fund (the DSF) for Diocesan entities and affiliates. To borrow funds from the DSF, participants are required to meet certain underwriting criteria and demonstrate with reasonable assurance their capacity to repay the loan within the terms of their loan agreement. At June 30, 2018, the DSF held fixed rate loans receivable of \$31,374,584, less a loan loss allowance of \$10,168,994. The interest rate charged on outstanding loans as of and for the fiscal year ended June 30, 2018, ranged from 4.75% to 5.51%. Interest income recognized on outstanding loans totaled approximately \$1,135,700 for the year ended June 30, 2018 and is included in interest and dividend income in the accompanying statement of activities. Fully amortizing loans totaling approximately \$2,619,000 mature at dates ranging from June 2029 to August 2035. The remaining balance of loans receivable are interest only with no predefined payment terms. As of June 30, 2018, the Diocese has commitments to fund additional amounts under existing loans for ongoing projects, which totaled approximately \$11,015,800.

The DSF also maintains savings accounts for entities and affiliates of the Diocese paying interest monthly on deposits at a current rate of 1.0%. The balance of such deposits at June 30, 2018, was \$135,680,902. Participating entities and affiliates can withdraw these amounts on demand. Interest expense on deposits held for diocesan entities and affiliates totaled approximately \$1,252,100 for the year ended June 30, 2018, and is included in deposit and loan expenses in the accompanying statement of activities.

At June 30, 2018, seven parish/diocesan entities individually accounted for over 5% and totaled approximately 66% of gross loans receivable as follows:

Diocese Entity/Parish	Loans Receivable Balance	Percentage of Gross Loans Receivable
A	\$ 5,171,059	16%
B	3,889,132	12%
C	3,865,205	12%
D	2,446,368	8%
E	1,933,584	6%
F	1,909,543	6%
G	1,743,563	6%

Diocese of Orlando Administrative Offices

Notes to Financial Statements

Note 3. Loans Receivable and Savings Deposits (Continued)

In accordance with the policy outlined in Note 1, changes in the allowance for loan losses for the year ended June 30, 2018, are as follows:

Allowance for loan losses, beginning of year	\$ 10,949,957
Reduction in allowance for loan losses	-
Recoveries	(780,963)
Allowance for loan losses, end of year	<u>\$ 10,168,994</u>
End of year allowance for loan loss amount allocated to:	
Loans individually evaluated for impairment (Note 1)	\$ 4,071,350
Loans collectively evaluated for impairment	6,097,644
	<u>\$ 10,168,994</u>
Gross loans:	
Individually evaluated for impairment (Note 1)	\$ 10,758,905
Collectively evaluated for impairment	20,615,679
	<u>\$ 31,374,584</u>

There were no loans past due 90 days or more still accruing interest as of June 30, 2018. Information about nonaccrual and impaired loans as of June 30, 2018, is as follows:

Impaired loans without a valuation allowance	<u>\$ 3,153,202</u>
Average investment in impaired loans	<u>\$ 8,643,234</u>
Allowance related to impaired loans	<u>\$ 4,071,350</u>
Loans on non-accrual status	<u>\$ 10,934,181</u>
Interest income recognized on impaired loans during the year	<u>\$ 88,714</u>
Interest income foregone on loans on non-accrual status	<u>\$ 519,374</u>

Impaired loans totaling \$10,934,181 are currently on interest abatement and are considered troubled debt restructurings. For the year ended June 30, 2018, the lost income associated with these impaired loans totaled \$519,374. In its estimate of the specific allowance for loan losses, the Diocese considers the probability of trouble debt restructurings and its impact on expected cash flows in accordance with the guidance for troubled debt restructurings and impaired loans.

Diocese of Orlando Administrative Offices

Notes to Financial Statements

Note 4. Advances to Diocesan Entities, Net

Advances consist of the following at June 30, 2018:

Diocesan Entity	Amount
Father Lopez Catholic High School, Inc. (a)	\$ 15,995,391
Bishop Moore Catholic High School, Inc. (b)	6,772,808
Hope Community Center (c)	465,000
Other	305,868
	<u>23,539,067</u>
Less allowance for uncollectible advances	(2,668,824)
Advances to Diocesan Entities, net	<u>\$ 20,870,243</u>

The following advances bear interest and have specified terms of repayment, as more fully described below, while the remaining advances do not have specified repayment terms, but bear interest at 4.75%:

(a) In connection with the issuance of a note payable in fiscal year 2008, as more fully described in Note 9, the Diocese advanced proceeds totaling \$31,190,000 to Father Lopez Catholic High School (Father Lopez) to fund construction of a new high school. Father Lopez has entered into a separate agreement with the Diocese to repay the advances, and as of June 30, 2018, approximately \$15,200,000 in principal payments have been received. The agreement requires the school to repay the advances over 30 years at a fixed interest rate of 3.62%, beginning July 1, 2013. Father Lopez is funding the repayment of these advances with proceeds received from capital campaigns and tuition generated from continuing operations.

(b) In connection with the issuance of notes payable in fiscal years 2000 and 2002, as more fully described in Note 9, the Diocese advanced proceeds totaling \$12,040,000 to Bishop Moore Catholic High School (Bishop Moore) to fund various renovation and expansion programs. Bishop Moore entered into separate agreements with the Diocese to repay the advances. During fiscal year 2018, Bishop Moore made approximately \$501,400 in payments. These agreements require the school to repay the initial advance over 25 years at a fixed interest rate of 5.45%. Following repayment of the initial advance, payments of the remaining balance due from Bishop Moore will commence in October 2026 and continue each year until October 2030 when the balance is paid in full. Bishop Moore is funding the repayment of these advances with a supplemental tuition program.

(c) The Diocese initially advanced proceeds totaling \$640,000 from the issuance of a note payable in fiscal year 2008 to Hope Community Center to help fund construction of a new social service center for predominately lower-income migrant farm workers. Hope Community Center has entered into a separate agreement with the Diocese to repay the advances over 30 years at a fixed interest rate of 3.62%. During fiscal year 2018, Hope Community Center made \$15,000 in payments.

Changes in the allowance for uncollectible advances for the year ended June 30, 2018, are as follows:

Allowance for uncollectible advances, beginning of year	\$ 2,234,774
Write-offs of uncollectible advances	(17,050)
Increase in provision for uncollectible advances	451,100
Allowance for uncollectible advances, end of year	<u>\$ 2,668,824</u>

Diocese of Orlando Administrative Offices

Notes to Financial Statements

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

End of year allowance for uncollectible advances amount allocated to:

Advances individually evaluated for impairment	\$ 2,100,000
Advances collectively evaluated for impairment	568,824
	<u>\$ 2,668,824</u>

Gross advances:

Individually evaluated for impairment	\$ 15,995,391
Collectively evaluated for impairment	7,543,676
	<u>\$ 23,539,067</u>

There were no advances past due 90 days or more still accruing interest as of June 30, 2018.

Information about nonaccrual and impaired advances as of June 30, 2018, is as follows:

Impaired advances with a valuation allowance	<u>\$ 15,995,391</u>
Average investment in impaired advances	<u>\$ 13,388,248</u>
Allowance related to impaired advances	<u>\$ 2,100,000</u>
Advances on non-accrual status	<u>\$ 15,995,391</u>

Diocese of Orlando Administrative Offices

Notes to Financial Statements

Note 5. Investments

Investments consist of the following at June 30, 2018:

	Cost	Fair Value
Equity securities:		
Common stocks:		
Domestic stocks	\$ 65,830	\$ 211,715
Mutual funds:		
Domestic stocks – S&P 500 Index	10,169,266	13,334,397
Domestic stocks – Large Cap Growth Index	3,936,709	4,006,727
Asset Core Plus Bond IS (bond/fixed income)	68,422,981	68,205,933
All Asset Institutional	12,586,269	12,296,690
International Stock Fund	4,944,309	5,319,808
Emerging Markets Social Core	1,792,607	1,823,719
Other mutual funds (mixed allocation)	280,248	320,677
Debt securities:		
Corporate bonds	23,396,232	22,474,004
U.S. Treasury Obligations	6,440,540	6,228,686
Alternative funds:		
Multi-strategy (equity/fixed income) hedge fund	14,117,696	15,123,807
Pooled Investment with Catholic Foundation of Central Florida, Inc.	9,571,522	11,661,909
	<u>\$ 155,724,209</u>	<u>\$ 161,008,072</u>

Realized gains totaled approximately \$2,666,100 and net unrealized losses totaled approximately \$1,691,500 for the year ended June 30, 2018, and are included in investment income on the accompanying statement of activities.

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

Note 6. Fair Value Measurements

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

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. The types of investments included in Level 1 include listed equities and listed derivatives.

Diocese of Orlando Administrative Offices

Notes to Financial Statements

Note 6. Fair Value Measurements (Continued)

Level 2: Inputs other than quoted prices within Level 1 that are observable for the asset or liability, either directly or indirectly, and fair value is determined through the use of models or other valuation methodologies. Investments which are generally included in this category include assets or liabilities not priced in active markets, corporate bonds and loans, less liquid and restricted equity securities and certain over the counter derivatives. A significant adjustment to a Level 2 input could result in the Level 2 measurement becoming a Level 3 measurement.

Level 3: Inputs are unobservable for the asset or liability and include situations where there is little, if any, market activity for the asset or liability. The inputs used in the determination of fair value are based upon the best information given the circumstances and may require significant management judgment or estimation. Investments that are included in this category generally include equity and debt positions in private companies.

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

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

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

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

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

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

Diocese of Orlando Administrative Offices

Notes to Financial Statements

Note 6. Fair Value Measurements (Continued)

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

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

The following table summarizes fair value measurements by level at June 30, 2018, for assets measured at fair value on a recurring basis:

	Fair Value	Level 1	Level 2	Level 3
Equity securities:				
Common stocks:				
Domestic stocks	\$ 211,715	\$ 211,715	\$ -	\$ -
Mutual funds:				
Domestic stocks – S&P 500 Index	13,334,397	13,334,397	-	-
Domestic stocks – Large Cap Growth Index	4,006,727	4,006,727	-	-
Asset Core Plus Bond IS (Bond/Fixed Income)	68,205,933	68,205,933	-	-
All Asset Institutional	12,296,690	12,296,690	-	-
Total international stock index-i	5,319,808	5,319,808	-	-
Emerging Markets Social Core	1,823,719	1,823,719	-	-
Other mutual funds (mixed allocation)	320,677	320,677	-	-
Debt securities:				
Corporate bonds	22,474,004	-	22,474,004	-
U.S. Treasury Obligations	6,228,686	6,228,686	-	-
Pooled funds with Catholic Foundation of Central Florida, Inc.	11,661,909	-	-	11,661,909
Total fair value hierarchy	<u>145,884,265</u>	<u>\$ 111,748,352</u>	<u>\$ 22,474,004</u>	<u>\$ 11,661,909</u>
Alternative funds:(*)				
Multi-strategy (equity/fixed income) hedge fund	15,123,807			
Total investments	<u>\$ 161,008,072</u>			

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

The following table summarizes fair value measurements by level at June 30, 2018, for liabilities measured at fair value on a recurring basis:

	Level 1	Level 2	Level 3	Total
Interest rate swap liability	\$ -	\$ 8,507,339	\$ -	\$ 8,507,339

Diocese of Orlando Administrative Offices

Notes to Financial Statements

Note 6. Fair Value Measurements (Continued)

The table below sets forth a summary of the changes in the fair value of the Diocese's Level 3 investment measured during the year ended June 30, 2018:

	<u>Pooled Funds</u>
Balance, beginning of year	\$ 11,367,867
Net realized and unrealized gains	826,364
Purchases	769,054
Sales	(1,301,376)
Balance, end of year	<u>\$ 11,661,909</u>

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

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

The following table discloses the fair value as of June 30, 2018, related to alternative funds that are valued at NAV:

<u>Description</u>	
AQR Delta	\$ 3,795,946
Comerica – Fundamental	5,563,086
Comerica – S&P Growth	5,629,024
Other	135,751
	<u>\$ 15,123,807</u>

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

Redemptions under Comerica can be made daily at the NAV.

The table below sets forth a summary of the changes in the fair value of the Diocese's investments measured at NAV during the year ended June 30, 2018:

	<u>Alternative Funds</u>
Balance, beginning of year	\$ 17,395,021
Realized and unrealized gains	1,782,868
Purchases	4,925,173
Sales	(8,979,255)
Balance, end of year	<u>\$ 15,123,807</u>

Diocese of Orlando Administrative Offices

Notes to Financial Statements

Note 6. Fair Value Measurements (Continued)

Realized and unrealized gains above are included in change in net assets and are reported in investment income in the accompanying statement of activities. The amount of total gains or losses for the period included in change in net assets that is attributable to the change in unrealized losses relating to assets still held at the reporting date totaled approximately \$273,000.

Note 7. Land, Buildings and Equipment, Net

Land, buildings and equipment consists of the following as of June 30, 2018:

	Useful Lives	Amount
Land and nondepreciable land improvements	-	\$ 33,447,786
Land improvements	15	248,048
Buildings	30	15,056,447
Equipment	10	2,801,258
Automobiles	5	30,647
Leasehold improvements	Life of Lease	2,160,643
		<u>53,744,829</u>
Less accumulated depreciation		<u>(10,663,429)</u>
		<u>\$ 43,081,400</u>

During the year ended June 30, 2018, the Diocese sold 5 parcels of land with a carrying value of approximately \$282,400 for cash of \$2,923,900 and other consideration of approximately \$172,500. The transaction included related selling costs of approximately \$224,700, resulting in a gain of approximately \$2,589,300, which is included in the accompanying statement of activities.

Depreciation expense for the year amounted to approximately \$666,700.

Note 8. Interest Rate Swap Liability

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

Diocese of Orlando Administrative Offices

Notes to Financial Statements

Note 8. Interest Rate Swap Liability (Continued)

At June 30, 2018, the Diocese's interest rate swap agreements consisted of the following:

Hedge Instrument	Trade Date	Maturity Date	Original Notional Amount	Current Notional Amount	Payment – Fixed Rate Index	Receives – Variable Rate Index*	Estimated Fair Value
Interest rate SWAP – Series 2010A Notes	10/10/2000	10/1/2025	\$ 10,000,000	\$ 4,815,000	4.60%	65% of 1-mth LIBOR	\$ (524,567)
Interest rate SWAP – Series 2010B Notes	6/10/2002	10/1/2030	13,250,000	13,250,000	4.18%	67% of 1-mth LIBOR	(3,216,404)
Interest rate SWAP – Series 2012A1 Notes	4/16/2012	7/1/2038	31,670,000	28,715,000	4.76%	70% of 1-mth LIBOR	(2,929,599)
Interest rate SWAP – Series 2012A2 Notes	4/16/2012	7/1/2038	27,720,000	24,275,000	4.06%	70% of 1-mth LIBOR	(1,836,769)
			<u>\$ 82,640,000</u>	<u>\$ 71,055,000</u>			<u>\$ (8,507,339)</u>

*The one-month London Interbank Offered Rate (LIBOR) rate as of June 30, 2018, was approximately 2.007%

During 2018, the Diocese recognized a gain from the change in fair value of interest rate swaps totaling \$4,002,996, which is reported separately in the accompanying statement of activities.

Note 9. Notes Payable and Line of Credit

Notes payable and line of credit consist of the following at June 30, 2018:

Notes Payable	Amount
2010-A Tax-exempt variable rate bonds (the 2010-A Notes), due October 2025	\$ 10,000,000
2010-B Tax-exempt variable rate bonds (the 2010-B Notes), due October 2030	12,055,000
2012-A1 Tax-exempt variable rate bonds (the 2012-A1 Notes), due July 2038	28,715,000
2012-A2 Tax-exempt variable rate bonds (the 2012-A2 Notes), due July 2038	24,275,000
	<u>\$ 75,045,000</u>
Line of Credit	Amount
\$20.0 million variable rate revolving line of credit facility, due June 2019	<u>\$ 14,850,622</u>

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

Diocese of Orlando Administrative Offices

Notes to Financial Statements

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

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

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

The 2010 Notes and 2012 Notes were issued subject to the Diocese and its related entities and affiliates granting of a security interest in the revenues of the combined organizations, which constitute the obligated group. In addition, the obligated group, on a combined basis, is subject to certain restrictive financial covenants, which govern the required levels of liquidity and debt service coverage. The liquidity financial covenant is measured semiannually and the debt service coverage covenant is measured annually and reported within 180 days of the Diocese's fiscal year end. At June 30, 2018, management believes that the obligated group, including the Diocese, was in compliance with these covenants.

Scheduled principal maturities under the Diocese's notes payable agreements are due in future years as follows:

	<u>Amount</u>
Years ending June 30:	
2019	\$ 1,290,000
2020	1,370,000
2021	1,450,000
2022	1,545,000
2023	1,635,000
Thereafter	<u>67,755,000</u>
	<u>\$ 75,045,000</u>

As of June 30, 2018, the Diocese has an unsecured line of credit agreement with a commercial bank (Line of Credit A) that permits borrowing of up to \$20,000,000, at a floating interest rate of one-month LIBOR plus 125 basis points (3.25% as of June 30, 2018). Under this agreement, monthly interest-only payments are due until maturity.

As of July 1, 2017, the Diocese had an unsecured line of credit agreement with another commercial bank (Line of Credit B) that permitted borrowing of up to \$7,500,000, at a floating interest rate of daily LIBOR plus 120 basis points (2.31% as of June 30, 2017). On September 26, 2017, the Diocese terminated the Line of Credit B facility.

Total interest expense incurred during the year ended June 30, 2018, on all notes payable and lines of credit was approximately \$5,025,000 and is included in interest expense, deposit and loan expenses and plant activities in the accompanying statement of activities.

Diocese of Orlando Administrative Offices

Notes to Financial Statements

Note 10. Self-Insurance Programs

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

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

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

Each participating diocese is assigned a maximum amount of losses that it will be responsible for during each plan year. For the policy year beginning April 1, 2017 and 2018, the Diocese's portion of the EPM's combined loss funds was approximately \$1,334,900 and \$1,513,700, respectively. The Diocese is responsible for losses incurred up to the amount of its combined loss fund requirements. This actuarially determined amount was incorporated into the estimate of the self-insurance claims liability that is contained in the accompanying statement of financial position. The other participating dioceses share proportionately in the remaining losses based on their share of the total loss funds. If the total loss funds were exhausted, each diocese would be responsible for its losses in excess of its assigned proportion. For the year ended June 30, 2018, the Diocese's claims incurred were less than its share of the total loss funds. As a result, the Diocese recorded a receivable as of June 30, 2018, totaling \$97,150 for amounts owed by certain other participating dioceses whose claims exceeded their respective loss funds. This amount is included in bequests and other receivables, net in the accompanying statement of financial position.

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

Diocese of Orlando Administrative Offices

Notes to Financial Statements

Note 10. Self-Insurance Programs (Continued)

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

Note 11. Employee Benefit Plans

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

The Plan covers substantially all lay employees and priests employed by the Diocese, its related entities and affiliates. To become eligible, participants must have completed at least 1,000 hours of service and attained the age of 21 during a given Plan year. The Plan currently requires monthly employer contributions based on 8% of lay employee compensation and \$1,250 per eligible priest. Priests covered by the Plan are eligible for postretirement benefits of up to \$2,100 per month depending on length of service. Lay employees covered by the Plan are eligible to receive their accrued benefits upon their retirement or separation date. Lay participants may choose to have their benefits paid in the form of a lump sum or in one of several annuity options. Contributions made to the Plan by the Diocese for its eligible participants during the year ended June 30, 2018, totaled approximately \$469,700.

The Diocese also maintains a defined contribution plan under Section 403(b) of the Internal Revenue Code, which was adopted effective April 1, 2002, and covers all full-time employees. The 403(b) plan provides for discretionary matching contributions of up to 100% for the first 3% of eligible compensation contributed and provides for a 50% match on subsequent contributions up to 5% of eligible compensation. For 2018, the 403(b) plan allows all eligible employees to contribute up to \$18,500 of their annual compensation, subject to IRS limitations on maximum contributions. Eligible employees 50 years or over at the end of the calendar year can also make catch-up contributions of \$6,000. During the year ended June 30, 2018, the Diocese made matching contributions of approximately \$168,200 to the 403(b) plan. Administrative costs of the 403(b) plan, other than investment advisory and recordkeeping fees, are paid by the Diocese.

Diocese of Orlando Administrative Offices

Notes to Financial Statements

Note 12. Commitments, Contingencies and Legal Proceedings

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

Years ending June 30:	
2019	\$ 22,596
2020	38,736
2021	38,736
2022	38,736
2023	38,736
Thereafter	2,587,084
Minimum future rental payments	<u>\$ 2,764,624</u>

The Diocese has recorded deferred rent under this agreement, including both the liability related to the straight-line recognition of rent expense and the tenant improvement allowance, totaling approximately \$848,000 which is included in accounts payable and accrued expenses in the accompanying statement of financial position. Rent expense recognized under this agreement during the year ended June 30, 2018, totaled approximately \$69,000, and is included in education expenses in the accompanying statement of activities.

The Diocese has guaranteed loans made to certain Diocesan entities and affiliates, which total approximately \$9,490,000 at June 30, 2018. The borrowings under these loans mature through July 2038 and the guarantees cover the entire term of the borrowings. Upon the occurrence of any triggering event or condition under the guarantees, the Diocese can liquidate certain assets to recover amounts paid under the guarantees. No amount has been accrued for the Diocese's obligation under its guaranty arrangement since a triggering event or condition has not occurred.

The Diocese is a party to various construction contracts involving its parishes whose total contract value approximates \$25,263,600 as of June 30, 2018. The maximum amount of undiscounted payments the Diocese would have to make in the event of default under these contracts as of June 30, 2018, is approximately \$12,442,800, as approximately \$12,820,800 in payments have been made prior to June 30, 2018. In addition, subsequent to June 30, 2018, the Diocese entered into additional construction contracts for parish projects with values totaling approximately \$1,426,100.

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

Diocese of Orlando Administrative Offices

Notes to Financial Statements

Note 13. Restrictions and Limitations on Net Assets

Permanently restricted net assets consist of the following at June 30, 2018:

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

Schools	\$ 7,501,662
Vocations	5,548,446
Social Services	1,680,115
Priest convocation	534,550
Parishes	375,833
	<u>\$ 15,640,606</u>

Temporarily restricted net assets consist of the following at June 30, 2018:

Pledges receivable – time restricted, diocesan operations	\$ 15,039,221
Investments and other assets – purpose restricted, program services	6,179,319
Investments and other assets – purpose restricted, Alive-in-Christ	405,510
Life and gift annuity funds – time and purpose restricted agency funds	115,402
	<u>\$ 21,739,452</u>

Note 14. Endowments

The Diocese had the following donor restricted endowment-related activities for the year ended June 30, 2018:

	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets – June 30, 2017	\$ 5,378,962	\$ 15,296,656	\$ 20,675,618
Contributions	-	188,296	188,296
Total investment gain	1,061,969	-	1,061,969
Collections of pledge receivable	-	60,202	60,202
Gain (loss) on sale of assets	(7,916)	25,284	17,368
Transfers in (out)	(1,574,542)	70,168	(1,504,374)
Amounts appropriated for expenditures	(676,399)	-	(676,399)
Endowment net assets – June 30, 2018	<u>\$ 4,182,074</u>	<u>\$ 15,640,606</u>	<u>\$ 19,822,680</u>

Note 15. Net Assets Released From Restrictions

During the year ended June 30, 2018, net assets were released from donor restrictions by incurring expenses satisfying restricted purposes or by occurrence of other events specified by donors as follows:

Pledges receivable – passage of time	\$ 14,616,717
Program services – purpose restrictions accomplished	5,609,172
	<u>\$ 20,225,889</u>

Diocese of Orlando Administrative Offices

Notes to Financial Statements

Note 16. Concentrations

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

Financial instruments which potentially subject the Diocese to concentrations of credit risk consist of cash, cash equivalents, and investments. The Diocese places its cash, cash equivalents and investments with several financial institutions. At various times throughout the year ended, and at June 30, 2018, cash, cash equivalents and investment balances held at various financial institutions were in excess of federally insured limits. In addition, loans receivable and advances to Diocesan entities subject the Diocese to concentrations of credit risk (see Notes 3 and 4).

Note 17. Related Parties

The Diocese has advances and loans receivable from diocesan entities as more fully described in Notes 3 and 4. In addition to the other diocesan entities discussed in Note 1, there are certain other entities operating outside the auspices of the Diocese that are not included in the financial statements, but which the Diocese has an economic interest. The entities operated by the Diocese and other dioceses in the State of Florida are: the Regional Seminary of St. Vincent de Paul in Florida, Inc., a seminary for the education and development of candidates for priesthood; the Florida Catholic Newspaper, a Catholic newspaper; and the Florida Catholic Conference, Inc., a communications corporation engaged in the promotion of health, education, and welfare issues that are of central importance to the dioceses operating in the State of Florida. The Diocese and other dioceses in the State of Florida provide support to each of these entities in the form of tuition, quotas, operating subsidies, and capital contributions. Total payments made for the aforementioned purposes during the year by the Diocese to these entities were \$495,500, \$203,600 and \$125,300, respectively.

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

Independent Auditor's Report on the Supplementary Information

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

We have audited the financial statements of the Diocese of Orlando Administrative Offices as of and for the year ended June 30, 2018, and have issued our report thereon, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole, see pages 1 and 2. We have previously audited the Diocese of Orlando Administrative Office's 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 13, 2017.

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

RSM US LLP

Orlando, Florida
October 18, 2018

Diocese of Orlando Administrative Offices

Statement of Financial Position – Fund Group

June 30, 2018

(With Summarized Totals for June 30, 2017)

	Expendable Funds			Nonexpendable funds			Eliminations	Total 2018	Total 2017
	Operating Funds	Diocesan Savings Fund	Plant Fund	Endowment Funds	Life/Gift Annuity & Other Funds				
Assets									
Cash and cash equivalents	\$ 17,145,190	\$ 35,683,190	\$ 601,752	\$ 991,548	\$ 3,243	\$ (2,621,813)	\$ 51,803,110	\$ 58,110,987	
Pledges receivable, net	15,039,221	-	-	3,283	-	-	15,042,504	14,680,201	
Prepaid expenses and other assets	1,889,864	103,176	196,505	-	-	-	2,189,545	2,063,265	
Accrued interest receivable	98,037	388,134	55,380	10,648	-	-	552,199	484,363	
Loans receivable, net	-	21,205,590	-	-	-	-	21,205,590	19,400,243	
Advances to Diocesan entities, net	20,870,243	-	-	-	-	-	20,870,243	22,019,319	
Bequests and other receivables, net	520,287	-	-	-	-	-	520,287	487,657	
Investments	47,328,439	70,352,289	26,537,704	16,617,691	171,949	-	161,008,072	150,543,983	
Land, buildings and equipment, net	-	-	43,081,400	-	-	-	43,081,400	43,587,053	
Due from other funds	53,850,019	27,252,544	6,172,000	2,199,510	-	(89,474,073)	-	-	
Total assets	\$ 156,741,300	\$ 154,984,923	\$ 76,644,741	\$ 19,822,680	\$ 175,192	\$ (92,095,886)	\$ 316,272,950	\$ 311,377,071	
Liabilities and Net Assets (Deficit)									
Liabilities:									
Accounts payable and accrued expenses	\$ 16,873,010	\$ 141,051	\$ 6,924,842	\$ -	\$ -	\$ (18,516,004)	\$ 5,422,899	\$ 5,267,194	
Lines of credit payable	14,850,622	-	-	-	-	-	14,850,622	14,850,622	
Self-insurance claim liabilities	3,400,434	-	-	-	-	-	3,400,434	3,246,921	
Interest rate swap liability	6,670,570	1,836,769	-	-	-	-	8,507,339	12,510,335	
Savings deposits	-	138,302,715	-	-	-	(2,621,813)	135,680,902	133,394,919	
Annuities payable and other liabilities	-	-	-	-	46,007	-	46,007	48,211	
Notes payable	50,770,000	24,275,000	-	-	-	-	75,045,000	76,255,000	
Due to other funds	17,340,543	-	53,603,743	-	13,783	(70,958,069)	-	-	
Total liabilities	109,905,179	164,555,535	60,528,585	-	59,790	(92,095,886)	242,953,203	245,573,202	
Net assets (deficit):									
Unrestricted									
Undesignated	17,560,464	(9,570,612)	16,116,156	-	-	-	24,106,008	11,266,206	
Designated for special use	11,833,681	-	-	-	-	-	11,833,681	14,029,992	
Total unrestricted	29,394,145	(9,570,612)	16,116,156	-	-	-	35,939,689	25,296,198	
Temporarily restricted	17,441,976	-	-	4,182,074	115,402	-	21,739,452	25,077,363	
Permanently restricted	-	-	-	15,640,606	-	-	15,640,606	15,430,308	
Total net assets (deficit)	46,836,121	(9,570,612)	16,116,156	19,822,680	115,402	-	73,319,747	65,803,869	
Total liabilities and net assets	\$ 156,741,300	\$ 154,984,923	\$ 76,644,741	\$ 19,822,680	\$ 175,192	\$ (92,095,886)	\$ 316,272,950	\$ 311,377,071	

Diocese of Orlando Administrative Offices

Statement of Activities – Fund Group

Year Ended June 30, 2018

(With Summarized Totals for the Year Ended June 30, 2017)

	Expendable Funds			Nonexpendable Funds			Total 2018	Total 2017
	Operating Funds	Diocesan Savings Fund	Plant Fund	Endowment Funds	Life/Gift Annuity & Other Funds	Eliminations		
Revenues, gains and other support:								
Catholic appeal contributions	\$ 15,039,221	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,039,221	\$ 14,616,717
Contributions and bequests	1,492,630	-	-	185,014	-	-	1,677,644	1,050,052
Self-insurance premiums and services fees	29,768,932	-	-	-	-	-	29,768,932	28,502,760
Interest and dividend income	1,661,165	4,508,377	694,352	315,752	6,566	(1,323,696)	5,862,516	5,867,322
Investment income (loss)	1,310,828	(1,544,719)	457,967	746,217	4,247	-	974,540	4,403,196
Gain on sale of land, buildings and equipment	-	-	2,571,921	17,368	-	-	2,589,289	1,254,986
Actuarial adjustment to life annuities payable	-	-	-	-	2,206	-	2,206	1,526
Other income	1,784,804	780,963	50,991	-	-	(408,000)	2,208,758	801,978
Total revenues, gains and other support	51,057,580	3,744,621	3,775,231	1,264,351	13,019	(1,731,696)	58,123,106	56,498,537
Expenses:								
Program services:								
Self-insurance program	24,641,087	-	-	-	-	-	24,641,087	25,008,036
Deposit and loan expenses	-	3,203,167	-	-	-	(29,200)	3,173,967	3,524,616
Pastoral	3,500,962	-	-	-	-	-	3,500,962	3,306,728
Social services	1,798,485	-	-	-	-	-	1,798,485	1,797,145
Religious personnel development	3,861,889	-	-	-	-	-	3,861,889	3,714,560
Plant activities	-	-	2,548,425	-	-	(1,294,496)	1,253,929	1,198,183
Education	2,409,948	-	-	-	-	-	2,409,948	2,617,459
Donations and special projects	2,264,925	-	-	-	-	(408,000)	1,856,925	1,419,182
Total program services	38,477,296	3,203,167	2,548,425	-	-	(1,731,696)	42,497,192	42,585,909
Supporting services:								
Diocesan administration	8,056,071	-	-	-	-	-	8,056,071	8,720,679
Interest expense	3,371,440	-	-	-	-	-	3,371,440	3,274,680
Change in interest rate swap liability	(2,817,342)	(1,185,654)	-	-	-	-	(4,002,996)	(5,690,740)
Endowment activities	-	-	-	676,399	-	-	676,399	136,113
Life and gift annuities expenses	-	-	-	-	9,122	-	9,122	8,807
Total supporting services	8,610,169	(1,185,654)	-	676,399	9,122	-	8,110,036	6,449,539
Total expenses	47,087,465	2,017,513	2,548,425	676,399	9,122	(1,731,696)	50,607,228	49,035,448
Change in net assets before transfers	3,970,115	1,727,108	1,226,806	587,952	3,897	-	7,515,878	7,463,089
Interfund transfers	(2,048,602)	-	3,623,144	(1,574,542)	-	-	-	-
Change in net assets	1,921,513	1,727,108	4,849,950	(986,590)	3,897	-	7,515,878	7,463,089
Net assets (deficit):								
Beginning	44,914,608	(11,297,720)	11,266,206	20,809,270	111,505	-	65,803,869	58,340,780
Ending	\$ 46,836,121	\$ (9,570,612)	\$ 16,116,156	\$ 19,822,680	\$ 115,402	\$ -	\$ 73,319,747	\$ 65,803,869

Diocese of Orlando Administrative Offices

Combining Statement of Financial Position Information – Operating Funds

June 30, 2018

(With Comparative Totals for June 30, 2017)

	Current Undesignated Fund	Current Designated Funds	Current Restricted Funds	Designated for Self- Insurance Funds	Total 2018	Total 2017
Assets						
Cash and cash equivalents	\$ 2,086,055	\$ 2,544,911	\$ 1,007,038	\$ 11,507,186	\$ 17,145,190	\$ 14,748,643
Pledges receivable, net	-	-	15,039,221	-	15,039,221	14,616,717
Prepaid expenses and other assets	36,491	234,181	-	1,619,192	1,889,864	1,901,518
Accrued interest receivable	20,615	77,422	-	-	98,037	57,549
Advances to Diocesan entities, net	187,044	20,683,199	-	-	20,870,243	22,019,319
Bequests and other receivables, net	-	-	-	520,287	520,287	487,313
Investments	10,120,533	37,112,139	-	95,767	47,328,439	46,890,149
Due from other funds	32,298,960	16,966,176	2,572,533	2,012,350	53,850,019	57,762,464
Total assets	\$ 44,749,698	\$ 77,618,028	\$ 18,618,792	\$ 15,754,782	\$ 156,741,300	\$ 158,483,672
Liabilities and Net Assets (Deficit)						
Liabilities:						
Accounts payable and accrued expenses	\$ 8,711,557	\$ 6,463,970	\$ 1,176,816	\$ 520,667	\$ 16,873,010	\$ 16,701,628
Lines of credit payable	14,850,622	-	-	-	14,850,622	14,850,622
Self-insurance claim liabilities	-	-	-	3,400,434	3,400,434	3,246,921
Interest rate swap liability	-	6,670,570	-	-	6,670,570	9,487,913
Notes payable	-	50,770,000	-	-	50,770,000	51,400,000
Due to other funds	-	17,340,543	-	-	17,340,543	17,881,980
Total liabilities	23,562,179	81,245,083	1,176,816	3,921,101	109,905,179	113,569,064
Net assets (deficit):						
Unrestricted:						
Undesignated	21,187,519	(3,627,055)	-	-	17,560,464	17,113,810
Designated for special use	-	-	-	11,833,681	11,833,681	8,213,902
Total unrestricted	21,187,519	(3,627,055)	-	11,833,681	29,394,145	25,327,712
Temporarily restricted	-	-	17,441,976	-	17,441,976	19,586,896
Total net assets (deficit)	21,187,519	(3,627,055)	17,441,976	11,833,681	46,836,121	44,914,608
Total liabilities and net assets (deficit)	\$ 44,749,698	\$ 77,618,028	\$ 18,618,792	\$ 15,754,782	\$ 156,741,300	\$ 158,483,672

Diocese of Orlando Administrative Offices

Combining Statement of Activities Information – Operating Funds

Year Ended June 30, 2018

(With Summarized Totals for the Year Ended June 30, 2017)

	Current Undesignated Fund	Current Designated Funds	Current Restricted Funds	Designated for Self- Insurance Funds	Total 2018	Total 2017
Revenues, gains and other support:						
Catholic appeal contributions	\$ -	\$ -	\$ 15,039,221	\$ -	\$ 15,039,221	\$ 14,616,717
Contributions and bequests	517,955	209,503	765,172	-	1,492,630	1,793,259
Self-insurance premiums and service fees	2,630,484	100,354	-	27,038,094	29,768,932	28,502,760
Interest and dividend income	237,017	1,384,551	16,513	23,084	1,661,165	3,800,060
Investment income (loss)	332,035	969,182	-	9,611	1,310,828	2,673,764
Other income	617,006	-	-	1,167,798	1,784,804	685,060
Total revenues, gains and other support	4,334,497	2,663,590	15,820,906	28,238,587	51,057,580	52,071,620
Expenses:						
Program services:						
Self-insurance program	-	-	-	24,641,087	24,641,087	25,008,036
Pastoral	3,500,962	-	-	-	3,500,962	3,306,728
Religious personnel development	3,837,770	24,119	-	-	3,861,889	3,714,560
Education	2,409,948	-	-	-	2,409,948	2,617,459
Donations and special projects	1,844,828	25,359	394,738	-	2,264,925	1,308,168
Social services	1,366,710	-	431,775	-	1,798,485	1,797,145
Total program services	12,960,218	49,478	826,513	24,641,087	38,477,296	37,752,096
Supporting services:						
Diocesan administration	8,216,838	488,716	(649,483)	-	8,056,071	8,720,679
Interest expense	159,910	3,211,530	-	-	3,371,440	3,886,390
Change in interest rate swap liability	-	(2,817,342)	-	-	(2,817,342)	(4,044,489)
Total supporting services	8,376,748	882,904	(649,483)	-	8,610,169	8,562,580
Total expenses	21,336,966	932,382	177,030	24,641,087	47,087,465	46,314,676
Excess (deficiency) of revenues, gains and other support over expenses	(17,002,469)	1,731,208	15,643,876	3,597,500	3,970,115	5,756,944
Transfers:						
Transfers (to) from operating	14,616,717	-	(17,026,010)	-	(2,409,293)	(5,214,882)
Transfers (to) from non-operating	5,315,426	(4,214,228)	(762,786)	22,279	360,691	5,217,118
Total net transfers	19,932,143	(4,214,228)	(17,788,796)	22,279	(2,048,602)	2,236
Change in net assets	2,929,674	(2,483,020)	(2,144,920)	3,619,779	1,921,513	5,759,180
Net assets (deficit):						
Beginning	18,257,845	(1,144,035)	19,586,896	8,213,902	44,914,608	39,155,428
Ending	\$ 21,187,519	\$ (3,627,055)	\$ 17,441,976	\$ 11,833,681	\$ 46,836,121	\$ 44,914,608

Diocese of Orlando Administrative Offices

Statement of Financial Position Information – Current Undesignated Fund

June 30, 2018

(With Comparative Totals for June 30, 2017)

	2018	2017
Assets		
Cash and cash equivalents	\$ 2,086,055	\$ 1,530,844
Prepaid expenses and other assets	36,491	23,365
Accrued interest receivable	20,615	9,683
Advances to Diocesan entities, net	187,044	368,656
Investments	10,120,533	9,535,209
Due from other funds	32,298,960	30,043,105
	<hr/>	<hr/>
Total assets	\$ 44,749,698	\$ 41,510,862
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$ 8,711,557	\$ 8,402,395
Lines of credit payable	14,850,622	14,850,622
Total liabilities	23,562,179	23,253,017
	<hr/>	<hr/>
Unrestricted net assets	21,187,519	18,257,845
Total net assets	21,187,519	18,257,845
	<hr/>	<hr/>
Total liabilities and net assets	\$ 44,749,698	\$ 41,510,862
	<hr/>	<hr/>

Diocese of Orlando Administrative Offices

**Statement of Activities Information – Current Undesignated Fund
Year Ended June 30, 2018
(With Comparative Totals for the Year Ended June 30, 2017)**

	2018	2017
Revenues, gains and other support:		
Contributions and bequests	\$ 517,955	\$ 482,221
Fees for services	2,630,484	2,294,904
Interest and dividend income	237,017	796,105
Investment income	332,035	642,941
Other income	617,006	259,374
Total revenues, gains and other support	4,334,497	4,475,545
Expenses:		
Program services:		
Pastoral	3,500,962	3,306,728
Religious personnel development	3,837,770	3,692,693
Education	2,409,948	2,617,459
Donations	1,844,828	1,080,778
Social services	1,366,710	1,403,405
Supporting services:		
Interest expense	159,910	88,558
Diocesan administration	8,216,838	7,192,182
Total expenses	21,336,966	19,381,803
Deficiency of support and revenue over expenses	(17,002,469)	(14,906,258)
Transfers:		
Transfer from operating funds	14,616,717	14,175,079
Transfer from nonoperating funds	5,315,426	16,948,559
Total transfers	19,932,143	31,123,638
Change in net assets	2,929,674	16,217,380
Net assets:		
Beginning	18,257,845	2,040,465
Ending	\$ 21,187,519	\$ 18,257,845

Diocese of Orlando Administrative Offices

Combining Statement of Financial Position Information – Current Designated Funds
 June 30, 2018
 (With Summarized Totals for June 30, 2017)

	Bishop's Quasi Endowment Fund	Bishop Moore Bond Fund	Bond II Fund	2007 Bond Diocesan Fund	2007 Bond Bridge Fund	2007 Bond Permanent Fund	2007 Bond Hope Fund	Charity Fund	Florida Manor Fund	Long-Term Care Fund for Priests	Orlando Catholic Education Foundation Fund	Satellite Communications Fund	Quasi/Clergy Endowment Fund	Bond Fund Reserve	Total 2018	Total 2017
Assets																
Cash and cash equivalents	\$ 386,738	\$ 4,582	\$ 9,787	\$ 247	\$ 1,513,276	\$ 423	\$ 22	\$ -	\$ 23,425	\$ 606,411	\$ -	\$ -	\$ -	\$ -	\$ 2,544,911	\$ 2,100,928
Prepaid expenses and other assets	-	10,535	101,352	26,752	45,860	45,860	3,822	-	-	-	-	-	-	-	234,181	250,022
Accrued interest receivable	36,103	-	-	-	11,757	-	-	-	29,562	-	-	-	-	-	77,422	47,866
Advances to Diocesan entities, net	-	4,732,808	2,040,000	-	4,565,391	9,330,000	15,000	-	-	-	-	-	-	-	20,683,199	21,650,663
Investments	17,079,571	-	-	-	5,561,982	-	-	-	14,470,586	-	-	-	-	-	37,112,139	37,268,784
Due from other funds	2,574,154	3,351,437	6,172,000	1,998,370	-	-	(40,900)	-	1,376,678	(51,249)	31,008	37,583	62,179	1,454,916	16,966,176	22,764,131
Total assets	\$ 20,076,566	\$ 8,099,362	\$ 8,323,139	\$ 2,025,369	\$ 11,698,266	\$ 9,376,283	\$ (22,056)	\$ -	\$ 15,900,251	\$ 555,162	\$ 31,008	\$ 37,583	\$ 62,179	\$ 1,454,916	\$ 77,618,028	\$ 84,082,394
Liabilities and Net Assets (Deficit)																
Liabilities:																
Accounts payable and accrued expenses	\$ 6,180,634	\$ 44,131	\$ 71,975	\$ 34,497	\$ 67,033	\$ 59,103	\$ 3,061	\$ -	\$ 3,494	\$ 42	\$ -	\$ -	\$ -	\$ -	\$ 6,463,970	\$ 6,456,536
Interest rate swap liability	-	524,567	3,216,404	627,520	1,171,254	1,075,163	55,662	-	-	-	-	-	-	-	6,670,570	9,487,913
Notes payable	-	10,000,000	12,055,000	6,150,000	11,480,000	10,540,000	545,000	-	-	-	-	-	-	-	50,770,000	51,400,000
Due to other funds	-	-	11,162,468	-	4,106,805	2,071,270	-	-	-	-	-	-	-	-	17,340,543	17,881,980
Total liabilities	6,180,634	10,568,698	26,505,847	6,812,017	16,825,092	13,745,536	603,723	-	3,494	42	-	-	-	-	81,245,083	85,226,429
Unrestricted net assets (deficit)	13,895,932	(2,469,336)	(18,182,708)	(4,786,648)	(5,126,826)	(4,369,253)	(625,779)	-	15,896,757	555,120	31,008	37,583	62,179	1,454,916	(3,627,055)	(1,144,035)
Total liabilities and net assets	\$ 20,076,566	\$ 8,099,362	\$ 8,323,139	\$ 2,025,369	\$ 11,698,266	\$ 9,376,283	\$ (22,056)	\$ -	\$ 15,900,251	\$ 555,162	\$ 31,008	\$ 37,583	\$ 62,179	\$ 1,454,916	\$ 77,618,028	\$ 84,082,394

Diocese of Orlando Administrative Offices

Combining Statement of Activities Information – Current Designated Funds
 Year Ended June 30, 2018
 (With Summarized Totals for the Year Ended June 30, 2017)

	Bishop's Quasi Endowment Fund	Bishop Moore Bond Fund	Bond II Fund	2007 Bond Diocesan Fund	2007 Bond Bridge Fund	2007 Bond Permanent Fund	2007 Bond Hope Fund	Charity Fund	Florida Manor Fund	Long-term Care Fund for Priests	Orlando Catholic Education Foundation Fund	Satellite Communications Fund	Quasi/Clergy Endowment Fund	Bond Fund Reserve	Total 2018	Total 2017
Revenues, gains and other support:																
Contributions and bequest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 209,503	\$ -	\$ -	\$ -	\$ -	\$ 209,503	\$ 193,429
Fees for services	-	28,318	11,382	-	-	-	2,263	-	-	-	-	-	-	58,391	100,354	107,817
Interest and dividend income	521,882	229,234	85,272	-	156,346	-	16,889	-	374,928	-	-	-	-	-	1,384,551	2,792,517
Investment income	472,871	-	-	-	74,452	-	-	-	421,859	-	-	-	-	-	969,182	2,015,727
Total revenues, gains and other support	994,753	257,552	96,654	-	230,798	-	19,152	-	796,787	209,503	-	-	-	58,391	2,663,590	5,109,490
Expenses:																
Religious personnel development	12,868	-	-	-	-	-	-	-	11,251	-	-	-	-	-	24,119	21,867
Donations and special projects	11,110	-	-	-	-	-	-	-	14,249	-	-	-	-	-	25,359	29,600
Interest expense	-	490,268	830,391	405,024	755,960	693,950	35,937	-	-	-	-	-	-	-	3,211,530	3,797,832
Change in interest rate swap liability	-	(266,223)	(932,632)	(346,680)	(647,526)	(593,985)	(30,296)	-	-	-	-	-	-	-	(2,817,342)	(4,044,489)
Diocesan administration	-	2,031	8,729	1,765	19,338	3,024	450,228	1,100	-	2,501	-	-	-	-	488,716	2,133,682
Total expenses	23,978	226,076	(93,512)	60,109	127,772	102,989	455,869	1,100	25,500	2,501	-	-	-	-	932,382	1,938,492
Transfer (in) out	(503,551)	(1,057,275)	1,683,314	(2,256,921)	778,134	511,813	10,000	(68,593)	(2,133,029)	(144,726)	(117,115)	(114,982)	(192,234)	(609,063)	(4,214,228)	(169,740)
Total net transfers	(503,551)	(1,057,275)	1,683,314	(2,256,921)	778,134	511,813	10,000	(68,593)	(2,133,029)	(144,726)	(117,115)	(114,982)	(192,234)	(609,063)	(4,214,228)	(169,740)
Change in net assets	467,224	(1,025,799)	1,873,480	(2,317,030)	881,160	408,824	(426,717)	(69,693)	(1,361,742)	62,276	(117,115)	(114,982)	(192,234)	(550,672)	(2,483,020)	3,001,258
Net assets (deficit):																
Beginning	13,428,708	(1,443,537)	(20,056,188)	(2,469,618)	(6,007,966)	(4,778,077)	(199,062)	69,693	17,258,499	492,844	148,123	152,565	254,413	2,005,588	(1,144,035)	(4,145,293)
Ending	\$ 13,895,932	\$ (2,469,336)	\$ (18,182,708)	\$ (4,786,648)	\$ (5,126,826)	\$ (4,369,253)	\$ (625,779)	\$ -	\$ 15,896,757	\$ 555,120	\$ 31,008	\$ 37,583	\$ 62,179	\$ 1,454,916	\$ (3,627,055)	\$ (1,144,035)

Diocese of Orlando Administrative Offices

Combining Statement of Financial Position Information – Current Restricted Funds

June 30, 2018

(With Summarized Totals for June 30, 2017)

	Assets				Liabilities		Net Assets		Total Liabilities and Net Assets
	Cash and Cash Equivalents	Pledges Receivable, net	Due From Other Funds	Total	Accounts Payable and Accrued Expenses	Due to Other Funds	Temporarily Restricted		
Bishop Dorsey Colloquium Fund	\$ 6,338	\$ -	\$ 19,029	\$ 25,367	\$ -	\$ -	\$ 25,367	\$ 25,367	
Catholic Charities Fund	-	-	910	910	910	-	-	910	
Custodian Missionary Coop/ Custodial Collections Funds	-	-	1,227,014	1,227,014	1,176,008	-	51,006	1,227,014	
Disaster Relief Fund	-	-	238,428	238,428	-	-	238,428	238,428	
Papenbrock (Needy Children) Fund	-	-	3,000	3,000	-	-	3,000	3,000	
Propagation of the Faith Fund	118,133	-	1,084,152	1,202,285	-	-	1,202,285	1,202,285	
Sister Diocese Fund	477,057	-	-	477,057	(208)	-	477,265	477,057	
Seminarian Support Fund	-	-	-	-	106	-	(106)	-	
Alive-in-Christ – Campus Ministry	59,252	-	-	59,252	-	-	59,252	59,252	
Alive-in-Christ – San Pedro	346,258	-	-	346,258	-	-	346,258	346,258	
Pledges receivable	-	15,039,221	-	15,039,221	-	-	15,039,221	15,039,221	
Total current restricted funds, June 30, 2018	\$ 1,007,038	\$ 15,039,221	\$ 2,572,533	\$ 18,618,792	\$ 1,176,816	\$ -	\$ 17,441,976	\$ 18,618,792	
Total current restricted funds, June 30, 2017	\$ 1,431,802	\$ 14,616,717	\$ 4,843,404	\$ 20,891,923	\$ 1,305,027	\$ -	\$ 19,586,896	\$ 20,891,923	

Diocese of Orlando Administrative Offices

Combining Statement of Activities Information – Current Restricted Funds
 Year Ended June 30, 2018
 (With Summarized Totals for the Year Ended June 30, 2017)

	Revenues, Gains and Other Support				Expenses and Other Deductions						Change in Net Assets	Temporarily Restricted Net Assets Beginning of Year	Temporarily Restricted Net Assets End of Year
	Catholic Appeal Contributions	Contributions and Bequests	Interest and Dividend Income	Total	Social Services	Donations and Special Projects	Diocesan Administration	Transfers	Total				
Bishop Dorsey Colloquium Fund	\$ -	\$ -	\$ 64	\$ 64	\$ -	\$ -	\$ -	\$ 2,584	\$ 2,584	\$ (2,520)	\$ 27,887	\$ 25,367	
Catholic Charities Fund	-	-	-	-	-	-	-	(9,444)	(9,444)	9,444	(9,444)	-	
Custodian Missionary Coop/ Custodial Collections Funds	-	-	-	-	-	-	(649,664)	649,664	-	-	51,006	51,006	
Disaster Relief Fund	-	-	-	-	-	-	-	300,860	300,860	(300,860)	539,288	238,428	
Papenbrock (Needy Children) Fund	-	-	3,000	3,000	-	-	-	-	-	3,000	-	3,000	
Propagation of the Faith Fund	-	-	-	-	-	-	181	835,927	836,108	(836,108)	2,038,393	1,202,285	
Sister Diocese Fund	-	496,014	6,520	502,534	431,775	-	-	1,123,330	1,555,105	(1,052,571)	1,529,836	477,265	
Seminarian Support Fund	-	269,158	-	269,158	-	-	-	269,158	269,158	-	(106)	(106)	
Alive-in-Christ – Campus Ministry	-	-	590	590	-	-	-	-	-	590	58,662	59,252	
Alive-in-Christ – San Pedro	-	-	6,339	6,339	-	394,738	-	-	394,738	(388,399)	734,657	346,258	
Diocesan Assessments	15,039,221	-	-	15,039,221	-	-	-	14,616,717	14,616,717	422,504	14,616,717	15,039,221	
Total current restricted funds, June 30, 2018	\$ 15,039,221	\$ 765,172	\$ 16,513	\$ 15,820,906	\$ 431,775	\$ 394,738	\$ (649,483)	\$ 17,788,796	\$ 17,965,826	\$ (2,144,920)	\$ 19,586,896	\$ 17,441,976	
Total current restricted funds, June 30, 2017	\$ 14,616,717	\$ 1,117,609	\$ 199,811	\$ 15,934,137	\$ 393,740	\$ 197,790	\$ (605,185)	\$ 20,152,747	\$ 20,139,092	\$ (4,204,955)	\$ 23,791,851	\$ 19,586,896	

Diocese of Orlando Administrative Offices

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

June 30, 2018

(With Summarized Totals for June 30, 2017)

	Property and General Liability Fund	Accident and Health Fund	Unemployment Compensation Funds	Total 2018	Total 2017
Assets					
Cash and cash equivalents	\$ 4,753,603	\$ 4,724,946	\$ 2,028,637	\$ 11,507,186	\$ 9,685,069
Prepaid expenses and other assets	1,619,192	-	-	1,619,192	1,628,131
Bequests and other receivables, net	370,667	149,620	-	520,287	487,313
Investments	95,767	-	-	95,767	86,156
Due from other funds	1,972,362	39,988	-	2,012,350	111,824
Total assets	\$ 8,811,591	\$ 4,914,554	\$ 2,028,637	\$ 15,754,782	\$ 11,998,493
Liabilities and Net Assets					
Liabilities:					
Accounts payable and accrued expenses	\$ 139,191	\$ 377,029	\$ 4,447	\$ 520,667	\$ 537,670
Self-insurance claim liabilities	1,828,868	1,566,566	5,000	3,400,434	3,246,921
Total liabilities	1,968,059	1,943,595	9,447	3,921,101	3,784,591
Unrestricted net assets designated for special use	6,843,532	2,970,959	2,019,190	11,833,681	8,213,902
Total liabilities and net assets	\$ 8,811,591	\$ 4,914,554	\$ 2,028,637	\$ 15,754,782	\$ 11,998,493

Diocese of Orlando Administrative Offices

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

Year Ended June 30, 2018

(With Summarized Totals for the Year Ended June 30, 2017)

	Property and General Liability Fund	Accident and Health Fund	Unemployment Compensation Funds	Total 2018	Total 2017
Revenues, gains and other support:					
Self-insurance premiums and service fees	\$ 5,585,172	\$ 20,949,195	\$ 503,727	\$ 27,038,094	\$ 26,100,039
Interest and dividend income	17,223	5,861	-	23,084	11,627
Investment income	9,611	-	-	9,611	15,096
Other income	966,836	200,962	-	1,167,798	425,686
Total revenues, gains and other support	6,578,842	21,156,018	503,727	28,238,587	26,552,448
Expenses:					
Losses and loss adjustment expenses	2,095,893	17,073,512	-	19,169,405	19,537,407
Premium for excess coverage insurance	2,195,574	-	-	2,195,574	2,323,726
Administration and interest expense	1,075,697	2,144,774	55,637	3,276,108	3,146,903
Total expenses	5,367,164	19,218,286	55,637	24,641,087	25,008,036
Transfers out (in)	7,879	14,400	-	22,279	(10,798,915)
Change in net assets	1,219,557	1,952,132	448,090	3,619,779	(9,254,503)
Net assets:					
Beginning	5,623,975	1,018,827	1,571,100	8,213,902	17,468,405
Ending	\$ 6,843,532	\$ 2,970,959	\$ 2,019,190	\$ 11,833,681	\$ 8,213,902

Diocese of Orlando Administrative Offices

Statement of Financial Position Information – Diocesan Savings Fund

June 30, 2018

(With Comparative Totals for June 30, 2017)

	2018	2017
Assets		
Cash and cash equivalents	\$ 35,683,190	\$ 44,811,473
Prepaid expenses and other assets	103,176	108,337
Accrued interest receivable	388,134	372,398
Loans receivable, net	21,205,590	19,400,243
Bequests and other receivables, net	-	344
Investments	70,352,289	61,092,037
Due from other funds	27,252,544	27,252,544
	<u>27,252,544</u>	<u>27,252,544</u>
Total assets	\$ 154,984,923	\$ 153,037,376
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$ 141,051	\$ 140,926
Interest rate swap liability	1,836,769	3,022,422
Savings deposits	138,302,715	136,316,748
Notes payable	24,275,000	24,855,000
Total liabilities	164,555,535	164,335,096
Unrestricted net assets (deficit)	<u>(9,570,612)</u>	<u>(11,297,720)</u>
Total liabilities and net assets (deficit)	\$ 154,984,923	\$ 153,037,376

Diocese of Orlando Administrative Offices

Statement of Activities Information – Diocesan Savings Fund
 Year Ended June 30, 2018
 (With Comparative Totals for the Year Ended June 30, 2017)

	2018	2017
Revenues, gains and other support:		
Interest and dividend income	\$ 4,508,377	\$ 3,839,576
Investment (loss) income	(1,544,719)	158,597
Other income	780,963	14,163
Total revenues, gains and other support	3,744,621	4,012,336
Expenses:		
Interest expense	2,708,794	2,816,565
Change in interest rate swap liability	(1,185,654)	(1,646,251)
Bad debt	250,000	544,734
Other	244,373	195,184
Total expenses	2,017,513	1,910,232
Interfund transfers	-	(50,000)
Change in net assets	1,727,108	2,052,104
Net assets (deficit):		
Beginning	(11,297,720)	(13,349,824)
Ending	\$ (9,570,612)	\$ (11,297,720)

Diocese of Orlando Administrative Offices

Statement of Financial Position Information – Plant Fund

June 30, 2018

(With Comparative Totals for June 30, 2017)

	2018	2017
Assets		
Cash and cash equivalents	\$ 601,752	\$ 406,987
Prepaid expenses and other assets	196,505	53,195
Accrued interest receivable	55,380	47,197
Investments	26,537,704	26,256,885
Land, buildings and equipment, net	43,081,400	43,423,045
Due from other funds	6,172,000	6,172,000
	<hr/>	<hr/>
Total assets	\$ 76,644,741	\$ 76,359,309
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$ 6,924,842	\$ 6,940,425
Due to other funds	53,603,743	58,152,678
	<hr/>	<hr/>
Total liabilities	60,528,585	65,093,103
Unrestricted net assets	16,116,156	11,266,206
	<hr/>	<hr/>
Total liabilities and net assets	\$ 76,644,741	\$ 76,359,309

Diocese of Orlando Administrative Offices

Statement of Activities Information – Plant Fund

Year Ended June 30, 2018

(With Comparative Totals for the Year Ended June 30, 2017)

	2018	2017
Additions:		
Contributions and bequests	\$ -	\$ 352
Interest and dividend income	694,352	729,574
Investment income (loss)	457,967	(136,822)
Gain on sale of land and property	2,571,921	1,254,986
Other income	50,991	102,755
Total additions	3,775,231	1,950,845
Deductions:		
Property taxes	123,101	157,478
Depreciation	666,659	683,294
Interest expense	1,520,737	2,482,255
Other	237,928	197,202
Donations	-	111,014
Total deductions	2,548,425	3,631,243
Transfers:		
Transfers from other funds	3,623,144	256,250
Change in net assets	4,849,950	(1,424,148)
Net assets (deficit):		
Beginning	11,266,206	12,690,354
Ending	\$ 16,116,156	\$ 11,266,206

Diocese of Orlando Administrative Offices

Combining Statement of Financial Position Information – Endowment Funds

June 30, 2018

(With Summarized Totals for June 30, 2017)

	Seminarian Burse Fund	St. Anne's Shrine Fund	Pelletier Fund	Dennis Quinn Fund	Papenbrock Fund	School Endowment Fund	Alive in Christ Endowment Fund	Bishop Dorsey Fund	Total 2018	Total 2017
Assets										
Cash and cash equivalents	\$ 11,694	\$ -	\$ -	\$ 220,965	\$ 3,829	\$ -	\$ 730,058	\$ 25,002	\$ 991,548	\$ 1,063,084
Pledges receivable, net	-	-	-	-	-	-	3,283	-	3,283	63,484
Prepaid expenses and other assets	-	-	-	-	-	-	-	-	-	215
Accrued interest receivable	9,604	-	-	-	-	-	1,044	-	10,648	7,219
Investments	4,487,385	-	-	256,582	211,816	-	11,661,908	-	16,617,691	16,134,042
Land, buildings and equipment, net	-	-	-	-	-	-	-	-	-	164,008
Due from other funds	73,803	31,223	24,936	-	-	1,565,136	(5,136)	509,548	2,199,510	3,377,433
Total assets	\$ 4,582,486	\$ 31,223	\$ 24,936	\$ 477,547	\$ 215,645	\$ 1,565,136	\$ 12,391,157	\$ 534,550	\$ 19,822,680	\$ 20,809,485
Liabilities and Net Assets										
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 215
Total liabilities	-	-	-	-	-	-	-	-	-	215
Net assets:										
Temporarily restricted	1,459,152	-	-	157,874	8,866	54,971	2,501,211	-	4,182,074	5,378,962
Permanently restricted	3,123,334	31,223	24,936	319,673	206,779	1,510,165	9,889,946	534,550	15,640,606	15,430,308
Total net assets	4,582,486	31,223	24,936	477,547	215,645	1,565,136	12,391,157	534,550	19,822,680	20,809,270
Total liabilities and net assets	\$ 4,582,486	\$ 31,223	\$ 24,936	\$ 477,547	\$ 215,645	\$ 1,565,136	\$ 12,391,157	\$ 534,550	\$ 19,822,680	\$ 20,809,485

Diocese of Orlando Administrative Offices

Combining Statement of Activities Information – Endowment Funds
 Year Ended June 30, 2018
 (With Summarized Totals for the Year Ended June 30, 2017)

	Seminarian Burse Fund	St. Anne's Shrine Fund	Pelletier Fund	Dennis Quinn Fund	Papenbrock Fund	School Endowment Fund	Alive in Christ Endowment Fund	Bishop Dorsey Fund	Total 2018	Total 2017
Revenue, gains, and other support:										
Contributions and bequests	\$ 197,859	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (12,845)	\$ -	\$ 185,014	\$ (743,559)
Interest and dividend income	129,822	-	-	7,174	3,596	-	174,911	249	315,752	459,459
Gain on sale of assets	25,284	-	-	-	-	(7,916)	-	-	17,368	-
Investment income	74,144	-	-	9,414	10,650	-	652,009	-	746,217	1,697,119
Total revenue, gains and other support	427,109	-	-	16,588	14,246	(7,916)	814,075	249	1,264,351	1,413,019
Expenses:										
Fees and expenses	5,215	-	-	5,380	15,771	496	649,537	-	676,399	136,113
Transfers:										
Transfers to current restricted fund	(392,051)	(84,118)	(67,180)	-	-	(782,783)	-	(248,410)	(1,574,542)	(208,486)
Change in net assets	29,843	(84,118)	(67,180)	11,208	(1,525)	(791,195)	164,538	(248,161)	(986,590)	1,068,420
Net assets:										
Beginning	4,552,643	115,341	92,116	466,339	217,170	2,356,331	12,226,619	782,711	20,809,270	19,740,850
Ending	\$ 4,582,486	\$ 31,223	\$ 24,936	\$ 477,547	\$ 215,645	\$ 1,565,136	\$ 12,391,157	\$ 534,550	\$ 19,822,680	\$ 20,809,270

Diocese of Orlando Administrative Offices

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

June 30, 2018

(With Summarized Totals for June 30, 2017)

	John and Cecile Mestan	Mary Britt	Marie Simolin	Gnaedinger	Total 2018	Total 2017
Assets						
Cash and cash equivalents	\$ 2,125	\$ 1,009	\$ 14	\$ 95	\$ 3,243	\$ 2,629
Investments	63,193	86,966	2,888	18,902	171,949	170,870
Total assets	\$ 65,318	\$ 87,975	\$ 2,902	\$ 18,997	\$ 175,192	\$ 173,499
Liabilities and Net Assets						
Liabilities:						
Life annuities payable	\$ 16,645	\$ 20,447	\$ -	\$ -	\$ 37,092	\$ 38,637
Gift annuities payable	-	-	2,218	6,697	8,915	9,574
Due to other funds	13,783	-	-	-	13,783	13,783
Total liabilities	30,428	20,447	2,218	6,697	59,790	61,994
Temporarily restricted net assets	34,890	67,528	684	12,300	115,402	111,505
Total liabilities and net assets	\$ 65,318	\$ 87,975	\$ 2,902	\$ 18,997	\$ 175,192	\$ 173,499

Diocese of Orlando Administrative Offices

Combining Statement of Activities Information – Life/Gift Annuity and Other Funds
 Year Ended June 30, 2018
 (With Summarized Totals for the Year Ended June 30, 2017)

	John and Cecile Mestan	Mary Britt	Marie Simolin	Gnaedinger	Total 2018	Total 2017
Additions:						
Interest and dividend income	\$ 2,648	\$ 3,433	\$ 66	\$ 419	\$ 6,566	\$ 4,276
Investment income	1,501	2,085	95	566	4,247	10,538
Actuarial adjustment to life annuities payable	916	631	143	516	2,206	1,526
Total additions	5,065	6,149	304	1,501	13,019	16,340
Deductions:						
Annuities paid	3,937	1,430	350	1,260	6,977	6,713
Miscellaneous expenses	932	1,066	20	127	2,145	2,094
Total deductions	4,869	2,496	370	1,387	9,122	8,807
Change in net assets	196	3,653	(66)	114	3,897	7,533
Temporarily restricted net assets:						
Beginning	34,694	63,875	750	12,186	111,505	103,972
Ending	\$ 34,890	\$ 67,528	\$ 684	\$ 12,300	\$ 115,402	\$ 111,505