Archdiocese of Miami Administrative Offices

Consolidated Financial Statements
As of June 30, 2022 and 2021
and For the Years then Ended

The report accompanying these financial statements was issued by

BDO USA, LLP, a Delaware limited liability partnership and the U.S. member of BDO International Limited, a UK company limited by guarantee.

Archdiocese of Miami Administrative Offices

Consolidated Financial Statements
As of June 30, 2022 and 2021
and For the Years then Ended

Archdiocese of Miami Administrative Offices

Contents

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Independent Auditor's Report

The Most Reverend Thomas Wenski, Archbishop of Miami
Archdiocese of Miami Administrative Offices
Miami, Florida

Opinion

We have audited the consolidated financial statements of the Archdiocese of Miami Administrative Offices (the Organization), (a nonprofit organization), which comprise the consolidated statements of financial position as of June 30, 2022 and 2021, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the consolidated financial statements are issued or available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary consolidated schedule of activities and consolidated schedule of program and support services are presented for purposes of additional analysis and are not a required part of the consolidated 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 consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

BDO USA, LLP

Miami, Florida
November 1, 2022

Consolidated Statements of Financial Condition

Archdiocese of Miami Administrative Offices

Consolidated Statements of Financial Position

June 30,		2022		2021
Assets				
Cash and cash equivalents	$	**66,128,208**	$	92,158,025
Investments, at fair value		**312,287,131**		350,436,199
Receivables:				
Receivables from Archdiocesan entities		**8,989,139**		8,024,951
Pledges receivable – Archbishop's charities drive		**3,372,801**		3,320,183
Other receivables		**2,350,675**		1,791,793
Promissory notes receivable		**2,082,714**		1,217,102
		16,795,329		14,354,029
Less: allowance for doubtful accounts		**(3,361,565)**		(4,436,835)
Total receivables		**13,433,764**		9,917,194
Prepaid insurance		**9,302,381**		9,556,615
Land, buildings and equipment, net		**24,847,425**		25,258,610
Other assets		**145,760**		123,924
Total Assets	$	**426,144,669**	$	487,450,567
Liabilities				
Funds held on behalf of Archdiocesan entities	$	**275,127,681**	$	272,134,416
Self-insurance reserves		**19,554,103**		18,106,428
Other liabilities		**9,243,445**		7,586,860
Financing payable		**8,222,722**		8,784,706
Parish Archbishop's charities drive rebate reserve		**1,500,000**		1,100,000
Total Liabilities		**313,647,951**		307,712,410
Commitments and Contingencies (Notes 2, 3, 5, 7, 8, 9, 10, 11, 13 and 14)				
Net Assets				
Without donor restrictions		**111,731,814**		165,117,629
With donor restrictions		**764,904**		14,620,528
Total Net Assets		**112,496,718**		179,738,157
Total Liabilities and Net Assets	$	**426,144,669**	$	487,450,567

See accompanying notes to the consolidated financial statements.

Archdiocese of Miami Administrative Offices

Consolidated Statements of Activities

For the Years Ended June 30,	2022	2021
Change in Net Assets without Donor Restrictions:		
Support and Revenue:		
Insurance contributions - health	**$ 43,223,104**	$ 45,378,136
Insurance contributions - property and liability	**25,347,538**	24,064,955
Archbishop's charities drive	**13,808,751**	13,515,684
Parish rebates	**(1,802,228)**	(1,020,174)
General assessments	**9,614,988**	9,994,148
Other revenue	**1,637,985**	1,850,504
Rental income	**259,867**	250,500
Investment (loss) earnings, net	**(48,091,433)**	64,989,945
Net assets released from restrictions	**14,124,940**	93,354
Total Support and Revenue	**58,123,512**	159,117,052
Expenses:		
Program services:		
Deposit and loan	**3,823,564**	3,129,070
Persons	**3,099,586**	3,055,109
Pastoral	**2,851,587**	2,947,033
Education	**1,536,162**	2,442,308
Social services	**533,576**	326,337
Total Program Services	**11,844,475**	11,899,857
Supporting services:		
Self-insurance	**71,824,511**	62,678,230
Administration	**7,778,265**	10,089,209
Property	**1,008,138**	904,645
Total Supporting Services	**80,610,914**	73,672,084
Total Expenses	**92,455,389**	85,571,941
Change in Net Assets without Donor Restrictions before Paycheck Protection Program Loan Forgiveness, Subsidies - Loan Payment, Transfer to Catholic Community Foundation for the Benefit of Miami Seminarians	**(34,331,877)**	73,545,111
Gain from Paycheck Protection Program Loan Forgiveness (Note 12)	**-**	1,087,155
Subsidies - Loan Payment (Note 5)	**-**	(3,553,615)
Transfer to Catholic Community Foundation for the Benefit of Miami Seminarians	**(19,053,938)**	(10,000,000)
Change in Net Assets without Donor Restrictions	**(53,385,815)**	61,078,651
Change in Net Assets with Donor Restrictions:		
Donations, grants and special collections	**143,500**	49,500
Contributions and bequests	**125,816**	103,114
Interest and dividends	**-**	6,835
Net assets released from restrictions	**(14,124,940)**	(93,354)
Change in Net Assets with Donor Restrictions	**(13,855,624)**	66,095
Change in Net Assets	**(67,241,439)**	61,144,746
Net Assets, Beginning of Year	**179,738,157**	118,593,411
Net Assets, End of Year	**$ 112,496,718**	$ 179,738,157

See accompanying notes to the consolidated financial statements.

Archdiocese of Miami Administrative Offices

Consolidated Statement Of Functional Expenses *
For The Year Ended June 30, 2022 With Comparative Summarized Totals For 2021

	Program Services						Supporting Services						
	Pastoral		Education				Self-insurance		Administration				
	Pastoral Services	Worship and Spiritual	Christian Formation	Deposit and Loan	Persons	Social Services	Health Plan	Self-Insurance	Temporalities	General Services	Property	2022	2021
Insurance program claims - health	$ -	$ -	$ -	$ -	$ -	$ -	$ 38,369,265	$ -	$ -	$ -	$ -	$ 38,369,265	$ 33,642,196
Insurance premiums and other costs - property and liability	33,142	2,080	8,178	-	4,774	-	4,160	13,476,986	44,293	18,179	111,215	13,703,007	6,244,203
Insurance program claims - property and liability	-	-	-	-	-	-	-	10,875,009	-	-	-	10,875,009	11,635,450
Salaries, allowances, and payroll taxes	484,633	100,190	642,545	-	365,027	-	266,774	-	3,402,670	1,035,463	-	6,297,302	6,156,811
Professional fees - insurance programs	-	-	-	-	-	-	4,382,335	1,633,851	-	-	-	6,016,186	7,578,007
Interest	-	-	-	2,735,075	-	-	-	-	-	-	-	2,735,075	2,291,105
Insurance premiums and other costs - health	-	-	-	-	-	-	2,527,787	-	-	-	-	2,527,787	2,708,711
Subsidies - operating	1,522,356	-	229,701	-	441,395	289,425	-	-	-	(7,997)	-	2,474,880	3,210,635
Seminarian support	-	-	-	-	1,767,435	-	-	-	-	-	-	1,767,435	1,936,498
Other expenses	2,014	1,119	227,680	-	3,472	71,002	275,336	1,289	6,593	758,241	-	1,346,746	1,618,081
Gifts and contributions	257,853	-	289,945	-	27,168	173,149	-	-	351,390	-	-	1,099,505	1,323,859
Health and pension benefits	117,641	12,744	70,557	-	124,540	-	34,705	-	478,432	170,737	-	1,009,356	1,069,553
Postage, printing, and office supplies	53,786	(3,140)	6,219	-	16,275	-	18,950	-	623,278	215,366	-	930,734	875,586
Professional fees and services	-	-	11,443	120,000	26,917	-	-	-	641,960	123,364	-	923,684	802,013
Occupancy costs	83,993	-	5,270	-	600	-	-	-	451,787	81,245	-	622,895	591,177
Depreciation	-	-	-	-	-	-	-	-	-	-	543,776	543,776	524,969
Programs and workshops	173,926	5,613	20,137	-	152,518	-	-	-	42,570	91,431	-	486,195	132,982
Repairs, maintenance, and taxes	-	-	-	-	-	-	-	-	-	-	353,147	353,147	281,112
Florida Catholic Conference	-	-	-	-	-	-	-	-	232,944	-	-	232,944	200,593
Conferences, travel, and continuing education	-	-	17,813	-	165,811	-	1,100	-	10,284	15,402	-	210,410	138,686
United States Catholic Conference	-	-	-	-	-	-	-	-	106,231	-	-	106,231	168,424
Holy See	-	-	-	-	-	-	-	-	100,987	-	-	100,987	92,571
Fund raising	-	-	-	-	-	-	-	-	64,591	-	-	64,591	89,137
Auto travel and repairs	2,560	100	2,903	-	1,296	-	-	-	17,018	11,482	-	35,359	33,709
Dues, books, and subscriptions	-	977	3,771	-	2,358	-	-	-	12,512	10,719	-	30,337	29,440
Unemployment insurance	-	-	-	-	-	-	-	(43,036)	-	-	-	(43,036)	389,168
Provision for uncollectible amounts, net of recoveries	-	-	-	968,489	-	-	-	-	(1,359,318)	26,411	-	(364,418)	1,807,265
	$ 2,731,904	**$ 119,683**	**$ 1,536,162**	**$ 3,823,564**	**$ 3,099,586**	**$ 533,576**	**$ 45,880,412**	**$ 25,944,099**	**$ 5,228,222**	**$ 2,550,043**	**$ 1,008,138**	**$ 92,455,389**	**$ 85,571,941**

See accompanying notes to the consolidated financial statements.

* Refer to supplementary schedule on page 30 for reconciliation between program and supporting services.

Archdiocese of Miami Administrative Offices

Consolidated Statement of Functional Expenses
For the Year Ended June 30, 2021

	Program Services						Supporting Services					
	Pastoral		Education				Self-insurance		Administration			
	Pastoral Services	Worship and Spiritual	Christian Formation	Deposit and Loan	Persons	Social Services	Health Plan	Self-Insurance	Temporalities	General Services	Property	2021
Insurance program claims - health	$ -	$ -	$ -	$ -	$ -	$ -	$ 33,642,196	$ -	$ -	$ -	$ -	$ 33,642,196
Insurance program claims - property and liability	31,207	1,920	7,680	-	5,300	-	4,800	11,424,869	44,050	17,060	98,564	11,635,450
Professional fees - insurance programs	-	-	765	-	-	-	5,750,307	1,826,935	-	-	-	7,578,007
Insurance premiums and other costs - property and liability	-	-	-	-	-	-	-	6,244,203	-	-	-	6,244,203
Salaries, allowances, and payroll taxes	531,774	97,557	595,047	-	328,555	(2,778)	262,953	-	3,344,127	999,576	-	6,156,811
Subsidies - operating	1,827,409	-	727,510	-	408,740	235,182	-	-	-	11,794	-	3,210,635
Insurance premiums and other costs - health	-	-	-	-	-	-	2,708,711	-	-	-	-	2,708,711
Interest	-	-	-	2,291,105	-	-	-	-	-	-	-	2,291,105
Seminarian support	-	-	-	-	1,936,498	-	-	-	-	-	-	1,936,498
Provision for uncollectible amounts, net of recoveries	-	-	-	717,965	-	-	-	-	1,033,951	55,349	-	1,807,265
Other expenses	191	140	580,558	-	9,596	93,354	347,578	905	7,799	577,960	-	1,618,081
Gifts and contributions	136,071	-	342,335	-	-	579	-	-	844,874	-	-	1,323,859
Health and pension benefits	124,697	19,491	83,112	-	149,480	-	36,828	-	481,688	174,257	-	1,069,553
Postage, printing, and office supplies	51,276	(2,093)	6,789	-	18,190	-	38,777	-	547,121	215,526	-	875,586
Professional fees and services	-	-	68,823	120,000	47,732	-	-	-	462,370	103,088	-	802,013
Occupancy costs	76,749	-	3,334	-	-	-	-	-	433,260	77,834	-	591,177
Depreciation	-	-	-	-	-	-	-	-	-	-	524,969	524,969
Unemployment insurance	-	-	-	-	-	-	-	389,168	-	-	-	389,168
Repairs, maintenance, and taxes	-	-	-	-	-	-	-	-	-	-	281,112	281,112
Florida Catholic Conference	-	-	-	-	-	-	-	-	200,593	-	-	200,593
United States Catholic Conference	-	-	-	-	-	-	-	-	168,424	-	-	168,424
Conferences, travel, and continuing education	737	-	3,209	-	116,452	-	-	-	8,999	9,289	-	138,686
Programs and workshops	46,481	2,558	21,801	-	30,742	-	-	-	30,142	1,258	-	132,982
Holy See	-	-	-	-	-	-	-	-	92,571	-	-	92,571
Fund raising	-	-	-	-	-	-	-	-	89,137	-	-	89,137
Auto travel and repairs	668	177	154	-	1,468	-	-	-	19,443	11,799	-	33,709
Dues, books, and subscriptions	-	23	1,191	-	2,356	-	-	-	15,769	10,101	-	29,440
	$ 2,827,260	$ 119,773	$ 2,442,308	$ 3,129,070	$ 3,055,109	$ 326,337	$ 42,792,150	$ 19,886,080	$ 7,824,318	$ 2,264,891	$ 904,645	$ 85,571,941

See accompanying notes to the consolidated financial statements.

Archdiocese of Miami Administrative Offices

Consolidated Statements of Cash Flows

For the Years Ended June 30,	2022	2021
Cash Flows from Operating Activities:		
Change in net assets	**$ (67,241,439)**	$ 61,144,746
Adjustments to reconcile change in net assets to cash used in operating activities:		
Provision for uncollectibles	**1,710,840**	2,448,405
Recoveries of uncollectibles	**(2,075,258)**	(641,140)
Depreciation	**543,776**	524,969
Contributions restricted for long-term investments	**(143,500)**	(103,114)
Gain from sale of properties	**-**	(1,800)
Gain from Paycheck protection program loan forgiveness (Note 12)	**-**	(1,087,155)
Unrealized and realized loss (gain) on investments	**51,615,593**	(61,782,965)
Changes in other assets and liabilities:		
Other liabilities and financing payable	**1,094,601**	955,437
Increase in parish ABCD rebates	**400,000**	-
Other assets and prepaid insurance	**232,398**	(708,317)
Self-insurance reserves	**1,447,675**	(924,948)
Receivables from Archdiocesan entities	**(3,064,397)**	(4,441,988)
Pledges receivable – Archbishop's charities drive	**1,295,927**	1,295,927
Other receivables	**(518,070)**	(518,070)
Total Adjustments	**52,539,585**	(64,984,759)
Cash Used in Operating Activities	**(14,701,854)**	(3,840,013)
Cash Flows from Investing Activities:		
Repayments on promissory notes receivable	**1,402,537**	118,477
Proceeds from sale of properties	**-**	1,800
Issuance of promissory note receivable	**(2,268,149)**	-
Purchases of land, buildings and equipment	**(132,591)**	(1,313,479)
Sales of investment securities	**6,473,955**	91,106,506
Purchases of investment securities	**(19,940,480)**	(104,248,108)
Cash Used in Investing Activities	**(14,464,728)**	(14,334,804)
Cash Flows from Financing Activities:		
Deposits of funds held in trust on behalf of Archdiocesan entities	**68,517,899**	58,540,852
Withdrawals of funds held in trust on behalf of Archdiocesan entities	**(65,524,634)**	(34,512,864)
Proceeds from contributions restricted for investment in endowments	**143,500**	103,114
Cash Provided by Financing Activities	**3,136,765**	24,131,102
(Decrease) Increase in Cash and Cash Equivalents	**(26,029,817)**	5,956,285
Cash and Cash Equivalents at Beginning of Year	**92,158,025**	86,201,740
Cash and Cash Equivalents at End of Year	**$ 66,128,208**	$ 92,158,025
Supplemental Disclosure of Cash Flow Information:		
Interest paid	**$ 2,735,075**	$ 2,291,105

See accompanying notes to the consolidated financial statements.

1. Organization

The Archdiocese of Miami (the “Archdiocese”) is a 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 Archdiocese other than the holder of the office of the Archbishop of Miami (the “Archbishop”). The Archbishop holds title to all assets and is liable for all indebtedness of the Archdiocese. The title to all assets and the responsibility for all indebtedness passes to the Archbishop’s successor in office. The consolidated financial statements include the program and service activities that are under the direct administrative authority of the Archdiocese of Miami Administrative Offices (the “Organization”). The geographic territory administered by the Archdiocese is comprised of the Florida counties of Broward, Miami-Dade and Monroe.

2. Summary of Accounting Policies

Basis of Consolidation

The accompanying consolidated financial statements of the Organization include the assets, liabilities and net assets, and the support, revenue and expenses of all institutions and organizations providing services at the Archdiocesan level of administration, which are fiscally responsible to the Archbishop. The names of the institutions and organizations providing services at the Archdiocesan level of administration are Parish Life, Ministry to Persons, Pastoral Ministry, Stewardship, Education and Administration. All significant inter-organizational accounts and transactions have been eliminated. Various religious orders, lay societies, and religious organizations which operate within the Archdiocese, but which are not fiscally responsible to the Archbishop or under the administrative authority of the Organization, and the parishes and other related institutions, schools, health care entities, foundations, and cemeteries, have not been included in the accompanying consolidated financial statements.

Basis of Presentation

The consolidated financial statements have been prepared on the accrual basis of accounting. Net assets and revenues, gains and losses are classified into two classes of net assets based on the existence or absence of donor-imposed restrictions. The two classes of net asset categories are as follows:

> **Net assets without donor restrictions**: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization’s management and the Archbishop. Net assets without donor restrictions also includes amounts designated by the Archbishop for specific purposes.
>
> **Net assets with donor restrictions**: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where the donor has stipulated the funds be maintained in perpetuity. Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the consolidated statements of activities.

Management Estimates

In preparing the consolidated financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities, support and revenue and expenses as of the dates of the consolidated financial statements. Material estimates that may be susceptible to significant change in the future relate to the determination of the allowance for doubtful accounts, including pledges, the determination of self-insurance reserves, and the determination of any reserve for loan loss guarantees. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include all demand deposit accounts with an original maturity of three months or less which are used in daily operations. Investments in money market funds have been included as a component of investments in the accompanying consolidated statements of financial position.

Concentration of Risk

Financial instruments which potentially subject the Organization to concentrations of credit risk consist of cash and cash equivalents, investments and receivables. The Organization places its cash and cash equivalents with creditworthy, high quality financial institutions. At times, cash deposits may be in excess of the Federal Deposit Insurance Corporation's insured limits. The Organization has investments that 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 level of uncertainty related to changes in the value of the investment securities, it is at least reasonably possible that changes in risks in the near term could materially affect the consolidated statements of activities. The Organization believes that its investment policy is prudent for its long-term welfare.

Receivables are primarily amounts due from Archdiocesan pastoral, education and social service ministries related to insurance, employee benefits and other activities. Credit risk is limited to the geographic dispersion of the various entities within the Archdiocese and the related party nature of the transactions.

Investments

Investments are recorded at fair value. Realized and unrealized gains (losses) are reflected in the consolidated statements of activities, net of investment expenses. The cost of investments sold is determined using the specific identification method.

Land, Buildings and Equipment, Net

The Organization capitalizes all property and equipment greater than $1,000 and with an economic useful life in excess of a year. Land, buildings and equipment have been recorded at cost, or if acquired by gift, at the fair market value on the date of the gift. Depreciation of buildings and equipment is calculated on the straight-line method over the estimated useful lives of the assets.

Impairment of Long-Lived Assets

The Organization’s long-lived assets, such as land, buildings and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to the estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized for the amount by which the carrying amount of the asset exceeds the fair value of the asset. Assets to be disposed of would be separately presented on the consolidated statements of financial position and reported at the lower of the carrying amount or fair value less costs to sell and would no longer be depreciated. The assets and liabilities of a disposal group classified as held for sale would be presented separately in the appropriate asset and liability sections of the consolidated statements of financial position.

Prepaid Insurance

Expenditures relating to insurance programs for the next fiscal year are reported as prepaid insurance and are expensed over the policy period.

Fair Value of Financial Instruments

The fair value of the Organization’s investments is estimated based on bid prices published by financial institutions, or quotations received from securities dealers, and is reflective of the interest rate environment that existed as of the close of business on June 30, 2022 and 2021. Various market factors subsequent to June 30, 2022 may affect the subsequent fair value of the Organization’s investments.

The carrying amount of the promissory notes receivable and loans to pastoral, education and social service ministries approximate their fair value. The fair value of the promissory notes receivable and loans to pastoral, education and social service ministries are determined at the present value of expected future cash flows discounted at the interest rate currently offered by the Organization, which approximates rates currently offered by local lending institutions for loans of similar terms to entities with comparable credit risk.

Revenue Recognition

Transfers of cash or other assets or settlement of liabilities that are both voluntary and nonreciprocal are recognized as contributions. Contributions may either be conditional or unconditional. A contribution is considered conditional when the donor imposes both a barrier and a right of return. Conditional contributions are recognized as revenue on the date all donor-imposed barriers are overcome or explicitly waived by the donor. Barriers may include specific and measurable outcomes, limitations on the performance of an activity and other stipulations related to the contribution. A donor has a right of return of any assets transferred or a right of release of its obligation to transfer any assets in the event the Organization fails to overcome one or more barriers. Assets received before the barrier is overcome are accounted for as refundable advances.

Unconditional contributions may or may not be subject to donor-imposed restrictions. Donor-imposed restrictions limit the use of the donated assets but are less specific than donor-imposed conditions. Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations about the use of the donated assets, or if they are designated as support for future periods.

When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as "Net assets released from restrictions." Donor-restricted contributions whose restrictions are met in the same reporting period in which received are reported as net assets without donor restrictions.

Reciprocal transfers in which each party receives and sacrifices goods or services with approximate commensurate value are recognized as exchange transactions. The core principle is that an entity should recognize 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. To achieve that core principle, an entity should apply the following steps: (i) identify the contract(s) with a customer, (ii) identify the performance obligations in the contract, (iii) determine the transaction price, (iv) allocate the transaction price to the performance obligations in the contract and (v) recognize revenue when (or as) the entity satisfies a performance obligation.

The Organization receives revenues from several sources which are evaluated as to whether they qualify as exchange transactions or contributions as defined by accounting principles generally accepted in the United States of America ("U.S. GAAP").

Donations, including the Archbishop's charities drive are recognized as revenue when an unconditional promise to give is made per ASC 958-05. Donations are recorded as with or without donor restrictions, depending on the existence of donor stipulations.

Insurance contributions are recognized as revenue during the period in which the coverage is provided.

General assessments are levied upon parishes of the Archdiocese and are recognized as revenue in the period the assessment is made.

Other revenue primarily represents income from services provided by the Organization. Such revenues are recognized when the services are provided.

The Organization charges rent for the use of its property. Rental income is recognized on a straight-line basis.

Allowance for Doubtful Accounts

The allowance for doubtful accounts represents amounts which, in management's judgment, will be adequate to absorb write-offs of existing receivable balances which may become uncollectible. Additions to the allowance for doubtful accounts are based on several factors which include, but are not limited to, analytical review of loss experience in relation to outstanding receivables, a continuing review of subsidized entities and other entities which are currently unable to meet their financial obligations, and overall adequacy of collateral and judgment with respect to the impact of current economic conditions on the existing receivable balances. Management of the Organization believes that the allowance for doubtful accounts is adequate.

Promissory Notes Receivable

Promissory notes receivable are reported at their recorded investment, which is the outstanding principal balance plus accrued income. Interest on promissory notes receivable is recognized over the term of the loan and is calculated on principal amounts outstanding.

Functional Allocation of Expenses

Functional expenses are those expenses incurred by the Organization in the accomplishment of their mission. The cost of providing various programs and other activities has been summarized on a functional basis in the accompanying consolidated statements of activities. Expenses that can be identified with the program or supporting are reported as expenses of those functional areas. Expenses attributable to multiple functions are allocated. Salaries and related costs are allocated based on employee's time and effort. Other expenses relating to more than one function are charged to supporting services based on the allocation percentages used for salary and benefits.

Income Taxes

In an annually updated ruling, the Internal Revenue Service holds that the agencies and instrumentalities and all educational, charitable, and religious institutions operated, supervised, or controlled by or in connection with the Roman Catholic Church in the United States, its territories or possessions appearing in the Official Catholic Directory are entitled to exemption from federal income tax under the provision of Section 501(c)(3) of the Internal Revenue Code. The Archdiocese is listed in the Official Catholic Directory for 2022 and 2021 and, therefore, is exempt from federal income tax.

The U.S. Federal jurisdiction and the state of Florida are the major tax jurisdictions where the Organization would file income tax returns. The Organization is generally no longer subject to U.S. Federal or State examinations by tax authorities for years before 2019.

Reclassifications

Certain items in the 2021 consolidated financial statements have been reclassified to conform to the 2022 presentation.

Recent Accounting Pronouncement

<u>Reference Rate Reform</u>

In March 2020, the Financial Accounting Standards Board ("FASB") issued an accounting standard update to provide guidance related to recognizing the effects of reference rate reform on financial reporting. The update is effective for all entities as of March 12, 2020 through December 31, 2022. The Organization is currently evaluating the potential accounting, transition, and disclosure effects the update will have on its consolidated financial statements.

Subsequent Events

The Organization has evaluated subsequent events through November 1, 2022, which is the date the consolidated financial statements were available to be issued.

3. Liquidity Management and Availability of Resources

The Organization maintains a policy of structuring its financial assets to be available as general expenditures, liabilities and other obligations come due. The Organization invests excess cash net of working capital in instruments as stipulated under the investment policy. The policy is reviewed annually or as necessary by the Investment Committee. Market performance is monitored continuously including review of quarterly reports and watch list of invested funds. Furthermore, the Finance and Audit Committee reviews the consolidated statements of financial position and consolidated statements of activities results periodically**.** The Organization has established lines of credit with several banks that are available for itself and other Archdiocesan entities.

The Organization's financial assets available within one year of the consolidated statements of financial position date for general expenditures are as follows:

June 30,	**2022**	2021
Cash and cash equivalents	**$ 66,128,208**	$ 92,158,025
Investments	**312,287,131**	350,436,199
Receivables	**13,433,764**	9,917,194
Total financial assets	**391,849,103**	452,511,418
Less amounts not available to be used within one year due to:		
Restricted by donors with purpose restrictions	**(764,904)**	(14,620,528)
Self-designated funds	**(13,016,077)**	(13,016,077)
Savings deposits due to Archdiocesan entities held in cash and investment accounts	**(275,127,681)**	(272,134,416)
Total financial assets available to management for general expenditures within one year	**$ 102,940,441**	$ 152,740,397

4. Investments and Fair Value Measurements

The following summarizes the fair value of investments:

June 30,	**2022**	2021
Mutual funds:		
Domestic equity	**$ 106,689,695**	$ 125,642,752
Fixed income	**106,627,045**	111,136,373
International equity	**64,444,796**	79,725,419
Corporate bonds	**34,368,889**	33,306,403
Money market funds	**156,706**	625,252
	$ 312,287,131	$ 350,436,199

The Organization's investment earnings, net, are as follows:

For the Years Ended June 30,	**2022**	2021
Unrealized (losses) gains on investments	**$ (51,553,444)**	$ 54,205,556
Realized (losses) gains on investments	**(62,149)**	7,577,409
Interest and dividends	**3,733,796**	3,395,790
Investment fees	**(209,636)**	(188,810)
	$ (48,091,433)	$ 64,989,945

The funds held on behalf of Archdiocesan entities (Note 5) represent deposits made by Archdiocesan entities placed in the Organization's cooperative investment and lending program established for the mutual benefit of the participants.

The FASB established a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2022 and 2021.

Mutual funds: A portion of the Organization's mutual funds are valued at quoted active market prices, which represent the net asset value of shares held by the Organization. The majority of the Organization's investment in mutual funds are measured at fair value using the net asset value per unit practical expedient and, accordingly, have not been classified in the fair value hierarchy.

Corporate bonds: Carried at fair value as of the financial statement date. Fair values are based on quoted market prices on the last day of the fiscal year.

Money market funds: Carried at cost, which approximates fair value.
Domestic equity and international equity: Valued at fair value based on the NAV of units of the investments. The NAV, as provided by the trustee, is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the investments less its liabilities. This practical expedient is not used when it is determined to be probable that the investments will sell the investment for an amount different than the reported NAV. The investments provide for daily redemptions by the Organization at reported NAV with no advance notice. There are no unfunded commitments related to these investments. These are direct filing entities.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of June 30, 2022 and 2021, respectively.

		Fair Value Measurements at Reporting Date Using:		
Description	Fair Value 6/30/2022	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Mutual funds:				
Fixed income	$ 106,627,045	$ 106,627,045	$ -	$ -
Corporate bonds	34,368,889	-	34,368,889	-
Money market funds	156,706	156,706	-	-
Total assets in the fair value hierarchy	141,152,640	106,783,751	34,368,889	-
Assets measured at NAV	171,134,491	-	-	-
Total assets at fair value	**$ 312,287,131**	**$ 106,783,751**	**$ 34,368,889**	**$ -**

		Fair Value Measurements at Reporting Date Using:		
Description	Fair Value 6/30/2021	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Mutual funds:				
Fixed income	$ 111,140,251	$ 111,140,251	$ -	$ -
Corporate bonds	33,302,525	-	33,302,525	-
Money market funds	625,252	625,252	-	-
Total assets in the fair value hierarchy	145,068,028	111,765,503	33,302,525	-
Assets measured at NAV	205,368,171	-	-	-
Total assets at fair value	**$ 350,436,199**	**$ 111,765,503**	**$ 33,302,525**	**$ -**

5. Activity with Archdiocesan Entities

Funds held on behalf of Archdiocesan Entities

Funds held on behalf of Archdiocesan entities which are held in the Organization's cash and investment accounts were $275,127,681 and $272,134,416 as of June 30, 2022 and 2021, respectively. Funds held of less than $100,000 accrue interest at a range of approximately 1%, and funds held of $100,000 or greater accrue interest at a range of approximately 1% as of June 30, 2022 and 2021, respectively. Interest is credited to the funds held on behalf of Archdiocesan entities on a quarterly basis, and interest has been credited through June 30, 2022 and 2021. Interest expense on such deposits amounted to $2,735,075 and $2,291,105 for the years ended June 30, 2022 and 2021, respectively.

Receivables from Archdiocesan Entities

Receivables from Archdiocesan entities consist of the following at:

June 30,	**2022**	2021
Other receivables	$ **3,546,426**	$ 3,134,207
Health plan contributions	**1,644,139**	1,376,940
Archdiocesan fees and assessments	**1,577,359**	1,205,697
Notes receivable	**1,173,342**	1,510,729
Property and liability insurance contributions	**987,251**	713,608
Interest bearing advances	**60,622**	83,770
	$ **8,989,139**	$ 8,024,951

Notes receivable due from parishes generally bear interest between commercial bank prime lending rates and 3.00% and are due over periods ranging up to 15 years. Currently, the notes receivable require interest only payments, with principal due on maturity or upon certain events occurring. Total interest income associated with these notes for the years ended June 30, 2022 and 2021 was approximately $9,000.

Other receivables at June 30, 2022 and 2021, consist primarily of non-interest-bearing advances to Archdiocesan parishes and entities.

Archbishop's Charities and Development Drive Reserve

Pledges receivable-Archbishop's charities drive is due from donors as of June 30, 2022 and 2021 in the amount of $3,372,801 and $3,320,183, respectively.

In January 2011, the Organization redesigned the Archbishop's Charities and Development Drive ("ABCD") campaign goal methodology so that new goals would be more in line with each parish community's capacity to give and to reward parishes who exceeded their goals. This redesign of the ABCD has resulted in ABCD support of approximately $13,809,000 and $13,516,000 for the years ended June 30, 2022 and 2021, respectively. It is estimated that at the conclusion of the 2022 and 2021 ABCD, approximately $1,500,000 and $1,100,000, respectively, will be returned to parish communities who exceed their goal and such amount has been recorded in these consolidated financial statements as the Parish ABCD rebate reserve. The rebate is an estimate and the ultimate rebate could be different. For those parishes who do not achieve their ABCD goal, the amount of such shortfalls will be billed to those parishes as an additional general assessment. As of June 30, 2022, included in archdiocesan fees and assessments in these consolidated financial statements is approximately $500,000 related to estimated parish ABCD goal shortfall billings.

Allowance for Doubtful Accounts

The allowance for doubtful accounts against receivables is as follows:

June 30,	2022	2021
Receivables from Archdiocesan entities	**$ 2,584,415**	$ 1,808,332
Pledges receivable - Archbishop's charities drive	**750,000**	2,601,353
Other receivables	**27,150**	27,150
	$ 3,361,565	$ 4,436,835

Amounts due from Archdiocesan entities are subject to the Organization's normal collection policies. In assessing the collectability of these receivables, an allowance for doubtful accounts has been recorded. Bad debt (recovery) expense amounted to approximately $(364,000) and $1,807,000 for the years ended June 30, 2022 and 2021, respectively.

Loan Payment Subsidies

The Organization gave loan payment subsidies of $3,553,615 during the year ended June 30, 2021 to various Archdiocesan entities. The Organization made these payments in order for the Archdiocesan entities to pay off existing debt. There were no loan payment subsidies during the year ended June 30, 2022.

6. Promissory Notes Receivable

The Organization has a non-interest bearing promissory note due from an unrelated third party with a balance of $250,000 as of June 30, 2022 and 2021. The promissory note receivable is due upon certain events occurring.

On April 30, 2015, the Organization entered into a promissory note with an archdiocesan entity for $588,000 whereby the archdiocesan entity promises to pay the Organization monthly interest payments at a fixed rate of 3% over a term of twenty years. On the maturity date, June 1, 2035, the entire unpaid principal balance plus any accumulated unpaid interest shall be due and payable. The promissory note was executed to finance the sale of property. Currently, the promissory note receivable requires interest only payments, with principal due on maturity or upon certain events occurring. The balance on the promissory note receivable was $311,716 and $344,574 as of June 30, 2022 and 2021, respectively.

On October 1, 2017, the Organization entered into a promissory note with an archdiocesan entity for $291,000 whereby the archdiocesan entity promises to pay the Organization monthly interest payments at a fixed rate of 3% over a term of twenty-five years. On the maturity date, March 1, 2042, the entire unpaid principal balance plus any accumulated unpaid interest shall be due and payable. The promissory note was executed to finance the sale of property. The balance on the promissory note receivable was $248,470 and $258,765 as of June 30, 2021 and 2020, respectively.

On August 22, 2019, the Organization entered into a promissory note with an archdiocesan entity for $478,837 whereby the archdiocesan entity promises to pay the Organization monthly interest payments at the rate of one-month LIBOR plus 1.50% over a term of seven years. On the maturity date, July 30, 2027, the entire unpaid principal balance plus any accumulated unpaid interest shall be due and payable. The promissory note was executed to provide financing to the archdiocesan entity for the purchase of real estate. The balance on the promissory note receivable as of June 30, 2021 was $363,762. The note was repaid during the year ended June 30, 2022.

On May 24, 2022, the Organization entered into a promissory note with an archdiocesan entity for $2,268,149 whereby the archdiocesan entity promises to pay the Organization monthly interest payments at the rate of 3.25%. The promissory note receivable is due upon certain events occurring. The note is collateralized by the personal property asset of the unrelated third party. The balance on the promissory note receivable as of June 30, 2022 was $1,272,528.

7. Land, Buildings and Equipment, Net

Land, buildings and equipment, net, consist of the following at:

June 30,	**2022**	2021	**Estimated useful lives**
Buildings and improvements	**$ 31,062,012**	$ 30,947,504	50 years
Land sites for new parishes and institutions	**9,566,525**	9,566,525	-
Furnishings, equipment and motor vehicles	**4,627,936**	4,609,853	3-10 years
	45,256,473	45,123,882	
Less: accumulated depreciation	**(20,409,048)**	(19,865,272)	
	$ 24,847,425	$ 25,258,610	

Depreciation expense amounted to approximately $544,000 and $524,000 for the years ended June 30, 2022 and 2021, respectively.

8. Prepaid Insurance and Related Financing Payable

In connection with the self-insurance programs (Note 9), the Organization maintains excess insurance coverage which it purchases annually at the start of the covered period which begins in April of each year. The Organization finances the coverage with an independent third-party financing company with interest of approximately 2.4% and 2.2% for the insurance terms beginning April 1, 2022 and 2021, respectively. The prepaid insurance balance was $9,302,380 and $9,556,615 as of June 30, 2022 and 2021, respectively. The related financing payable was $8,222,722 and $8,784,706 as of June 30, 2022 and 2021, respectively.

9. Self-Insurance Programs

The self-insurance reserve consists of the following at June 30:

June 30,	**2022**	2021
Property and liability	**$ 16,192,503**	$ 14,760,428
Health plan	**3,361,600**	3,346,000
	$ 19,554,103	$ 18,106,428

Property and Liability

The Organization maintains self-insurance programs for property, general liability, workers' compensation, and unemployment compensation insurance of Archdiocesan entities.

The self-insurance coverage includes an excess of loss insurance coverage purchased from outside insurance carriers. Generally, amounts are recoverable under this coverage after the amount of a specific claim has exceeded a specified retention limit. The self-insurance program for property, general liability, and workers' compensation also participates in an aggregate excess loss sharing arrangement ("sharing agreement") with five other dioceses in Florida for claims incurred prior to 2017. The sharing agreement provides that each diocese will reimburse the others for losses in a particular claim year, which are deemed excessive relative to the experience of the other participants. The sharing agreement is to provide each of the participants an additional layer of coverage from abnormally large or catastrophic losses during a given claim year.

Provision has been made for the settlement of all incurred claims, both reported and unreported, for each open claim year. Certain coverage is only available on a claims-made basis. A claims-made insurance policy only covers claims for losses reportable to the insurer during the policy term. Therefore, for such claims, the actuarial calculation only factors in claims that have been made as of June 30, 2022 and 2021.

The reserves for unpaid claims are estimates of the costs of claims incurred but not settled. Reserve estimates for reported claims are primarily determined by evaluation of individual reported claims by the plan's independent actuary. Reserve estimates for claims incurred but not reported are based on an actuarial evaluation. The methods for making such estimates and for establishing the resulting liabilities are periodically reviewed and updated. Any adjustments resulting are reflected in the consolidated statements of activities when they become known.

The actuarial calculation includes a low, mid, and high estimate in determining the reserve. The high estimate was utilized as of June 30, 2022 and 2021. In the opinion of management, the reserve for insurance claims represents an adequate provision for unpaid losses, which have been incurred as of June 30, 2022 and 2021.

Health Plan

The Archdiocese of Miami Health Plan Trust (the "Health Plan") provides defined health benefits (dental and major medical) covering active and retired brothers, sisters, and priests on official assignment in the Archdiocese of Miami.

Medical benefits are also provided to full-time lay employees, eligible part-time lay employees and eligible retirees; and eligible dependents of covered full-time employees, part-time employees and retirees of the Archdiocese. The maximum allowed benefits for major medical is unlimited for the lifetime of each participant in the Preferred Provider Organization Out of Area Plan (the "PPO") and the Health Maintenance Organization (the "HMO"). The Plan Dental benefits are limited to $2,000 per calendar year for each eligible participant in the PPO Dental Plan and unlimited in the HMO Dental Plan.

Benefits received for PPO network provider services are substantially higher than for non-network services. There are no out of network benefits available to HMO participants except in the case of emergency. The Health Plan has independent stop loss insurance coverage per participant per plan year occurrence in excess of $600,000.

The pastoral, educational and social service ministries, and lay and religious employees make monthly contributions for the health, life, long-term disability, vision and dental portions of the Health Plan. A covered employee may contribute additional amounts to extend medical, dental, and life insurance coverage to eligible dependents of the employee and to obtain short-term disability insurance, vision and additional life insurance. Eligible retired and religious employees make monthly contributions for the health, vision, dental and life portions of the Health Plan. A covered retiree may contribute additional amounts to extend medical and dental coverage to eligible dependents of the retiree.

The Health Plan provides death benefits for eligible employees. The Health Plan is insured by Hartford Life for all benefits provided to eligible participants for life insurance and accidental death and dismemberment insurance. These coverages are on a noncontributory basis. The basic life insurance and accidental death and dismemberment policy coverage is $15,000 for all full-time employees under the age of 65 and is reduced for full-time employees over the age of 65 and again at age 70. In addition, full-time employees are covered under a long-term disability plan on a noncontributory basis.

The Health Plan offers additional death benefits for eligible employees, retirees and dependents on a voluntary basis through a policy issued by Hartford Life. Short-term disability coverage is available to participants on a contributory basis through a policy insured by Hartford Life. Critical illness and group accident insurance is available to participants on a contributory basis through policies insured by Chubb. Hospital indemnity insurance is available to participants on a contributory basis through a policy insured by Voya.

Plan liabilities for estimated health claims and related items, including accruals for claims incurred but not reported at June 30, 2022 and 2021, are actuarially estimated. The actuarily estimated amount results from applying actuarial assumptions to historical claims-cost data to estimate future annual incurred claims costs per participant and to adjust such estimates for the time value of money through discounts for interest and the probability of payment between the valuation date and the expected date of payment. Projected losses were discounted approximately 1.0% as of June 30, 2022 and 2021. The changes to the estimated ultimate loss amounts are included in current operating results. Management believes that the amounts accrued are adequate to cover claims incurred as of June 30, 2022 and 2021.

10. Net Assets

Net assets without donor restrictions are available as follows:

June 30,	**2022**	2021
General services	**$ 98,715,737**	$ 152,101,552
Self-designated	**13,016,077**	13,016,077
	$ 111,731,814	$ 165,117,629

Self-designated net assets as of June 30, 2022 and 2021 consist of amounts set aside by the Archbishop for charity purposes and to use as discretionary contingency funds.

Net assets with donor restrictions are available for the following purposes at:

June 30,	**2022**	2021
Burse fund	**$ 11,648**	$ 13,939,770
Needy parish fund	**387,420**	387,420
Black and Indian missions	**355,630**	293,132
Ecumenical commission	**10,206**	206
	$ 764,904	$ 14,620,528

Net assets released from restrictions are listed for the following purposes at:

June 30,		2022		2021
Burse fund	$	**14,053,938**	$	-
Black and Indian missions		**11,002**		19,354
Ecumenical commission		**60,000**		74,000
	$	**14,124,940**	$	93,354

During the years ended June 30, 2022 and 2021, the Organization transferred net assets of $19,053,938 and $10,000,000, respectively to an existing endowment for the benefit of Miami Seminarians with Catholic Community Foundation, Inc. (CCF), a related Archdiocesan entity.

Endowment

The Organization's endowment consists of the Burse fund which is to be used for the education of priests. The endowment includes donor-restricted endowment funds. As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

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

The Organization considers the following factors in making a determination to appropriate or accumulate donor- restricted endowment fund earnings:

(1) The duration and preservation of the fund
(2) The purposes of the Organization and the donor-restricted endowment fund
(3) General economic conditions
(4) The expected total return from income and the appreciation of investments
(5) Other resources of the Organization
(6) The investment policies of the Organization

Summary of Endowment Assets at June 30, 2022:

		With Donor Restrictions
Original donor restricted gifts in perpetuity	$	11,648
Total endowment net assets	**$**	**11,648**

Summary of Endowment Assets at June 30, 2021:

		With Donor Restrictions
Original donor restricted gifts in perpetuity	$	13,939,770
Total endowment net assets	**$**	**13,939,770**

The endowment assets are reflected in the investments caption of the consolidated statements of financial position and such assets earn a pro rata share of the investment portfolio return.

Changes in Endowment Net Assets as of June 30, 2022:

		With Donor Restrictions
Endowment net assets, beginning	$	13,939,770
Contributions		125,816
Transfer to Catholic Community Foundation		(14,053,938)
Endowment net assets, ending	**$**	**11,648**

Changes in Endowment Net Assets as of June 30, 2021:

		With Donor Restrictions
Endowment net assets, beginning	$	13,836,656
Contributions		103,114
Investment income, net		517,033
Released from restriction and expenditures		(517,033)
Endowment net assets, ending	**$**	**13,939,770**

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor requires the Organization to retain as a fund of perpetual duration. There were no such deficiencies as of June 30, 2022 and 2021.

Return Objectives and Risk Parameters

The Organization has adopted investment and spending policies that define and assign responsibilities of all involved parties, establish specific asset allocation and rebalancing procedures, and establish a client understanding for all parties of the investment goals and objections of the Organization’s assets.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places emphasis on investments in mutual funds and corporate bonds to achieve its long-term return objectives with prudent risk constraints.

Spending Policy

On Organization held investments, the amounts earned are permitted to be expended.

11. Benefit Plans

Pension Plan

The Archdiocese participates in a multi-employer defined benefit pension plan (the “Plan”). The Plan covers substantially all employees of the Organization, which includes priests, sisters, brothers and lay employees. After June 30, 1985, no religious priest, sister or brother who was not a member of the Plan on June 30, 1985 shall be eligible to become a member of the Plan. Since the computed value of vested benefits and Plan assets for employees of the Organization cannot be segregated from those of other entities participating in the Plan, it is not possible to determine that portion of the excess which may be attributable to the Organization.

The following information pertains to the total Plan only, in which the Organization is a participant. Additional information related to the Plan is disclosed in the Plan’s separate financial statements.

Eligible lay employees, as defined in the Plan document, with five or more years of credited service, are entitled to annual pension benefits beginning at normal retirement, which is age 65 or the rule of 85 for benefits accrued before January 1, 2010, and Social Security Normal Retirement Age for benefits accrued from January 1, 2010 forward. The Plan permits early retirement for lay employees with ten years of credited service who have reached age 55.

Effective January 1, 2013, normal retirement age for priests is age 68 with 5 years of service, with early retirement available at age 66. Benefits accrued prior to January 1, 2013 are payable at retirement age 65. The normal retirement benefit for priests is $77.31 per month for each year of credited service up to 30 years. Priests who were at least age 50 as of January 1, 2013 will continue to accrue $54.12 for each year of service beyond 30 years, but not beyond age 68. Normal retirement date for brothers and sisters is age 65 with 5 years of credited service. The normal retirement benefit for sisters and brothers is $26.22 per month for each year of credited service.

For lay employees, benefits under the Plan through December 31, 2012 are based on their average monthly earnings times years of credited service subject to a maximum benefit of 50% of average monthly earnings, as defined, regardless of length of service. Benefits under the Plan from January 1, 2013 forward accrue on a cash balance basis.

There are no death benefits for priests. A lay employee or sister or brother who has a non-forfeitable (vested) right to any portion of the accrued benefit and dies prior to commencement of benefits shall have a survivor benefit paid to the member’s designated beneficiary. The amount of the survivor benefit shall be equal to 60% of the actuarially equivalent single sum value of the member’s vested accrued annuity benefit plus the cash balance account as of the date of death. If the single sum amount is less than $25,000, it shall be paid in a lump sum. If the single sum amount exceeds $25,000, the benefit shall be paid in the form of an immediate monthly survivor annuity unless the beneficiary and the board of trustees agree to an alternative actuarially equivalent form of benefit.

Employees may elect to receive their pension benefits in the form of a joint and survivor annuity or a ten-year certain and life thereafter annuity. Employees may elect to have the cash balance portion of their benefits paid as an annuity or as a lump sum. A distributee may elect to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee employee in a direct rollover.

The Plan clarified its definition of earnings to be total compensation, including wages, salary, bonuses, and overtime payments but only to the extent paid while the participant is a member. The expected rate of compensation increase was 6% - 7.5% for years of service less than five and 5.5% for years of service of five or more for 2022 and 2021.

For purposes of determining the member's accrued benefit under the Plan, the Plan shall disregard service performed by the member with respect to which the member has received a distribution of the present value of the member's entire non-forfeitable benefit attributable to such service.

A vested member who is a priest and who remains in active ministry following his normal retirement date may elect to be treated as a retiree as of the first day of the month following such normal retirement date, while continuing to accrue additional retirement benefits for years of credited service completed thereafter.

The amount of normal retirement benefit for such a member shall be recalculated each July 1 thereafter taking into account any additional years of credited service and any cost-of-living increase, if any. If the member does not elect to be treated as a retiree on his normal retirement date, the member shall have delayed retirement date of the first month coincident with or next following the date on which the member retires.

The expected long-term rate of return on assets assumption was 6.5% for 2022 and 2021. The expected long-term rate of return on assets assumption was developed considering historical and future expectations for returns for each asset class.

The asset allocation for the Plan at June 30, 2022 and 2021, by asset category are as follows:

	2022	2021
Mutual funds	**44.7%**	35.5%
Real estate funds and limited partnerships	**6.5%**	10.1%
Corporate stocks	**10.5%**	15.0%
Bonds	**14.5%**	11.6%
Common commingled trust funds	**7.6%**	10.9%
U.S. Treasury obligations	**7.8%**	8.3%
Pooled separate accounts	**5.9%**	6.5%
Receivables	**2.5%**	2.1%
	100.0%	100.0%

As of June 30, 2022, the following is a summary of the accumulated Plan benefits:

Vested benefits:		
Participants currently receiving payments	$	260,867,101
Other participants		99,473,536
Terminated vested participants		128,850,309
Total vested benefits		489,190,946
Non-vested benefits		6,062,726
Total actuarial present value of accumulated plan benefits	**$**	**495,253,672**
Net assets available for benefits	**$**	**480,603,924**

The actuarial determination of accumulated Plan benefits is performed annually as of January 1. The actuarial present values of accumulated Plan benefits at June 30, 2022 and 2021, and the changes therein for the years then ended, have been estimated by the Plan's actuary based on the actuarial valuations as of January 1, 2022 and 2021, respectively. Plan net assets available for benefits as of June 30, 2022 and 2021 were $480,603,924 and $577,250,119, respectively.

The actuarial present value of Accumulated Plan Benefits is determined by an actuary and is the amount that results from applying actuarial assumptions to adjust the estimated Accumulated Plan Benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment. The significant actuarial assumptions used in the valuations as of January 1, 2022 and 2021 were (a) life expectancy of participants; (b) retirement age assumptions; (c) investment return; and (d) expected salary rate increases. The foregoing actuarial assumptions are based on the assumption that the Plan will continue. If the Plan were to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of Accumulated Plan Benefits.

Contributions made to the Plan in the years ended June 30, 2022 and 2021 were approximately $13,370,000 and $13,054,000, respectively. The pension costs of the Organization for the years ended June 30, 2022 and 2021 were $265,075 and $257,423, respectively, which represent approximately 2.0% of total Plan contributions for the year.
Effective November 15, 2016, any Lay Employee who terminates employment prior to being eligible for early, normal, or delayed retirement but who has a vested interest at time of termination and whose cash balance account is less than $5,000 shall be permitted to receive such account balance as a lump sum as soon as practicable after termination. Effective January 1, 2013, the Organization froze the Lay Plan benefits, and employees will receive the benefits already accrued, but new benefits that accrue after January 1, 2013 will be on a cash balance basis. Therefore, each participant will receive a pay credit based on total years of service with the Organization and based on 2% of pay for 1-10 years, 2.5% of pay for 11-20 years and 3.0% of pay for 21+ years, where one year of service is defined as 1,000 hours if hired before January 1, 2010 and 1,500 hours if hired after January 1, 2010. The Organization will continue to make contributions to the Plan to maintain the required funding levels.

The Archdiocese participation in the Plan for the years ended June 30, 2022 and 2021 is outlined in the table below. Unless otherwise noted, the most recent Pension Protection Act (PPA) zone status available in 2022 and 2021 is for the plan years beginning July 1, 2021 and July 1, 2020, respectively. The zone status is based on information that the Archdiocese received from the Plan and is certified by the Plan's actuary. Among other factors, plans in the red zone are generally less than 65% funded, plans in the yellow zone are less than 80% funded, and plans in the green zone are at least 80% funded. The "FIP/RP Status Pending/Implemented" column indicates plans for which a financial improvement plan (FIP) or a rehabilitation plan (RP) is either pending or has been implemented. For the plans in the green zone, which represents at least 80% funded, an FIP or RP is not required. Such information related to the Plan is comprised of the following:

Pension Fund	PPA Zone Status		FIP/RP Status Pending/ Implemented	Contributions		Surcharge Imposed	Expiration Date of Collective Bargaining Agreement
	2022	2021		2022	2021		
Archdiocese of Miami Pension Plan	Green	Green	N/A	$265,075	$257,423	No	N/A

Other Employee Benefit Plans

The Organization participates in the Archdiocese of Miami 403(b) Plans and the Cash Balance Plan, which are defined contribution plans. The Organization made contributions of approximately $135,000 and $130,000 as of June 30, 2022 and 2021, respectively.

12. Paycheck Protection Program Loan

During the year ended June 30, 2020, the Organization applied for, and received, funds under the United States Business Administration ("SBA") Paycheck Protection Program ("PPP") in the amount of $1,087,155. The application for these funds requires the Organization to, in good faith, certify that the current economic uncertainty made the loan request necessary to support the ongoing operations of the Organization. This certification further requires the Organization to take into account its current business activity and its ability to access other sources of liquidity sufficient to support ongoing operations in a manner that is not significantly detrimental to the business.

The receipt of these funds, and the forgiveness of the loan attendant to these funds, is dependent on the Organization having initially qualified for the loan and qualifying for the forgiveness of such loan based on its future adherence to the forgiveness criteria. Funds are eligible for forgiveness to the extent that they are used to cover certain payroll, rent and utility costs and if the Organization retains employees during a specified period of time.

The SBA has stated that all PPP loans in excess of $2 million, and other PPP loans as appropriate, will be subject to review by the SBA for compliance with program requirements. If the SBA determines in the course of its review that a borrower lacked an adequate basis for the required certification concerning the necessity of the loan request or the subsequent use of loan proceeds, the SBA will seek repayment of the PPP loan, including interest and potential penalties.

During the year ended June 30, 2021, the Organization received formal forgiveness from the SBA for the full amount of the loan, therefore the forgiveness was reflected as revenue in the Statements of Activities under the caption "Gain from Paycheck Protection Program Loan Forgiveness."

13. Lines of Credit and Other Guarantees

Lines of Credit

The Archdiocese has established lines of credit with several banks for itself and other Archdiocesan entities. At June 30, 2022 and 2021, these credit extensions bear interest based on one-month LIBOR plus 1.50% with maturity dates ranging from June 2022 through May 2036.

The outstanding balances of these lines of credit at:

June 30,		**2022**		2021
Total amounts available on lines of credit	$	**140,500,000**	$	130,500,000
Amounts drawn by the Organization	$	**-**	$	-
Drawn by various pastoral, education and social service ministries	$	**57,141,404**	$	61,757,400

Other Guarantees

The Archdiocese has guaranteed the debt of St. Thomas University, Catholic Health Services and Catholic Charities in the amount of approximately $96,128,000 and $71,419,000 at June 30, 2022 and 2021, respectively. The Archdiocese has also guaranteed the debt of other Catholic institutions. Should these entities default on their term loan debt payments, the Organization is responsible for the payment. On an ongoing basis, the Organization reviews its debt guarantees. The amounts drawn from St. Thomas University, Catholic Health Services and Catholic Charities are not on the consolidated financial statements of the Archdiocese. The Archdiocese has determined under U.S. GAAP that the debt is to be reflected on the books of the respective institutions. As a result, no liability was included in the accompanying consolidated statements of financial position related to the Organization's obligations under these guarantees as management estimated the Archdiocesan entities have the ability to pay their debt. In management's opinion, the underlying assets of these institutions are sufficient to satisfy the debt.

14. Commitments and Contingencies

The Organization's consolidated financial statements do not reflect various commitments and contingent liabilities which arise in the normal course of business and which involve elements of credit, interest rate and liquidity risk. Such off-balance sheet financial instruments primarily consist of standby letters of credit. At June 30, 2022 and 2021, the notional amount outstanding on the standby letters of credit was approximately $84,000 and $439,000, respectively.

Legal Proceedings

The Organization is subject to various asserted and unasserted claims and legal actions arising in the ordinary course of operations. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the Organization's consolidated statements of financial position or consolidated statements of activities. A reserve for losses has been established as a component of the self-insurance program (see Note 9, Self-Insurance Programs, Property and Liability).

Supplementary Schedules

Archdiocese of Miami Administrative Offices

Consolidated Schedules of Activities

For the Year Ended June 30,	**2022**	2021
Change in Net Assets without Donor Restrictions:		
Support and Revenue:		
Insurance contributions - health	$ 43,223,104	$ 45,378,136
Insurance contributions - property and liability	25,347,538	24,064,955
Archbishop's charities drive	13,808,751	13,515,684
General assessments	9,614,988	9,994,148
Other revenue	1,637,985	1,850,504
Rental income	259,867	250,500
Parish rebates	(1,802,228)	(1,020,174)
Investment (loss) earnings, net	(48,091,433)	64,989,945
Net assets released from restrictions	14,124,940	93,354
Total Support and Revenue	58,123,512	159,117,052
Expenses:		
Insurance program claims - health	38,369,265	33,642,196
Insurance premiums and other costs – property and liability	13,703,007	11,635,450
Insurance programs claims – property and liability	10,875,009	6,244,203
Salaries, allowances, and payroll taxes	6,297,302	6,156,811
Professional fees - insurance programs	6,016,186	7,578,007
Interest	2,735,075	2,291,105
Insurance premiums and other costs – health	2,527,787	2,708,711
Subsidies - operating	2,474,880	3,210,635
Seminarian support	1,767,435	1,936,498
Other expenses	1,346,747	1,618,081
Gifts and contributions	1,099,504	1,323,859
Health and pension benefits	1,009,356	1,069,553
Postage, printing, and office supplies	930,734	875,586
Professional fees and services	923,684	802,013
Occupancy costs	622,895	591,177
Depreciation	543,776	524,969
Programs and workshops	486,195	132,982
Repairs, maintenance, and taxes	353,147	281,112
Florida Catholic Conference	232,944	200,593
Conferences, travel, and continuing education	210,410	138,686
United States Catholic Conference	106,231	168,424
Holy See	100,987	92,571
Fundraising	64,591	89,137
Auto travel and repairs	35,359	33,709
Dues, books, and subscriptions	30,337	29,440
Unemployment insurance	(43,036)	389,168
(Recovery) provision for uncollectible amounts	(364,418)	1,807,265
Total Expenses	92,455,389	85,571,941
Change in Net Assets without Donor Restrictions before Paycheck Protection Program Loan Forgiveness, Subsidies - Loan Payment, Transfer to Catholic Community Foundation for the Benefit of Miami Seminarians	(34,331,877)	73,545,111
Gain from Paycheck Protection Program Loan Forgiveness	-	1,087,155
Subsidies - Loan Payment	-	(3,553,615)
Transfer to Catholic Community Foundation for the Benefit of Miami Seminarians	(19,053,938)	(10,000,000)
Change in Net Assets without Donor Restrictions	(53,385,815)	61,078,651

For the Year Ended June 30,	2022	2021
Change in Net Assets with Donor Restricitions:		
Contributions and bequests	143,500	103,114
Donations, grants and special collections	125,816	49,500
Interest and dividends	-	6,835
Net assets released from restrictions	(14,124,940)	(93,354)
Change in Net Assets with Donor Restrictions	(13,855,624)	66,095
Change in Net Assets	(67,241,439)	61,144,746
Net Assets, Beginning of Year	179,738,157	118,593,411
Net Assets, End of Year	**$ 112,496,718**	**$ 179,738,157**

Archdiocese of Miami Administrative Offices

Consolidated Schedule of Program and Support Services
For The Year Ended June 30, 2022 With Summary Comparative Totals For 2021

	Program Services					Supporting Services			Total	
	Pastoral	Persons	Education	Deposit and loan	Social Services	Self-Insurance	Administration	Property	2022	2021
Health Plan	$ -	$ -	$ -	$ -	$ -	$ 45,880,412	$ -	$ -	$ 45,880,412	$ 42,792,150
Self-Insurance	-	-	-	-	-	25,944,099	-	-	25,944,099	19,886,080
Temporalities	-	-	-	-	-	-	5,228,222	-	5,228,222	7,824,318
Deposit and Loan	-	-	-	3,823,564	-	-	-	-	3,823,564	3,129,070
Persons	-	3,099,586	-	-	-	-	-	-	3,099,586	3,055,109
Pastoral Services	2,731,904	-	-	-	-	-	-	-	2,731,904	2,827,260
Christian Formation	-	-	1,536,162	-	-	-	-	-	1,536,162	2,442,308
General Services	-	-	-	-	-	-	2,550,043	-	2,550,043	2,264,891
Property	-	-	-	-	-	-	-	1,008,138	1,008,138	904,645
Social Services	-	-	-	-	533,576	-	-	-	533,576	326,337
Worship and Spiritual	119,683	-	-	-	-	-	-	-	119,683	119,773
Grand Total	**$ 2,851,587**	**$ 3,099,586**	**$ 1,536,162**	**$ 3,823,564**	**$ 533,576**	**$ 71,824,511**	**$ 7,778,265**	**$ 1,008,138**	**$ 92,455,389**	**$ 85,571,941**