2025

The Catholic Diocese of St. Augustine

Combined Financial Statements and Independent Auditor's Report

June 30, 2025

PURVIS GRAY
CERTIFIED PUBLIC ACCOUNTANTS

COMBINED FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

THE CATHOLIC DIOCESE OF ST. AUGUSTINE
JACKSONVILLE, FLORIDA

JUNE 30, 2025

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INDEPENDENT AUDITOR'S REPORT

The Most Reverend Erik T. Pohlmeier
Bishop of the Catholic Diocese of St. Augustine
Finance Council and Management of the Catholic Diocese of St. Augustine
Jacksonville, Florida

Opinion

We have audited the accompanying combined financial statements of The Catholic Diocese of St. Augustine and affiliates (the Diocese), which comprise the combined statement of financial position as of June 30, 2025, and the related combined statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of the Diocese as of June 30, 2025, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Diocese and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 Financial Statements

Management is responsible for the preparation and fair presentation of the combined 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 combined financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined 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 generally accepted auditing standards 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 combined financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combined 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 combined 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 Diocese'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 combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Diocese'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.

Report on Summarized Comparative Information

We have previously audited the Diocese's 2024 combined financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 15, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it was derived.

Purvis Gray

October 7, 2025
Ocala, Florida

COMBINED STATEMENT OF FINANCIAL POSITION
JUNE 30, 2025,
WITH COMPARATIVE TOTALS FOR JUNE 30, 2024
THE CATHOLIC DIOCESE OF ST. AUGUSTINE
JACKSONVILLE, FLORIDA

ASSETS

	2025	2024
Assets		
Cash and Cash Equivalents	$ 10,926,916	$ 8,047,899
Investments	147,709,761	119,235,219
Receivables:		
Parishes, Other Institutions, and Individuals	6,718,565	6,502,992
Savings and Loan - Loans Receivable	19,378,756	19,802,908
Lease Receivable	488,670	497,658
Total Receivables	26,585,991	26,803,558
Land, Buildings, and Equipment, at Cost Less Accumulated Depreciation	65,972,858	66,832,281
Other Assets	4,107,473	4,265,745
Total Assets	255,302,999	225,184,702

LIABILITIES AND NET ASSETS

	2025	2024
Liabilities		
Accounts Payable and Accrued Expenses	6,415,076	5,936,687
Savings and Loan - Deposits Payable	96,410,650	78,366,633
Notes Payable	18,361,017	19,674,694
Deferred Revenue	6,250,514	6,453,025
Total Liabilities	127,437,257	110,431,039
Net Assets		
Net Assets Without Donor Restrictions	126,559,182	113,764,408
Net Assets With Donor Restrictions	1,306,560	989,255
Total Net Assets	127,865,742	114,753,663
Total Liabilities and Net Assets	$ 255,302,999	$ 225,184,702

See accompanying notes.

COMBINED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025,
WITH COMPARATIVE TOTALS FOR JUNE 30, 2024
THE CATHOLIC DIOCESE OF ST. AUGUSTINE
JACKSONVILLE, FLORIDA

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total 2025	Total 2024
Support and Revenues				
Contributions and Diocesan Assessments	$ 14,028,586	$ 368,836	$ 14,397,422	$ 14,730,138
School Tuition	8,830,165	-	8,830,165	8,890,542
Sales Revenue	473,444	-	473,444	637,218
Investment Income (Loss)	13,902,238	-	13,902,238	12,381,175
Insurance Program	24,680,917	-	24,680,917	25,117,607
Program Services	4,735,199	-	4,735,199	4,922,205
Grants	79,976	-	79,976	484,459
Other Revenue	1,920,640	-	1,920,640	1,436,841
Total Support and Revenues	68,651,165	368,836	69,020,001	68,600,185
Net Assets Released from Restrictions	51,531	(51,531)	-	-
Expenses				
Program Expenses:				
Pastoral Services	8,018,147	-	8,018,147	8,350,291
Priests and Seminarians Education	12,178,723	-	12,178,723	12,588,595
Health and Social Services	775,602	-	775,602	779,220
Insurance Program	21,169,656	-	21,169,656	22,638,005
Other Diocesan Operations	4,530,190	-	4,530,190	4,287,737
Total Program Expenses	46,672,318	-	46,672,318	48,643,848
Management and General	8,551,383	-	8,551,383	7,080,944
Fundraising	695,956	-	695,956	739,679
Total Expenses	(55,919,657)	-	(55,919,657)	(56,464,471)
Change in Net Assets from Operations	12,783,039	317,305	13,100,344	12,135,714
Non-Operational Revenues and Expenses				
Gain/(Loss) on Sale of Assets	11,735	-	11,735	829,548
Total Non-Operational Revenues and Expenses	11,735	-	11,735	829,548
Change in Net Assets	12,794,774	317,305	13,112,079	12,965,262
Net Assets at Beginning of Year	113,764,408	989,255	114,753,663	101,788,401
Net Assets at End of Year	$ 126,559,182	$ 1,306,560	$ 127,865,742	$ 114,753,663

See accompanying notes.

COMBINED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2025,
WITH COMPARATIVE TOTALS FOR JUNE 30, 2024
THE CATHOLIC DIOCESE OF ST. AUGUSTINE
JACKSONVILLE, FLORIDA

	Pastoral Services	Priests, Seminarians, and Education	Health and Social Services	Insurance Program	Other Operations	Management and General	Fundraising and Development	Total 2025	Total 2024
Expenses									
Salaries	$ 2,448,139	$ 6,323,596	$ 524,710	$ 149,992	$ 1,836,656	$ 2,087,273	$ 205,190	$ 13,575,556	$ 13,446,847
Payroll Taxes and Benefits	694,416	1,509,113	123,073	40,217	1,474,357	469,218	52,425	4,362,819	3,937,367
Total Salaries and Related Expenses	3,142,555	7,832,709	647,783	190,209	3,311,013	2,556,491	257,615	17,938,375	17,384,214
Client Services	361,770	28,340	2,015	-	403,216	-	6,061	801,402	846,515
Subsidies to Parishes, Schools, and Related Entities	620,937	240,000	-	198,781	14,950	-	-	1,074,668	1,461,557
Programs and Events	307,271	1,194,035	14,227	2,637	284,807	1,964	14,024	1,818,965	1,563,136
Donations	153,810	183,206	-	-	-	2,335	-	339,351	581,230
Licenses, Dues, and Fees	65,299	4,033	2,768	23,277	20,676	522,854	3,904	642,811	518,657
Information Technology	35,140	243,988	-	15,440	-	529,002	46,937	870,507	746,231
Insurance Expense	241,115	222,272	4,769	19,388,950	30,057	172,611	1,464	20,061,238	21,534,984
Legal and Professional	148,777	434,454	-	-	24,491	640,603	-	1,248,325	1,225,417
Travel	45,311	61,236	9,601	17,951	24,181	23,546	6,184	188,010	186,038
Meals	49,034	10,045	5,216	138	26,994	793	925	93,145	90,944
Provision for Loan Loss	-	-	-	-	-	4,962	-	4,962	-
Supplies	184,220	183,211	20,174	379	48,507	50,932	500	487,923	646,228
Repairs and Maintenance	375,775	334,829	2,299	1,983	44,325	214,488	-	973,699	1,015,653
Rent	45,073	8,658	17,474	2,388	1,310	357	25,585	100,845	114,585
Utilities	327,597	238,363	4,316	390	32,499	140,078	-	743,243	733,524
Interest Expense	224,514	340,967	-	-	26,479	1,848,234	-	2,440,194	1,886,433
Advertising	32,339	25,787	-	-	-	34,925	-	93,051	160,758
Fundraising and Development	-	604	-	-	-	-	326,075	326,679	297,815
Transfer of Guardian Schools Funds	306,806	-	-	-	-	11,694	-	318,500	-
Other Expenses	842,772	456,492	44,960	1,327,133	236,685	400,837	6,682	3,315,561	3,422,116
Depreciation	508,032	135,494	-	-	-	1,394,677	-	2,038,203	2,048,436
Total Expenses	$ 8,018,147	$ 12,178,723	$ 775,602	$ 21,169,656	$ 4,530,190	$ 8,551,383	$ 695,956	$ 55,919,657	$ 56,464,471

See accompanying notes.

COMBINED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025,
WITH COMPARATIVE TOTALS FOR JUNE 30, 2024
THE CATHOLIC DIOCESE OF ST. AUGUSTINE
JACKSONVILLE, FLORIDA

	2025	2024
Cash Flows from Operating Activities		
Change in Net Assets	$ 13,112,079	$ 12,965,262
Adjustments to Reconcile Change in Net Assets to		
Net Cash Provided by (Used in) Operating Activities:		
Depreciation	2,038,203	2,048,436
Loss/(Gain) on Disposal of Assets	(11,735)	(829,548)
Unrealized (Gain)/Loss on Investments	(7,765,458)	(7,880,837)
(Increase) Decrease in:		
Receivables, Net	(215,573)	(363,339)
Lease Receivables	8,988	319,901
Other Assets	158,272	(265,615)
Increase (Decrease) in:		
Accounts Payable and Accrued Expenses	478,389	(28,934)
Deferred Revenue	(202,511)	(1,198,808)
New Cash Provided by (Used in) Operations	7,600,654	4,766,518
Cash Flows from Investing Activities		
Loans Receivable - Diocesan Entities, Net	424,152	(3,414,823)
Purchase of Investments	(66,211,834)	(16,852,126)
Proceeds from Sale of Investments	45,502,750	1,973,373
Proceeds from Sale of Fixed Assets	51,052	1,055,376
Purchase of Land, Buildings, and Equipment	(1,218,097)	(1,556,548)
Net Cash Provided by (Used in) Investing Activities	(21,451,977)	(18,794,748)
Cash Flows from Financing Activities		
Change in S&L Deposits, Net	18,044,017	10,591,854
Principal Repayment of Notes Payable	(1,313,677)	(1,259,324)
Net Cash Provided by (Used in) Financing Activities	16,730,340	9,332,530
Net Increase (Decrease) in Cash and Cash Equivalents	2,879,017	(4,695,700)
Cash and Cash Equivalents, Beginning of Year	8,047,899	12,743,599
Cash and Cash Equivalents, Ending of Year	$ 10,926,916	$ 8,047,899

<u>Supplemental Disclosure of Cash Flow Information</u>

	2025	2024
Cash Paid for Interest on S&L Deposits	$ 1,844,764	$ 1,206,848
Cash Paid for Interest	$ 595,391	$ 677,529

See accompanying notes.

NOTES TO COMBINED FINANCIAL STATEMENTS
THE CATHOLIC DIOCESE OF ST. AUGUSTINE
JACKSONVILLE, FLORIDA

Note 1 - Summary of Significant Accounting Policies

Organization

The Catholic Diocese of St. Augustine (the Diocese) is a corporation sole recognized under the common-law doctrine by the State of Florida. There are no stockholders, directors, or officers in the Diocese. The Diocese is dedicated to spreading the Gospel through establishing, developing, and promoting all aspects of church ministries throughout North Florida. The Diocese is supported primarily through contributions and school tuition.

Program Information

- **Pastoral Services** - programs that support the needs of the faithful in many areas, such as Youth and Young Adult Ministry, Christian and Ministry Formation, Family Life, Human Life and Dignity, and Diocesan Cemeteries.
- **Priests, Seminarians, and Education** - provides for Vocations to the priesthood, seminarians, ongoing education for clergy, and Catholic education.
- **Health and Social Services** - provides support for Catholic Charities and other programs to promote social, justice, and multicultural issues.
- **Insurance Program** - Diocesan-wide property, general liability, worker's compensation, unemployment, and employee medical insurance.
- **Other Diocesan Operations** - activities that support other areas of Diocesan operations, such as Tribunal, Communications, Shared Services, and Archives.

Basis of Financial Statement Presentation

The combined financial statements include the assets, liabilities, net assets, and financial activities of the Central Financial Office, Savings and Loan Trust (S&L), Morning Star School, and Mission of Nombre de Dios. These entities are fiscally responsible to the Bishop of the Diocese and have not been separately incorporated. All significant transactions among entities included in the combined financial statements have been eliminated.

The accompanying financial statements exclude the assets, liabilities, net assets, and financial activity of the individual parishes, schools, Catholic Foundation of the Diocese of St. Augustine, assisted living facilities, various Diocesan employee benefit plans, and other organizations separately incorporated and authorized to operate independently. Each of these affiliated entities, although ultimately responsible to the Bishop, are operating entities distinct from the entities included in the combined financial statements, maintain separate financial records, and carry on their own services and programs. In addition, various Catholic religious orders, lay societies, and religious organizations, which operate within the Diocese and are not fiscally responsible to the Bishop, have not been included in the accompanying financial statements.

Financial statement presentation follows *Accounting Standards Codification* (ASC) 958-205, *Financial Statements of Not-For-Profit Organizations*. Under ASC 958-205, the Central Financial Office is required to report information regarding its financial position and activities as follows:

- **Net Assets Without Donor Restrictions**
  Net assets without donor restrictions represent resources derived from unrestricted contributions and regular operating revenues. These resources are used for transactions related to the general operation of the Diocese and may be used at the discretion of the Bishop to meet current expenses for any purpose.

- **Net Assets With Donor Restrictions**
  Net assets subject to donor-imposed stipulations that may, or will be, met either by actions of the Diocese and/or the passage of time. When a restriction expires, with donor restricted assets are reclassified to without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Basis of Accounting
The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America using the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Cash and Cash Equivalents
Cash and cash equivalents are comprised of checking and savings accounts, certificates of deposit, and money market accounts all subject to immediate withdrawal or with maturities of less than ninety days for reporting and cash flow purposes.

The Diocese places its cash and cash equivalents in financial institutions that are federally insured for $250,000 under the Federal Deposit Insurance Corporation (FDIC). At June 30, 2025, the aggregate balances were in excess of the insurance and, therefore, bear some risk since they are not collateralized. The Diocese has not experienced any losses on its cash or cash equivalents to date as related to the FDIC insurance limits.

Investments
Investments are professionally managed and represent corporate securities, mutual funds, and bonds reported at quoted market value at year-end. Increases or decreases in market value are reported as funds provided or expended.

Savings and Loan Fund
Accounts for the deposits and loans are made in the cooperative investment and lending program for the mutual benefit of the parishes and other organizations in the Diocese. Interest is paid to parishes quarterly on their deposits. Rates are reviewed quarterly and as of June 30, 2025, the rates were 2%. Interest is charged quarterly on loans made to parishes and others at rates up to 5% per annum for varying lengths of maturity. Loans receivable as of June 30, 2025, was $19,378,756. Deposits payable as of June 30, 2025, was $96,410,650.

The allowance for uncollectible loans is determined based on a review of the loan and balances and the financial condition of the related parishes and other organizations and is considered adequate to cover possible uncollectible loans at June 30, 2025.

Accounts Receivable - Parishes and Other Institutions
Accounts receivable from Parishes and other institutions include funds advanced by the Diocese in support of the Parishes' short-term loan needs, assessments levied but not yet paid, insurance premiums for the current policy year, and pledges to the Bishop's Annual Appeal and capital campaigns. The allowance for credit losses is based on historical data and individual assessment of collectability of revenue types.

Land, Buildings, and Equipment
Land, buildings, and equipment acquisitions in excess of $5,000 are capitalized at cost or, if acquired by gift, at fair market value at time of donation. The Diocese does not imply a time restriction on gifts of long-lived assets received.

Depreciation of buildings, land improvements, and equipment is provided over the estimated useful lives (ranging from 5 to 60 years) of the respective assets on a straight-line basis.

Deferred Revenue
Deferred revenue consists of insurance premium payments received in advance for services to be rendered in a future period. These amounts are deferred and recognized as revenue when earned. Additional deferred revenue includes school tuition, rental income, and cemetery-related sales, as discussed further under Revenue Recognition and Support.

Revenue Recognition and Support
Support that is restricted by the donor is reported as an increase in net assets without donor restrictions, if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a 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 statements of activities as net assets released from restrictions.

For contracts with customers applicable under ASC Topic 606, *Revenue from Contracts with Customers* (ASC 606) the Diocese evaluates each good or service that is deliverable in the contract with the customer to determine whether it represents promises to transfer district services under ASC 606, which would be referred to as the performance obligation. This primarily includes student tuition, rental fees, and cemetery-related sales, which are deferred until the performance obligation is met.

While contribution revenue makes up the majority of the support for the Diocese, the Diocese also derived a portion of their revenue from fees charged for tuition, registration fees, rentals, food service, cemetery-related sales and services, and other retail-related sales.

Cemetery-related sales and services are recognized at interment, which satisfies the performance obligation.

Rental fees, lease revenues, and food services revenues are recognized as revenue in the period in which the event occurs, which satisfies the performance obligation.

Retail-related sales contain a single delivery element and revenue is recognized at a single point in time when ownership, risk, and rewards transfer. The Mission of Nombre de Dios operates a gift shop and website where customers can purchase items. Revenue is recognized when store sales occur or when online orders leave the warehouse.

School-related registration fees are recognized as revenue the year in which they apply, which is usually when they are paid. Tuition is typically paid on a month-to-month basis and recognized as revenue within 30 days as the performance obligation is satisfied; in no event does the timing of payment and delivery exceed one year.

The beginning and ending contract balances were as follows:

	June 30,	
	2025	**2024**
Tuition Accounts Receivable	$ 1,192	$ 3,045
Cemetery Accounts Receivable	$ 96,210	$ 71,553
Morning Star Accounts Receivable	$ 4,395	$ 4,736
Mission of Nombre de Dios Receivable	$ 2,552	$ 26,079
Cemetery Deferred Revenues	$ 198,964	$ 200,754
Event-Related Deferred Revenues	$ 378,550	$ 339,620
Morning Star Deferred Revenues	$ 11,519	$ 50,421

Functional Expenses

Directly identifiable expenses are charged to programs and supporting services. Insurance expenses are allocated based on the value of the property held by the program. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Diocese. All expenses are directly applied to programs.

Donated Services

The Diocese receives donated services for various ministries throughout the year. There is no clearly measurable basis to value these contributed services, the value of such services is not recorded in the accompanying financial statements.

Income Taxes

The Diocese is exempt from federal income tax under provisions of Section 501(c)(3) of the Internal Revenue Code. The Internal Revenue Service (IRS), in a 1946 group ruling, exempted all organizations listed in the Official Catholic Directory. The IRS has reaffirmed the group ruling annually. Accordingly, no provision for income tax is required.

Accounting principles generally accepted in the United States of America requires management to evaluate tax positions taken by the Diocese and recognize a tax liability if it has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS or other applicable taxing authorities. Management has analyzed the tax positions taken by the Diocese and has concluded as of June 30, 2025, there were no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements.

The Diocese is subject to U.S. federal and state income tax examinations for the previous three years.

Use of Estimates
The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions, primarily related to the collectability of receivables and the depreciable lives of buildings and improvements, that affect certain amounts and disclosures. Accordingly, actual results could differ from those estimates.

Risks and Uncertainties
The Diocese invests in various securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near-term and such changes could materially affect the amounts reported in the balance sheet.

Prior Period Information
The financial statements include certain prior year summarized comparative information in total but not by fund classification. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Central Office's financial statements for the year ended June 30, 2024, from which the summarized information was derived.

Note 2 - Liquidity and Availability of Financial Assets

The following reflects the Diocese financial assets as of the balance sheet date, reduced by amounts not available for general use within one year of the balance sheet date because of contractual or donor-imposed restrictions. Amounts available include current assets available for expenditure in the following year. Amounts not available include items such as pledges receivable with a specified purpose, restricted net assets, amounts held in escrow, deposits payable, and revenue received in advance and not available for general purposes.

Financial Assets at Year-End*	$ 185,222,668
Less Those Unavailable for General Expenditures within One Year Due to:	
Diocesan Savings Accounts Due on Demand to Entities and Affiliates	(96,410,650)
Contractual or Donor Imposed Restrictions:	
Restricted by Donor with Time or Purpose Restrictions	(1,282,021)
Financial Assets Available to Meet Cash Needs for Expenditures within One Year	$ 87,529,997

*Total assets, less non-financial assets (i.e., property and equipment, prepaids, inventory, and other non-liquid assets).

Note 3 - Investments

Investments as of June 30, 2025, are summarized as follows:

	Fair Value
Money Markets	$ 770,390
Bonds: Corporate and U.S. Agencies	77,170,513
Equities	30,761,635
Mutual Funds – Equities	22,302,838
Mutual Funds – Bonds	16,704,385
Total	$ 147,709,761

Investment earnings consisted of the following for the year ended June 30, 2025:

Interest Income	$	6,330,039
Net Realized and Unrealized Gains (Losses)		7,572,199
Total	$	13,902,238

Note 4 - Fair Value Measurements

Authoritative guidance establishes 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 below:

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

- **Level 2—**Inputs to the valuation methodology include: 1) quoted prices for similar assets or liabilities in active markets; 2) quoted prices for identical or similar assets or liabilities in inactive markets; 3) inputs other than quoted prices that are observable for the assets; and 4) inputs that are derived principally from, or corroborated by, observable market data by correlation or other means. If the asset 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 assets' 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.

At June 30, 2025, the Diocese's marketable U.S. debt, corporate debt, and corporate equity securities were its only financial instruments required to be recorded at fair value. These securities were valued based upon the closing price reported on the active market on which the individual securities are traded or upon quoted market prices for similar assets in active markets.

The preceding method 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 Diocese believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of this financial instrument could result in a different fair value measurement at the reporting date.

	Market Value	Fair Value Measurement at June 30, 2025 Level 1	Level 2	Level 3
Bonds: Corporate and U.S. Agencies	$ 77,170,513	$ -	$ 77,170,513	$ -
Equities	30,761,635	30,761,635	-	-
Mutual Funds - Equities	22,302,838	22,302,838	-	-
Mutual Funds - Bonds	16,704,385	16,704,385	-	-
Total	146,939,371	$ 69,768,858	$ 77,170,513	$ -
Cash and Cash Equivalent - Investments	770,390			
Total Investments Balance	$ 147,709,761			

Note 5 - Receivables, Parishes, and Other Institutions

Loans receivable in the Savings and Loan fund include $19,378,756 of loans made to parishes and schools. Other Diocesan receivables include $6,718,565 of loans made to other organizations or donor pledges to provide funding for capital projects and, in some cases, for operational expenses. The loans accrue interest at rates up to 5% per annum at varying lengths of maturity.

At June 30, 2025, the receivables consisted of the following categories:

Parish and Related	$ 3,930,996
Loan Receivable	17,349,876
Assessments and Premiums	4,608,522
Pledges - Bishops Annual Stewardship Appeal	534,979
Tuition Receivable - Morning Star	4,395
Accrued Interest Receivable	2,028,880
Mission of Nombre de Dios - Customer Receivables	3,567
	28,461,215
Allowances for Credit Losses	(2,363,894)
Total	$ 26,097,321

Note 6 - Land, Buildings, and Equipment

At June 30, 2025, fixed assets consisted of the following:

Land	$ 21,529,205
Land Improvements	10,038,473
Buildings and Improvements	45,255,707
Furnishings and Equipment	3,048,947
Construction in Progress	1,957,891
	81,830,223
(Less Accumulated Depreciation)	(15,857,365)
Total	$ 65,972,858

Depreciation expense was $2,038,203 for the year ended June 30, 2025.

Note 7 - Leasing Activities

The Diocese's leasing activities primarily involve a lease for land and buildings under sales-type leases for 15-year periods. These sales-type leases are associated with a prison ministry building and land.

The lease related to the prison ministry also has a 15-year term, and the lessee will take possession after this period if all payments, deemed probable, are made. The monthly payments are $2,600, with an implied interest rate of 4.50%, and there is a final payment of the remaining balance due at the end of the term. Additionally, the lessee may purchase the premises at any point during the lease for a sum of $513,124, minus $962 times the number of monthly payments made to that date. The lessee can terminate this lease at any time with a four-month written notice or by the lessor six months after the lessee's employment with the Diocese ends, with a 30-day written notice.

The determination of whether an arrangement constitutes a lease is made at the inception of the lease. Under ASC Topic 842, a contract qualifies as a lease if it conveys the right to control the use of an identified asset for a specified period in exchange for consideration. The Diocese reassesses the determination of whether an arrangement is a lease if there are changes to the terms and conditions of the contract.

For the year ended June 30, 2025, the Diocese recorded $18,481 in interest income from the lease receivables of sales-type leases. However, there was no gain recognized from either sale.

The maturity of lease receivables as of June 30, 2025, is as follows:

Year Ending June 30,	Amount
2026	$ 31,199
2027	31,199
2028	31,199
2029	31,199
2030	31,199
Thereafter	559,793
Total Minimum Payments	715,788
Lease Receivable	(488,670)
Difference Between Undiscounted and Discounted Payments	$ 227,118

Note 8 - Notes Payable

The Diocese has a revolving, unsecured working capital line of credit with a floating rate equal to the SOFR plus 1.65% with an available balance of $2,000,000 and an outstanding balance of $0 at June 30, 2025.

The Diocese has a guidance line of credit with a floating rate equal to the SOFR plus 1.65% with an available balance of $22,500,000 and an outstanding balance of $0 at June 30, 2025.

Long-term debt at June 30, 2025, consists of the following:

	Balance Owed	Current Portion
Note Payable, Mission Nombre de Dios 3.90%, $47,590 Principal and Interest	$ 5,423,787	$ 363,129
Note Payable, St. Andrew Mission, 4.50%, $2,280 Monthly Principal and Interest, with a Balloon Payment of $273,593 in July 2026	287,303	14,732
Note Payable, St. Anne Construction, 3.53%, $46,489 Principal and Interest	4,782,204	392,013
Note Payable, Wildlight Development, 3.99%, $60,891 Monthly Principal and Interest	5,713,148	508,918
Non-Interest-Bearing Note Payable, Christ the King, has a Face Amount of $3,440,000 and an Implied Interest Rate of 2.45% (Discounted by $968,933), with $10,000 Monthly Principal and Interest	2,154,575	68,071
	$ 18,361,017	$ 1,346,863

Maturities on long-term debt for the next five years are as follows:

Year Ending June 30,	Amount
2026	$ 1,346,863
2027	1,656,242
2028	1,459,075
2029	1,516,498
2030	1,575,296
Thereafter	10,807,043

Interest paid was $368,836 during the year ended June 30, 2025.

Note 9 - Retirement and Other Post-Retirement Benefits

Priests' and Lay Employees' Benefit Plans

The Diocese participates in non-contributory, defined benefit pension plans administered by the Diocese for qualifying lay employees and Diocesan priests employed at the various parishes, schools, and agencies throughout the entire Diocese. For the purposes of the combined financial statements, these pension plans are considered to be multi-employer plans as defined under ASC 715, *Compensation-Retirement Benefits*, because financial activity of parishes and other entities of the Diocese that contribute to these plans is not included in these combined financial statements. There are no separate valuations of plan benefits or segregation of plan assets specifically for the individual entities participating in the plan. The plans are not subject to Employee Retirement Income Security Act of 1974 funding requirements.

The risks of participating in these multi-employer defined benefit pension plans are different from single-employer plans because: a) assets contributed to the multi-employer plan by one employer may be used to provide benefits to employees of other participating employers; b) if a participating employer stops contributing to the plan, the unfunded obligations of the plan may be required to be borne by the remaining participating employers; and c) if the Diocese chooses to stop participating in one of its multi-employer plans, it may be required to pay a withdrawal liability to the plan. Neither plan has implemented or has pending any funding improvement plans or rehabilitation plans, nor has the Diocese been required to pay any surcharges to the plan and does not have future minimum funding requirements.

The Defined Benefit Pension Plan for the Priests of the Diocese of St. Augustine (the Priests' Plan) covers the priests of the Diocese who have completed one year of service and are at least 25 years old. Vesting is 6% after nine years of service and increases 6% for every year of service thereafter. However, participants are 100% vested after attaining age 65 and completing at least nine years of service. The Diocese's funding policy is to make contributions at a fixed amount of $7,500 per priest per year, which meets the minimum actuarially computed scheduled contribution requirements. Contributions are intended to provide not only for benefits attributed to service to-date, but also for those expected to be earned in the future. The pension expense for the Diocese's combined financial statements for the Priests' Plan is based on payroll costs and was $150,000 for 2025. The Diocese contributed 35% of total contributions to the Priests' Plan by all Diocesan entities, including parishes, schools, and affiliated entities.

The Defined Benefit Pension Plan of the Diocese of St. Augustine (the Lay Plan) provides benefits based primarily on compensation and employee's years of service. Vesting is 100% upon completion of five years of service or upon attaining age 65. The Diocese's funding policy is to make contributions at a level percentage of salary that meets the actuarially computed scheduled contribution, currently 7.25% of the employees' annual salary. Contributions are intended to provide not only for benefits attributed to service to-date, but also for those expected to be earned in the future. The pension for the Diocese combined financial statements for the Lay Plan is based on payroll costs and was $537,350 for 2025. The Diocese contributed 11% of total contributions to the plan by all Diocesan entities, including parishes, schools, and affiliated entities.

The following presents information about the Diocese's multi-employer pension plans from the most recently available actuarial reports as of June 30, 2025:

Plan Name	Priests' Plan	Lay Plan
Employer Number	010-379-B	013-200-G
	2025	**2025**
Fair Value Assets	$ 14,915,982	$ 175,635,596
Projected Benefit Obligation	(15,219,384)	(174,752,412)
Funded/(Unfunded) Projected Benefit Obligation	$ (303,402)	$ 883,184
Funded Status	at least 80%	at least 80%

Other Post-Retirement Benefits
The Diocese participates in a multi-employer other postemployment benefit program for the provision of housing and other benefits for retired priests, sponsored by the Diocese. Because the computed value of the vested benefits for the Diocese's participants cannot be segregated from those of other Diocesan entities and affiliates participating in the program, it is not possible to determine the portion of the liability which may be attributable solely to the Diocese. The actuarial calculation of the present value of future benefits for the monthly priest housing allowance is $11,262,017. The program costs have been paid by the priest housing fund; however, the funds are not restricted to the program. The program is not provided under a formal plan and can be amended or terminated by the Diocese at any time. Under the program, a priest housing allowance of $1,500 is paid each month to all retired priests who are not residing in Diocesan provided housing. Housing allowances paid for the year ended June 30, 2025, for retired priests was $652,500.

Note 10 - Self-Insurance

The Diocese is self-insured for property and general liability, workers' compensation, unemployment compensation insurance, and employee group insurance. The Diocese assesses each participating parish, school, and related entity their share of the estimated cost of claims, administration fees, and premiums for excess insurance coverage and anticipated reserve requirements. Any excess of assessments over actual losses is retained by the Diocese to cover future program years.

A reserve for insurance losses has been recorded for claims incurred but not reported. The amount of reserve is estimated based on an actuarial valuation of losses. Any adjustments to the reserve are reflected in the provision for insurance losses in the year such adjustments occur.

Employee Group Insurance
Substantially all employees of the Diocese and affiliated parishes, schools, and related entities are provided health benefits through an insurance plan administered by the Diocese. Premiums, recorded within insurance premium revenue in the accompanying statement of activities, are billed monthly to participating entities for the estimated share of costs. As part of this self-insurance program, the Diocese purchases excess insurance coverage from outside insurance carriers. The estimated incurred but not reported liability at June 30, 2025, for the self-insurance program is $406,718, which is included in accrued expenses.

Property, General, Worker's Compensation, and Loss Sharing Agreement
The self-insurance plan for property, general liability, and workers' compensation participates in an aggregate excess loss sharing arrangement (sharing arrangement) with three other dioceses in the State of Florida. Each participating diocese is assigned a loss fund, which represents the maximum amount of losses the diocese will be responsible for in any one claim year. The loss sharing agreement provides that each diocese will be reimbursed by the other participants for the aggregate losses during the claim year in excess of the loss fund. Reimbursements are collected from the other dioceses based on their proportionate share of the total loss fund. Once the total loss fund has been depleted, additional claims are recoverable from an outside carrier from which excess insurance coverage was purchased. The purpose of the loss sharing agreement is to protect the participating dioceses from exceptionally large or catastrophic losses. The estimated unpaid losses payable at June 30, 2025, for the sharing agreement is $551,754, which is included in accrued expenses.

Note 11 - Contingencies and Other Commitments

Guarantee

The Diocese is contingently liable for several mortgages obtained on behalf of certain parishes totaling $9,595,906 as of June 30, 2025.

Litigation

The Diocese, along with the entities fiscally responsible to the Bishop of the Diocese, is involved in legal proceedings from time to time. Legal counsel has advised the Diocese that the potential loss resulting from any current proceedings will fall within the insurance coverage limits.

Note 12 - Net Assets With Donor Restriction

Net assets with donor restrictions consist of the following at June 30, 2025:

Priest's Education and Missionary Burse	$	205,275
Wellness Program		305,000
Powers Youth Ministry Grant		199,096
Other		597,189
Total Net Assets With Donor Restrictions	$	1,306,560

Note 13 - Related-Party Transactions

During the year ended June 30, 2025, the Diocese transferred $1,074,668 to various related parties to supplement their budget, including Catholic Charities, various Catholic schools, and other Diocesan ministries.

The Diocese also has deposits and loans in the S&L as disclosed in Note 1, loans to related entities as disclosed in Note 5, administers the self-insurance programs as disclosed in Note 10, and has guaranteed loans for related parties, which are disclosed as contingent liabilities in Note 11.

Note 14 - Subsequent Events

The Diocese evaluated subsequent events and transactions for potential recognition or disclosure in the financial statements through October 7, 2025, the date the financial statements were available to be issued.