

BISHOP OF THE EPISCOPAL DIOCESE OF
GEORGIA, INC. AND OPERATING ENTITY

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022



Holland, Bromley,
Barnhill & Brett LLP
Certified Public Accountants and Business Advisors

BISHOP OF THE EPISCOPAL DIOCESE OF
GEORGIA, INC. AND OPERATING ENTITY

CONSOLIDATED FINANCIAL STATEMENTS

TABLE OF CONTENTS

Independent Auditor’s Report	1-3
Consolidated Statements of Financial Position	4
Consolidated Statements of Activities and Changes in Net Assets.....	5
Consolidated Statements of Functional Expenses	6
Consolidated Statements of Cash Flows	7
Notes to Consolidated Financial Statements	8-15
Supplemental Schedules	17-18



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Independent Auditor's Report

To the Diocesan Council of
Bishop of the Episcopal Diocese of Georgia, Inc.

Opinion

We have audited the accompanying consolidated financial statements of Bishop of the Episcopal Diocese of Georgia, Inc. and its operating entity (collectively, the "Organization") (a nonprofit organization), which comprise the consolidated statement of financial position as of December 31, 2023, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 Organization 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 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 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 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 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 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 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 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.

Report on Summarized Comparative Information

We have previously audited the Organization's 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 16, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating supplemental schedules on pages 17-18 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in black ink that reads "Holland, Bromley, Barnhill & Brett, LLP". The signature is written in a cursive, flowing style.

Holland, Bromley, Barnhill & Brett, LLP
Savannah, Georgia
September 3, 2024

BISHOP OF THE EPISCOPAL DIOCESE OF GEORGIA, INC. AND OPERATING ENTITY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	December 31,	
	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and cash equivalents	\$ 723,426	\$ 575,309
Accounts receivable	15,551	29,009
Other current assets	<u>46,556</u>	<u>32,139</u>
Total current assets	785,533	636,457
Property and equipment, net	<u>1,209,831</u>	<u>1,258,047</u>
Total assets	<u>\$ 1,995,364</u>	<u>\$ 1,894,504</u>
LIABILITIES AND NET ASSETS		
Accounts payable and accrued expenses	\$ 345,025	\$ 68,621
Deferred revenue	200	5,950
Loans from Endowment Fund of the Episcopal Diocese of Georgia	<u>500,755</u>	<u>500,755</u>
Total current liabilities	<u>845,980</u>	<u>575,326</u>
Net assets		
Without donor restrictions	1,049,300	1,142,855
With donor restrictions	<u>100,084</u>	<u>176,323</u>
Total net assets	<u>1,149,384</u>	<u>1,319,178</u>
Total liabilities and net assets	<u>\$ 1,995,364</u>	<u>\$ 1,894,504</u>

(The accompanying notes are an integral part of the consolidated financial statements.)

BISHOP OF THE EPISCOPAL DIOCESE OF GEORGIA, INC. AND OPERATING ENTITY
CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total all funds</u>	
			<u>2023</u>	<u>2022</u>
Support and revenues				
Parish and aided parish pledges and donations	\$ 1,715,693	\$ -	\$ 1,715,693	\$ 1,685,260
Bond debt reserve assessment	-	-	-	308,077
Special purpose income	74,716	129,098	203,814	224,963
Meetings, group, and lodging	162,867	-	162,867	188,652
Trust income	96,874	-	96,874	97,588
Episcopal Church camps	78,483	-	78,483	62,100
Wedding events	19,245	-	19,245	-
Other revenue	18,973	-	18,973	30,488
Investment income	694	-	694	965
Net assets released from restrictions	<u>205,337</u>	<u>(205,337)</u>	<u>-</u>	<u>-</u>
Total support and revenues	<u>2,372,882</u>	<u>(76,239)</u>	<u>2,296,643</u>	<u>2,598,093</u>
Expenses				
Salaries	672,333	-	672,333	606,652
Employee benefits and taxes	396,910	-	396,910	372,561
Special purpose distributions	255,121	-	255,121	256,978
General convention assessment	228,809	-	228,809	269,843
Dining room and food costs	163,042	-	163,042	133,343
Diocesan support distributions	158,880	-	158,880	143,906
Rent and utilities	115,032	-	115,032	147,866
Depreciation	93,361	-	93,361	91,555
Insurance	78,550	-	78,550	77,310
Supplies	63,701	-	63,701	83,236
Repairs and maintenance	57,709	-	57,709	67,179
Program costs	50,378	-	50,378	49,059
Travel	39,088	-	39,088	35,013
Miscellaneous	34,754	-	34,754	14,582
Housekeeping	30,824	-	30,824	34,609
Professional fees	27,945	-	27,945	21,370
Interest	-	-	-	68,350
Total expenses	<u>2,466,437</u>	<u>-</u>	<u>2,466,437</u>	<u>2,473,412</u>
Change in net assets	(93,555)	(76,239)	(169,794)	124,681
Net assets - beginning of year	<u>1,142,855</u>	<u>176,323</u>	<u>1,319,178</u>	<u>1,194,497</u>
Net assets - end of year	<u>\$ 1,049,300</u>	<u>\$ 100,084</u>	<u>\$ 1,149,384</u>	<u>\$ 1,319,178</u>

(The accompanying notes are an integral part of the consolidated financial statements.)

BISHOP OF THE EPISCOPAL DIOCESE OF GEORGIA, INC. AND OPERATING ENTITY

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2023 AND 2022

	Program Services					Total 2023	Total 2022
	Mission Inside the Diocese	Mission Outside the Diocese	Camp	Total Program Services	Supporting Services		
EXPENSES							
Salaries	\$ 511,257	\$ 66,356	\$ 37,145	\$ 614,758	\$ 57,575	\$ 672,333	\$ 606,652
Employee benefits and taxes	303,067	35,598	35,152	373,817	23,093	396,910	372,561
Special purpose distributions	243,704	1,417		245,121	10,000	255,121	256,978
General convention assessment		228,809		228,809		228,809	269,843
Dining room and food costs	16,142		146,900	163,042		163,042	133,343
Diocesan support distributions	142,880	16,000		158,880		158,880	143,906
Rent and utilities	21,638		44,146	65,784	49,248	115,032	147,866
Depreciation				-	93,361	93,361	91,555
Insurance			43,011	43,011	35,539	78,550	77,310
Supplies	12,696	25,694	23,312	61,702	1,999	63,701	83,236
Repairs and maintenance			42,678	42,678	15,031	57,709	67,179
Program costs	50,378			50,378		50,378	49,059
Travel	31,806	7,282		39,088		39,088	35,013
Miscellaneous	15,499			15,499	19,255	34,754	14,582
Housekeeping				-	30,824	30,824	34,609
Professional fees	745		745	745	27,200	27,945	21,370
Interest	-	-	-	-	-	-	68,350
Total expenses	\$ 1,349,812	\$ 381,156	\$ 372,344	\$ 2,103,312	\$ 363,125	\$ 2,466,437	\$ 2,473,412

(The accompanying notes are an integral part of the consolidated financial statements.)

BISHOP OF THE EPISCOPAL DIOCESE OF GEORGIA, INC. AND OPERATING ENTITY

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	December 31,	
	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Change in net assets	\$ (169,794)	\$ 124,681
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	93,361	91,555
Non-cash interest	-	8,852
Changes in assets and liabilities		
Accounts receivable	13,458	10,880
Other current assets	(14,417)	9,374
Accounts payable and accrued expenses	276,404	3,307
Deferred revenue	<u>(5,750)</u>	<u>(2,100)</u>
Net cash provided by operating activities	<u>193,262</u>	<u>246,549</u>
Cash flows from investing activities:		
Purchases of property and equipment	<u>(45,145)</u>	<u>(55,061)</u>
Net cash used for investing activities	<u>(45,145)</u>	<u>(55,061)</u>
Cash flows from financing activities:		
Payments on loans	<u>-</u>	<u>(750,000)</u>
Net cash used for financing activities	<u>-</u>	<u>(750,000)</u>
Net increase (decrease) in cash and cash equivalents	148,117	(558,512)
Cash and cash equivalents - beginning of year	<u>575,309</u>	<u>1,133,821</u>
Cash and cash equivalents - end of year	<u>\$ 723,426</u>	<u>\$ 575,309</u>
Cash paid for interest	<u>\$ -</u>	<u>\$ 59,498</u>

(The accompanying notes are an integral part of the consolidated financial statements.)

BISHOP OF THE EPISCOPAL DIOCESE OF GEORGIA, INC. AND OPERATING ENTITY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

NOTE 1 - PURPOSE OF ORGANIZATION

The Bishop of the Episcopal Diocese of Georgia, Inc. (the Diocese) is a non-profit organization located in Savannah, Georgia which incorporated in Georgia in 1992. It was formerly known as The Episcopal Church in the Diocese of Georgia. The Diocese is the administrative unit of the Episcopal parishes and aided parishes within its geographical boundaries and comprises approximately the southern three-fifths of the state of Georgia.

The Georgia Episcopal Camp and Conference Center (the Camp) is an operating entity of the Diocese. The Camp, which is also known as 'Honey Creek', spans 100 acres in Waverly, Georgia and has been in existence since the 1950s to provide a unique setting for the spiritual, community-building, and educational needs of its guests. In addition to being an ideal location for spiritual camps, the facilities are utilized for a variety of other functions including weddings, reunions, and retreats.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The consolidated financial statements are prepared in accordance with generally accepted accounting principles in the United States (U.S. GAAP). The consolidated financial statements include the accounts of the Diocese and the Camp (collectively referred to as 'the Organization'). All significant inter-organizational transactions and balances have been eliminated in consolidation.

The Organization is required to report information regarding its financial position and activities according to two classes of net assets: with donor restrictions and without donor restrictions.

Restricted and unrestricted revenue and support

Contributions received are recorded as "with donor restrictions" or "without donor restrictions," depending on the existence and/or nature of any donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or when the purpose of the restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Support that is restricted by the donor is reported as an increase in "without donor restrictions" if the restriction expires in the reporting year in which the support is recognized.

Revenue recognition

The Organization derives its revenues primarily from parish and aided parish pledges. Revenues are recognized over the course of the year in an amount that reflects the consideration the Organization expects to receive in exchange for services provided to the parishes in the Diocese. The Organization also derives revenue from its Episcopal Church camps and by providing accommodations and ancillary services to third party groups at the Camp. Revenue for events held at the Camp are recognized at the time the event occurs. Deferred revenue represents payments made by customers in advance of events to be held at the Camp. Contributions which are not received in exchange for providing goods or services are recognized as revenue upon receipt.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and cash equivalents

Cash and short-term highly liquid investments (original maturity of ninety days or less) are included as cash and cash equivalents in the accompanying consolidated financial statements.

Property and equipment

The Diocese capitalizes purchases of property and equipment which exceed \$1,500 and are expected to provide benefit for multiple years. Fixed assets donated to the Organization are recognized at fair market value at the time of donation. The Camp capitalizes purchases of property and equipment which exceed \$2,000 and are expected to provide benefit for multiple years. The Organization recognizes depreciation on these assets using the straight-line method over the following estimated useful lives:

- Automobiles - 5 years
- Equipment - 5 to 10 years
- Furniture and fixtures - 5 to 7 years
- Building improvements - 15 years
- Buildings - 40 years

Assets acquired by the Diocese prior to January 1, 2009 are not included in the consolidated statements of financial position. The land, building, and facilities spanning approximately 100 acres in Waverly, Georgia and utilized for operations of the Camp are part of these excluded assets. This property was originally gifted to the Diocese in the late 1950s with certain restrictions surrounding the sale of the property. The tax value of this property was approximately \$1,358,417 as of December 31, 2023.

Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Concentration of credit risk

The Organization maintains its cash balances with commercial banks throughout southeast Georgia in deposit accounts which at December 31, 2023 and other times throughout the year, exceeded federally insured limits. The Organization has not experienced any losses of such funds and management believes the Organization is not exposed to any significant risk on cash. The amount of uninsured cash was approximately \$93,000 and \$738,000 at December 31, 2023 and 2022, respectively.

Diocese funding to the Camp

The Diocese paid the Camp \$42,124 and \$52,231 during 2023 and 2022, respectively, for lodging, camps, and various conferences. The Diocese also paid the Camp \$92,000 and \$27,053 during 2023 and 2022, respectively, to assist with cash flow challenges. These amounts have been eliminated during the consolidation.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cost allocation

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. These expenses are allocated based on management's analysis of employee time spent on each program and supporting function.

Income taxes

The Organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization is classified as other than a private foundation. Therefore, no provision for income taxes has been made in these consolidated financial statements.

A tax position is recognized as a benefit only if it is "more likely than not" that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. Once the threshold is met, the amount recognized in the financial statements is the largest amount of tax benefit likely realized on examination. For tax positions not meeting the "more likely than not" test, no tax benefit is recorded. The Organization does not expect the total amount of unrecognized tax benefits to significantly change in the next twelve months. Due to the tax-exempt status, the Organization is not subject to U.S. federal income tax or state income tax.

The Organization is no longer subject to examination by taxing authorities for years before 2020. If incurred, the Organization would recognize interest and penalties related to unrecognized tax benefits in interest expense. The Organization has no amounts accrued for interest and penalties as of December 31, 2023 and 2022. Additionally, no interest or penalties were recorded for the years then ended.

Accounts receivable

The accounts receivable balance represents the unpaid tithes charged to congregations for support from the Diocese expected to be collected in the following fiscal year.

Allowance for credit losses

The allowance for credit losses is an amount that management believes will be adequate to absorb possible losses on existing accounts that may become uncollectible. Current economic conditions, historical loss experience, risk characteristics of various account categories, specific impaired accounts, reasonable forecasts, and other pertinent factors are considered in determining the adequacy of the allowance. The allowance is increased by provisions for credit losses and reduced by accounts written off, net of recoveries. As of December 31, 2023 and 2022, the allowance for credit losses totaled \$0.

New accounting pronouncements

In June 2016, the Financial Accounting Standards Board (FASB) issued ASU 2016-13 "Financial Instruments—Credit Losses" (Topic 326), which requires entities to measure all expected credit losses for financial instruments held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. The new guidance broadens the information to be considered when measuring credit losses to include forward-looking information, increases usefulness of the financial statements by requiring timely inclusion of forecasted information in forming expectations of credit losses, and aligns the income statement recognition of credit losses with the reporting period in which the changes occur. The Organization implemented this ASU as of and for the year ended December 31, 2023,

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

on a modified-retrospective basis. The adoption of ASU 2016-13 did not have a significant impact on the financial statements. No changes were required to previously reported financial statements as a result of the adoption.

In February 2016, the FASB issued ASU 2016-02, "Leases" (Topic 842), which superseded former guidance for accounting for leases under Topic 840, "Leases." The most significant change in the new leasing guidance is the requirement to recognize right-of-use (ROU) assets and lease liabilities for operating leases on the statement of financial position. The Organization implemented this ASU as of and for the year ended December 31, 2022, on a modified-retrospective basis. The adoption of ASU 2016-02 did not have a significant impact on the financial statements. No changes were required to previously reported financial statements as a result of the adoption.

In September 2020, the FASB issued ASU-2020-07, "Presentation and Disclosures for Not-for Profit Entities for Contributed Nonfinancial Assets" (Topic 958). This standard requires nonprofit organizations to expand financial statement presentation and disclosure for non-financial assets, including in-kind donations. The Organization implemented this ASU as of and for the year ended December 31, 2022, on a modified-retrospective basis. The adoption of ASU 2020-07 did not have a significant impact on the financial statements. No changes were required to previously reported financial statements as a result of the adoption.

Reclassifications

Certain prior year amounts have been reclassified to conform with current year presentation.

Subsequent events

The Organization has evaluated subsequent events through September 3, 2024, the date the financial statements were available to be issued.

NOTE 3 - ENDOWMENT FUND

An investment fund earmarked for the Camp is held by the Endowment Fund of the Episcopal Diocese of Georgia (the Endowment Fund), and a balance of \$114,518 and \$98,684 was maintained at December 31, 2023 and 2022, respectively. Because this investment is an asset of the Endowment Fund, rather than the Camp, it is not reflected on the accompanying consolidated statements of financial position. See Note 8 for a description of the amount due to the Endowment Fund as of December 31, 2023.

NOTE 4 - RELATED PARTIES

The Diocese has approximately seventy related parishes and aided parishes. The revenues received from these parishes and aided parishes are recorded as 'Parish and aided parish pledges and donations', and the related Diocesan expenses are recorded as 'Mission inside the Diocese' on the consolidated statements of functional expenses.

NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2023 and 2022 consists of the following:

	<u>Diocese</u>	<u>Camp</u>	<u>2023</u>	<u>Total</u> <u>2022</u>
Buildings and improvements	\$ 1,002,261	\$ 698,853	\$ 1,701,114	\$ 1,685,307
Furniture and fixtures	-	71,450	71,450	71,450
Office equipment	18,121	27,336	45,457	45,457
Vehicles	35,201	9,500	44,701	44,701
Maintenance equipment	-	37,690	37,690	37,690
Kitchen equipment	-	21,747	21,747	17,409
Disc golf course	-	6,706	6,706	6,706
Computers and software	-	65,930	65,930	65,930
	<u>1,055,583</u>	<u>939,212</u>	<u>1,994,795</u>	<u>1,974,650</u>
Less - accumulated depreciation	<u>(215,288)</u>	<u>(639,479)</u>	<u>(854,767)</u>	<u>(761,406)</u>
	840,295	299,733	1,140,028	1,213,244
Construction in progress	-	25,000	25,000	-
Land	<u>44,803</u>	<u>-</u>	<u>44,803</u>	<u>44,803</u>
Total property and equipment	<u>\$ 885,098</u>	<u>\$ 324,733</u>	<u>\$ 1,209,831</u>	<u>\$ 1,258,047</u>

Depreciation expense for the years ended December 31, 2023 and 2022, totaled \$93,361 and \$91,555, respectively. The depreciation expense for the year ended December 31, 2023 consists of \$41,430 and \$51,931 for the Diocese and the Camp, respectively. The depreciation expense for the year ended December 31, 2022 consists of \$41,725 and \$49,830 for the Diocese and the Camp, respectively.

NOTE 6 - DONATED SERVICES AND MATERIALS

No amounts have been reflected in the consolidated financial statements for donated services or materials. The Organization pays for most services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization with various committees.

NOTE 7 - EMPLOYEE BENEFIT PLANS

The Bishop and his ordained canons participate in the national clergy pension plan of the Church Pension Fund. This is a defined benefit plan, and Diocese contributions are assessed at approximately 18% of related salaries.

All full-time employees of the Organization are eligible to participate in a Section 403(b) plan. The Organization contributes a total of 10% of each participant's salary to the defined contribution 403(b) plan.

Contributions to all plans for the years ended December 31, 2023 and 2022 totaled \$93,332 and \$84,283, respectively.

NOTE 8 - DEBT

Note payable

On August 5, 2021, the Diocese borrowed \$750,000 from First Chatham Bank. The note incurred interest at 4%, was collateralized by real property, and was payable in twelve monthly interest-only payments followed by seventy-two monthly principal and interest payments of \$4,725 through August 5, 2028. The Diocese paid \$8,852 in debt issuance costs which was included as a net reduction of the note payable balance on the consolidated statement of financial position. During the year ended December 31, 2022, the principal and accrued interest were fully repaid. For the year ended December 31, 2022, the interest expense of \$68,350 is reflected on the consolidated statement of functional expenses, and includes amortization of the remaining debt issuance costs.

Loans from Endowment Fund

During 2011, the Camp borrowed funds from the Endowment Fund. These funds were borrowed interest free and are due back to the Endowment Fund as soon as possible. At December 31, 2023 and 2022, a total of \$100,755 was due to the Endowment Fund. This loan was repaid in full during 2024.

During 2018, the Diocese borrowed funds from the Endowment Fund to assist in the purchase of the new administrative building. Under this agreement, the principal balance will be paid back at some point in the future as Diocese funds are available, however no formal repayment plan exists. Interest does not accrue on this loan. At December 31, 2023 and 2022, a total of \$400,000 was due to the Endowment Fund. During 2024, \$200,000 of this balance was repaid to the Endowment Fund.

Debt agreements

While most debt agreements are accounted for as liabilities of the Camp and satisfied from the assets of the Camp, the borrower on all debt agreements is the Diocese. Assets of the Camp represent partial collateral under these agreements, but the Diocese is ultimately responsible as the borrower. Property owned by the Diocese and utilized by the Camp serves as the final collateral under these agreements.

Other

The Diocese is the guarantor on a note payable to a local financial institution by an Episcopal parish. The amount outstanding on this note payable was approximately \$126,845 and \$131,800 at December 31, 2023 and 2022, respectively. The note payable is collateralized by a security deed on real estate of the Episcopal parish, was renewed in May 2020, and matures in May 2025.

NOTE 9 - LIQUIDITY

The following reflects the Organization's financial assets as of December 31, 2023 and 2022, reduced by amounts not available for general use because of designations or donor-imposed restrictions within one year of year-end. Amounts designated by the Diocesan Administrator may be drawn upon, if necessary, to meet unexpected liquidity needs or in the event of financial distress. See Notes 10 and 11 for additional information on these designated and restricted funds.

	December 31,	
	<u>2023</u>	<u>2022</u>
Financial assets at year-end	\$ 738,977	\$ 604,318
Less those unavailable for general expenditures within one year, due to:		
Contractual or donor-imposed restrictions:		
Restricted by donor with time or purpose restrictions	100,084	176,323
Designated by the Diocesan Administrator	<u>180,846</u>	<u>192,111</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 458,047</u>	<u>\$ 235,884</u>

NOTE 10 - NET ASSETS WITHOUT DONOR RESTRICTIONS

Amounts designated by the Organization for specific purposes are presented below. The Diocesan Administrator with the approval of the Finance Committee determines these designations.

	December 31,	
	<u>2023</u>	<u>2022</u>
Designated net assets without donor restrictions		
Emergency reserve	\$ 165,459	\$ 165,459
Bishop's visitation	19,291	33,556
Episcopal transition	13,316	13,316
Maintenance	4,000	-
Memorials	3,405	3,405
Diocesan convention	192	192
Synod travel	(449)	551
Lambeth	(11,510)	(11,510)
Convention travel	<u>(12,858)</u>	<u>(12,858)</u>
	180,846	192,111
Undesignated net assets without donor restrictions	<u>868,454</u>	<u>950,744</u>
Total net assets without donor restrictions	<u>\$ 1,049,300</u>	<u>\$ 1,142,855</u>

NOTE 11 - NET ASSETS WITH DONOR RESTRICTIONS

As of December 31, 2023 and 2022, amounts restricted by donors of the Diocese for a specific purpose or time period are noted below.

	<u>2023</u>	<u>2022</u>
Georgia Southern	\$ 52,507	\$ 50,397
St. Anna Alexander Fund	15,444	22,581
Youth counselor education	15,149	15,149
Georgia Lynching Memorial Fund	12,109	12,109
Clergy education	10,162	13,447
St. Joseph's Community Fund	8,710	13,611
Other	7,381	7,190
Deacon Lynn Anderson Fund	6,415	6,415
DFMS Leadership Formation	1,123	1,123
St. Luke's Hawkinsville Building Fund	680	-
Campaign for Mission	35	35
Youth Mission	(5,539)	10,833
Augusta Church Plant	(11,409)	51,926
Epiphany Church Plant	(12,683)	(28,493)
	<u>\$ 100,084</u>	<u>\$ 176,323</u>

NOTE 12 - OPERATING LEASE AGREEMENTS

The Diocese leases office equipment under an operating lease agreement which expired in 2022. The lease is now payable on a month-to-month basis. The total expense under this operating lease agreement was \$1,425 and \$1,682 for the years ended December 31, 2023 and 2022, respectively.

NOTE 13 - SUBSEQUENT EVENTS

Upon the closure of St. Michael's and All Angels Episcopal Church, the Diocese received permission from the Standing Committee to place the former rectory on the market for sale. The property sold in February 2024 for \$720,000, and the net proceeds to the Diocese totaled \$676,619. The funds were approved for maintaining operations and for building improvements of 3101 Waters Avenue.

The Standing Committee has voted and approved the listing of the 18 East 34th Street property, and a listing real estate agent has been engaged. The proceeds will go towards the office move and to the Endowment Fund once the sale is completed.

SUPPLEMENTARY INFORMATION

BISHOP OF THE EPISCOPAL DIOCESE OF GEORGIA, INC. AND OPERATING ENTITY
CONSOLIDATING STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2023

	<u>Diocese</u>	<u>Camp</u>	<u>Intercompany Eliminations</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ 632,032	\$ 91,394	\$ -	\$ 723,426
Accounts receivable	15,551	-	-	15,551
Other current assets	41,216	5,340	-	46,556
Total current assets	<u>688,799</u>	<u>96,734</u>	-	<u>785,533</u>
Property and equipment, net	885,098	324,733	-	1,209,831
Total assets	<u>\$ 1,573,897</u>	<u>\$ 421,467</u>	<u>\$ -</u>	<u>\$ 1,995,364</u>
LIABILITIES AND NET ASSETS				
Accounts payable and accrued expenses	\$ 324,436	\$ 20,589	\$ -	\$ 345,025
Deferred revenue	-	200	-	200
Loans from Endowment Fund of the Episcopal Diocese of Georgia	400,000	100,755	-	500,755
Total current liabilities	<u>724,436</u>	<u>121,544</u>	-	<u>845,980</u>
Net assets				
Without donor restrictions	749,377	299,923	-	1,049,300
With donor restrictions	100,084	-	-	100,084
Total net assets	<u>849,461</u>	<u>299,923</u>	-	<u>1,149,384</u>
Total liabilities and net assets	<u>\$ 1,573,897</u>	<u>\$ 421,467</u>	<u>\$ -</u>	<u>\$ 1,995,364</u>

BISHOP OF THE EPISCOPAL DIOCESE OF GEORGIA, INC. AND OPERATING ENTITY
CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2023

	Diocece		Camp Total	Intercompany Eliminations	Total
	Without Donor Restrictions	With Donor Restrictions			
Support and revenues					
Parish and aided parish pledges and donations	\$ 1,584,569	\$ -	\$ 223,124	\$ (92,000)	\$ 1,715,693
Special purpose income	74,716	129,098	-	-	203,814
Meetings, group, and lodging	-	-	162,867	-	162,867
Trust income	96,874	-	-	-	96,874
Episcopal Church camps	-	-	119,797	(41,314)	78,483
Wedding events	-	-	19,245	-	19,245
Other revenue	20,417	-	(634)	(810)	18,973
Investment income	694	-	-	-	694
Net assets released from restrictions	205,337	(205,337)	-	-	-
Total support and revenues	<u>1,982,607</u>	<u>(76,239)</u>	<u>524,399</u>	<u>(134,124)</u>	<u>2,296,643</u>
Expenses					
Salaries	618,310	-	54,023	-	672,333
Employee benefits and taxes	359,651	-	37,259	-	396,910
Special purpose distributions	272,517	-	-	(17,396)	255,121
General convention assessment	228,809	-	-	-	228,809
Dining room and food costs	16,142	-	146,900	-	163,042
Diocesan support distributions	250,880	-	-	(92,000)	158,880
Rent and utilities	68,506	-	46,526	-	115,032
Depreciation	41,430	-	51,931	-	93,361
Insurance	35,539	-	43,011	-	78,550
Supplies	62,100	-	25,311	(23,710)	63,701
Repairs and maintenance	15,031	-	42,678	-	57,709
Program costs	50,586	-	-	(208)	50,378
Travel	39,088	-	-	-	39,088
Miscellaneous	24,944	-	10,620	(810)	34,754
Housekeeping	-	-	30,824	-	30,824
Professional fees	27,945	-	-	-	27,945
Total expenses	<u>2,111,478</u>	<u>(76,239)</u>	<u>489,083</u>	<u>(134,124)</u>	<u>2,466,437</u>
Change in net assets	<u>(128,871)</u>	<u>176,323</u>	<u>35,316</u>	<u>-</u>	<u>(169,794)</u>
Net assets - beginning of year	<u>878,248</u>	<u>100,084</u>	<u>264,607</u>	<u>-</u>	<u>1,319,178</u>
Net assets - end of year	<u>\$ 749,377</u>	<u>\$ 849,461</u>	<u>\$ 299,923</u>	<u>\$ -</u>	<u>\$ 1,149,384</u>