

THE PROTESTANT EPISCOPAL CHURCH IN THE DIOCESE OF VIRGINIA

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

***As of and for the Year Ended December 31, 2021
(With Comparative Totals for December 31, 2020)***

And Report of Independent Auditor

THE PROTESTANT EPISCOPAL CHURCH IN THE DIOCESE OF VIRGINIA
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Report of Independent Auditor

To the Executive Board
The Protestant Episcopal Church in the Diocese of Virginia
Richmond, Virginia

Opinion

We have audited the accompanying financial statements of The Protestant Episcopal Church in the Diocese of Virginia (the "Diocese") (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related 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 financial statements referred to above present fairly, in all material respects, the financial position of the Diocese as of December 31, 2021, 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 Protestant Episcopal Church in the Diocese of Virginia 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 Financial Statements

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

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 Diocese'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 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 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 Comparative Information

We have previously audited the Diocese's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 15, 2021. In our opinion, the comparative information presented herein as of and for the year ended December 31, 2020 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 financial statements taken as a whole. The accompanying supplemental schedules on pages 17 through 24 are presented for purposes of additional analysis and are not a required part of the basic 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 as of December 31, 2021 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 taken as a whole.

Cherry Bekaert LLP

Richmond, Virginia
December 12, 2022

THE PROTESTANT EPISCOPAL CHURCH IN THE DIOCESE OF VIRGINIA
STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2020)

	<u>2021</u>	<u>2020</u>
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 1,702,127	\$ 2,386,468
Investments - STAMP	815,281	814,172
Accounts receivable	576,694	431,247
Contributions receivable	452,228	84,805
Prepaid expenses and other current assets	43,010	44,897
Real estate held for sale	1,263,449	1,263,449
Total Current Assets	<u>4,852,789</u>	<u>5,025,038</u>
Investments - Trustees of the Funds	<u>31,322,044</u>	<u>28,038,944</u>
Property and equipment - net	<u>118,730</u>	<u>123,740</u>
Other Assets:		
Real estate	55,271,457	55,371,487
Beneficial interest in trusts	272,095	247,220
Total Other Assets	<u>55,543,552</u>	<u>55,618,707</u>
Assets Held as Agent:		
Investments held for others	1,683,613	1,325,856
Less investment held for others	<u>(1,683,613)</u>	<u>(1,325,856)</u>
Total Assets Held as Agent	<u>-</u>	<u>-</u>
Total Assets	<u><u>\$ 91,837,115</u></u>	<u><u>\$ 88,806,429</u></u>
LIABILITIES		
Current Liabilities:		
Accounts payable and other liabilities	\$ 327,882	\$ 806,124
Long-Term Liabilities:		
Notes payable - less current portion	<u>983,032</u>	<u>1,004,085</u>
Total Liabilities	<u>1,310,914</u>	<u>1,810,209</u>
NET ASSETS		
Without Donor Restrictions:		
Undesignated	16,235,823	14,203,393
Board designated	<u>57,099,375</u>	<u>57,050,665</u>
Total Without Donor Restrictions	<u>73,335,198</u>	<u>71,254,058</u>
With Donor Restrictions	<u>17,191,003</u>	<u>15,742,162</u>
Total Net Assets	<u>90,526,201</u>	<u>86,996,220</u>
Total Liabilities and Net Assets	<u><u>\$ 91,837,115</u></u>	<u><u>\$ 88,806,429</u></u>

The accompanying notes to the financial statements are an integral part of these statements.

THE PROTESTANT EPISCOPAL CHURCH IN THE DIOCESE OF VIRGINIA
STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 2020)

	2021		2020	
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Operating revenue	\$ 260,323	\$ -	\$ 260,323	\$ 8,716
Support and Other Revenue:				
Gain from sale of real estate	88,958	-	88,958	1,756,029
Gain on sale of property and equipment	3,995	-	3,995	-
Contributions from churches	4,124,907	-	4,124,907	4,067,603
Individual contributions and gifts	64,021	-	64,021	78,557
Health insurance reimbursement	109,396	-	109,396	108,383
Investment income, net	2,379,700	1,618,467	3,998,167	2,260,898
Change in beneficial interest in trust	-	24,875	24,875	14,761
Other income	304,736	432,644	737,380	1,612,628
	7,075,713	2,075,986	9,151,699	9,898,859
Net assets released from restrictions	627,145	(627,145)	-	-
Total Support and Other Revenue	7,702,858	1,448,841	9,151,699	9,898,859
Total Revenue and Support	7,963,181	1,448,841	9,412,022	9,907,575
Expenses and Other Deductions:				
Program Services Expenses:				
Support of Our Greater Church Community	631,938	-	631,938	685,183
Ministry Areas in the Diocese	2,433,827	-	2,433,827	2,207,958
Governance and commission support	620,305	-	620,305	618,154
Communications and Technology Across the Diocese	372,555	-	372,555	361,198
Camps and conferences	361,049	-	361,049	70,791
Total Program Services Expenses	4,419,674	-	4,419,674	3,943,284
Supporting Services Expenses:				
General administration	1,331,190	-	1,331,190	1,627,691
Fundraising	131,177	-	131,177	201,318
Total Supporting Services Expenses	1,462,367	-	1,462,367	1,829,009
Total Expenses and Other Deductions	5,882,041	-	5,882,041	5,772,293
Change in net assets	2,081,140	1,448,841	3,529,981	4,135,282
Net assets, beginning of year	71,254,058	15,742,162	86,996,220	82,860,938
Net assets, end of year	\$ 73,335,198	\$ 17,191,003	\$ 90,526,201	\$ 86,996,220

The accompanying notes to the financial statements are an integral part of these statements.

THE PROTESTANT EPISCOPAL CHURCH IN THE DIOCESE OF VIRGINIA
STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 2020)

	2021						2020				
	Program Services					Supporting Services					
	Support of Our Greater Church Community	Ministry Areas in the Diocese	Governance and Commission Support	Communications and Technology Across the Diocese	Camps and Conferences	Total Program Services	General Administration	Fundraising	Total Supporting Services	Total	Total
Salaries and wages	\$ -	\$ 794,583	\$ 449,475	\$ 356,957	\$ 113,680	\$ 1,714,695	\$ 817,821	\$ 131,019	\$ 948,840	\$ 2,663,535	\$ 2,681,497
Room and board	-	-	-	-	177,347	177,347	-	-	-	177,347	-
Travel	5,494	8,139	4,132	4,031	-	21,796	6,582	158	6,740	28,536	39,858
Grants	-	311,397	-	-	-	311,397	-	-	-	311,397	238,089
Scholarships	-	37,660	-	-	-	37,660	-	-	-	37,660	-
Committees	-	58,268	739	-	-	59,007	-	-	-	59,007	39,510
Ministries	-	34,352	20,451	-	-	54,803	575	-	575	55,378	79,200
Other	626,444	11,050	-	4,163	5,637	647,294	7,373	-	7,373	654,667	882,205
Insurance	-	1,323	-	-	-	1,323	116,262	-	116,262	117,585	196,391
Aid for mission churches	-	593,804	-	-	-	593,804	-	-	-	593,804	588,667
Aid to churches	-	-	-	-	-	-	-	-	-	-	13,465
Aid to other organizations	-	47,500	-	-	-	47,500	-	-	-	47,500	47,250
College ministries support	-	263,683	-	-	-	263,683	-	-	-	263,683	271,012
Support services	-	130,635	-	-	-	130,635	-	-	-	130,635	97,823
Auto expense and reserve	-	-	-	-	-	-	-	-	-	-	8,831
Telephone	-	-	-	-	11,892	11,892	10,379	-	10,379	22,271	16,678
Office supplies	-	2,584	13	40	32,983	35,620	45,333	-	45,333	80,953	67,201
Building expenses	-	125,952	-	-	-	125,952	119,899	-	119,899	245,851	166,760
Professional fees	-	-	145,495	250	19,510	165,255	70,302	-	70,302	235,557	143,138
Miscellaneous	-	12,897	-	7,114	-	20,011	102,725	-	102,725	122,736	156,436
	631,938	2,433,827	620,305	372,555	361,049	4,419,674	1,297,251	131,177	1,428,428	5,848,102	5,734,011
Depreciation	-	-	-	-	-	-	33,939	-	33,939	33,939	38,282
Total Expenses	\$ 631,938	\$ 2,433,827	\$ 620,305	\$ 372,555	\$ 361,049	\$ 4,419,674	\$ 1,331,190	\$ 131,177	\$ 1,462,367	\$ 5,882,041	\$ 5,772,293

The accompanying notes to the financial statements are an integral part of these statements.

THE PROTESTANT EPISCOPAL CHURCH IN THE DIOCESE OF VIRGINIA
STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 2020)

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Change in net assets	\$ 3,529,981	\$ 4,135,282
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	33,939	38,282
Gain from sale of real estate	(88,958)	(1,756,029)
Gain on sale of property and equipment	(3,995)	-
Unrealized gain on investments - net	(2,848,432)	(1,187,431)
Increase in beneficial interest in trusts	(24,875)	(14,761)
Change in operating assets and liabilities:		
Accounts receivable	(145,447)	335,657
Contributions receivable	(367,423)	46,084
Prepaid expenses and other current assets	1,887	-
Accounts payable and other liabilities	(478,242)	517,075
Net cash flows from operating activities	<u>(391,565)</u>	<u>2,114,159</u>
Cash flows from investing activities:		
Purchase of investments, including reinvested income	(893,984)	(2,455,787)
Proceeds from sale of investments	458,207	707,227
Proceeds from sale of real estate	188,988	1,975,149
Purchase of property and equipment	(28,929)	-
Net cash flows from investing activities	<u>(271,723)</u>	<u>226,589</u>
Cash flows from financing activities:		
Principal payments on notes payable	(21,053)	(1,847,602)
Net cash flows from financing activities	<u>(21,053)</u>	<u>(1,847,602)</u>
Net change in cash and cash equivalents	(684,341)	493,146
Cash and cash equivalents, beginning of year	2,386,468	1,893,322
Cash and cash equivalents, end of year	<u>\$ 1,702,127</u>	<u>\$ 2,386,468</u>
Supplemental disclosure of cash flow information:		
Cash paid for interest	<u>\$ 22,947</u>	<u>\$ 61,970</u>

The accompanying notes to the financial statements are an integral part of these statements.

THE PROTESTANT EPISCOPAL CHURCH IN THE DIOCESE OF VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2021

Note 1—Organization and nature of activities

The Protestant Episcopal Church in the Diocese of Virginia (“Diocese”) is a community of members and clergy in counties throughout central, northern, and northwestern Virginia. Established in 1785, the Diocese serves the world through its congregations, schools, diocesan centers, and diocesan homes.

Note 2—Summary of significant accounting policies

Reporting Entity and Related Organizations – These statements present the financial position, changes in net assets, and cash flows for funds under control of the Annual Council of the Diocese. The statements do not present such information on individual church, parish, or regional organizations or separately organized and controlled entities in the Diocese, such as Trustees of the Funds of the Protestant Episcopal Church in the Diocese of Virginia, Inc. (“Trustees of the Funds” or “TOTF”), Memorial Trustees under the will of Annie Rose Walker and Roslyn Managers Corporation (“Memorial Trustees”), Diocesan Missionary Society of Virginia (“DMS”), Church Schools of the Diocese of Virginia (“CSDV”), The Episcopal Church Women, Virginia Diocesan Homes, and Shrine Mont, Inc. (“Shrine Mont”).

Basis of Presentation – The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). The Diocese financial statements have been prepared to focus on the organization as a whole. Resources are classified into two net asset categories based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Diocese and changes therein are classified and reported 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 Diocese. These net assets may be used at the discretion of the Diocese management and the Board of Directors. The Diocese has chosen to provide further classification information about net assets without donor restrictions on the statements of financial position. The sub classifications are as follows:

Undesignated – Represents the cumulative net assets without donor restrictions excluding those net assets designated for specific activities.

Board-Designated – Comprised of funds set aside by the Board of Directors to be used for specific activities within general guidelines established by the Diocese.

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 Diocese or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Use of Estimates – The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements. Such estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and assumptions.

Cash and Cash Equivalents – For purposes of reporting cash flows, the Diocese considers demand deposits and investments with a purchased maturity of less than three months to be cash and cash equivalents.

THE PROTESTANT EPISCOPAL CHURCH IN THE DIOCESE OF VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2021

Note 2—Summary of significant accounting policies (continued)

Investments – Investments are recorded at their net asset value (“NAV”), or its equivalent. Investment income is recorded when interest is earned, and dividends are declared. Gain or loss on investment sales is recorded on the trade-date based upon specific identification. Unrealized gains and losses on investments are recorded based on the change between cost basis and NAV of investments at year-end compared to the change in the prior year.

Accounts Receivable – Accounts receivable represent amounts due to the Diocese related to program revenues. Accounts receivables are written off when determined to be uncollectible. In management’s opinion, no allowance is needed at December 31, 2021.

Property and Equipment – Property and equipment is stated at cost. Major additions are capitalized. Repairs and renewals are expensed. Depreciation is computed using the straight-line method over a useful life of between five and seven years.

Real Estate and Real Estate Held for Sale – The Diocese holds real estate, recorded at cost, as a part of mission development projects in various regions. The intent is to transfer the properties to the particular parishes when they are authorized to appoint their own trustees. The real estate acquired through the property litigation has been recorded at the property’s fair value at the time of acquisition. It will be carried at the acquisition date fair value until it is either disposed of or the value is deemed to be permanently impaired.

Property titled to trustees of individual congregations is not recorded by the Diocese. Under the Canon law of the Episcopal Church, this property is held in trust, in the names of the individual churches, for the benefit of the Episcopal Church and the Diocese.

Income Tax Status – The Diocese is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code; accordingly, the accompanying financial statements do not reflect a provision or liability for federal and state income taxes. The Diocese has determined that it does not have any material unrecognized tax benefits or obligations as of December 31, 2021.

Concentration of Credit Risk – Financial instruments which potentially subject the Diocese to concentrations of credit risk consist principally of temporary cash investments and trade receivables. The Diocese places its cash and cash equivalents on deposit with financial institutions in the United States. The Federal Deposit Insurance Corporation provides insurance coverage for up to \$250,000 for substantially all depository accounts. The Diocese, from time to time, may have amounts on deposit in excess of the insured limits; however, the Diocese has not experienced any losses in such amounts. As of December 31, 2021 the Diocese had \$1,018,779 in deposits that exceeded these insured limits.

Contributions – Contributions are recognized when cash, other assets, or an unconditional promise to give is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return or right of release, are not recognized until the conditions on which they depend have been substantially met. Contributions of assets other than cash are recorded at their estimated fair value.

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 statements of activities.

Functional Expenses – The costs of providing the various programs and other activities of the Diocese have been summarized on a functional basis in the statement of functional expenses. Direct, identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are allocated to the various programs and supporting services based on time and effort.

THE PROTESTANT EPISCOPAL CHURCH IN THE DIOCESE OF VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2021

Note 2—Summary of significant accounting policies (continued)

Future Accounting Pronouncement – In February 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2016-02, *Leases*. ASU 2016-02 is intended to improve financial reporting about leasing transactions. The ASU will require organizations that lease assets to recognize assets and liabilities on the statement of financial position for the rights and obligations created by those leases. The standard will be effective for the fiscal years beginning after December 15, 2021. The Diocese is currently in the process of evaluating the impact of the adopting the provisions of ASU 2016-02 on the financial statements.

Note 3—Liquidity and availability

Financial assets available for general expenditures within one year at December 31, 2021:

Financial assets at year-end:	
Cash and cash equivalents	\$ 1,702,127
Investments	32,137,325
Accounts receivable	576,694
Contributions receivable	<u>452,228</u>
Total financial assets at year-end	34,868,374
Less amounts not available to be used for general expenditures within one year:	
Net assets with donor restrictions	<u>17,191,003</u>
Financial assets available to be used within one year	<u>\$ 17,677,371</u>

The Diocese has board-designated assets limited to use which are available for general expenditures within one year in the normal course of operations. Accordingly, these assets have been included in the quantitative information above for financial assets available to be used within one year. The Diocese has other assets limited to use for donor-restricted purposes and endowed investments. These assets are limited in use, which is more fully described in Note 14, and are not available within one year.

As part of the Diocese’s liquidity management plan, cash in excess of daily requirements are invested in the investment accounts. The Diocese considers general expenditures to include program expenses, management and administrative expenses, and any commitments or liabilities to be paid in the subsequent year.

Note 4—Investments

Investments are reported at fair value. Investments consist of the following at December 31, 2021:

	<u>Fair Value</u>	<u>Cost</u>
Investments - STAMP	\$ 815,281	\$ 841,848
Investments - Trustees of the Funds	<u>31,322,044</u>	<u>15,538,296</u>
	<u>\$ 32,137,325</u>	<u>\$ 16,380,144</u>

The Diocese also has amounts invested with the TOTF through a unitized investment pool for Diocesan organizations and parishes within the Diocese of Virginia. The funds are held as part of a diversified managed endowment model portfolio. Investment earnings net of fees are allocated to the participants based on units.

THE PROTESTANT EPISCOPAL CHURCH IN THE DIOCESE OF VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2021

Note 4—Investments (continued)

Investment income included the following for December 31, 2021:

STAMP income	\$ 14,382
STAMP unrealized loss	(10,773)
Trustees of the Funds income, net	1,135,353
Trustees of the Funds unrealized gain	2,859,205
	<u>\$ 3,998,167</u>

Note 5—Investments carried at net asset value or its equivalent

All amounts held by TOTF are held in two accounts, TOTF and STAMP, with no restrictive redemption provisions and no unfunded commitment requirements. TOTF is managed with the overall investment objective of preserving a steady and consistent spending stream for the support of fund participants. The asset structure reflects TOTF's needs for liquidity, preservation, purchasing power, long-term growth of principal, and risk tolerance of the TOTF. TOTF investments are comprised of three parts: a bond fund, an equity fund, and a short-term fund. Each one has specific objectives and policy guidelines.

The table below sets forth a summary of investments that are valued using NAV at December 31, 2021. This category includes the following type of investment:

	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Lock-In Period</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Trustees of the Funds ^(a)	\$ 31,322,044	n/a	n/a	Daily	None
STAMP ^(b)	\$ 815,281	n/a	n/a	Daily	None

(a) This class includes funds of hedge funds across multiple strategies. Sub-strategies include but are not limited to long/short term debt, absolute return, and even driven.

(b) This class includes investments in shorter-term, investment grade bonds, U.S. Treasury and government agency bonds, pooled consumer bonds, mortgages, and asset-backed securities.

Note 6—Property and equipment

Major classes of property and equipment consisted of the following at December 31, 2021:

Equipment	\$ 307,258
Vehicles	164,488
	<u>471,746</u>
Less accumulated depreciation	(353,016)
	<u>\$ 118,730</u>

THE PROTESTANT EPISCOPAL CHURCH IN THE DIOCESE OF VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2021

Note 7—Beneficial interest in trusts

The Diocese is an income beneficiary of a perpetual trust. This trust makes distributions to the Diocese based on the Diocese's percentage interest as stated in the trust documents. The fair value of the interest in the trusts is \$272,095 at December 31, 2021, which has been recorded as an asset and is adjusted each year to reflect the change in value. The Diocese has also been named as a beneficiary in a charitable lead trust. No financial information is currently available to value this interest. Annual receipts on this trust are included in gift income.

Note 8—Related party transactions

The Diocese provides administrative and accounting services to several related organizations. TOTF and DMS reimburse the Diocese for a portion of the salary and benefits of the accounting staff under a "common paymaster" arrangement. Under this arrangement, any person employed by several related organizations is compensated by one organization, which is reimbursed by the other organizations. During 2021, salary costs incurred and subsequently reimbursed were \$134,749 and \$41,114 for TOTF and DMS, respectively. As of December 31, 2021, the Diocese also had related party receivables with the TOTF, Memorial Trustees, and DMS in the amount of \$6,469, \$13,181, and \$22,635, respectively, which are included in accounts receivable on the statement of financial position.

TOTF, a nonstock, nonprofit corporation, was established in 1892 to receive, hold, and invest gifts and bequests of real and personal property for the Diocese, including the Mayo Memorial House, which is used as the general offices of the Diocese. The Diocese receives free use of the Mayo Memorial House. The value of this non-exchange transaction is not reflected in the financial statements.

The Diocese runs camps and conferences as a part of their summer programs. These activities are held at Shrine Mont, which is a separate Diocesan retreat facility. During 2021, the Diocese paid \$177,347 for room and board to Shrine Mont as a part of these programs.

The Diocesan Missionary Society provides loans to organizations within the Diocese that are in financial need. One loan to the Diocese is outstanding as of December 31, 2021, with a balance of \$983,032 (see Note 10).

Note 9—Pension plan

The Diocese has a defined contribution pension plan for all lay employees working at least 20 hours per week in accordance with the requirements of the Canons of the Episcopal Church. Plan contribution expense for 2021 was \$151,795. In addition, clergy employees of the Diocese participate in the defined benefit pension plan of the Church Pension Fund in accordance with the Canons of the Episcopal Church. Pension plan expense on behalf of clergy employees of the Diocese in 2021 was \$143,357.

Note 10—Notes payable

Notes payable consisted of the following as of December 31, 2021:

Note payable to DMS - collateralized by real property, due in quarterly installments of interest only at 2.80%, with remaining principal due in full April 2024, assuming all future five-year extensions are granted.	\$ 983,032
Less current portion	-
	<u>\$ 983,032</u>

THE PROTESTANT EPISCOPAL CHURCH IN THE DIOCESE OF VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2021

Note 10—Notes payable (continued)

Estimated future principal payments on notes payable for years ending December 31 are as follows:

2022	\$	-
2023		-
2024		983,032
	\$	<u>983,032</u>

Note 11—Lease commitments

The Diocese has noncancelable operating lease agreements for copiers and equipment. The copier leases require payment of an excess copy charge in addition to the monthly lease payment.

Minimum lease commitments for future years ending December 31 are as follows:

2022	\$	17,032
2023		16,430
2024		16,430
2025		13,317
2026		11,760
Thereafter		1,960
	\$	<u>76,929</u>

The Diocese leases real estate property owned to tenants under noncancelable operating leases with the terms of 5 to 15 years. The following is a schedule, by years, of future minimum rentals under the leases at December 31, 2021:

2022	\$	120,000
2023		120,000
2024		120,000
2025		120,000
2026		120,000
Thereafter		560,000
	\$	<u>1,160,000</u>

Note 12—Commitments and contingencies

The Diocese has guaranteed a \$6,000,000 20-year tax-exempt bond issuance by Memorial Trustees. The bonds were originally issued in September 2001 and subsequently re-issued in 2012 at \$4,025,000. The outstanding balance on the bonds at December 31, 2021 was \$2,523,645. No liability has been accrued with respect to the guarantee.

The Diocese has outstanding commitments at year-end of approximately \$146,359 with respect to a convention taking place in 2022.

THE PROTESTANT EPISCOPAL CHURCH IN THE DIOCESE OF VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2021

Note 12—Commitments and contingencies (continued)

In response to the worldwide spread of coronavirus (“COVID-19”), management of the Diocese has implemented a number of practices designed to protect the safety and well-being of its employees and customers including adoption of the applicable portions of the President’s Coronavirus Guidelines for America (the “Guidelines”). Adoption of the Guidelines has resulted in, among other things, a significant number of the Diocese’s personnel working remotely as well as a renewed emphasis in employee communications with respect to jobsite hygiene and social distancing for those employees whose responsibilities require them to be physically present at various locations.

The extent to which COVID-19 may impact the Diocese’s future operations will depend upon future developments which are highly uncertain and cannot be predicted at this time. In response to this uncertainty, management is continuously monitoring the Diocese’s financial performance and related cash position and liquidity and developing and implementing plans designed to maintain the Diocese’s consolidated financial position should the breadth and duration of the business disruptions related to COVID-19.

Note 13—Board-designated net assets

Net assets without donor restriction includes designated funds by the Diocese for the following purposes at December 31, 2021:

Diocesan programs	<u>\$ 57,099,375</u>
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These amounts include an operating reserve that was established by the Diocese to provide for liquid funds in the event of short-term cash flow needs for unanticipated events that would necessitate the use of reserves to continue the operations and mission of the organization.

Note 14—Restricted net assets

The Diocese had restrictions on net assets as follows at December 31, 2021:

Purpose restricted:	
Development funds	\$ 2,501,070
Diocesan programs	2,987,869
Bishop’s programs	3,780,017
Beneficial interest in perpetual trusts	272,096
Time restricted for endowments, some of which is perpetual in nature:	
Bishop’s programs	<u>7,649,951</u>
Total restricted net assets	<u>\$ 17,191,003</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or other events specified by the donors as follows for the year at December 31, 2021:

Satisfaction of purpose restriction	<u>\$ 627,145</u>
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THE PROTESTANT EPISCOPAL CHURCH IN THE DIOCESE OF VIRGINIA

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2021

Note 15—Endowment funds

The Diocese's endowment consists of 29 individual funds. These funds are all donor-restricted endowment funds and were established for a variety of purposes. Its endowment includes both donor-restricted funds and funds designated by the Board to function as endowments. As required by U.S. GAAP, net assets associated with these endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The management of donor-restricted endowment funds is governed by state law under the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as adopted by the Virginia state legislature in 2008. The law gives guidance for investment and spending practices, giving consideration for donor intent and the organization's overall resources and charitable purpose. As a result of this interpretation, the Diocese classifies as net assets with donor restrictions (a) the original value of gifts donated to the perpetual endowment, (b) the original value of subsequent gifts to the perpetual endowment, and (c) accumulations to the perpetual endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by us in a manner consistent with the standard of prudence prescribed by UPMIFA. The Diocese considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Diocese, and (7) the Diocese's investment policies.

Investment Return Objectives, Risk Parameters and Strategies – The Diocese is guided by the investment and spending policies of the Trustees of the Funds for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. To support distributions and preserve purchasing power, the Trustees of the Funds' objective is to maximize investment return within reasonable and prudent levels of risk. While it is understood that the Diocese has the right to withdraw its investments at any time according to the then current withdrawal policy of the Trustees of the Funds, it is the express intent of the Trustees of the Funds to invest the fund for the long term and accept that level of portfolio risk consistent with achieving long-term growth and preservation of capital.

Spending Policy – In pursuit of this objective, the Trustees of the Funds have set an annual distribution rate policy range of 4% to 5%. The annual distribution, calculated using the current distribution rate, is based on a rolling 20-quarter market value average of the fund. The Trustees of the Funds authorize the annual distribution to be issued after the third quarter of each calendar year. The distribution rate will be reviewed annually for appropriateness in prevailing economic conditions. The Diocese may request a different payout percentage, subject to approval by the Trustees of the Funds. To serve these management objectives, the investment objective of the Diocese is to attain a real total return of at least 5% per annum over the long term.

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 or the UPMIFA requires the Diocese to retain as a fund of perpetual duration. At December 31, 2021, funds with original gift values of \$125,000, fair values of \$111,660, and deficiencies of \$13,340 were reported in net assets with donor restrictions. These deficiencies resulted from unfavorable market fluctuations.

THE PROTESTANT EPISCOPAL CHURCH IN THE DIOCESE OF VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2021

Note 15—Endowment funds (continued)

Endowment net asset composition by type of fund as of December 31, 2021:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Donor-restricted endowment funds:			
Original donor-restricted amounts and amounts required to be maintained in perpetuity by donor	\$ -	\$ 2,273,900	\$ 2,273,900
Accumulated investments gains	-	5,376,051	5,376,051
Endowment net assets, end of year	<u>\$ -</u>	<u>\$ 7,649,951</u>	<u>\$ 7,649,951</u>

Changes in endowment net assets for the fiscal year ended December 31, 2021:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ -	\$ 6,892,903	\$ 6,892,903
Investment income, net	-	757,048	757,048
Appropriation for expenditure	-	-	-
Endowment net assets, end of year	<u>\$ -</u>	<u>\$ 7,649,951</u>	<u>\$ 7,649,951</u>

Note 16—Fair value measurements

Accounting standards establish 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 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 are other than quoted prices in active markets, which are wither directly or indirectly observable as of the reporting date, and fair value can be determined through the use of models or other valuation methodologies.

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.

THE PROTESTANT EPISCOPAL CHURCH IN THE DIOCESE OF VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2021

Note 16—Fair value measurements (continued)

The valuation methodology used for assets measured at fair value is listed below. There have been no changes in the methodology used during 2021.

Beneficial Interest in Trusts – Valued using the fair value of the underlying assets of the trust as an estimate for the present value of the expected future cash flows.

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 methods are appropriate and consistent with those of 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 Diocese’s assets at fair value as of December 31, 2021:

	Assets at Fair Value as of December 31, 2021			
	Level 1	Level 2	Level 3	Total
Beneficial interest in trusts	\$ -	\$ -	\$ 272,095	\$ 272,095
Investments measured at NAV	-	-	-	32,137,325
Total assets at fair value	\$ -	\$ -	\$ 272,095	\$ 32,409,420

(a) In accordance with Subtopic 820-10, certain investments that are measured at fair value using the NAV per share (or its equivalent) as a practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in these tables are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of net assets available for benefits.

Level 3 Gains and Losses – The table below sets forth a summary of changes in the fair value of the beneficial interest in trust for 2021.

Balance, beginning of year	\$ 247,220
Change in fair value	24,875
Balance, end of year	\$ 272,095

Note 17—Comparative totals

The summarized amounts shown for 2020 in the accompanying financial statements are included to provide a basis for comparison with 2021 and are not intended to present all information necessary for a fair presentation of the summarized 2020 statements in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Diocese’s financial statements for 2020, from which the summarized information was derived.

Note 18—Subsequent events

In preparing these financial statements, the Diocese has evaluated events and transactions for potential recognition or disclosure through December 12, 2022, the date the financial statements were available to be issued.

The Diocese sold a property in Rockingham, Virginia in January 2022 for approximately \$600,000. This will result in a gain on sale of property of approximately \$427,000 in 2022.

SUPPLEMENTARY INFORMATION

THE PROTESTANT EPISCOPAL CHURCH IN THE DIOCESE OF VIRGINIA
SCHEDULE OF OPERATING FUNDS, BUDGETARY COMPARISON
OF SUPPORT, AND REVENUES AND EXPENSES

YEAR ENDED DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 2020)

	2021		2020	Budget Variance	
	Budget	Actual	Actual	Favorable (Unfavorable) Amount	Percent
Support and Revenue:					
Contributions from churches	\$ 3,963,903	\$ 4,124,907	\$ 4,067,603	\$ 161,004	4.06%
Other gifts, grants, and promises to give	264,000	64,021	144,493	(199,979)	-75.75%
Investment income	-	140,915	70,731	140,915	100.00%
Income from Virginia Episcopalian	-	(134)	8,716	(134)	100.00%
Health insurance administration	108,120	109,396	108,383	1,276	1.18%
Miscellaneous income	-	77,808	6,653	77,808	100.00%
	4,336,023	4,516,913	4,406,579	180,890	4.17%
Net assets released from restrictions	531,100	627,145	503,974	96,045	18.08%
Total Support and Revenue	4,867,123	5,144,058	4,910,553	276,935	5.69%
Expenses:					
Ministry Areas:					
General Church Support	601,865	601,865	666,656	-	0.00%
Christian Formation:					
Committee on Christian Formation	313,750	277,274	270,704	36,476	11.63%
Youth ministry development	6,000	1,643	2,552	4,357	72.62%
Clergy and diocesan conferences	10,850	4,001	4,273	6,849	63.12%
Education for ministry program	2,750	5,500	(9,083)	(2,750)	-100.00%
	333,350	288,418	268,446	44,932	13.48%
Strengthening Our Churches:					
Aid to mission churches	459,700	457,150	498,964	2,550	0.55%
Aid to mountain missions	49,200	56,223	55,837	(7,023)	-14.27%
Special ministries and other committees	28,150	(12,731)	33,650	40,881	145.23%
Other areas for strengthening our churches	185,825	30,053	27,474	155,772	83.83%
	722,875	530,695	615,925	192,180	26.59%
Mission and Outreach:					
Committee on Mission and Outreach	24,000	3,378	7,105	20,622	85.93%
Other mission and outreach areas	58,000	52,500	52,250	5,500	9.48%
	82,000	55,878	59,355	26,122	31.86%
Ministry:					
Commission on Ministry	59,000	64,151	92,788	(5,151)	-8.73%
Human Dignity and Justice:					
Areas for Human Need and Justice	60,505	5,975	3,152	54,530	90.12%
Total Ministry Areas	1,859,595	1,546,982	1,706,322	312,613	16.81%

See report of independent auditor on supplementary information.

THE PROTESTANT EPISCOPAL CHURCH IN THE DIOCESE OF VIRGINIA
SCHEDULE OF OPERATING FUNDS, BUDGETARY COMPARISON
OF SUPPORT, AND REVENUES AND EXPENSES (CONTINUED)

YEAR ENDED DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 2020)

	2021		2020	Budget Variance Favorable (Unfavorable)	
	Budget	Actual	Actual	Amount	Percent
Expenses (continued):					
Governance and Committee Support:					
Standing Committee	\$ 6,520	\$ -	\$ 1,095	\$ 6,520	100.00%
Executive Board, Deans, and Presidents	3,000	739	958	2,261	75.37%
Other committee support	34,045	24,579	15,555	9,466	27.80%
	<u>43,565</u>	<u>25,318</u>	<u>17,608</u>	<u>18,247</u>	<u>41.88%</u>
Communications & Technology:					
Virginia Episcopalian and eCommunique	1,500	342	12,386	1,158	77.20%
Other communications expenses	31,000	18,311	14,102	12,689	40.93%
	<u>32,500</u>	<u>18,653</u>	<u>26,488</u>	<u>13,847</u>	<u>42.61%</u>
Bishops, Staff, and Support:					
The Episcopate:					
Bishops	426,325	557,232	512,184	(130,907)	-30.71%
Episcopal office staff	82,570	172,094	185,993	(89,524)	-108.42%
Other expenses of the Office of the Bishop	9,000	2,413	839	6,587	73.19%
Bishops and Episcopal office travel	32,674	15,524	19,565	17,150	52.49%
	<u>550,569</u>	<u>747,263</u>	<u>718,581</u>	<u>(196,694)</u>	<u>-35.73%</u>
Staff:					
Professional staff	1,902,448	1,714,104	1,845,288	188,344	9.90%
Staff travel	29,615	10,492	21,406	19,123	64.57%
Other staff expenses	7,500	7,518	17,323	(18)	-0.24%
	<u>1,939,563</u>	<u>1,732,114</u>	<u>1,884,017</u>	<u>207,449</u>	<u>10.70%</u>
Support:					
Automobile expenses	21,230	36,351	30,921	(15,121)	-71.22%
Office supplies, equipment, and services	71,600	113,428	126,678	(41,828)	-58.42%
Building related expenses	80,000	221,682	204,013	(141,682)	-177.10%
Professional fees	40,000	70,302	105,504	(30,302)	-75.76%
Other expenses	65,000	16,959	10,781	48,041	73.91%
	<u>277,830</u>	<u>458,722</u>	<u>477,897</u>	<u>(180,892)</u>	<u>-65.11%</u>
Total Bishops, Staff, and Support	<u>2,767,962</u>	<u>2,938,099</u>	<u>3,080,495</u>	<u>(170,137)</u>	<u>-6.15%</u>
Expended assets released from restrictions:					
Aid to individuals and organizations	-	627,145	503,974	(627,145)	100.00%
Total Expenses	<u>4,703,622</u>	<u>5,156,197</u>	<u>5,334,887</u>	<u>(452,575)</u>	<u>-9.62%</u>

See report of independent auditor on supplementary information.

THE PROTESTANT EPISCOPAL CHURCH IN THE DIOCESE OF VIRGINIA
SCHEDULE OF OPERATING FUNDS, BUDGETARY COMPARISON
OF SUPPORT, AND REVENUES AND EXPENSES (CONTINUED)

YEAR ENDED DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 2020)

	2021		2020	Budget Variance	
	Budget	Actual	Actual	Favorable (Unfavorable) Amount	Percent
Excess (deficiency) of support and revenue over expenses	<u>\$ 163,501</u>	<u>\$ (12,139)</u>	<u>\$ (424,334)</u>	<u>\$ (175,640)</u>	<u>-107.42%</u>
Transfer of Funds:					
Reserve accounts	(44,000)	(89,604)	(155,675)	(133,604)	303.65%
Shrine Mont camp program support	(119,501)	(87,367)	(70,787)	(32,134)	26.89%
Other	-	445,771	429,730	445,771	100.00%
	<u>(163,501)</u>	<u>268,800</u>	<u>203,268</u>	<u>280,033</u>	<u>-171.27%</u>
Total Changes in Net Assets After Transfers	<u>\$ -</u>	<u>\$ 256,661</u>	<u>\$ (221,066)</u>	<u>\$ 104,393</u>	<u>100.00%</u>

See report of independent auditor on supplementary information.

THE PROTESTANT EPISCOPAL CHURCH IN THE DIOCESE OF VIRGINIA
SCHEDULES OF DESIGNATED FUNDS

DECEMBER 31, 2021 AND 2020

(WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 2020)

	2021	2020
Annual Council Fund	\$ (87,550)	\$ (84,584)
Atlee Mission Fund	(372,372)	(384,372)
Auto Reserve	(114,166)	(58,079)
Biggar/Power Fund	600	600
Blakemore Trust Proceeds	79,927	57,723
Bishops & Staff Reserve	47,575	47,575
Bishop's DMS Grant	91,550	130,521
Bishop's House	(147,560)	(123,852)
Bishop's house rent	(49,973)	(13,833)
Building Repairs Reserve	(425)	(425)
CCM-Reserve for Special Needs	15,503	29,836
CCM-Reserve for Transitions	40,000	25,000
Commission on Ministry Reserve	34,849	34,849
Committee on Aging	6,234	6,234
Committee on Race Relations	3,000	3,000
Communications Reserve	25,191	25,191
Congo	630	(1,636)
Congregational Development & Revitalization	16,312	16,312
Council Scholarship Fund	360	360
COVID-19 support	(4,688)	(4,198)
DaySpring	78,005	198,324
DaySpring Real Estate Fund	38,896,220	38,896,220
Deacons Reserve	39,611	39,746
Des - St. Andrew's Charlottesville	(5,611)	7,427
Designated Gift - S S Johnston	500	500
Des - Trinity Highland Springs	20,597	21,686
Diaconal Formation Institute	(6,253)	(6,503)
Diocesan Cemetery Fund	9,771	9,771
Diocesan Historic Property Fund	1,160	1,160
Diocesan Intern Program	5,000	5,000
Diocesan Program Office	21,110	21,110
Diocese of Madagascar	100	100
Diocese of Renk -- Sudan	14,836	14,836
Diocese of Tanzania	105,011	150,291
DOV Shout IT Facilities Fund	33,186	22,912
East End Initiative	(65,328)	(65,328)
Ecumenical and Interfaith Committee	960	960
Education for Ministry	965	965
EPIC Moms	19	19
Episcopal Transition Reserve	(53,711)	(32,765)
General Convention	33,620	13,620
Haiti	10,356	10,356
Interim Ministry Development	1,080	1,080
John G Hayes Jr Income Fd	(1,786)	(1,786)
John G Hayes Missionary Fund	1,126	1,126
La Iglesia de Santa Maria	(32,362)	(32,362)
Lambeth Convention	33,991	31,991
Subtotal (carried forward)	<u>38,727,170</u>	<u>39,016,678</u>

See report of independent auditor on supplementary information.

THE PROTESTANT EPISCOPAL CHURCH IN THE DIOCESE OF VIRGINIA
SCHEDULES OF DESIGNATED FUNDS (CONTINUED)

DECEMBER 31, 2021 AND 2020
(WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 2020)

	2021	2020
Subtotal (brought forward)	\$ 38,727,170	\$ 39,016,678
Latino Ministry	(2,415)	(2,415)
LGBTQ Retreat	1,152	1,152
Liberia	1,577	1,577
Mental Health Committee Reserve	20	20
Micro-Economic Development	72,750	72,750
Mission Development	90,750	90,750
Mission Maintenance & Repair Reserve	36,924	30,924
Mountain Mission Reserve	51,495	48,218
Native American Ministry	1,022	822
Office Equipment Reserve	6,932	6,932
Omisol Road - Reserve	20,746	(26,276)
Opioid Task Force	277	300
Prevention of Misconduct Reserve	4,000	4,000
Property & Opr Exp - St Pauls Haymarket	(17,387)	(17,428)
Property Exp - Church Hill Dr. Woodbridge	405,758	346,287
Property Fund	28,449	28,449
Property Maintenance Fund	(6,237)	19,827
Puerto Rico	1,793	1,793
Queen Esther Girls Secondary School Fund	(2,574)	27,426
Real Estate Value Fund	17,749,394	17,639,383
Region 2 Mission (Deltaville)	105,518	98,566
Reserve-2015 Unrestricted Reserve	579,534	649,758
Risk Management Program	32,965	26,315
Rockingham Property Fund (Reg 14)	12,811	12,811
Santa Maria Stewardship (DuPont Grant)	701	701
Shelton Shop Rd Property	196,514	182,834
SSJ Fund for Youth and Young Adult Formation	12,768	12,768
SSJ Portrait Fund	(11,500)	(11,500)
St. Clare's (W Henrico) Mission	(126,417)	(126,417)
St. Francis Mission Fd (Goochland)	(179,357)	(179,357)
ST Investments	437,496	436,901
St. Margarets Ruther Glenn	135	135
St. Phoebe's School	(20,208)	(14,538)
Stewardship Committee Reserve	467	467
Stewardship of Creation Grant Fund	5,228	5,228
Triangle of Hope	20,311	21,541
Trinity, Beaverdam	20,734	18,149
Trustees of the Funds	2,997,169	2,677,301
Virginia Diocesan Library	(12,841)	3,176
YASC - A Cameron	(380)	(380)
YASC - Duncan Campbell	1,310	1,310
YASC - A Jacobs	25	25
YASC - A Russell	973	973
YASC - C Belous	980	980
YASC - A. Davis	1,000	1,000
Young Priests Initiative	9,888	9,888
Youth Ministry	100,970	100,970
Total Designated Funds	\$ 61,358,390	\$ 61,220,774

See report of independent auditor on supplementary information.

THE PROTESTANT EPISCOPAL CHURCH IN THE DIOCESE OF VIRGINIA
SCHEDULES OF DEVELOPMENT FUNDS

DECEMBER 31, 2021 AND 2020

(WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 2020)

	2021	2020
Bishop Jones' Evangelism Fund	\$ 2,615	\$ 500
Bishop Lee Fund for Small Church Vitality	157,490	135,167
B Maxwell Art Camp Scholarship Fund	2,749	1,658
Camp Equipment	13,155	13,155
Camp Program TOF Investments	1,921,520	1,747,649
Camp Scholarship Annual Fund	201,937	126,175
FCF - Unrestricted	67,849	67,849
Mustard Seed Grant Fund	1,523	5,941
Pledges Receivable - SM Shout It! Campaign	31,335	61,829
Shrine Mont Shout It! Campaign	61,019	57,426
St. Georges Camp	19,848	19,848
Youth Mission Vouchers 2007	(600)	(600)
Youth Mission Vouchers 2008	(1,000)	(1,000)
Youth Mission Vouchers 2009	(1,500)	(1,500)
Youth Mission Vouchers 2010	19,206	13,836
Youth Mission Vouchers 2011	1,205	1,205
DVA Grant Fund	1,125	1,125
DFHN	1,595	1,595
Total Development Funds	\$ 2,501,071	\$ 2,251,858

See report of independent auditor on supplementary information.

THE PROTESTANT EPISCOPAL CHURCH IN THE DIOCESE OF VIRGINIA
SCHEDULES OF OTHER FUNDS

DECEMBER 31, 2021 AND 2020

(WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 2020)

	2021	2020
A.H. & C.J. Robinson Fund	\$ 520,914	\$ 409,409
Albert Baker Fund	136,750	136,750
Alison Gibson Fund	649	649
Ball Fund	165,354	165,354
Bishop Goff's Discretionary Fund	34,870	19,766
Bishop Goodwin Memorial Scholarship Fd	15,123	12,860
Bishop Gulick's Discretionary Fund	11,938	11,345
Bishop Ihloff Discretionary Fund	8,292	8,292
Bishop Jennifer Brooke-Davidson	10,867	6,890
Bishop Johnston's Discretionary Fund	(5,347)	59
Bishop Jones' Discretionary Fund	38,718	41,918
Bishop Jones Evangelism Grant Fund	6,678	8,793
Bishop Jones' Sabbatical Fund	3,226	3,226
Bishop Mason Memorial Fund	2,632	1,770
Bishops Combined Discretionary Fund	31,640	(1,504)
Bishop's Emergency Needs Fund	79,913	79,913
Bishop's Theological Education Fund	6,008	8,270
Bishop P.J.L. Disc Fd	(19,336)	(9,336)
Bishop R. F. Gibson Memorial Fund	1,518	1,518
Bishop R. F. Gibson Property Foundation	10,856	10,856
Bruce Fund	56,844	56,844
Canon Wingo Discretionary Fund	2,784	2,784
Columbia Walker Memorial Missions Fund	51,735	51,735
David Lewis Memorial Fund	5,619	5,619
Disabled Clergy Fund	728,756	733,765
Diocesan Fund for Human Need	24,850	21,777
Diocesan Fund for World Mission	23,818	17,298
Dickinson Memorial Fund	(50,000)	(50,000)
Dooley Fund	324,270	263,986
duPont Diocesan Enrichment Fund	1,853	4,453
duPont Small Church Clergy Development	17,050	17,050
E Holcombe Palmer Fund	3,301	3,301
ECW Gift - Bishop Goff	339	339
Ellen Goldsborough Fund	(13,438)	(6,188)
Episcopal Fund	(15,000)	(15,000)
Fear Not Fund	600	550
Fifth Century Fund	50,000	50,000
Forest Fund	55,257	55,257
Francis Edmonia Newman Fund	73,912	75,956
Freda W Kipps Income Fund	38,863	38,863
Gilliatt Campus Ministry Fund	10,559	10,559
Hugh McGuire Taylor Fund	36,839	36,839
Subtotal (carried forward)	<u>2,490,074</u>	<u>2,292,585</u>

See report of independent auditor on supplementary information.

THE PROTESTANT EPISCOPAL CHURCH IN THE DIOCESE OF VIRGINIA
SCHEDULES OF OTHER FUNDS (CONTINUED)

DECEMBER 31, 2021 AND 2020

(WITH COMPARATIVE TOTALS FOR YEAR ENDED DECEMBER 31, 2020)

	2021	2020
Subtotal (brought forward)	\$ 2,490,074	\$ 2,292,585
Ida B Gale Fund	37,554	37,554
Julia A Ward Income Fund	802	802
John and Ethel Davis Fund	1,302	1,302
John Lyons Fund	6,207	6,207
Katherine G Cook Scholarship	2,162	2,162
Lucille McGriff Fund	851	851
M Thorpe Disc Fd	1,955	1,955
Mary Amanda Stewart Fund	10,823	10,823
MEZ Grant	2,609	2,609
Moncure Memorial Fund	18,371	18,371
Pearl Leone Hecht Fund	186	186
Philip A. Arthur Memorial Fund	576	576
Scott Fdn Grant 2010	30,332	18,332
Smoot Bequest Income Fund	(76,078)	(76,078)
Smoot Bequest to Dio Fund	55,592	55,592
SM Scholarship Fund	4,710	4,710
South African Bishops Fund	9,699	9,699
ST Investments - Restricted	299,695	299,288
St. John's Waldrop Fund	33,176	33,176
St. John's Greensprings Fund	3,208	7,168
UTO Fund	187	187
Bishop Porter Disc Fund	7,804	-
J. Lee Hill Discretionary	1,000	-
Charles Norse Fund	2,600	-
Unrestricted Bequests	10,000	-
Subtotal	2,955,397	2,728,057
Funds invested with the Trustees of the Funds	25,315,651	22,667,100
Beneficial interest in trusts	272,095	247,220
Total Other Funds	\$ 28,543,143	\$ 25,642,377

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