

**CONVENTION OF THE PROTESTANT EPISCOPAL CHURCH
OF THE DIOCESE OF MARYLAND AND SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

DECEMBER 31, 2024 AND 2023

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Independent Auditor's Report

To the Officers and Board of Directors
Convention of the Protestant Episcopal Church
of the Diocese of Maryland and Subsidiaries

Opinion

We have audited the accompanying consolidated financial statements of Convention of the Protestant Episcopal Church of the Diocese of Maryland (a nonprofit organization) and Subsidiaries, which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities, functional expenses, net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Convention of the Protestant Episcopal Church of the Diocese of Maryland and Subsidiaries as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Convention of the Protestant Episcopal Church of the Diocese of Maryland and Subsidiaries 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.

Correction of Error

As discussed in Note 16 to the consolidated financial statements, an adjustment has been made to correct errors relating to an overstatement of depreciation expense recorded during the year ended December 31, 2023. Accordingly, amounts previously reported as depreciation expense and accumulated depreciation have been restated in the December 31, 2023 consolidated financial statements now presented, and an adjustment has been made to net assets without donor restrictions as of December 31, 2023 to correct these errors. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Consolidated Financial Statements

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

Independent Auditor's Report (Continued)

Responsibilities of Management for the Consolidated Financial Statements (Continued)

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Convention of the Protestant Episcopal Church of the Diocese of Maryland and Subsidiaries' ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 consolidated 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 consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Convention of the Protestant Episcopal Church of the Diocese of Maryland and Subsidiaries' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Convention of the Protestant Episcopal Church of the Diocese of Maryland and Subsidiaries' 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.

Gross, Mendelson & Associates, P. A.

**CONVENTION OF THE PROTESTANT EPISCOPAL CHURCH
OF THE DIOCESE OF MARYLAND AND SUBSIDIARIES**
Consolidated Statements of Financial Position
December 31, 2024 and 2023

| | <u>2024</u> | <u>2023</u> (Restated) |
|--|-----------------------------|-----------------------------|
| Assets | | |
| Cash and cash equivalents | \$ 543,736 | \$ 637,604 |
| Pledges receivable, net | 780,221 | 1,863,470 |
| Accounts receivable | 244,974 | 151,625 |
| Investments | 28,594,512 | 22,748,190 |
| Loans receivable | 4,481,912 | 4,000,091 |
| Investment income receivable | 400,000 | -0- |
| Prepaid expenses and other assets | 201,509 | 113,486 |
| Investments restricted to long-term investment | 15,117,225 | 14,113,874 |
| Operating lease right-of-use assets | 36,399 | 52,700 |
| Property, net of accumulated depreciation | 16,734,577 | 18,409,702 |
| Total Assets | <u>\$ 67,135,065</u> | <u>\$ 62,090,742</u> |
| Liabilities | | |
| Accounts payable and accrued expenses | \$ 405,580 | \$ 562,447 |
| Deferred revenue | 446,010 | 296,428 |
| Lines of credit | 2,066,259 | 1,138,866 |
| Construction loan | 2,000,000 | 2,000,000 |
| Deferred developer fee | 314,695 | 397,295 |
| Operating lease liabilities | 36,300 | 52,716 |
| Custodial investment funds held for congregations | 3,253,111 | 2,724,040 |
| Total Liabilities | <u>8,521,955</u> | <u>7,171,792</u> |
| Commitments and Contingencies (Notes 11 and 15) | | |
| Net Assets | | |
| Without donor restrictions | 13,613,964 | 13,064,754 |
| With donor restrictions | 45,060,468 | 41,907,244 |
| Total Net Assets - Convention of the Protestant Episcopal Church of the Diocese of Maryland | 58,674,432 | 54,971,998 |
| Noncontrolling Interest (Deficit) | (61,322) | (53,048) |
| Total Net Assets | 58,613,110 | 54,918,950 |
| Total Liabilities and Net Assets | <u>\$ 67,135,065</u> | <u>\$ 62,090,742</u> |

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

**CONVENTION OF THE PROTESTANT EPISCOPAL CHURCH
OF THE DIOCESE OF MARYLAND AND SUBSIDIARIES**
Consolidated Statements of Activities
Years Ended December 31, 2024 and 2023

| | 2024 | | | 2023 (Restated) | | |
|--|-------------------------------|----------------------------|---------------------|-------------------------------|----------------------------|-------------------|
| | Without Donor Restrictions | With Donor Restrictions | Total | Without Donor Restrictions | With Donor Restrictions | Total |
| Support and Revenue | | | | | | |
| Contributions and bequests | \$ 3,196,142 | \$ 1,787,946 | \$ 4,984,088 | \$ 3,191,703 | \$ 1,603,301 | \$ 4,795,004 |
| Claggett conference fees | 1,865,309 | -0- | 1,865,309 | 1,653,379 | -0- | 1,653,379 |
| Net investment return | 1,053,516 | 2,738,320 | 3,791,836 | 1,189,148 | 3,105,120 | 4,294,268 |
| Change in fair value of irrevocable trust | -0- | -0- | -0- | -0- | 89,025 | 89,025 |
| Interest on loans | -0- | 81,413 | 81,413 | -0- | 21,961 | 21,961 |
| Gain (loss) on sale of assets | 3,455,619 | -0- | 3,455,619 | (5,817) | -0- | (5,817) |
| Miscellaneous income | 384,809 | -0- | 384,809 | 452,492 | -0- | 452,492 |
| Net assets released from restrictions | 1,454,455 | (1,454,455) | -0- | 2,801,513 | (2,801,513) | -0- |
| Total Support and Revenue | <u>11,409,850</u> | <u>3,153,224</u> | <u>14,563,074</u> | <u>9,282,418</u> | <u>2,017,894</u> | <u>11,300,312</u> |
| Expenses | | | | | | |
| Program Services: | | | | | | |
| Claggett Conference Center | 3,580,912 | -0- | 3,580,912 | 2,816,650 | -0- | 2,816,650 |
| Ministry in the World | 1,425,078 | -0- | 1,425,078 | 1,542,037 | -0- | 1,542,037 |
| Ministry to Congregations and institutions | 958,837 | -0- | 958,837 | 1,030,059 | -0- | 1,030,059 |
| Ministry for Christian Formation | 192,022 | -0- | 192,022 | 169,973 | -0- | 169,973 |
| Ministry of Communications | 108,819 | -0- | 108,819 | 101,618 | -0- | 101,618 |
| Ministry of the Bishop's Office | 2,617,301 | -0- | 2,617,301 | 1,995,232 | -0- | 1,995,232 |
| Total Program Services | <u>8,882,969</u> | <u>-0-</u> | <u>8,882,969</u> | <u>7,655,569</u> | <u>-0-</u> | <u>7,655,569</u> |
| Support Services: | | | | | | |
| Management and General | 2,311,080 | -0- | 2,311,080 | 3,425,394 | -0- | 3,425,394 |
| Fundraising | 24,615 | -0- | 24,615 | 31,706 | -0- | 31,706 |
| Total Support Services | <u>2,335,695</u> | <u>-0-</u> | <u>2,335,695</u> | <u>3,457,100</u> | <u>-0-</u> | <u>3,457,100</u> |
| Total Expenses | <u>11,218,664</u> | <u>-0-</u> | <u>11,218,664</u> | <u>11,112,669</u> | <u>-0-</u> | <u>11,112,669</u> |
| Change in Net Assets | 191,186 | 3,153,224 | 3,344,410 | (1,830,251) | 2,017,894 | 187,643 |
| Change in Net Assets Attributable to Noncontrolling Interest | (8,274) | -0- | (8,274) | (53,048) | -0- | (53,048) |
| Change in Net Assets Attributable to Convention of the Protestant Episcopal Church of the Diocese of Maryland | \$ 199,460 | \$ 3,153,224 | \$ 3,352,684 | \$ (1,777,203) | \$ 2,017,894 | \$ 240,691 |

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

**CONVENTION OF THE PROTESTANT EPISCOPAL CHURCH
OF THE DIOCESE OF MARYLAND AND SUBSIDIARIES
Consolidated Statement of Functional Expenses
Year Ended December 31, 2024**

| | Program Expenses | | | Supporting Expenses | | | Total Expenses |
|---|-------------------|------------------------|-----------------|---------------------|------------------------|-------------|----------------|
| | Episcopal Diocese | Bishop Claggett Center | Sutton Scholars | Total Program | Management and General | Fundraising | |
| Personnel Costs: | | | | | | | |
| Salaries and wages | \$ 1,032,645 | \$ 1,241,294 | \$ 282,025 | \$ 2,555,964 | \$ 655,003 | \$ -0- | \$ 3,210,967 |
| Employee benefits | 742,346 | 177,637 | 7,069 | 927,052 | 304,961 | -0- | 1,232,013 |
| Payroll taxes | 20,901 | 91,702 | 6,459 | 119,062 | 47,912 | -0- | 166,974 |
| Total personnel costs | 1,795,892 | 1,510,633 | 295,553 | 3,602,078 | 1,007,876 | -0- | 4,609,954 |
| Other direct expenses | 290,296 | 234,602 | 29,127 | 554,025 | 365,762 | 14,553 | 934,340 |
| Depreciation | 162,898 | 603,831 | -0- | 766,729 | 103,326 | -0- | 870,055 |
| Denominational apportionment | 500,424 | -0- | -0- | 500,424 | -0- | -0- | 500,424 |
| Repairs and maintenance | 655,947 | 212,030 | -0- | 867,977 | 416,065 | -0- | 1,284,042 |
| Congregation | 564,052 | -0- | -0- | 564,052 | -0- | -0- | 564,052 |
| Utilities | 43,093 | 199,382 | -0- | 242,475 | 27,333 | -0- | 269,808 |
| Grants and scholarships | 498,907 | -0- | -0- | 498,907 | -0- | -0- | 498,907 |
| Insurance | 42,843 | 5,730 | -0- | 48,573 | 28,048 | -0- | 76,621 |
| Communications | 100,963 | 4,197 | -0- | 105,160 | -0- | -0- | 105,160 |
| Contract and temporary labor | -0- | 16,251 | -0- | 16,251 | -0- | -0- | 16,251 |
| Ordained ministry | 108,401 | -0- | -0- | 108,401 | -0- | -0- | 108,401 |
| Kitchen and cafeteria | -0- | 455,364 | -0- | 455,364 | -0- | -0- | 455,364 |
| Office equipment | -0- | 27,455 | -0- | 27,455 | 13,653 | -0- | 41,108 |
| Computer | 6,748 | 3,852 | -0- | 10,600 | 103,511 | 235 | 114,346 |
| College ministry | 43,771 | -0- | -0- | 43,771 | -0- | -0- | 43,771 |
| Professional services | -0- | -0- | -0- | -0- | 80,285 | -0- | 80,285 |
| Telecommunication | -0- | -0- | -0- | -0- | 48,234 | -0- | 48,234 |
| Office supplies | -0- | 19,085 | 19,483 | 38,568 | 9,771 | 135 | 48,474 |
| Interest expense | -0- | 313,435 | -0- | 313,435 | 27,333 | -0- | 340,768 |
| Bank fees | -0- | 17,114 | -0- | 17,114 | 13,138 | -0- | 30,252 |
| Business travel | 54,963 | 4,512 | -0- | 59,475 | 15,431 | 4,411 | 79,317 |
| Conferences, conventions and meetings | 46,299 | -0- | -0- | 46,299 | 61,401 | -0- | 107,700 |
| Miscellaneous | -0- | 16,394 | -0- | 16,394 | 8,080 | -0- | 24,474 |
| Vehicle expense | -0- | 24,899 | 24,124 | 49,023 | -0- | -0- | 49,023 |
| Youth ministry | 149,369 | -0- | -0- | 149,369 | -0- | -0- | 149,369 |
| Special events | -0- | -0- | 6,416 | 6,416 | -0- | 2,780 | 9,196 |
| Postage | -0- | 2,146 | -0- | 2,146 | 4,160 | -0- | 6,306 |
| Education and training | 14,470 | -0- | -0- | 14,470 | 576 | 2,501 | 17,547 |
| Facility rental fee | -0- | -0- | 78,712 | 78,712 | -0- | -0- | 78,712 |
| Meals and entertainment | -0- | -0- | -0- | -0- | 13,103 | -0- | 13,103 |
| | 5,079,336 | 3,670,912 | 453,415 | 9,203,663 | 2,347,086 | 24,615 | 11,575,364 |
| Less: Interfund Eliminations | (195,380) | (90,000) | (35,314) | (320,694) | (36,006) | -0- | (356,700) |
| Total expenses included in the functional categories on the Statement of Activities | \$ 4,883,956 | \$ 3,580,912 | \$ 418,101 | \$ 8,882,969 | \$ 2,311,080 | \$ 24,615 | \$ 11,218,664 |

The accompanying notes are an integral part of this consolidated financial statement.

**CONVENTION OF THE PROTESTANT EPISCOPAL CHURCH
OF THE DIOCESE OF MARYLAND AND SUBSIDIARIES
Consolidated Statement of Functional Expenses
Year Ended December 31, 2023**

| | Program Expenses | | | Supporting Expenses | | Total Expenses (Restated) | |
|---|-------------------|------------------------|-----------------|---------------------|------------------------|---------------------------|---------------|
| | Episcopal Diocese | Bishop Claggett Center | Sutton Scholars | Total Program | Management and General | | Fundraising |
| Personnel Costs: | | | | | | | |
| Salaries and wages | \$ 827,805 | \$ 978,421 | \$ 262,981 | \$ 2,069,207 | \$ 696,830 | \$ -0- | \$ 2,766,037 |
| Employee benefits | 646,192 | 136,541 | 9,870 | 792,603 | 221,666 | -0- | 1,014,269 |
| Payroll taxes | 19,933 | 69,338 | 6,283 | 95,554 | 51,394 | -0- | 146,948 |
| Total personnel costs | 1,493,930 | 1,184,300 | 279,134 | 2,957,364 | 969,890 | -0- | 3,927,254 |
| Other direct expenses | 281,211 | 290,699 | 22,293 | 594,203 | 1,514,199 | 24,622 | 2,133,024 |
| Depreciation | 155,655 | 474,082 | -0- | 629,737 | 131,027 | -0- | 760,764 |
| Denominational apportionment | 501,948 | -0- | -0- | 501,948 | -0- | -0- | 501,948 |
| Repairs and maintenance | 416,759 | 124,520 | -0- | 541,279 | 350,820 | -0- | 892,099 |
| Congregation | 687,797 | -0- | -0- | 687,797 | -0- | -0- | 687,797 |
| Utilities | 39,165 | 145,773 | -0- | 184,938 | 32,968 | -0- | 217,906 |
| Grants and scholarships | 540,876 | -0- | -0- | 540,876 | -0- | -0- | 540,876 |
| Insurance | 40,985 | 8,197 | -0- | 49,182 | 39,932 | -0- | 89,114 |
| Communications | 92,147 | 9,397 | 401 | 101,945 | -0- | -0- | 101,945 |
| Contract and temporary labor | -0- | 33,327 | -0- | 33,327 | -0- | -0- | 33,327 |
| Ordained ministry | 110,342 | -0- | -0- | 110,342 | -0- | -0- | 110,342 |
| Kitchen and cafeteria | -0- | 381,907 | -0- | 381,907 | -0- | -0- | 381,907 |
| Office equipment | -0- | 13,413 | -0- | 13,413 | 13,031 | -0- | 26,444 |
| Computer | 9,632 | 2,960 | -0- | 12,592 | 108,094 | 975 | 121,661 |
| Bad debt expense due to credit losses | -0- | -0- | -0- | -0- | 1,562 | -0- | 1,562 |
| College ministry | 21,190 | -0- | -0- | 21,190 | -0- | -0- | 21,190 |
| Professional services | -0- | -0- | -0- | -0- | 103,695 | -0- | 103,695 |
| Telecommunication | -0- | -0- | -0- | -0- | 44,178 | -0- | 44,178 |
| Office supplies | -0- | 24,862 | 24,344 | 49,206 | 5,724 | 52 | 54,982 |
| Interest expense | -0- | 84,932 | -0- | 84,932 | 28,697 | -0- | 113,629 |
| Bank fees | -0- | 18,200 | -0- | 18,200 | 33,269 | -0- | 51,469 |
| Business travel | 25,224 | 9,385 | -0- | 34,609 | 12,898 | 1,799 | 49,306 |
| Conferences, conventions and meetings | 39,265 | -0- | -0- | 39,265 | 53,672 | -0- | 92,937 |
| Miscellaneous | -0- | 6,048 | -0- | 6,048 | 1,008 | -0- | 7,056 |
| Vehicle expense | -0- | 7,813 | 23,872 | 31,685 | -0- | -0- | 31,685 |
| Youth ministry | 148,506 | -0- | -0- | 148,506 | -0- | -0- | 148,506 |
| Special events | -0- | -0- | 7,954 | 7,954 | -0- | -0- | 7,954 |
| Postage | -0- | 4,245 | -0- | 4,245 | 4,172 | -0- | 8,417 |
| Education and training | 15,785 | -0- | -0- | 15,785 | 7,359 | 4,258 | 27,402 |
| Facility rental fee | -0- | -0- | 67,088 | 67,088 | -0- | -0- | 67,088 |
| Meals and entertainment | -0- | -0- | -0- | -0- | 12,623 | -0- | 12,623 |
| | 4,620,417 | 2,824,060 | 425,086 | 7,869,563 | 3,468,818 | 31,706 | 11,370,087 |
| Less: Interfund Eliminations | (184,196) | (7,410) | (22,388) | (213,994) | (43,424) | -0- | (257,418) |
| Total expenses included in the functional categories on the Statement of Activities | \$ 4,436,221 | \$ 2,816,650 | \$ 402,698 | \$ 7,655,569 | \$ 3,425,394 | \$ 31,706 | \$ 11,112,669 |

The accompanying notes are an integral part of this consolidated financial statement.

**CONVENTION OF THE PROTESTANT EPISCOPAL CHURCH
OF THE DIOCESE OF MARYLAND AND SUBSIDIARIES**
Consolidated Statements of Net Assets
December 31, 2024 and 2023

| | Without Donor Restriction | With Donor Restriction | Total | Noncontrolling Interest (Deficit) | Total |
|--|------------------------------|---------------------------|----------------------|---|----------------------|
| Net Assets - January 1, 2023 | \$ 14,463,911 | \$ 39,889,350 | \$ 54,353,261 | \$ -0- | \$ 54,353,261 |
| Transfers of assets from parishes | 290,200 | -0- | 290,200 | -0- | 290,200 |
| Capital contributions | 87,846 | -0- | 87,846 | -0- | 87,846 |
| Change in net assets - restated | (1,777,203) | 2,017,894 | 240,691 | (53,048) | 187,643 |
| Net Assets - December 31, 2023 (Restated) | 13,064,754 | 41,907,244 | 54,971,998 | (53,048) | 54,918,950 |
| Capital contributions | 349,750 | -0- | 349,750 | -0- | 349,750 |
| Change in net assets | 199,460 | 3,153,224 | 3,352,684 | (8,274) | 3,344,410 |
| Net Assets - December 31, 2024 | \$ 13,613,964 | \$ 45,060,468 | \$ 58,674,432 | \$ (61,322) | \$ 58,613,110 |

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

**CONVENTION OF THE PROTESTANT EPISCOPAL CHURCH
OF THE DIOCESE OF MARYLAND AND SUBSIDIARIES**

**Consolidated Statements of Cash Flows
Years Ended December 31, 2024 and 2023**

| | 2024 | 2023 (Restated) |
|--|--------------------|----------------------------|
| Cash Flows from Operating Activities | | |
| Change in net assets | \$ 3,344,410 | \$ 187,643 |
| Adjustments to reconcile change in net assets to net cash used in operating activities: | | |
| Bad debt expense due to credit losses | -0- | 1,562 |
| Discount on pledges receivable | 6,810 | (36,444) |
| Change in fair value of irrevocable trust | -0- | (89,025) |
| Net realized and unrealized gains on investments | (3,608,593) | (4,181,439) |
| Depreciation | 870,055 | 760,764 |
| Loss (gain) on sale of property | (3,455,619) | 5,817 |
| Changes in operating assets and liabilities: | | |
| Pledges receivable | 1,076,439 | 1,134,625 |
| Accounts receivable | (93,349) | 7,944 |
| Beneficial interest in irrevocable trust | -0- | 866,860 |
| Investment income receivable | (400,000) | -0- |
| Prepaid expenses and other assets | (88,023) | 407,112 |
| Operating lease right-of-use assets | 16,301 | 21,213 |
| Accounts payable and accrued expenses | (156,867) | (73,610) |
| Deferred revenue | 149,582 | 15,776 |
| Operating lease liabilities | (16,416) | (21,348) |
| Net Cash Used in Operating Activities | <u>(2,355,270)</u> | <u>(992,550)</u> |
| Cash Flows from Investing Activities | | |
| Purchase of investments | (20,660,537) | (11,979,630) |
| Proceeds from sale of investments | 17,948,526 | 16,944,153 |
| Loans made to churches and outside organizations | (699,709) | (1,399,935) |
| Principal collections of loans receivable | 217,888 | 294,200 |
| Proceeds from sale of property | 4,710,001 | -0- |
| Purchase of property | (449,310) | (3,405,159) |
| Net Cash Provided by Investing Activities | <u>1,066,859</u> | <u>453,629</u> |
| Cash Flows from Financing Activities | | |
| Net increase (decrease) in lines of credit | 927,393 | (2,143,338) |
| Proceeds from construction loan | -0- | 2,000,000 |
| Payments of deferred developer fee | (82,600) | -0- |
| Capital contributions | 349,750 | 87,846 |
| Net Cash Provided by Financing Activities | <u>1,194,543</u> | <u>(55,492)</u> |
| Net Decrease in Cash and Cash Equivalents | (93,868) | (594,413) |
| Cash and Cash Equivalents at Beginning of Year | 637,604 | 1,232,017 |
| Cash and Cash Equivalents at End of Year | \$ 543,736 | \$ 637,604 |

| | <u>2024</u> | <u>2023</u> |
|--|-------------------|---------------------|
| Supplemental Disclosure of Cash Flow Information | | |
| Interest paid (including capitalized interest) | <u>\$ 340,768</u> | <u>\$ 304,979</u> |
| Cash paid for operating leases | <u>\$ 17,873</u> | <u>\$ 22,683</u> |
| Noncash Operating Activities | | |
| Right-of-use assets and lease liabilities acquired under operating leases | <u>\$ -0-</u> | <u>\$ 48,371</u> |
| Noncash Investing and Financing Activities | | |
| Transfer of assets from parishes | <u>\$ -0-</u> | <u>\$ 290,200</u> |
| Purchase of property | <u>\$ 449,310</u> | <u>\$ 3,802,454</u> |
| Liability for capitalized developer fees | <u>-0-</u> | <u>(397,295)</u> |
| Purchase of property (included in cash flow from investing activities) | <u>\$ 449,310</u> | <u>\$ 3,405,159</u> |

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

**CONVENTION OF THE PROTESTANT EPISCOPAL CHURCH
OF THE DIOCESE OF MARYLAND AND SUBSIDIARIES
Notes to Consolidated Financial Statements
December 31, 2024 and 2023**

Note 1: Nature of Organization and Summary of Significant Accounting Policies

The mission of the Convention of the Protestant Episcopal Church of the Diocese of Maryland (the Diocese) is to be committed Christians worshipping in the Episcopal tradition and working in more than 100 faith communities through western, central and southern Maryland. We are a community of love, encountering Christ and engaging the world. Major forms of support include contributions and bequests from congregations, conference and camp center revenue, and restricted contributions.

The major programs and priorities of the Diocese are as follows:

Claggett Conference Center: The Bishop Claggett Center is a camp and conference center located in Frederick, Maryland. The Center is available to church, school and special interest groups for the purpose of spiritual growth, recreation and education.

Ministry in the World: In response to the desire to proclaim the Good News and make disciples of all nations, the Diocese will be responsive to the needs of the people of this world.

Ministry to Congregations and Institutions: In response to the desire to walk in faith with the communities, the Diocese will be responsive to the needs of the congregations and institutions.

Ministry for Christian Formation: In response to the desire to have all members of the Body of Christ to participate in a Christian Formation program, the Diocese will be responsive to the needs of all who seek to further their formation.

Ministry of Communications: In response to the desire to further Christian communication, the Diocese will strive to equip every member of the Diocese to tell his or her faith story by words and actions.

Ministry of the Bishop's Office: In response to the desire to record total Bishop's staff compensation in one category, the ministry of the Bishop's office will strive to maintain an adequate level of staffing not to exceed fifty percent of total budgeted costs.

Principles of Consolidation: The consolidated financial statements include the accounts of the Convention of the Protestant Episcopal Church of the Diocese of Maryland and its wholly owned subsidiary Claggett Manager LLC. The consolidated financial statements also include the activity for the majority owned subsidiary Claggett Landlord LLC. Claggett Manager LLC is the 90% owner of Claggett Landlord LLC. Claggett Manager LLC and Claggett Landlord LLC were formed as limited liability companies in April 2023 in connection with the renovation of the Claggett Center historic barn and realization of federal and Maryland historic tax credits. All significant intercompany accounts and transactions have been eliminated in consolidation.

The accounting and reporting policies of the Diocese conform to accounting principles generally accepted in the United States of America. Following is a description of the most significant of those policies:

Use of Estimates: The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

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

Cash and Cash Equivalents: The Diocese classifies certain investments which are readily convertible to cash and which have a maturity of three months or less when purchased as cash equivalents. Cash and cash equivalents designated and held for investment purposes are included in investments and are not considered cash and cash equivalents for cash flow purposes.

Pledges Receivable: Unconditional promises to give in a future period are discounted to their net present value at the time the revenue is recorded. A provision is made for uncollectible pledges based on anticipated collection losses. Estimated losses are generally determined from historical collection experience and a review of outstanding pledges receivable. Pledges receivable are written off by management when, in their determination, all appropriate collection efforts have been taken. The Diocese has recorded an allowance for uncollectible pledges for the years ended December 31, 2024 and 2023 of \$21,820 and \$26,058, respectively.

Investments: Investments with readily determinable fair value are reported at fair value in the consolidated statements of financial position. Investments whose fair values are not readily determinable are recorded at cost. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Realized and unrealized gains and losses are included in net investment return on the consolidated statements of activities. Realized gains and losses on sales of investments are computed on a specific identification basis.

All the congregations' and the Diocese's investment portfolios are maintained on a pooled accounting basis with total earnings and investment expenses allocated to each account on a pro-rata basis. Investments restricted to long-term investment consist of donor-imposed restrictions for property acquisitions. The Diocese adopted a practical expedient to measure fair value on the basis of net asset value per share for its investment in common trust funds.

Loans Receivable: Loans receivable are carried at their unpaid principal balance, less any allowance for loan loss. Provision is made for credit losses based on management's analysis of expected collection losses. Expected collection losses are determined from a review of outstanding receivable, historical collection experience, existing economic conditions, and reasonable and supportable forecasts of future events. Collateral or other security is not required to support the loans receivable. Loans receivable are written-off by management when, in their determination, all collection efforts have been exhausted. The Diocese did not record an allowance for credit losses at December 31, 2024 and 2023, based on management's expected collection loss analysis.

Beneficial Interest in Irrevocable Trust: The Diocese was bequeathed a partial interest of an irrevocable charitable remainder trust. The Trust is to distribute 20% of the balance of the trust on the passing of the last survivor of all named beneficiaries. As of December 31, 2023, the Trust was fully distributed and the Diocese's portion of the trust was erroneously paid to the parish. The Diocese agreed to allow the parish to retain the funds in their investment account and recorded a congregational endowment withdrawal.

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

Property: Property acquired prior to 1950 is stated at independently appraised values at the time of acquisition. Property acquired after 1950 is stated at cost or, if donated, at the approximate fair value at the date of donation. Subsequent to 1950 several congregation properties have been deeded to the Diocese and these properties are carried at values based on parochial reports or insurable values at that time. Expenditures for maintenance and routine repairs are charged to expense as incurred; expenditures for improvements and major repairs that materially extend the useful lives of assets are capitalized. Deprecation is computed using the straight-line method over the estimated useful lives of the assets as follows:

| | |
|-------------------------|--------------|
| Buildings | 40 years |
| Building improvements | 5 - 20 years |
| Furniture and equipment | 3 - 10 years |

The Diocese reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment is measured by the amount of which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of carrying amount of fair value less costs to sell. There was no impairment of long-lived assets recognized in the years ended December 31, 2024 and 2023.

Leases: The Diocese determines if an arrangement is a lease at the inception of the contract. As of the lease commencement date, each lease is evaluated to determine if it will be classified as an operating or finance lease. Leases with a term of 12 months or less are considered short-term leases and lease assets and liabilities are not recognized, and lease expense is recognized on a straight-line basis over the lease term. Lease terms include the noncancellable portion of the leases and reasonably certain renewal periods, termination options and purchase options. The Diocese accounts for lease components and non-lease components as a single lease. The Diocese uses the risk-free discount rate when the rate implicit in the lease is not available. Variable lease payment amounts that cannot be determined at the commencement of the lease such as lease payments based on changes in index rates or usage are not included in the lease asset or liabilities.

Net Assets: Net assets, revenue, support, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets without Donor Restrictions: Net assets available for use in general operations and not subject to donor restrictions.

Net Assets with Donor Restrictions: Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

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

Contributions: Contributions received are recorded as without donor restriction or with donor restriction support depending on the existence and/or nature of any donor restrictions. When the Diocese is notified of the existence of a bequest or gift, an asset and contribution revenue is recorded as net assets with donor restrictions.

Claggett Conference Fees: The Diocese generates contract revenue from its conference fees at the Bishop Claggett Center. Each rental contract is a separate performance obligation that is satisfied over time. In general, conference fees are recognized at a point in time as services are rendered, and expenses are recorded when incurred. Conference reservation deposits received in advance are recorded as deferred revenue.

Income Taxes: The Diocese is a not-for-profit corporation exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code. Income that is not related to exempt purposes, less applicable deductions, is subject to federal and state income taxes. The Diocese had no unrelated business income for the years ended December 31, 2024 and 2023. Accordingly, no provision for income taxes is reflected in these consolidated financial statements. The Diocese's federal exempt organization income tax returns, if applicable, are subject to examination by the IRS, generally for three years after the returns are filed. Claggett Landlord LLC is a limited liability company treated as a partnership for tax purposes and files a partnership return on a December year end basis.

Functional Allocation of Expenses: The costs of program and supporting services activities have been summarized on a functional basis in the consolidated statements of activities and by natural classification in the consolidated statements of functional expenses. Costs that cannot be specifically identified with a particular function and that benefit more than one functional category are allocated on the basis of estimates of the portion of time expended by the staff on the various functions.

Subsequent Events: In preparing these consolidated financial statements, the Diocese has evaluated events and transactions for potential recognition or disclosure through December 2, 2025, the date the consolidated financial statements were available to be issued. During the period January 1, 2025 through December 2, 2025, the Diocese did not have any material recognizable subsequent events.

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Note 2: Liquidity and Availability of Funds

A summary of the financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the consolidated statement of financial position date comprise the following:

| | 2024 | 2023 |
|--|---------------------|---------------------|
| Cash and cash equivalents | \$ 543,736 | \$ 637,604 |
| Pledges for general expenditures due in one year or less | 386,010 | 364,079 |
| Accounts receivable | 244,974 | 151,625 |
| Loans receivable in one year or less (Note 4) | 1,494,699 | 294,367 |
| Investment income receivable and other assets | 464,357 | 14,267 |
| Financial assets available to meet cash needs for general expenditures within one year | <u>\$ 3,133,776</u> | <u>\$ 1,461,942</u> |

The Diocese receives significant contributions and promises to give restricted by donors, and considers contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. The organization manages its liquidity following two guiding principles: operating within a prudent range of financial soundness and stability, and maintaining adequate liquid assets to fund near-term operating needs. In addition, the Diocese invests cash in excess of daily requirements in short-term investments. In the event of an unanticipated liquidity need, the Diocese also could draw upon a \$1,000,000 available operating line of credit (as further discussed in Note 7).

Note 3: Pledges Receivable

Pledges receivable as of December 31, 2024 and 2023 consists of the following:

| | 2024 | 2023 |
|---|-------------------|---------------------|
| Receivable in less than one year | \$ 554,932 | \$ 1,595,549 |
| Receivable in one to five years | 267,484 | 307,544 |
| | 822,416 | 1,903,093 |
| Present value discount (2024 - 4.18%, 2023 - 4.82%) | (20,375) | (13,565) |
| Allowance for uncollectible pledges | (21,820) | (26,058) |
| Net Pledges Receivable | <u>\$ 780,221</u> | <u>\$ 1,863,470</u> |

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Note 4: Loans Receivable

The Diocese makes unsecured loans to churches in Maryland with interest ranging from 1.5% to 4% through its Middendorf Loan Program. The balance of these loans at December 31, 2024 and 2023 was \$3,337,572 and \$3,215,268, respectively. The Diocese also made other loans with interest ranging from 0% to 3% to other organizations with outstanding balances of \$1,144,340 and \$784,823 at December 31, 2024 and 2023, respectively. The loans mature at various dates through 2044. Included in the loans receivable balance at December 31, 2024 is a loan to a clergy member in the amount of \$400,000 which was funded using investments. The note is due on demand subject to specific events or conditions and bears no interest.

Principal collections on loans receivables at December 31, 2024 are due as follows:

| | Middendorf | Other | Total |
|------------|---------------------|---------------------|---------------------|
| 2025 | \$ 350,359 | \$ 1,144,340 | \$ 1,494,699 |
| 2026 | 241,215 | -0- | 241,215 |
| 2027 | 434,889 | -0- | 434,889 |
| 2028 | 301,951 | -0- | 301,951 |
| 2029 | 380,317 | -0- | 380,317 |
| Thereafter | 1,628,841 | -0- | 1,628,841 |
| | <u>\$ 3,337,572</u> | <u>\$ 1,144,340</u> | <u>\$ 4,481,912</u> |

Note 5: Investments

Investments consist of the following at December 31, 2024 and 2023:

| | 2024 | | 2023 | |
|---------------------------|----------------------|----------------------|----------------------|----------------------|
| | Fair Value | Cost | Fair Value | Cost |
| Exchange - traded funds | \$ 6,012,490 | \$ 5,945,063 | \$ 4,758,512 | \$ 5,183,278 |
| Cash and cash equivalents | 2,381,585 | 2,382,585 | 1,810,903 | 1,810,903 |
| Common trust funds | 35,317,662 | 29,674,438 | 30,292,649 | 26,661,734 |
| | <u>\$ 43,711,737</u> | <u>\$ 38,002,086</u> | <u>\$ 36,862,064</u> | <u>\$ 33,655,915</u> |

Investments are allocated on the consolidated statements of financial position as of December 31, 2024 and 2023 as follows:

| | 2024 | 2023 |
|--|----------------------|----------------------|
| Investments | \$ 28,594,512 | \$ 22,748,190 |
| Investments restricted to long-term investment | 15,117,225 | 14,113,874 |
| | <u>\$ 43,711,737</u> | <u>\$ 36,862,064</u> |

Included in the investment portfolio of the Diocese as of December 31, 2024 and 2023, are custodial funds belonging to congregations in the amount of \$3,253,111 and \$2,724,040, respectively.

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Note 5: Investments (Continued)

Net investment return consisted of the following for the years ended December 31, 2024 and 2023:

| | 2024 | | |
|------------------------|-------------------------------|----------------------------|---------------------|
| | Without Donor Restrictions | With Donor Restrictions | Total |
| Interest and dividends | \$ 88,803 | \$ 221,828 | \$ 310,631 |
| Realized gains | 368,679 | 943,750 | 1,312,429 |
| Unrealized gains | 629,738 | 1,666,426 | 2,296,164 |
| Investment fees | (33,704) | (93,684) | (127,388) |
| Net investment return | <u>\$ 1,053,516</u> | <u>\$ 2,738,320</u> | <u>\$ 3,791,836</u> |
| | 2023 | | |
| | Without Donor Restrictions | With Donor Restrictions | Total |
| Interest and dividends | \$ 65,599 | \$ 171,908 | \$ 237,507 |
| Realized gains | 122,897 | 299,590 | 422,487 |
| Unrealized gains | 1,032,660 | 2,726,292 | 3,758,952 |
| Investment fees | (32,008) | (92,670) | (124,678) |
| Net investment return | <u>\$ 1,189,148</u> | <u>\$ 3,105,120</u> | <u>\$ 4,294,268</u> |

Note 6: Property

Property consists of the following at December 31, 2024 and 2023:

| | 2024 | 2023 |
|-------------------------------------|----------------------|----------------------|
| Land | \$ 2,331,936 | \$ 2,331,936 |
| Buildings and building improvements | 30,068,200 | 31,432,016 |
| Furniture and equipment | 1,603,574 | 1,646,929 |
| | <u>34,003,710</u> | <u>35,410,881</u> |
| Less: Accumulated depreciation | 17,269,133 | 17,001,179 |
| Net property | <u>\$ 16,734,577</u> | <u>\$ 18,409,702</u> |

Depreciation expense for the years ended December 31, 2024 and 2023 was \$870,055 and \$760,764, respectively. In connection with parishes that have closed during the year, the Diocese records the value of the land as an equity transfer. During the year ended December 31, 2023, the Diocese recorded transfers of assets from parishes of \$290,200.

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Note 7: Lines of Credit

In 2023, the Diocese had a \$1,000,000 revolving note agreement with Manufacturers and Traders Trust Company (M&T Bank). The purpose of this note was to provide working capital and overdraft protection to the Diocese. The note was due and payable on demand.

On October 10, 2023, this \$1,000,000 revolving note agreement was fully paid and a new revolving note agreement was entered into with Sandy Spring Bank. The agreement provides that the line of credit will accrue interest at the Daily SOFR rate plus 1.80% (6.09% at December 31, 2024 and 7.18% at December 31, 2023). The note is due and payable on demand. The outstanding balance on the note at December 31, 2024 and 2023 was \$959,239 and \$513,530, respectively.

On October 10, 2023, the Diocese also entered into a \$2,000,000 revolving note with Sandy Spring Bank, which is to be used to provide funds for general operations for The Inn at Bishop Claggett Center. The agreement provides that the line of credit will accrue interest at the Daily SOFR rate plus 2.50% (6.79 at December 31, 2024 and 7.88% at December 31, 2023). The note had an initial maturity date of October 2025, which was extended to January 1, 2026, at which point the note can be converted to a demand facility or a term loan facility that extends the maturity by 8 years. The outstanding balance on the note at December 31, 2024 and 2023 was \$1,107,020 and \$625,336, respectively.

The notes are collateralized by a portion of the Diocese's investment accounts held with State Street Global Advisors. Interest expense for these credit facilities for the years ended December 31, 2024 and 2023 was \$27,333 and \$28,697, respectively.

Note 8: Construction Loan

The Diocese had a \$3,000,000 revolving note agreement with M&T Bank, which was used during 2014 to provide funds for the construction of The Inn at Bishop Claggett Center. Effective March 2022, the loan amount was increased to \$4,000,000 and further increased to \$5,000,000 effective May 2023 until July 31, 2023, at which point the loan amount decreased to \$3,500,000.

On October 10, 2023, this loan was superseded by a \$4,000,000 term loan with Sandy Spring Bank. The agreement provides that the note will accrue interest at a fixed rate of 7.96%. The note is payable at interest only until October 2025, at which time the outstanding balance will be payable in monthly installments of principal and interest of \$31,077 over a 25-year period. The loan is secured by the land, buildings and building improvements at Claggett. The outstanding balance on the note at December 31, 2024 and 2023 was \$2,000,000.

Interest expense for this credit facility for the years ended December 31, 2024 and 2023 was \$223,435 and \$84,932, respectively.

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Note 9: Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes or periods as of December 31, 2024 and 2023:

| | <u>2024</u> | <u>2023</u> |
|--|----------------------|----------------------|
| Subject to expenditure for specified purpose: | | |
| Ministry of Communications | \$ 5,846,147 | \$ 5,353,296 |
| Ministry of Bishop's Office | 4,321,485 | 4,030,020 |
| Ministry to Congregations and Institutions | 863,920 | 771,508 |
| Ministry in the World | 532,387 | 472,587 |
| Ministry for Christian Formation | 2,541,329 | 2,325,086 |
| Ministry of Operations | 8,993,583 | 8,358,803 |
| Other (primarily acquisitions and capital campaign) | 4,920,412 | 4,026,834 |
| Claggett Conference Center | 3,148,698 | 2,976,139 |
| Middendorf Loan Program | 6,020,773 | 5,721,237 |
| | <u>37,188,734</u> | <u>34,035,510</u> |
| Endowments: | | |
| Subject to Diocese endowment spending policy and appropriation: | | |
| Ordained Ministry | 5,344,480 | 5,344,480 |
| Theological Education | 1,352,795 | 1,352,795 |
| Congregational Development | 402,208 | 402,208 |
| Social Ministry | 69,890 | 69,890 |
| Lay Ministry | 100,998 | 100,998 |
| Benefit of congregations | 378,012 | 378,012 |
| Property acquisitions | 223,351 | 223,351 |
| Total endowments | <u>7,871,734</u> | <u>7,871,734</u> |
| | <u>\$ 45,060,468</u> | <u>\$ 41,907,244</u> |

FASB issued guidance on the net asset classification of donor-restricted endowment funds for a nonprofit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA). The State of Maryland has enacted UPMIFA. This guidance also requires additional disclosures about an organization's endowment funds (both donor-restricted endowment funds and board-designated endowment funds) whether or not the organization is subject to UPMIFA.

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Note 9: Net Assets with Donor Restrictions (Continued)

In accordance with the Maryland Uniform Prudent Management of Institutional Funds Act (MUPMIFA), the Diocese preserves the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary (when a donor expresses intent clearly in a written gift instrument, the Act requires that the charity follow the donor's instructions). The Diocese classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The Diocese considers these net assets with donor restrictions to be endowment funds. In accordance with MUPMIFA, 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

Diocese funds are invested with due diligence for stability, growth and adequate diversification to achieve the Diocese's goals. In fulfilling the responsibilities of monitoring Diocese funds, the investment committee avails themselves to advisors proficient in the area of banking and finance. These advisors are consulted when necessary to secure Diocese funds in safe and equitable investments.

Spending Policy

The Diocese has a policy of appropriating for distribution each year not more than 5% of its endowment fund's average fair value of the prior 3 years. In establishing its spending policy, the Diocese considered the long-term expected return on its investment assets, the nature and duration of the individual endowment funds, all of which must be maintained in perpetuity because of donor-restrictions, and the possible effects of inflation. The Diocese expects the current spending policy to allow its endowment funds to grow at a nominal average rate of 4% annually. This is consistent with the Diocese's objective to maintain the purchasing power of the endowment assets as well as to provide additional real growth through new gifts and investment return.

Changes in endowment net assets during the year ended December 31, 2024 are as follows:

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---|-------------------------------|----------------------------|---------------------|
| Endowment net assets, beginning of year | \$ -0- | \$ 7,871,734 | \$ 7,871,734 |
| Interest and dividends | -0- | 40,850 | 40,850 |
| Net realized and unrealized gains | -0- | 127,123 | 127,123 |
| Investment fees | -0- | (16,412) | (16,412) |
| Allocation to purpose restricted | -0- | (151,561) | (151,561) |
| Endowment net assets, end of year | <u>\$ -0-</u> | <u>\$ 7,871,734</u> | <u>\$ 7,871,734</u> |

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Note 9: Net Assets with Donor Restrictions (Continued)

Changes in endowment net assets during the year ended December 31, 2023 are as follows:

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---|-------------------------------|----------------------------|---------------------|
| Endowment net assets, beginning of year | \$ -0- | \$ 7,871,734 | \$ 7,871,734 |
| Interest and dividends | -0- | 32,973 | 32,973 |
| Net realized and unrealized gains | -0- | 467,766 | 467,766 |
| Investment fees | -0- | (16,457) | (16,457) |
| Allocation to purpose restricted | -0- | (484,282) | (484,282) |
| Endowment net assets, end of year | <u>\$ -0-</u> | <u>\$ 7,871,734</u> | <u>\$ 7,871,734</u> |

Note 10: Net Assets Released from Restrictions

Net assets were released from donor restrictions during 2024 and 2023, by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time or other events specified by donors as follows:

| | 2024 | 2023 |
|---|---------------------|---------------------|
| Satisfaction of purpose restrictions: | | |
| Ministry of Bishop's Office | \$ 258,364 | \$ 337,275 |
| Ministry to Congregations and Institutions | 364,813 | 1,250,120 |
| Ministry in the World | 282,051 | 289,127 |
| Ministry for Christian Formation | 9,411 | 25,815 |
| Ministry of Operations | 152,983 | 74,769 |
| Other (primarily acquisitions and capital campaign) | 23,909 | 83,567 |
| Claggett Conference Center | 81,233 | 385,049 |
| Sutton Scholars | 281,691 | 355,791 |
| | <u>\$ 1,454,455</u> | <u>\$ 2,801,513</u> |

Note 11: Retirement Plans

The Diocese contributes to a Multiple Employer Defined Benefit Plan (the Plan) which is administered by the Church Pension Fund of the National Episcopal Church and covers clergy members. The Diocese is required to make regular assessment payments of 18% of the clergy member's assessable compensation on behalf of the clergy member as mandated by the Episcopal Church. If payments are not made, the clergy member risks losing benefits for which he or she might otherwise be eligible. Assessments are pooled, solely for investment purposes, for the benefit of all participants. The Plan is funded, as necessary, to at least equal the actuarial liability of the Plan benefits. The Diocese's policy is to expense amounts required to be funded by the Plan administrator. Pension expense was \$217,942 and \$157,536 for the years ended December 31, 2024 and 2023, respectively.

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Note 11: Retirement Plans (Continued)

The Plan is not required to file a Form 5500; therefore, certain information is not required to be made publicly available. Information regarding accumulated plan benefits and plan assets available for benefits that pertain specifically to the Diocese's portion of the Plan has not been provided by the Plan administrator.

The Diocese has a Defined Contribution Retirement Plan which covers substantially all lay employees. Participants must have attained age 21, worked 1,000 hours during the previous year and have 12 months of service at the Diocese. The Diocese contributes 5% of the salary of all participants to the Plan. In addition, the Diocese matches 100% of employee contributions up to 4% of their salaries. Total contributions to the Plan were \$154,871 and \$148,089 for the years ended December 31, 2024 and 2023, respectively.

Note 12: Operating Leases

The Diocese leases various equipment under operating leases which expire between 2024 and 2028. All leases require monthly payments. During 2023, new leases were commenced resulting in the Diocese recording additional right-of-use assets and lease liabilities of \$48,371.

The Diocese's total lease expense comprised of fixed equipment costs for the years ended December 31, 2024 and 2023 was \$17,768 and \$22,538, respectively.

As of December 31, 2024 and 2023, right-of-use assets and operating lease liabilities related to operating leases were as follows:

| | 2024 | 2023 |
|-------------------------------------|-----------|-----------|
| Operating lease right-of-use-assets | \$ 36,399 | \$ 52,700 |
| Operating lease liabilities | \$ 36,300 | \$ 52,716 |

Other lease details as of December 31, 2024 and 2023 are as follows:

| | 2024 | 2023 |
|--|-------|-------|
| Weighted average remaining lease term in years | 3.17 | 3.81 |
| Weighted average discount rate | 3.48% | 3.24% |

As of December 31, 2024, future minimum lease payments under operating leases, summarized by fiscal year, are as follows:

| | |
|--|-----------|
| 2025 | \$ 12,778 |
| 2026 | 11,471 |
| 2027 | 10,537 |
| 2028 | 3,513 |
| Total | 38,299 |
| Less: Amount representing interest | 1,999 |
| Present value of future minimum lease payments | \$ 36,300 |

**CONVENTION OF THE PROTESTANT EPISCOPAL CHURCH
OF THE DIOCESE OF MARYLAND AND SUBSIDIARIES
Notes to Consolidated Financial Statements
December 31, 2024 and 2023**

Note 13: Fair Value Measurement

Generally accepted accounting principles (GAAP) provides a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

The three levels of the fair value hierarchy are as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2: Inputs to the valuation methodology include:

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

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

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

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

Exchange-Traded Funds: Valued at the last sales price reported on the active market in which the individual fund is traded.

Cash and Cash Equivalents: Cash and cash equivalents designated and held for investment purposes are included in investments and valued at cost, which approximates fair value.

Common Trust Funds: Valued at fair value based on unit values. Valuation of the Funds' units occurs daily. Unit values are determined by dividing the value of each Fund's net assets by the total number of participants' units outstanding on the valuation date and the net asset value is used as a practical expedient to estimate fair value. The Fund's investments are valued on the basis of market valuations, where available, as provided by independent pricing services, or if not readily available, by the Fund's Trustee.

**CONVENTION OF THE PROTESTANT EPISCOPAL CHURCH
OF THE DIOCESE OF MARYLAND AND SUBSIDIARIES**
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

Note 13: Fair Value Measurement (Continued)

In determining the appropriate levels, the Diocese performs a detailed analysis of the assets and liabilities that are subject to fair value measurement. The table below presents the balances of assets as of December 31, 2024, measured at fair value on a recurring basis by level within the hierarchy.

| | Total | Level 1 | Level 2 | Level 3 |
|---|----------------------|---------------------|---------------|---------------|
| Exchange-traded funds | \$ 6,012,490 | \$ 6,012,490 | \$ -0- | \$ -0- |
| Cash and cash equivalents | 2,381,585 | 2,381,585 | -0- | -0- |
| Total assets in the fair value hierarchy | 8,394,075 | <u>\$ 8,394,075</u> | <u>\$ -0-</u> | <u>\$ -0-</u> |
| Common trust funds measured at net asset value per share as a practical expedient | 35,317,662 | | | |
| | <u>\$ 43,711,737</u> | | | |

The table below presents the balances of assets as of December 31, 2023, measured at fair value on a recurring basis by level within the hierarchy.

| | Total | Level 1 | Level 2 | Level 3 |
|---|----------------------|---------------------|---------------|---------------|
| Exchange-traded funds | \$ 4,758,512 | \$ 4,758,512 | \$ -0- | \$ -0- |
| Cash and cash equivalents | 1,810,903 | 1,810,903 | -0- | -0- |
| Total assets in the fair value hierarchy | 6,569,415 | <u>\$ 6,569,415</u> | <u>\$ -0-</u> | <u>\$ -0-</u> |
| Common trust funds measured at net asset value per share as a practical expedient | 30,292,649 | | | |
| | <u>\$ 36,862,064</u> | | | |

Investments Measured Using the Net Asset Value per Share Practical Expedient: The following table summarizes investments for which fair value is measured using the net asset value per share practical expedient as of December 31, 2024 and 2023. There are no participant redemption restrictions for these investments.

| | Fair Value | Unfunded Commitments | Redemption Frequency (if Currently Eligible) | Redemption Notice Period |
|--------------------------|---------------|----------------------|--|--------------------------|
| <u>December 31, 2024</u> | | | | |
| Common trust funds | \$ 35,317,662 | N/A | Daily | None |
| <u>December 31, 2023</u> | | | | |
| Common trust funds | \$ 30,292,649 | N/A | Daily | None |

**CONVENTION OF THE PROTESTANT EPISCOPAL CHURCH
OF THE DIOCESE OF MARYLAND AND SUBSIDIARIES**
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

Note 14: Related Party Transactions

In connection with the Claggett barn renovation and structuring of the historic tax credits in 2023, Claggett Center transferred the barn building to Claggett Landlord LLC and obtained a loan receivable in the amount of \$3,465,800 due from Claggett Landlord LLC. The note is due on demand and bears no interest. Claggett Landlord LLC has an offsetting loan payable to Claggett Center and the balances were eliminated in consolidation on the consolidated statements of financial position.

Claggett Landlord LLC capitalized settlement costs of \$80,494 at December 31, 2023 in connection with the Claggett barn renovation. The settlement costs are being amortized using the straight-line method over 180 months and are included in prepaid expenses and other assets on the consolidated statements of financial position. Amortization expense for the years ended December 31, 2024 and 2023 was \$5,366 and \$894, respectively. Claggett Landlord LLC also capitalized deferred developer fee of \$397,295 which is included in buildings and building improvements and represents the fee on the total cost of the Barn renovations. There is an offsetting liability recorded by Claggett Landlord LLC which will be paid over 5 years beginning in 2024.

Claggett Manager LLC is the managing member and owns 1% of Claggett MT LLC, an affiliate organized in conjunction with the barn renovation and historic tax credits. Claggett MT LLC is 99% owned by the historic tax credit investor and is the entity from which barn operations are conducted. Claggett Landlord LLC has a master lease of the property with Claggett MT LLC. The lease commenced in November 2023 and expires in December 2055. Rental payments are \$7,083 per month through December 31, 2024 and increase 2.5% each succeeding year. Claggett Landlord LLC rental income was \$134,790 and \$14,167 for the years ending December 31, 2024 and 2023, respectively, and is included in miscellaneous income on the consolidated statements of activities. Future minimum rental payments on the lease summarized by fiscal year, are as follows:

| | |
|------------|---------------------|
| 2025 | \$ 87,125 |
| 2026 | 89,303 |
| 2027 | 91,536 |
| 2028 | 93,824 |
| 2029 | 96,170 |
| Thereafter | <u>3,549,816</u> |
| Total | <u>\$ 4,007,774</u> |

**CONVENTION OF THE PROTESTANT EPISCOPAL CHURCH
OF THE DIOCESE OF MARYLAND AND SUBSIDIARIES**
Notes to Consolidated Financial Statements
December 31, 2024 and 2023

Note 15: Risks and Uncertainties

Uninsured Balances: The Diocese maintains its cash balances at various financial institutions. Periodically during the year, the Diocese's cash balances may exceed federally insured limits. The Diocese has not experienced any losses in such accounts and believes it is not exposed to significant risk on cash balances.

Financial Risk: The Diocese's investment portfolio is a professionally managed portfolio that contains exchange-traded funds and common trust funds. Such investments are exposed to various investment risks such as interest rate, market and credit risks. Due to the level of risk associated with such investments and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risks in the near term could materially affect investment balances and the amounts reported in the consolidated financial statements.

Litigation and Claims: At times, the Diocese may be a party to various legal actions and claims that have arisen in the ordinary course of business. In the opinion of management, the amount of any ultimate liability with respect to these actions will not have a material adverse effect on the Diocese's change in net assets or financial condition.

Note 16: Prior Period Adjustment

During the year ended December 31, 2024, management determined that certain depreciation expense that was recorded during the year ended December 31, 2023 was overstated with respect to the Claggett barn building. As a result, the Diocese has recorded a prior period adjustment to correct this error.

Following is a summary of the effects of this prior period adjustment and the restatement on the consolidated financial statements as of and for the year ended December 31, 2023:

| | As Previously Reported | Effect of Restatement | As Restated |
|---|---------------------------|--------------------------|---------------|
| Consolidated Statement of Financial Position | | | |
| Property, net of accumulated depreciation | \$ 17,921,252 | \$ 488,450 | \$ 18,409,702 |
| Net Assets without donor restrictions | 12,576,304 | 488,450 | 13,064,754 |
| Consolidated Statement of Activities | | | |
| Claggett Conference Center expenses | 3,305,100 | (488,450) | 2,816,650 |
| Change in Net Assets without donor restrictions | (2,318,701) | 488,450 | (1,830,251) |
| Consolidated Statement of Functional Expenses | | | |
| Depreciation expense | 1,249,214 | (488,450) | 760,764 |

**CONVENTION OF THE PROTESTANT EPISCOPAL CHURCH
OF THE DIOCESE OF MARYLAND**

SUPPLEMENTARY INFORMATION

DECEMBER 31, 2024 AND 2023

Independent Auditor's Report on Supplementary Information

To the Officers and Board of Directors
Convention of the Protestant Episcopal Church
of the Diocese of Maryland and Subsidiaries

We have audited the consolidated financial statements of Convention of the Protestant Episcopal Church of the Diocese of Maryland and Subsidiaries as of and for the years ended December 31, 2024 and 2023, and our report thereon dated December 2, 2025, which expressed an unmodified opinion on those consolidated financial statements appears on pages 1 and 2. Our audits were performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information on the following pages is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Gross, Mendelsohn & Associates, P. A.

Baltimore, Maryland
December 2, 2025

**CONVENTION OF THE PROTESTANT EPISCOPAL CHURCH
OF THE DIOCESE OF MARYLAND**
Combining Schedules of Financial Position By Internal Fund
Years Ended December 31, 2024 and 2023

| | 2024 | | | | Convention of the Protestant Episcopal Church of the Diocese of Maryland |
|---|----------------------|------------------------------|-------------------------|--------------------|--|
| | Episcopal Diocese | Bishop Claggett Center | Middendorf Loan Fund | Sutton Scholars | |
| Assets | | | | | |
| Cash and cash equivalents | \$ 146,173 | \$ 169,362 | \$ 202,471 | \$ 21,330 | \$ 539,336 |
| Pledges receivable, net | 386,011 | 281,018 | -0- | 113,192 | 780,221 |
| Accounts receivable | 51,671 | 193,303 | -0- | -0- | 244,974 |
| Due (to)/from other funds | 3,083,190 | (3,247,368) | 245,651 | (81,473) | -0- |
| Due from affiliates | -0- | 3,655,492 | -0- | -0- | 3,655,492 |
| Investments | 25,500,601 | 3,093,911 | -0- | -0- | 28,594,512 |
| Loans receivable | 1,144,340 | -0- | 3,337,572 | -0- | 4,481,912 |
| Investment income receivable | 400,000 | -0- | -0- | -0- | 400,000 |
| Prepaid expenses and other assets | 62,298 | 584 | -0- | -0- | 62,882 |
| Beneficial interest in irrevocable trust | -0- | -0- | -0- | -0- | -0- |
| Investment in Claggett Manager | -0- | 1,415,810 | -0- | -0- | 1,415,810 |
| Investments restricted to | | | | | |
| long-term investment | 12,882,146 | -0- | 2,235,079 | -0- | 15,117,225 |
| Operating lease right-of-use assets | 36,399 | -0- | -0- | -0- | 36,399 |
| Property, net of accumulated depreciation | 3,550,719 | 7,442,529 | -0- | -0- | 10,993,248 |
| Total Assets | \$ 47,243,548 | \$ 13,004,641 | \$ 6,020,773 | \$ 53,049 | \$ 66,322,011 |
| Liabilities | | | | | |
| Accounts payable and accrued expenses | \$ 244,369 | \$ 160,363 | \$ -0- | \$ 848 | \$ 405,580 |
| Deferred revenue | 261,550 | 184,460 | -0- | -0- | 446,010 |
| Lines of credit | 959,239 | 1,107,020 | -0- | -0- | 2,066,259 |
| Construction loan | -0- | 2,000,000 | -0- | -0- | 2,000,000 |
| Deferred developer fee | -0- | 314,695 | -0- | -0- | 314,695 |
| Operating lease liabilities | 36,300 | -0- | -0- | -0- | 36,300 |
| Custodial funds held for congregations | 3,253,111 | -0- | -0- | -0- | 3,253,111 |
| Total Liabilities | 4,754,569 | 3,766,538 | -0- | 848 | 8,521,955 |
| Net Assets | 42,488,979 | 9,238,103 | 6,020,773 | 52,201 | 57,800,056 |
| Total Liabilities and Net Assets | \$ 47,243,548 | \$ 13,004,641 | \$ 6,020,773 | \$ 53,049 | \$ 66,322,011 |

2023

| Episcopal Diocese | Bishop Claggett Center | Middendorf Loan Fund | Sutton Scholars | Convention of the Protestant Episcopal Church of the Diocese of Maryland |
|------------------------------|---------------------------------------|---------------------------------|----------------------------|---|
| \$ 105,052 | \$ 147,294 | \$ 289,809 | \$ 93,449 | \$ 635,604 |
| 364,079 | 1,481,391 | -0- | 18,000 | 1,863,470 |
| 43,826 | 107,799 | -0- | -0- | 151,625 |
| 3,164,764 | (3,178,426) | 854 | 12,808 | -0- |
| -0- | 4,005,242 | -0- | -0- | 4,005,242 |
| 20,839,482 | 1,908,708 | -0- | -0- | 22,748,190 |
| 784,823 | -0- | 3,215,268 | -0- | 4,000,091 |
| -0- | -0- | -0- | -0- | -0- |
| 16,215 | 100 | -0- | 2,560 | 18,875 |
| -0- | -0- | -0- | -0- | -0- |
| -0- | 1,490,747 | -0- | -0- | 1,490,747 |
| 11,898,568 | -0- | 2,215,306 | -0- | 14,113,874 |
| 47,905 | 4,795 | -0- | -0- | 52,700 |
| 4,728,863 | 7,757,686 | -0- | -0- | 12,486,549 |
| \$ 41,993,577 | \$ 13,725,336 | \$ 5,721,237 | \$ 126,817 | \$ 61,566,967 |
| \$ 365,219 | \$ 197,116 | \$ -0- | \$ 112 | \$ 562,447 |
| 162,058 | 134,370 | -0- | -0- | 296,428 |
| 513,529 | 625,337 | -0- | -0- | 1,138,866 |
| -0- | 2,000,000 | -0- | -0- | 2,000,000 |
| -0- | 397,295 | -0- | -0- | 397,295 |
| 47,926 | 4,790 | -0- | -0- | 52,716 |
| 2,724,040 | -0- | -0- | -0- | 2,724,040 |
| 3,812,772 | 3,358,908 | -0- | 112 | 7,171,792 |
| 38,180,805 | 10,366,428 | 5,721,237 | 126,705 | 54,395,175 |
| \$ 41,993,577 | \$ 13,725,336 | \$ 5,721,237 | \$ 126,817 | \$ 61,566,967 |

**CONVENTION OF THE PROTESTANT EPISCOPAL CHURCH
OF THE DIOCESE OF MARYLAND**
Combining Schedules of Activities By Internal Fund
Years Ended December 31, 2024 and 2023

| | 2024 | | | | | Convention of the Protestant Episcopal Church of the Diocese of Maryland |
|---|----------------------|------------------------------|-------------------------|--------------------|------------------|--|
| | Episcopal Diocese | Bishop Claggett Center | Middendorf Loan Fund | Sutton Scholars | Eliminations | |
| Support and Revenue | | | | | | |
| Contributions and bequests | \$ 4,578,345 | \$ 131,052 | \$ -0- | \$ 381,691 | \$ (107,000) | \$ 4,984,088 |
| Claggett conference fees | -0- | 2,025,009 | -0- | -0- | (159,700) | 1,865,309 |
| Net investment return | 3,380,798 | 191,265 | 219,773 | -0- | -0- | 3,791,836 |
| Change in fair value of irrevocable trust | -0- | -0- | -0- | -0- | -0- | -0- |
| Interest on loans | 91,650 | -0- | 79,763 | -0- | (90,000) | 81,413 |
| Gain (loss) on sale of assets | 3,455,619 | -0- | -0- | -0- | -0- | 3,455,619 |
| Miscellaneous income | 250,019 | 8,071 | -0- | -0- | -0- | 258,090 |
| Total Support and Revenue | 11,756,431 | 2,355,397 | 299,536 | 381,691 | (356,700) | 14,436,355 |
| Expenses | | | | | | |
| Program Services: | | | | | | |
| Claggett Conference Center | -0- | 3,483,722 | -0- | -0- | (90,000) | 3,393,722 |
| Ministry in the World | 1,426,603 | -0- | -0- | -0- | (1,525) | 1,425,078 |
| Ministry to Congregations and Institutions | 718,671 | -0- | -0- | 453,415 | (213,249) | 958,837 |
| Ministry for Christian Formation | 207,942 | -0- | -0- | -0- | (15,920) | 192,022 |
| Ministry of Communications | 108,819 | -0- | -0- | -0- | -0- | 108,819 |
| Ministry of the Bishop's Office | 2,617,301 | -0- | -0- | -0- | -0- | 2,617,301 |
| Total Program Services | 5,079,336 | 3,483,722 | -0- | 453,415 | (320,694) | 8,695,779 |
| Support Services: | | | | | | |
| Management and General | 2,347,086 | -0- | -0- | -0- | (36,006) | 2,311,080 |
| Fundraising | 21,835 | -0- | -0- | 2,780 | -0- | 24,615 |
| Total Support Services | 2,368,921 | -0- | -0- | 2,780 | (36,006) | 2,335,695 |
| Total Expenses | 7,448,257 | 3,483,722 | -0- | 456,195 | (356,700) | 11,031,474 |
| Change in Net Assets | 4,308,174 | (1,128,325) | 299,536 | (74,504) | -0- | 3,404,881 |
| Net Assets at Beginning of Year | 38,180,805 | 10,366,428 | 5,721,237 | 126,705 | -0- | 54,395,175 |
| Transfer of Assets Between Funds | -0- | -0- | -0- | -0- | -0- | -0- |
| Transfers of Assets from Parishes | -0- | -0- | -0- | -0- | -0- | -0- |
| Net Assets at End of Year | \$ 42,488,979 | \$ 9,238,103 | \$ 6,020,773 | \$ 52,201 | \$ -0- | \$ 57,800,056 |

2023

| Episcopal Diocese | Bishop Claggett Center | Middendorf Loan Fund | Sutton Scholars | Eliminations | Convention of the Protestant Episcopal Church of the Diocese of Maryland |
|------------------------------|---------------------------------------|---------------------------------|----------------------------|---------------------|---|
| \$ 4,395,291 | \$ 243,500 | \$ -0- | \$ 270,623 | \$ (114,410) | \$ 4,795,004 |
| -0- | 1,796,387 | -0- | -0- | (143,008) | 1,653,379 |
| 3,831,223 | 134,699 | 328,346 | -0- | -0- | 4,294,268 |
| 89,025 | -0- | -0- | -0- | -0- | 89,025 |
| 21,961 | -0- | -0- | -0- | -0- | 21,961 |
| (5,817) | -0- | -0- | -0- | -0- | (5,817) |
| 438,326 | (477,961) | -0- | -0- | -0- | (39,635) |
| 8,770,009 | 1,696,625 | 328,346 | 270,623 | (257,418) | 10,808,185 |
| -0- | 2,767,862 | -0- | -0- | (7,410) | 2,760,452 |
| 1,542,037 | -0- | -0- | -0- | -0- | 1,542,037 |
| 796,268 | -0- | -0- | 425,086 | (191,295) | 1,030,059 |
| 185,262 | -0- | -0- | -0- | (15,289) | 169,973 |
| 101,618 | -0- | -0- | -0- | -0- | 101,618 |
| 1,995,232 | -0- | -0- | -0- | -0- | 1,995,232 |
| 4,620,417 | 2,767,862 | -0- | 425,086 | (213,994) | 7,599,371 |
| 3,467,256 | -0- | 1,562 | -0- | (43,424) | 3,425,394 |
| 31,706 | -0- | -0- | -0- | -0- | 31,706 |
| 3,498,962 | -0- | 1,562 | -0- | (43,424) | 3,457,100 |
| 8,119,379 | 2,767,862 | 1,562 | 425,086 | (257,418) | 11,056,471 |
| 650,630 | (1,071,237) | 326,784 | (154,463) | -0- | (248,286) |
| 36,134,400 | 11,437,665 | 6,500,028 | 281,168 | -0- | 54,353,261 |
| 1,105,575 | -0- | (1,105,575) | -0- | -0- | -0- |
| 290,200 | -0- | -0- | -0- | -0- | 290,200 |
| \$ 38,180,805 | \$ 10,366,428 | \$ 5,721,237 | \$ 126,705 | \$ -0- | \$ 54,395,175 |

