

THE BISHOP OF THE PROTESTANT EPISCOPAL CHURCH IN LOS ANGELES

CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2021
(with Comparative Summarized Information for 2020)

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INDEPENDENT AUDITORS' REPORT

To the Bishop of the Protestant Episcopal Church
in Los Angeles

Opinion

We have audited the accompanying consolidated financial statements of The Bishop of the Protestant Episcopal Church in Los Angeles (the Corporation Sole) (a nonprofit organization), which comprise the consolidated statement of assets, liabilities, and net assets – modified cash basis as of December 31, 2021, and the related consolidated statement of revenue, expenses, and change in net assets – modified cash basis for the year then ended, and the related notes to the financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Corporation Sole as of December 31, 2021, and changes in its net assets and its cash flows for the year then ended in accordance with the modified cash basis of accounting.

Basis for Opinion

We conducted our audit in accordance with the modified cash basis of accounting. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Corporation Sole and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

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

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

Auditors' 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 auditors' 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, including omissions, 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 the modified cash basis of accounting, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation Sole's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation Sole's ability to continue as a going concern for a reasonable period of time.

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

Report on Summarized Comparative Information

We have previously audited The Bishop of the Protestant Episcopal Church in Los Angeles' 2020 consolidated financial statements, and we expressed an unmodified opinion in accordance with the modified cash basis of accounting on those audited consolidated financial statements in our report dated March 4, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Report on Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The schedule of property on pages 17-25 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.

A handwritten signature in cursive script that reads "Windes, Inc.".

Long Beach, California
October 11, 2022

THE BISHOP OF THE PROTESTANT EPISCOPAL CHURCH IN LOS ANGELES

**CONSOLIDATED STATEMENT OF ASSETS, LIABILITIES,
AND NET ASSETS - MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS FOR 2020)**

ASSETS

	December 31,	
	2021	2020
ASSETS		
Cash and cash equivalents	\$ 1,142,439	\$ 1,517,550
Investments	7,757,634	7,146,961
Loans receivable, net	347,695	384,855
Property	<u>31,319,000</u>	<u>31,321,522</u>
TOTAL ASSETS	<u>\$ 40,566,768</u>	<u>\$ 40,370,888</u>

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable	\$ 23,024	\$ 1,405
Due to related party	526,991	467,714
Funds held for others	6,829	85,401
Notes payable	<u>137,413</u>	<u>608,696</u>
	<u>694,257</u>	<u>1,163,216</u>

COMMITMENTS AND CONTINGENCIES (Note 8)

NET ASSETS

Without donor restrictions	30,829,718	28,404,636
With donor restrictions	<u>9,042,793</u>	<u>10,803,036</u>
	<u>39,872,511</u>	<u>39,207,672</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 40,566,768</u>	<u>\$ 40,370,888</u>

See Independent Auditors' Report

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

THE BISHOP OF THE PROTESTANT EPISCOPAL CHURCH IN LOS ANGELES

**CONSOLIDATED STATEMENT OF REVENUE, EXPENSES,
AND CHANGE IN NET ASSETS - MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS FOR 2020)**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	
			<u>2021</u>	<u>2020</u>
REVENUE, GAINS, AND OTHER SUPPORT				
Donations and gifts	\$ 407,712	\$ 79	\$ 407,791	\$ 345,796
Rent	25,500	108,000	133,500	595,579
Interest income	3,632	-	3,632	4,966
Gain on sale of properties	-	-	-	264,169
Realized and unrealized gain on investments	173,759	880,604	1,054,363	852,340
Net assets released from restrictions	<u>2,748,926</u>	<u>(2,748,926)</u>	-	-
Total revenue, gains, and other support	<u>3,359,529</u>	<u>(1,760,243)</u>	<u>1,599,286</u>	<u>2,062,850</u>
EXPENSES				
Programs	867,898	-	867,898	2,354,722
General and administrative	66,549	-	66,549	88,470
Total expenses	<u>934,447</u>	<u>-</u>	<u>934,447</u>	<u>2,443,192</u>
CHANGE IN NET ASSETS	2,425,082	(1,760,243)	664,839	(380,342)
NET ASSETS AT BEGINNING OF YEAR	<u>28,404,636</u>	<u>10,803,036</u>	<u>39,207,672</u>	<u>39,588,014</u>
NET ASSETS AT END OF YEAR	<u>\$ 30,829,718</u>	<u>\$ 9,042,793</u>	<u>\$ 39,872,511</u>	<u>\$ 39,207,672</u>

See Independent Auditors' Report

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

THE BISHOP OF THE PROTESTANT EPISCOPAL CHURCH IN LOS ANGELES

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS FOR 2020)**

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Total Expense</u>	
			<u>2021</u>	<u>2020</u>
Salaries	\$ 51,222	\$ 5,691	\$ 56,913	\$ 84,265
Employee and retiree benefits	<u>11,941</u>	<u>1,327</u>	<u>13,268</u>	<u>32,037</u>
Personnel Costs	<u>63,163</u>	<u>7,018</u>	<u>70,181</u>	<u>116,302</u>
Grants and distributions	57,412	-	57,412	511,538
Grants and distributions to EDLA	670,942	-	670,942	1,605,086
Professional services	-	10,326	10,326	26,759
Bishop discretionary fund	2,738	-	2,738	17,897
Interest expense	-	26,523	26,523	52,218
Ministry expenses	3,360	-	3,360	5,144
Insurance	13,056	1,451	14,507	23,083
Property related expenses	56,985	-	56,985	85,390
Legal and accounting	-	21,171	21,171	29,000
Office expense	242	60	302	5,275
Bad debt recoveries	-	-	-	(34,500)
	<u>804,735</u>	<u>59,531</u>	<u>864,266</u>	<u>2,326,890</u>
Total Functional Expenses	<u>\$ 867,898</u>	<u>\$ 66,549</u>	<u>\$ 934,447</u>	<u>\$ 2,443,192</u>

See Independent Auditors' Report

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

THE BISHOP OF THE PROTESTANT EPISCOPAL CHURCH IN LOS ANGELES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2021

NOTE 1 – Organization and Summary of Significant Accounting Policies

Organization

The Bishop of the Protestant Episcopal Church in Los Angeles (the Corporation Sole) was incorporated on June 6, 1907 in the Diocese of Los Angeles as a unique form of nonprofit corporation, operating with no directors or members other than the Bishop Diocesan and his or her successors. The Corporation Sole was established as a means of obtaining continuity in the holding of property.

All mission church properties are reflected on the Corporation Sole's accompanying consolidated financial statements or the financial statements of The Protestant Episcopal Church in the Diocese of Los Angeles (the Diocese). Certain parish properties are reflected on the consolidated financial statements of either entity. According to canon law and court precedent, all church properties are held in trust for the larger Church. The church properties on the Corporation Sole's accompanying consolidated financial statements are generally valued at original cost. The Corporation Sole's consolidated financial statements exclude encumbrances to church properties, including the church properties reflected on the Corporation Sole's consolidated financial statements since the mission church or the parish is the borrower. The accompanying consolidated statements do not include the operating activities of mission churches or parishes.

In addition to real property, the Corporation Sole holds funds given to the Bishop Diocesan for protective custody or for use at the Bishop Diocesan's discretion. The Bishop Diocesan is responsible for ensuring that all funds in the Corporation Sole are used for their intended purposes and in accordance with church objectives.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Katella Howell, LLC (the LLC), a wholly owned subsidiary formed to hold and operate certain real estate. Intercompany transactions and accounts are eliminated in the accompanying consolidated financial statements.

THE BISHOP OF THE PROTESTANT EPISCOPAL CHURCH IN LOS ANGELES

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 – Organization and Summary of Significant Accounting Policies (Continued)

Basis of Accounting

The consolidated financial statements of the Corporation Sole are presented on a modified cash basis of accounting. Consequently, certain revenue and the related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when the obligation is incurred. In addition, the Corporation Sole has not recorded depreciation on property and has not consolidated missions and parishes in the accompanying consolidated financial statements, each of which may have been necessary to conform to generally accepted accounting principles.

Consolidated Financial Statement Presentation

The Corporation Sole reports information regarding its financial position and activities according to two classes of net assets: with donor restrictions and without donor restrictions. Net assets and revenue are classified based on the existence or absence of donor-imposed restrictions.

Without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions.

With Donor Restrictions - Net assets subject to donor-imposed restrictions that are temporary in nature and that will be met either by actions of the Corporation Sole or the passage of time. As the restrictions are satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying consolidated statement of revenue, expenses, and change in net assets – modified cash basis as net assets released from restrictions. Other donor restrictions are perpetual in nature, where the donor restricts that the corpus be invested in perpetuity and only the income be made available for program operations in accordance with donor restrictions. Such income generally includes interest, dividends, and realized and unrealized earnings from the corpus.

Management Estimates

Management uses estimates and assumptions in preparing these consolidated financial statements on the modified cash basis of accounting. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could vary from the estimates that were used.

THE BISHOP OF THE PROTESTANT EPISCOPAL CHURCH IN LOS ANGELES

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 – Organization and Summary of Significant Accounting Policies (Continued)

Comparative Totals

The consolidated financial statements include certain prior-year summarized financial information in total, but not by net asset class. Accordingly, such financial information should be read in conjunction with the Corporation Sole’s consolidated financial statements for the year ended December 31, 2020, from which the summarized financial information was derived.

Cash and Cash Equivalents

All highly liquid debt investments with initial maturities of three months or less are considered to be cash equivalents.

Investments

The Corporation Sole’s investments consist of share subscriptions of the Diocesan Investment Trust of the Diocese of Los Angeles (DIT). Investments are presented at fair value in the consolidated statement of assets, liabilities, and net assets – modified cash basis. Fair value is determined based on the quoted market prices of the underlying securities within the DIT, which represents the net asset value, a practical expedient to fair value, of the DIT shares held by the Corporation Sole. Unrealized gains and losses are included in the consolidated statement of revenue, expenses, and change in net assets – modified cash basis.

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 (exit price). U.S. GAAP classifies the inputs used to measure fair value into the following hierarchy:

- Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2: Unadjusted quoted prices in active markets for similar assets or liabilities, or unadjusted quoted prices for identical or similar assets or liabilities in markets that are not active, or inputs other than quoted prices that are observable for the asset or liability.
- Level 3: Unobservable inputs for the asset or liability.

The net asset value per DIT unit is based on the closing market prices and accruals of the securities in the DIT’s portfolio, or total value of the DIT fund divided by the number of units currently issued and outstanding. These inputs are classified as level 2 inputs in the fair value hierarchy.

THE BISHOP OF THE PROTESTANT EPISCOPAL CHURCH IN LOS ANGELES

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 – Organization and Summary of Significant Accounting Policies (Continued)

Financial Risk

The Corporation Sole maintains cash in bank deposit accounts which, at times, may exceed federally insured limits. The Corporation Sole has not experienced any losses in such accounts.

The Corporation Sole's investments are exposed to various risks, such as 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.

Loans Receivable

Loans receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to loans receivable. Changes in the valuation allowance have not been material to the consolidated financial statements.

Property

The Corporation Sole periodically obtains real properties, assets attached to or directly associated with the use of real properties, and other assets through acquisition, construction, or donation. These properties are capitalized at the time they are acquired under one or more of the following methods as considered appropriate based upon the nature of the asset, the method of acquisition, and the availability of a tangible value: the cost of acquired or constructed assets, the title policy value, a recent property appraisal, the full or partial assessed value for county tax purposes, or the value assigned by insurance providers. When none of the above values were practicable, a nominal value was assigned to the property.

The Corporation Sole does not provide for depreciation on its property and equipment.

THE BISHOP OF THE PROTESTANT EPISCOPAL CHURCH IN LOS ANGELES

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 – Organization and Summary of Significant Accounting Policies (Continued)

Funds Held for Others

Funds held for others represent funds held by the Corporation Sole on behalf of third parties, primarily other missions and churches within the Diocese, to be invested and administered on their behalf. Funds held for others at December 31, 2021, totaling \$6,829 are included in investments with a corresponding liability under funds held for others on the accompanying consolidated statement of assets, liabilities, and net assets – modified cash basis.

Contributions

Contributions, including unconditional promises to give, are recorded as made. All contributions are available for unrestricted use unless specifically restricted by the donor. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Donated Services

Contributions of services are recognized if the services received create or enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Services donated by a large number of people are important to the activities of the Corporation Sole. These services do not meet the above-mentioned criteria and, as such, the consolidated financial statements do not reflect the value of these donated services.

Functional Expenses

The cost of providing the various programs and other activities have been summarized on a functional basis in the statement of revenue, expenses, and change in net assets – modified cash basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Taxes

The Corporation Sole is a nonprofit corporation exempt under Internal Revenue Code Section 501(c)(3) and the related California code section. The Corporation Sole recognizes the consolidated financial statement benefit of tax positions, such as its filing status as tax-exempt, only after determining that the relevant tax authority would more likely than not sustain the position following examination. The statute of limitations for federal and state purposes is generally three and four years, respectively.

THE BISHOP OF THE PROTESTANT EPISCOPAL CHURCH IN LOS ANGELES

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 – Organization and Summary of Significant Accounting Policies (Continued)

Income Taxes (Continued)

The LLC is a limited liability company treated as a partnership for federal income tax purposes and, accordingly, any income or loss of the LLC is recorded on the return of its member. As a result, no provision for income tax has been recorded on these consolidated financial statements.

Subsequent Events

The management of Corporation Sole have evaluated subsequent events and transactions for potential recognition or disclosure through October 11, 2022, the date the consolidated financial statements were available to be issued for the year ended December 31, 2021.

NOTE 2 – Liquidity and Availability

The following reflects the Corporation Sole’s financial assets as of the consolidated statement of assets, liabilities, and net assets – modified cash basis date, reduced by amounts not available for general use within one year of the consolidated statement of financial position date because of contractual or donor-imposed restrictions.

Financial assets:

Cash and cash equivalents	\$ 1,142,439
Investments	7,757,634
Loans receivable, net	<u>347,695</u>
	<u>9,247,768</u>

Less those unavailable for general expenditure within one year due to:

Contractual or donor-imposed restrictions:

Funds held on behalf of other organizations	(6,829)
Restricted by donor for specific purpose	(9,042,793)
Loans receivable due in more than one year	<u>(185,872)</u>
	<u>(9,235,494)</u>

Financial assets available to meet cash needs for general expenditure within one year

\$ 12,274

THE BISHOP OF THE PROTESTANT EPISCOPAL CHURCH IN LOS ANGELES

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 2 – Liquidity and Availability (Continued)

The Corporation Sole maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Corporation Sole holds various properties that could be sold in the need to meet general expenditures.

NOTE 3 – Investments

Investments represent the Corporation Sole’s respective beneficial ownership of a portfolio of various securities managed by the DIT. The DIT’s portfolio includes publicly traded US and international equities, fixed income securities, and other securities. As indicated in Note 1, inputs used to measure fair value are classified as level 2. The cost and fair value of the Corporation Sole’s investments are as follows:

	<u>December 31, 2021</u>		<u>December 31, 2020</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Diocesan Investment Trust	<u>\$ 5,591,229</u>	<u>\$ 7,757,634</u>	<u>\$ 5,552,425</u>	<u>\$ 7,146,961</u>

Investment income includes the realized gains and unrealized appreciation of investments during the period, net of trust expenses. The ratio of trust expenses to average net trust assets approximates 0.35% and 0.41% for the years ended December 31, 2021 and 2020, respectively.

NOTE 4 – Loans Receivable

Loans receivable consists of various notes and promises to pay, bearing interest at rates ranging from 1.5% to 7.0% per annum, with various payment arrangements and due dates.

	<u>December 31,</u>	
	<u>2021</u>	<u>2020</u>
Congregations and seminarians	\$ 414,371	\$ 451,531
Allowance for doubtful collection	<u>(66,676)</u>	<u>(66,676)</u>
	<u>\$ 347,695</u>	<u>\$ 384,855</u>

THE BISHOP OF THE PROTESTANT EPISCOPAL CHURCH IN LOS ANGELES

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 5 – Property

Property consists of the following:

	<u>December 31,</u>	
	<u>2021</u>	<u>2020</u>
Parishes	\$ 9,624,441	\$ 9,624,441
Missions	9,365,004	9,365,004
Other property	<u>12,329,555</u>	<u>12,332,077</u>
	<u>\$31,319,000</u>	<u>\$31,321,522</u>

See Note 1 for further discussion of property.

NOTE 6 – Notes Payable

Notes payable consists of the following:

	<u>December 31,</u>	
	<u>2021</u>	<u>2020</u>
Note payable to a financial institution, payable in monthly installments through September 2022, including interest at 7.0%, secured by a deed of trust on real property for Layne Foundation	\$ 137,413	\$ 324,620
Note payable to a financial institution, payable in monthly installments through November 2021, including interest at 7.0%, secured by a deed of trust on real property in Simi Valley	<u>-</u>	<u>284,076</u>
	<u>\$ 137,413</u>	<u>\$ 608,696</u>

THE BISHOP OF THE PROTESTANT EPISCOPAL CHURCH IN LOS ANGELES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 6 – Notes Payable (Continued)

Future maturities of notes payable are as follows:

<u>Year Ending</u> <u>December 31,</u>	
2022	\$ <u>137,413</u>
	\$ <u>137,413</u>

Interest expense for the years ended December 31, 2021 and 2020 was approximately \$27,000 and \$52,000, respectively.

NOTE 7 – Net Assets With Donor Restrictions

Net assets with donor restrictions for specific purposes are designated by donors as follows:

	<u>December 31,</u>	
	<u>2021</u>	<u>2020</u>
Mr. & Mrs. Ledger T. Smith Memorial Fund	\$ 7,784,046	\$ 8,396,776
Frank Seaver Paragraph V Trust – for elementary and higher education	518,527	1,669,136
Louisa S. Janvier Fund – R&R clergy and lay workers	526,196	519,820
Levering & Margaret Moore Fund	42,761	42,761
Indian Work Fund	22,618	22,607
Black Ministries Fund	52,546	55,837
Lucius F. Doolittle Fund – Missions	<u>96,099</u>	<u>96,099</u>
 Total	 <u>\$ 9,042,793</u>	 <u>\$10,803,036</u>

THE BISHOP OF THE PROTESTANT EPISCOPAL CHURCH IN LOS ANGELES

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 8 – Commitments and Contingencies

Legal Matters

The Corporation Sole is periodically subject to claims and lawsuits which arise in the ordinary course of its activities. In the opinion of management, the ultimate resolution of such claims and lawsuits will not be material in relation to the Corporation Sole's financial position.

NOTE 9 – Related-Party Transactions

The Corporation Sole is related to the Diocese and affiliated parishes and missions within the Diocese of Los Angeles. The Corporation Sole and affiliated parishes and missions provide the Diocese with funding for administrative operations. Facilities and administrative service expenses common to the Corporation Sole and the Diocese are shared under a formula which is reviewed annually. Additionally, the Corporation Sole may provide advances to the Diocese for program services. At December 31, 2021 and 2020, \$526,991 and \$467,714, respectively, was due to the Diocese for shared administrative services expenses.

Other organizations within the Protestant Episcopal Church in the Diocese of Los Angeles have deposited monies with the Corporation Sole to hold and manage as investments. Investment income (expense) related to these monies is recorded as an increase (decrease) to this account. These funds are included in investments on the consolidated statement of assets, liabilities, and net assets – modified cash basis.

NOTE 10 – Leasing Arrangements as Lessor

The Corporation Sole leases buildings and land under noncancelable and cancelable agreements expiring at various dates through July 2023. Under the noncancelable agreements, expected annual rental income is approximately \$219,000, subject to consumer price index adjustments at five-year increments. During the years ended December 31, 2021 and 2020, rental income totaled approximately \$134,000 and \$221,000, respectively.

SUPPLEMENTAL INFORMATION

THE BISHOP OF THE PROTESTANT EPISCOPAL CHURCH IN LOS ANGELES

**SUPPLEMENTAL INFORMATION
SCHEDULE OF PROPERTY
DECEMBER 31, 2021**

Location	Description	Capitalized Amount
PARISHES		
Buena Park – St. Joseph’s	Land	\$ 25,000
	Church and dual purpose building	66,407
	Rectory	20,950
	Classrooms	39,995
Compton – St. Timothy’s	Land	11,100
	Church and Parish house	33,771
	Sunday School building	10,000
	Classrooms	39,841
Costa Mesa – St. John the Divine	Church and Parish hall	41,936
	Classrooms	17,052
	Daycare center	11,000
	Land	37,138
	Sidewalks, curbing, and parking lot	52,800
Fullerton – Emmanuel	Land	79,726
	Church and administrative classroom unit	135,916
Granada Hills – St. Andrew and St. Charles	Land	25,041
	Land improvements	3,818
	Church and Parish hall	91,812
	Rectory	37,785
	Earthquake repairs and improvements	42,000
Huntington Beach – St. Wilfrid’s	Building	2,336,865
	Land	18,109
	Classrooms	54,195
	Church	119,953

See Independent Auditors' Report

THE BISHOP OF THE PROTESTANT EPISCOPAL CHURCH IN LOS ANGELES

**SUPPLEMENTAL INFORMATION
SCHEDULE OF PROPERTY
DECEMBER 31, 2021
(Continued)**

Location	Description	Capitalized Amount
PARISHES (Continued)		
Laguna Hills – St. George’s	Rectory	43,261
Lancaster – St. Paul’s	Land	14,000
	Dual purpose building and guild room	67,849
	Nursery School building	22,816
	Church School building	25,578
	Rectory	21,253
Lompoc – St. Mary’s	Land - church site	335,220
	Building	1,404,380
Los Angeles – Advent	Church, hall, and office	85,150
	Income property (rectory)	7,000
Los Angeles – Palms St. Mary’s	Land (adjacent)	15,140
	Rectory	34,574
	Church	30,000
	Parish house	25,000
Malibu – St. Aidan’s	Church	207,741
	Parish	245,774
	Sunday School	312,988
	Storage	13,288
	Vicarage	457,531
	Land	135,000
	Contents and organ	154,240

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THE BISHOP OF THE PROTESTANT EPISCOPAL CHURCH IN LOS ANGELES

**SUPPLEMENTAL INFORMATION
SCHEDULE OF PROPERTY
DECEMBER 31, 2021
(Continued)**

Location	Description	Capitalized Amount
PARISHES (Continued)		
Monterey Park – St. Gabriel’s	Church	79,302
	Parish hall	57,212
	Contents and organ	11,200
	Land	10,000
	Rectory	26,557
	Sunday School	6,382
	Parking lot	19,700
Ojai – St. Andrew’s	Land	20,000
	Rectory	119,490
Pasadena – Church of the Angels	Church and Parish house	131,106
	Rectory	12,350
	Building restoration	484,726
Pasadena – St. Barnabas’	Church and Guild house	33,436
	Land - church site	40,107
	Parish hall and facilities	116,247
	Rectory	167,600
Placentia – Blessed Sacrament	Land	25,058
	Church	74,771
	Rectory	27,187
	Classrooms	11,908
	New classrooms	67,000
Santa Barbara – Christ the King	Land	75,100
	Church, Parish hall, classrooms, and office	370,900

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**SUPPLEMENTAL INFORMATION
SCHEDULE OF PROPERTY
DECEMBER 31, 2021
(Continued)**

<u>Location</u>	<u>Description</u>	<u>Capitalized Amount</u>
PARISHES (Continued)		
South Gate – St. Margaret’s	Church	136,425
	Land (adjoining property)	60,240
	Parish hall	43,669
	Rectory	31,408
Woodland Hills – Prince of Peace	Land	94,847
	Dual purpose hall	152,470
	Classrooms	33,450
	Land improvements	<u>74,600</u>
Total parishes		<u>\$ 9,624,441</u>
MISSIONS		
Barstow – St. Paul’s	Church	\$ 14,889
	Land	96,099
	Contents	1,550
	Parish hall and parking lot	67,000
	Vicarage	15,504
	Outreach building	119,857
Beaumont - St. Stephen's	Church	250,000

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**SUPPLEMENTAL INFORMATION
SCHEDULE OF PROPERTY
DECEMBER 31, 2021
(Continued)**

Location	Description	Capitalized Amount
MISSIONS (Continued)		
El Monte – Immanuel	Church	55,885
	Land	12,658
	Vicarage	12,200
	Parking lot - land	11,900
	Contents	1,563
Gardena – Holy Communion	Church and Parish house	52,366
	Contents	3,752
	Vicarage	29,100
Hacienda Heights – St. Thomas’	Church and remodeling	209,511
	Land and house	74,932
	Parish hall	75,783
	Classroom buildings	400,000
Hawthorne – St. George’s	Church	178,000
	Buildings	18,084
	Contents and organ	23,750
	Vicarage	15,698
	Arcade addition	7,666
Isla Vista – St. Michael’s University Episcopal Mission	Parish hall	29,646
	Land	5,000
	Chapel	51,580
	Vicarage	26,348
	Shelter for the homeless	10,000
Laguna Niguel – Faith Episcopal	Land and church	1,002,617

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**SUPPLEMENTAL INFORMATION
SCHEDULE OF PROPERTY
DECEMBER 31, 2021
(Continued)**

Location	Description	Capitalized Amount
MISSIONS (Continued)		
Los Angeles – Church of the Epiphany	Rectory	243,836
	Church	198,628
Los Angeles – St. Francis (Atwater)	Church and Parish hall	128,372
Moreno Valley – Grace Episcopal Church	Land, Church, and School	835,764
Needles – St. John the Evangelist	Church	170,541
	Classrooms	39,314
	Hall	15,319
	Land	10,000
Newport Beach – Formerly St. James’ the Great	Church	4,073,885
	Classrooms	1,863,578
	Hall	2,519,214
	Other property	434,398
Norwalk – St. Francis	Church	37,798
	Contents	2,500
	Sunday School and Assembly hall	25,753
	Paving, wall, and gate	20,314
	Classrooms	20,683
	Daycare center	9,300
Pico Rivera – St. Bartholomew’s	Church and Parish household	41,913
	Church	31,706
Rialto – St. Peter’s	Land	20,325
	Church	57,258
Riverside – St. George’s	Land	38,827
	Parish hall and street improvements	201,967

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SCHEDULE OF PROPERTY
DECEMBER 31, 2021
(Continued)**

<u>Location</u>	<u>Description</u>	<u>Capitalized Amount</u>
MISSIONS (Continued)		
Simi Valley – St. Francis of Assisi	Land and Chapel	59,204
	Classroom	43,838
	Contents - classroom	1,748
	Building	2,767,939
Twenty-Nine Palms – St. Martin-in-the-Field	Land	2,660
	Church	21,636
	Vicarage	75,000
Whittier - St. Stephen's	Rectory	475,000
Wilmington – St. John's	Land (Lots 5, 6 and 7)	11,850
	Church and Parish house	67,584
	Classroom kitchen and parking lot	13,358
Yucaipa – St. Alban's	Vacant land	9,391
	Activity building	529,940
Yucca Valley – St. Joseph of Arimathea	Church	76,800
	Parish hall	<u>186,000</u>
Total missions		<u>\$ 18,256,079</u>

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**SUPPLEMENTAL INFORMATION
SCHEDULE OF PROPERTY
DECEMBER 31, 2021
(Continued)**

<u>Location</u>	<u>Description</u>	<u>Capitalized Amount</u>
OTHER PROPERTY		
Anaheim	E. Katella Avenue rental property	\$ 2,100,225
Compton – Angeles Abbey Memorial Park	Burial crypts (donated December 1981)	1
Fontana – St. Luke’s (Ministry Outreach Center)	Church	46,135
	Church School and offices	10,000
	Vicarage	9,414
Harvard Street – Old Bloy House	Gas, oil and mineral rights	1
Hollywood – Hollywood Cemetery Association	Burial lots (donated 1960 and prior)	1
Irvine	77% interest in 2 Hidalgo residences	503,768
Lancaster Area – Randal Hall	Unimproved acreage	45,303
Los Angeles (Echo Park)	1004 Echo Park Avenue (rental)	220,742
Riverside	Beryl Mortlock donated parcel of land (8/82)	293
Riverside – St. Michael’s (Ministry Outreach Center)	Land	13,322
	Dual purpose classroom building	69,087
	Church	156,663

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**SUPPLEMENTAL INFORMATION
SCHEDULE OF PROPERTY
DECEMBER 31, 2021
(Continued)**

<u>Location</u>	<u>Description</u>	<u>Capitalized Amount</u>
OTHER PROPERTY (Continued)		
San Bernardino – St. Francis of Assisi (Ministry Outreach Center)	Land and church	226,750
Yucca Valley	Land – H. Robbins	8,028
Various other		<u>28,747</u>
Total other property		<u>\$ 3,438,480</u>
TOTAL PROPERTY		<u><u>\$ 31,319,000</u></u>

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