

The Roman Catholic Diocese of Salina

**Consolidated Financial Statements
As of June 30, 2023 and 2022
and For the Years Then Ended**

With Report by Independent Auditors



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Most Reverend Bishop Gerald Vincke
The Roman Catholic Diocese of Salina
103 North Ninth Street
Salina, KS 67401

November 30, 2023

Independent Auditor's Report

Opinion

We have audited the accompanying consolidated financial statements of The Roman Catholic Diocese of Salina (the Diocese), which comprise the consolidated statements of financial position as of June 30, 2023 and 2022, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively "the financial statements").

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Diocese as of June 30, 2023 and 2022, 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 financial statements section of our report. We are required to be independent of the Diocese and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, 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 financial statements.

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

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

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information as listed in the table of contents is presented for the purpose of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Kientz & Penick, CPAs, LLC

Certified Public Accountants
Manhattan, Kansas

	<u>2023</u>	<u>2022</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 2,180,587	\$ 3,147,215
Accounts receivable	198,471	200,583
Contributions receivable, net	172,234	221,329
Prepaid expenses and other current assets	218,205	30,234
Total Current Assets	<u>2,769,497</u>	<u>3,599,361</u>
Noncurrent Assets		
Investments (at fair value)	37,405,973	40,839,543
Investments (at cost)	871,702	871,702
Beneficial interest in Catholic Foundation	4,548,782	3,913,289
Beneficial interest in Mission Diocese Fund	1,364,239	756,560
Notes receivable from related organizations	3,521,779	2,143,843
Property and equipment, net	1,035,697	1,104,092
Total Noncurrent Assets	<u>48,748,172</u>	<u>49,629,029</u>
Total Assets	<u>\$ 51,517,669</u>	<u>\$ 53,228,390</u>
Liabilities and Net Assets		
Liabilities		
Current Liabilities		
Accounts payable	\$ 23,322	\$ 45,953
Collection payable	165,213	-
Due to related organizations	970,558	398,133
Accrued interest payable	119,625	-
Total Current Liabilities	<u>1,278,718</u>	<u>444,086</u>
Noncurrent Liabilities		
Funds on deposit due to related organizations	24,710,482	28,136,625
Total Liabilities	<u>25,989,200</u>	<u>28,580,711</u>
Net Assets		
Net Assets Without Donor Restrictions		
Undesignated	8,427,238	7,013,111
Investment in property and equipment	1,035,697	1,104,092
Total Net Assets Without Donor Restrictions	<u>9,462,935</u>	<u>8,117,203</u>
Net Assets With Donor Restrictions		
Spendable in a future year	172,234	221,329
Spendable for a specified purpose	2,211,611	2,212,220
Endowments	13,681,689	14,096,927
Total Net Assets With Donor Restrictions	<u>16,065,534</u>	<u>16,530,476</u>
Total Net Assets	<u>25,528,469</u>	<u>24,647,679</u>
Total Liabilities and Net Assets	<u>\$ 51,517,669</u>	<u>\$ 53,228,390</u>

	Without Donor Restriction	With Donor Restriction	Total
Operating Revenue			
Public Support			
Financial Contributions – Spendable			
Annual appeal	\$ 2,397,936	\$ -	\$ 2,397,936
Legacies, bequests and donations	1,190,335	-	1,190,335
Parish taxes	737,212	-	737,212
Grants	388,867	-	388,867
Seminarian collections and events	264,696	-	264,696
Release of donor restrictions	1,387,551	(1,387,551)	-
Total Public Support	<u>6,366,597</u>	<u>(1,387,551)</u>	<u>4,979,046</u>
Income			
Program service collections	356,675	-	356,675
Miscellaneous income	72,634	-	72,634
Total Income	<u>429,309</u>	<u>-</u>	<u>429,309</u>
Total Operating Revenue	<u>6,795,906</u>	<u>(1,387,551)</u>	<u>5,408,355</u>
Operating Expense			
Program services	4,175,140	-	4,175,140
Supporting services	2,177,396	-	2,177,396
Total Operating Expense	<u>6,352,536</u>	<u>-</u>	<u>6,352,536</u>
Net Operating Revenue (Expense)	<u>443,370</u>	<u>(1,387,551)</u>	<u>(944,181)</u>
Other Changes in Net Assets			
Net investment return	624,985	922,609	1,547,594
Change in beneficial interest in Catholic Foundation	145,645	-	145,645
Change in beneficial interest in Mission Diocese Fund	131,732	-	131,732
Total Other Changes in Net Assets	<u>902,362</u>	<u>922,609</u>	<u>1,824,971</u>
Total Changes in Net Assets	1,345,732	(464,942)	880,790
Net Assets – Beginning	8,117,203	16,530,476	24,647,679
Net Assets – Ending	<u>\$ 9,462,935</u>	<u>\$ 16,065,534</u>	<u>\$ 25,528,469</u>

	Without Donor Restriction	With Donor Restriction	Total
Operating Revenue			
Public Support			
Financial Contributions – Spendable			
Annual appeal	\$ 2,139,504	\$ -	\$ 2,139,504
Legacies, bequests and donations	255,982	71,085	327,067
Parish taxes	745,590	-	745,590
Grants	257,950	-	257,950
Seminarian collections and events	277,035	-	277,035
Release of donor restrictions	32,803	(32,803)	-
Total Public Support	<u>3,708,864</u>	<u>38,282</u>	<u>3,747,146</u>
Income			
Program service collections	732,006	-	732,006
Miscellaneous income	174,148	-	174,148
Total Income	<u>906,154</u>	<u>-</u>	<u>906,154</u>
Total Operating Revenue	<u>4,615,018</u>	<u>38,282</u>	<u>4,653,300</u>
Operating Expense			
Program services	3,274,188	-	3,274,188
Supporting services	1,625,337	-	1,625,337
Total Operating Expense	<u>4,899,525</u>	<u>-</u>	<u>4,899,525</u>
Net Operating Revenue (Expense)	<u>(284,507)</u>	<u>38,282</u>	<u>(246,225)</u>
Other Changes in Net Assets			
Net investment return (loss)	(4,114,135)	1,648,984	(2,465,151)
Change in beneficial interest in Mission Diocese Fund	(130,919)	-	(130,919)
Financial contributions – nonspendable	-	997	997
Transfer to related organization	-	(5,269,219)	(5,269,219)
Total Other Changes in Net Assets	<u>(4,245,054)</u>	<u>(3,619,238)</u>	<u>(7,864,292)</u>
Total Changes in Net Assets	(4,529,561)	(3,580,956)	(8,110,517)
Net Assets – Beginning	12,646,764	20,111,432	32,758,196
Net Assets – Ending	<u>\$ 8,117,203</u>	<u>\$ 16,530,476</u>	<u>\$ 24,647,679</u>

	** Program Services	Supporting Services			Total Operating Expenses
		Management and General	Fundraising	Total Supporting Services	
Grants, scholarships and assistance given	\$ 1,160,425	\$ -	\$ -	\$ -	\$ 1,160,425
Formation and seminarian education	456,262	-	-	-	456,262
Personnel expenses: salaries, benefits, etc.	* 1,215,094	848,012	-	848,012	2,063,106
Professional fees, accounting and legal	* 174,148	123,216	378,892	502,108	676,256
Accreditation and licensing	6,476	22,730	-	22,730	29,206
Continuing education	18,625	1,069	-	1,069	19,694
Conferences, dues and assessments	* 143,736	17,093	-	17,093	160,829
Printing, postage and office supplies	* 125,934	39,847	181,218	221,065	346,999
Religious supplies	67,787	132	-	132	67,919
Resource and education materials	4,053	845	-	845	4,898
Meals and entertainment	* 4,445	3,802	-	3,802	8,247
Building and equipment expenses	* 13,987	32,509	-	32,509	46,496
Rent	* 900	48,000	-	48,000	48,900
Telephone, technology and utilities	* 45,797	52,234	-	52,234	98,031
Religious gatherings and youth events	85,734	1,584	-	1,584	87,318
Travel	* 12,248	5,169	-	5,169	17,417
Interest	401,858	27,109	-	27,109	428,967
Insurance	8,263	5,770	-	5,770	14,033
Property taxes	2,049	21,013	-	21,013	23,062
Depreciation	* 89	70,596	-	70,596	70,685
Miscellaneous	227,229	296,557	-	296,557	523,786
Total Operating Expenses	\$ 4,175,139	\$ 1,617,287	\$ 560,110	\$ 2,177,397	\$ 6,352,536

* Each of these expense lines contains joint costs that are attributed to more than one program or supporting service and these joint costs have been allocated to the services on the basis of estimates of time and effort.

** See the supplementary *Consolidated Schedule of Functional Expenses – Program Services* on page 31 for further detail of expense by major program.

Supporting Services

	** Program Services	Management and General	Fundraising	Total Supporting Services	Total Operating Expenses
Grants and assistance to others	\$ 435,160	\$ -	\$ -	\$ -	\$ 435,160
Scholarships and seminarian education	266,894	-	-	-	266,894
Salaries, payroll taxes and benefits	* 901,249	322,679	462,230	784,909	1,686,158
Professional fees, accounting and legal	* 87,613	159,244	162,706	321,950	409,563
Accreditation and licensing	44,067	-	-	-	44,067
Continuing education	20,533	1,378	-	1,378	21,911
Conferences, dues and assessments	* 214,843	21,980	14,412	36,392	251,235
Printing, postage and office supplies	* 145,730	27,351	24,239	51,590	197,320
Religious supplies	2,663	-	-	-	2,663
Resource and education materials	18,481	2,131	-	2,131	20,612
Meals and entertainment	* 2,298	780	202	982	3,280
Building and equipment expenses	* 57,828	72,282	14,457	86,739	144,567
Rent	* 21,460	25,700	5,140	30,840	52,300
Telephone, technology and utilities	* 31,825	66,729	22,152	88,881	120,706
Religious gatherings and youth events	682,497	266	332	598	683,095
Travel	* 33,186	20,792	3,641	24,433	57,619
Interest	217,484	-	-	-	217,484
Depreciation	* 28,908	36,134	7,227	43,361	72,269
Miscellaneous	61,469	146,880	4,273	151,153	212,622
Total Operating Expenses	\$ 3,274,188	\$ 904,326	\$ 721,011	\$ 1,625,337	\$ 4,899,525

* Each of these expense lines contains joint costs that are attributed to more than one program or supporting service and these joint costs have been allocated to the services on the basis of estimates of time and effort.

** See the supplementary *Consolidated Schedule of Functional Expenses – Program Services* on page 32 for further detail of expense by major program.

	<u>2023</u>	<u>2022</u>
Cash Flows from Operating Activities		
Total changes in net assets	\$ 1,007,283	\$ (8,110,517)
Adjustments to Reconcile to Net Operating Cash Flow		
Depreciation	70,685	72,269
Net investment (return) loss	(1,547,594)	2,596,070
Change in beneficial interest in Catholic Foundation	(145,645)	-
Change in beneficial interest in Mission Diocese Fund	(131,732)	-
Financial contributions – nonspendable	-	(997)
Net Changes in Operating Assets and Liabilities		
Accounts receivable	2,112	26,983
Contributions receivable, net	49,095	(38,282)
Prepaid expenses and other current assets	(187,971)	185,190
Accounts payable	(22,631)	(64,746)
Collections payable	165,213	-
Due to related organizations	572,425	103,610
Accrued interest payable	119,625	-
Deferred revenue	-	(225,146)
Net Cash Used in Operating Activities	<u>(49,135)</u>	<u>(5,455,566)</u>
Cash Flows from Investing Activities		
Sale of investments	9,515,698	28,892,004
Purchase of investments	(4,534,534)	(9,775,139)
Addition to beneficial interest in Catholic Foundation	(2,735,534)	(3,913,289)
Withdrawal from beneficial interest in Catholic Foundation	1,769,739	-
Principal repayments on notes receivable	70,606	340,219
Principal issued on notes receivable	(1,448,542)	(2,162,275)
Purchase of property and equipment	(2,290)	(19,053)
Net Cash Provided by Investing Activities	<u>2,635,143</u>	<u>13,362,467</u>
Cash Flows from Financing Activities		
Net payments on deposits held for others	(3,426,143)	(11,949,576)
Nonspendable contributions	-	997
Net Cash Used in Financing Activities	<u>(3,426,143)</u>	<u>(11,948,579)</u>
Net Change in Cash and Cash Equivalents	(840,135)	(4,041,678)
Cash and Cash Equivalents – Beginning	3,147,215	7,188,893
Cash and Cash Equivalents – Ending	<u>\$ 2,307,080</u>	<u>\$ 3,147,215</u>
Supplementary Disclosure of Cash Flow Information		
Cash paid for interest expense	<u>\$ 282,233</u>	<u>\$ 217,484</u>

Note 1: Summary of Significant Accounting Policies**Organization and Mission**

The Roman Catholic Diocese of Salina (the Diocese), formerly the Catholic Diocese of Concordia, was established on August 2, 1887. The Episcopal See was moved from Concordia to Salina on December 23, 1944. The Diocese was legally established in 1966 through a declaration of trust which was recorded in the Register of Deeds' office in Saline County, Kansas.

The counties included in the Diocese are Cheyenne, Sherman, Wallace, Logan, Thomas, Rawlins, Decatur, Sheridan, Gove, Trego, Graham, Norton, Phillips, Rooks, Ellis, Russell, Osborne, Smith, Jewell, Mitchell, Lincoln, Ellsworth, Saline, Ottawa, Cloud, Republic, Washington, Clay, Dickinson, Geary, and Riley. It covers 26,685 square miles and has a Catholic population of 33,463. The Diocese is organized under the governance of the Bishop of the Diocese, and those who assist the Bishop, and fulfills its mission by serving parishes, schools, and other Diocesan organizations in the following ways:

- Providing assistance in the administration of pastoral, education, and vocational services
- Providing funding for religious education and vocation development, community and human development, Diocesan schools, and charitable activities
- Providing administrative support in areas of finance, legal matters, human resources, facilities management, and technology.

Financial Reporting Entity

The consolidated financial statements present the financial position, changes in net assets, and cash flows for the *General Fund* and *Seminary and Education Fund*, which are each under direct operational control of the Diocese. In addition to these funds, the following separate, legal Kansas not-for-profit corporations have been included in these consolidated financial statements as each is under direct control by the Bishop of the Diocese:

- The Register of the Roman Catholic Diocese of Salina, Inc. (The Register)
- The Roman Catholic Diocese of Salina Deposit and Loan, Inc. (Deposit and Loan)
- Salina Catholic Diocese Education Endowment, Inc.
- Salina Catholic Diocese Seminary Burses, Inc. (Seminary Burses)

The assets of these separate, legal corporations are not available to meet the general obligations of the Diocese. To ensure observance of limitations and restrictions placed on the use of resources available to the Diocese, the accounts of each fund and entity noted above are maintained in accordance with the principles of fund accounting. This is the procedure by which resources are classified for accounting and reporting into funds established according to their nature and purposes. All significant interfund and intercompany balances and transactions have been eliminated in the totals presented in the accompanying consolidated financial statements. During the year ended June 30, 2022, the Salina Catholic Diocese Education Endowment, Inc. (the Education Endowment) was restructured as the Catholic Foundation for Diocese of Salina (the Foundation) with its own governing body. For that reason, the net assets of the Education Endowment were deconsolidated through a net asset transfer which is reported on the statement of activities for the year ended June 30, 2022.

Related Organizations

Institutions operating in the name of the Catholic Church within the Diocese consist of approximately 86 parishes, 15 Catholic schools, the Catholic Charities of Northern Kansas, Inc., the Catholic Foundation for Diocese of Salina (Catholic Foundation), and the Salina Diocesan Clergy Health and Retirement Association, Inc. (Clergy Health and Retirement). Each of these activities, as well as other Diocesan activities such as cemeteries or campus centers, are an operating entity distinct from the Diocese under the administration of the one who immediately governs them (CIC 1279). These institutions and organizations are not included in these consolidated financial statements. Each of these entities maintains separate financial records and carries out its own services and programs.

Note 1: Summary of Significant Accounting Policies (Continued)**Basis of Accounting and Financial Reporting**

The Diocesan policy is to prepare these consolidated financial statements on the accrual basis of accounting in accordance with financial reporting provisions prescribed by the Financial Accounting Standards Board. This basis of accounting is commonly known as U.S. Generally Accepted Accounting Principles (U.S. GAAP).

Subsequent Events

The Diocese has evaluated subsequent events through November 30, 2023 which is the date the financial statements were available to be issued.

Cash and Cash Equivalents

The Diocese considers all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. Cash and highly liquid financial instruments restricted to building projects, endowments that are perpetual in nature, or other long-term purposes are excluded from this definition.

The Diocese manages deposit concentration risk by placing banking deposits with financial institutions believed to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. The Diocese did not experience losses related to this type of risk during the years ended June 30, 2023 and 2022.

Investments and Financial Institution Risk

The Diocese records investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position if a readily determinable market value is available. If a market value is not readily determinable, the investment is carried at its originally recorded value. Net investment return (loss) is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

Investments are made by diversified investment managers whose performance is monitored by the Diocese and the investment committee of the Diocese. Although the fair values of investments are subject to interest rate, market and credit risks on an ongoing basis, the Diocese and the finance council believe that the investment policies and guidelines are prudent for the long-term welfare of the Diocese. A significant portion of investment securities are held by two brokers with balances in excess of the \$500,000 Securities Investor Protection Corporation (SIPC) limitation. However, the brokers provide additional coverage above the SIPC limits up to a firm aggregate limit of \$1 billion, of which \$1,900,000 may be in cash.

Property and Equipment, Net

The Diocese records property and equipment additions over \$1,000 at cost, or if donated, at fair value on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets ranging from 3 to 40 years, or in the case of capitalized leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

The Diocese reviews the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent the carrying value exceeds the fair value of the asset. The Diocese did not recognize any such impairment losses for the years ended June 30, 2023 and 2022.

Note 1: Summary of Significant Accounting Policies (Continued)**Notes Receivable From Related Organizations**

As part of its mission, the Diocese issues through the Deposit and Loan Fund loans primarily for capital projects to related organizations. These loans are issued with terms that required periodic payments of interest as follows for the years ended June 30, 2023 and 2022:

<u>From</u>	<u>To</u>	<u>Interest Rate</u>
July 1, 2021	October 31, 2022	3.25%
November 1, 2022	June 30, 2023	3.75%

The Diocese approved increasing the rate to 4.25% on July 1, 2023. Due to the missional nature of the loans and the relationship of the related organizations to the Diocese, no allowance for credit losses has been established at June 30, 2023 and 2022.

Funds on Deposit Due to Related Organizations

Diocesan parishes, schools and other related organizations have placed funds on deposit with the Deposit and Loan Fund of the Diocese. In turn, the Diocese pools these funds for investment purposes to generate net investment return which is then able to provide (1) a return of interest to the depositors and (2) to provide funding which may be used to support other mission-related activities of the Diocese. The approved rates of return on deposited funds are as follows:

<u>From</u>	<u>To</u>	<u>Interest Rate</u>
July 1, 2021	October 31, 2022	1.00%
November 1, 2022	March 31, 2022	1.50%
April 1, 2023	June 30, 2023	2.50%

The Diocese approved increasing the interest rate on these deposits to 3.00% effective July 1, 2023. These rates are monitored by the Diocesan Investment Committee, reviewed by the Diocesan Finance Council, and then recommended to the Bishop of the Diocese, and are determined based on assessment of economic conditions and the needs of Diocesan related organizations. Based on experience of managing deposited funds, the Diocese classifies the liability for funds on deposit due to related organizations as a noncurrent liability.

Net Assets

The Diocese holds financial resources which are operated with both custody and decision-making ability and are reported as part of its net assets. The decision-making ability with respect to these financial resources ranges from unlimited to limited based upon the imposition of donor and grantor restrictions to which the Diocese is legally bound. Accordingly, the Diocese reports the changes in its financial position according to two classes of net assets as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) 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 those 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.

Note 1: Summary of Significant Accounting Policies (Continued)**Net Assets (Continued)**

The Diocese honors donor intent as prescribed in civil law and the Code of Canon (Catholic Church) law, "The offerings given by the faithful for a definite purpose can be applied only for that same purpose." CIC 1267 §3 Both canon and civil law recognize that over time, unique or changing events or circumstances may occur that make it not possible to fulfill a donor restriction. In this situation, the Diocese recognizes that as an organization that receives public support, in accordance with United States Treasury Regulations, the Diocese possesses variance power. Variance power is the right to remove donor-imposed restrictions upon a gift in response to changed circumstances.

The Diocese interprets this variance power to apply to endowment restrictions as well as purpose restrictions. This power is exercisable only in narrowly defined circumstances. "If, through no fault of the administrator, the fulfillment of the obligations becomes impossible...the ordinary can diminish them ...with due regard for the will of the founder as much as possible..." CIC 1320 §2. Since this variance power is incorporated by reference in most gift instruments, the Diocese views its variance power as an explicit expression of donor intent. Based on this provision, except as noted above in the section describing Net Assets With Donor Restrictions, the Diocese classifies donations and gifts received without explicit restriction as without donor restriction for financial statement presentation.

Revenue Recognition - Contributions

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

Functional Allocation of Expenses

The costs of program and supporting service activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Use of Estimates

The preparation of these financial statements in conformity with generally accepted accounting principles requires the Diocese to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates, and those differences could be material.

Income Taxes

The Diocese has been recognized by the IRS as exempt from federal income taxes under IRC Section 501(c)(3) as part of group exemption 0928 which is issued by the IRS to the *United States Conference of Catholic Bishops*. Further, the Diocese qualifies for the charitable contribution deduction under IRC Sections 170(b)(1)(A)(vi) and (viii) and is not a private foundation under IRC Sections 509(a)(1). The Diocese is exempt from the requirement to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. However, the Diocese is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purposes.

For the years ended June 30, 2023 and 2022, the Diocese has determined that it is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS. Returns filed by the Diocese are subject to IRS examination, generally for three years after each return is filed.

No taxing authorities have commenced income tax examinations for open tax years.

Note 1: Summary of Significant Accounting Policies (Continued)**Reclassifications**

Certain reclassifications have been made to the financial statements for the year ended June 30, 2022 to conform to the presentation used in the financial statements for the year ended June 30, 2023. These reclassifications had no effect on the total changes in net assets.

Note 2: Liquidity and Availability

The Diocese regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The Diocese has various sources of liquidity at its disposal, including cash and cash equivalents, marketable debt and equity securities, accounts and contributions receivable and a beneficial interest in a related organization.

The Diocese manages its cash available to meet general expenditures following three guiding principles:

1. Operating within a prudent range of financial soundness and stability.
2. Maintaining adequate liquid assets to fund near-term operating needs; and
3. Maintaining sufficient reserves to provide reasonable assurance that long-term obligations will continue to be met.

The table below presents liquid financial assets as of June 30, 2023 which are available for general expenditures during the year ended June 30, 2024:

	<u>Liquid</u>	<u>Not Available</u>	<u>Liquid and Available</u>
Cash and cash equivalents	\$ 2,180,587	\$ -	\$ 2,180,587
Accounts receivable	198,471	-	198,471
Contributions receivable, net	172,234	172,234	-
Investments (at fair value)	37,405,973	34,690,761	2,715,212
Beneficial interest in Catholic Foundation	4,548,782	4,548,782	-
Beneficial interest in Mission Diocese Fund	1,364,239	1,364,239	-
	<u>\$ 45,870,286</u>	<u>\$ 40,776,016</u>	<u>\$ 5,094,270</u>

As part of the Diocesan liquidity management plan, liquid, and available cash in excess of daily requirements and near-term operating needs is maintained on deposit with interest bearing bank deposits and invested in marketable securities.

Amounts which are not available are attributable to donor restrictions (see Notes 5 and 6).

Note 3: Property and Equipment, Net

Property and equipment assets are presented net of accumulated depreciation on the statements of financial position as follows:

	<u>2023</u>	<u>2022</u>
Land and Buildings	\$ 1,670,285	\$ 1,669,285
Office furnishings and equipment	550,602	549,312
Vehicles	115,206	115,206
Cost Basis of Property and Equipment	<u>2,336,093</u>	<u>2,333,803</u>
Accumulated depreciation	<u>(1,300,396)</u>	<u>(1,229,711)</u>
Property and Equipment, Net	<u>\$ 1,035,697</u>	<u>\$ 1,104,092</u>

Note 4: Fair Value Measurements and Disclosures

The Diocese reports certain assets at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable.

Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Diocese can access at the measurement date.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.
- Level 3 – Unobservable inputs for the asset or liability. In these situations, the Diocese develops inputs using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset, or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to the Diocesan assessment of the quality, risk, or liquidity profile of the asset or liability.

Each of the beneficial interest assets are categorized within Level 2 as the primary inputs to valuation are derived from Level 1 market valuation of marketable securities multiplied by the number of pooled units assigned to the beneficial interest.

The following table presents assets measured at fair value on a recurring basis at June 30,:

	Fair Value Level	2023	2022
Assets Measured at Fair Value			
Investments (at Fair Value)			
Cash and cash equivalents	Level 1	\$ 909,110	\$ 2,114,937
Certificates of deposit	Level 1	1,060,157	10,376
Stocks	Level 1	4,995,535	4,858,798
Bonds	Level 1	11,421,360	7,904,911
Mutual funds	Level 1	19,019,811	25,950,521
Total Investments (at Fair Value)		37,405,973	40,839,543
Beneficial interest in Catholic Foundation	Level 2	4,548,782	3,913,289
Beneficial interest in Mission Diocese Fund	Level 2	1,364,239	756,560
Total Assets Measured at Fair Value		\$ 41,954,755	\$ 44,752,832

Note 5: Net Assets with Donor Restrictions

Net assets with donor restrictions are composed of the following as of June 30,:

	<u>2023</u>	<u>2022</u>
Spendable in a Future Year		
Contributions receivable, net	\$ 172,234	\$ 221,329
Fully Spendable for a Specified Purpose		
General Fund	1,211,002	1,077,849
Seminary and Education Fund	-	27,237
Deposit and Loan	1,000,609	1,107,134
Total of Fully Spendable for a Specified Purpose	<u>2,211,611</u>	<u>2,212,220</u>
Endowments		
General Fund	2,745,169	2,725,169
Seminary and Education Fund	3,839,719	3,638,982
The Register	3,019,266	3,772,927
Seminary Burses	4,077,535	3,959,849
Total Endowments	<u>13,681,689</u>	<u>14,096,927</u>
Total Net Assets With Donor Restrictions	<u>\$ 16,065,534</u>	<u>\$ 16,530,476</u>

Net assets were released from donor restrictions as follows during the years ended June 30,:

	<u>2023</u>	<u>2022</u>
Satisfaction of Purpose Restrictions		
General Fund	\$ 30,000	\$ -
Seminary and Education Fund	27,237	-
Deposit and Loan	123,861	-
Total Satisfaction of Purpose Restrictions	<u>181,098</u>	<u>-</u>
Satisfaction of time restrictions		
Contributions receivable, net	<u>49,095</u>	<u>32,803</u>
Endowment Appropriations		
The Register	971,228	-
Seminary Burses	186,130	-
Total Endowment Appropriations	<u>1,157,358</u>	<u>-</u>
Total Net Assets Released from Donor Restrictions	<u>\$ 1,387,551</u>	<u>\$ 32,803</u>

Note 6: Endowments

The Diocesan endowment (the Endowment) consists of individual funds established by donors to provide annual funding for purposes which support ongoing mission-type activities.

The Diocese has interpreted the Kansas Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. At June 30, 2023 and 2022, there were no such donor stipulations.

As a result of this interpretation, the Diocese retains in perpetuity (a) the original value of initial and subsequent gift amounts and (b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added.

Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by the Diocese in a manner consistent with the standard of prudence prescribed by UPMIFA. The Diocese considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the Diocese and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Diocese
- The investment policies of the Diocese

Investing and Spending Policies

The Diocese has adopted investment and spending policies for the Endowment that attempt to provide a predictable stream of funding for operations while seeking to maintain the purchasing power of the endowment assets. Over time, long-term rates of return should be equal to an amount sufficient to maintain the purchasing power of the Endowment assets, to provide the necessary capital to fund the spending policy, and to cover the costs of managing the Endowment investments. The target minimum rate of return is the Consumer Price Index plus 5 percent on an annual basis. Actual returns in any given year may vary from this amount.

To satisfy this long-term rate-of-return objective, the investment portfolio is structured on a total-return approach through which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). A significant portion of the funds are invested to seek growth of principal over time.

Changes in donor restricted endowments for the years ended June 30, 2023 and 2022 are as follows:

	Donor Restricted Endowments		
	Nonspendable Principal	Accumulated Earnings	Total
Balance at June 30, 2021	\$ 11,250,859	\$ 6,476,257	\$ 17,727,116
Contributions	997	-	997
Net investment return	-	1,613,602	1,613,602
Transfer to related organization	(3,805,820)	(1,438,968)	(5,244,788)
Balance at June 30, 2022	7,446,036	6,650,891	14,096,927
Net investment return	-	742,120	742,120
Expenditure appropriations	-	(1,157,358)	(1,157,358)
Balance at June 30, 2023	\$ 7,446,036	\$ 6,235,653	\$ 13,681,689

Note 7: Related Organization Balances and Transactions

Significant related organization assets and (liabilities) are as follows at June 30,:

	2023	2022
Loans receivable from Diocesan schools and parishes	\$ 3,521,779	\$ 2,143,843
Beneficial interest in Catholic Foundation	4,548,782	3,913,289
Due from Clergy Health and Retirement	28,462	-
Funds on deposit due to Diocesan schools and parishes	(24,710,482)	(28,136,625)
Due to Clergy Health and Retirement	(474,005)	(103,610)
Due to Catholic Charities of Northern Kansas, Inc.	(294,523)	(294,523)
Due to Catholic Foundation	(202,030)	-
Net Liability Due to Related Organizations	\$ (17,582,017)	\$ (22,477,626)

Significant revenue and (expense) transactions with related organizations are as follows for each of the years ended June 30,:

	2023	2022
Taxes collected from Diocesan parishes	\$ 737,212	\$ 745,590
Grants, Scholarships and Other Financial Assistance Given		
From the General Fund to Clergy Health and Retirement	(400,000)	(241,589)
From the Seminary and Education Fund to Diocesan schools	(358,133)	(165,510)
From Deposit and Loan to Catholic schools	(120,000)	-
From Seminary Burses to Catholic schools	(186,130)	-
Total Grants, Scholarships and Other Financial Assistance Given	(1,064,263)	(407,099)
Interest paid on deposits held for Diocesan schools and parishes	(428,967)	(217,484)
Net Revenue (Expense) Transactions with Related Organizations	\$ (756,018)	\$ 121,007

As disclosed in note 1, the Education Endowment Inc. entity was restructured as the Catholic Foundation for Diocese of Salina (the Foundation) during the year ended June 30, 2022 and was deconsolidated from the Diocesan financial reporting entity. As part of this deconsolidation, the Diocese transferred \$5,269,219 of net assets to the Foundation which is separately stated as a *Transfer to related organization* within the *Other Changes in Net Asset* section of the statement of activities for the year ended June 30, 2022. The transfer required that the Foundation maintain the donor restricted funds and related organization depositor accounts under the same terms and conditions as were in place prior to the transfer.

During the year ended June 30, 2022, the Diocese also transferred funds to the Foundation and named itself as the beneficiary. The terms of this transfer granted the Foundation variance power over the fund, which may only be exercised at the discretion of the Bishop of the Diocese.

Note 8: Defined Benefit Pension Plan**Plan Description**

The Diocese participates in the Christian Brothers Employee Retirement Plan (the Plan), a cost-sharing multiple-employer defined benefit pension plan within the meaning of Section 414(e) of the Internal Revenue Code. The Plan is sponsored by Christian Brothers Major Superiors and has elected its option of not complying with the provisions of ERISA and thus IRS Form 5500 is not required to be filed.

Contributions

The Diocese contributes on behalf of its eligible employees, as defined by the Plan, at the rate of 6.5% of compensation for each of the years ended June 30, 2023 and 2022. Effective July 1, 2023, the contribution rate decreased to 6.46%.

Benefits

Participants are entitled to annual pension benefits beginning at normal retirement age (65) based on a formula which takes into account the years of service and compensation. The Plan permits early retirement at ages 55 to 64. Effective July 1, 2021 the normal retirement age changed to social security normal retirement age for all participants who are 64 and younger as of June 30, 2021, and a participant has the option of receiving a lump sum benefit equal to the actuarial equivalent of the life annuity benefit otherwise payable at normal retirement times the funded ratio of the Plan as of the prior evaluation date.

If participants terminate employment before completing four years and nine months of service, they forfeit the right to receive a portion of their accumulated plan benefits attributable to employer contributions. Retiring participants will receive benefits as a life annuity or joint and survivor annuity payable monthly upon retirement. Participants terminating employment for reasons other than retirement may elect to receive benefits either in lump or life annuity or joint and survivor annuity payable monthly upon normal retirement age. Participants have similar elections available for death benefits.

Withdrawal Liability

In the event that Diocesan participation in the Plan is terminated, the Diocese is liable for its share of the Plan's unfunded liability in addition to an amount representing the Plan's reasonable estimate of future plan expenses relating to benefits for the Diocesan participants and pensioners. The withdrawal liability is recognized when a signed agreement is executed, and collectability is determined. For the year ended June 30, 2023, there were four Plan employers (exclusive of the Diocese) which were assessed a withdrawal liability totaling \$4,290,326. For the year ended June 30, 2022, there were three Plan employers (exclusive of the Diocese) which were assessed a withdrawal liability totaling \$6,860,615 which was paid during the year.

Funded Ratio and Proportion of Diocese Participation

The following summary information is based on the financial statements and corresponding note disclosures of the Plan as of June 30, 2023 and 2022 and for the years then ended:

	<u>2023</u>	<u>2022</u>
Net assets available for Plan benefits	\$ 1,481,318,588	\$ 1,465,820,775
Actuarial present value of accumulated Plan benefits	÷ 2,263,207,068	÷ 2,239,568,948
Funded ratio	<u>65.45%</u>	<u>65.45%</u>
Contributions by the Diocese to the Plan	\$ 102,637	\$ 86,793
Contributions received by the Plan from all participants	÷ 59,864,467	÷ 62,702,881
Proportion of Diocese to Plan Contributions	<u>0.17%</u>	<u>0.14%</u>

SUPPLEMENTARY INFORMATION

	<u>2023</u>	<u>2022</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 1,896,769	\$ 1,507,014
Accounts receivable	155,402	153,083
Contributions receivable, net	172,234	221,329
Prepaid expenses and other current assets	39,535	19,455
Due from other Diocesan funds	-	204,065
Total Current Assets	<u>2,263,940</u>	<u>2,104,946</u>
Noncurrent Assets		
Investments (at fair value)	1,422,657	1,948,238
Beneficial interest in Catholic Foundation	4,480,364	3,847,976
Beneficial interest in Mission Diocese Fund	545,573	-
Property and equipment, net	1,035,697	1,104,092
Total Noncurrent Assets	<u>7,484,291</u>	<u>6,900,306</u>
Total Assets	<u>\$ 9,748,231</u>	<u>\$ 9,005,252</u>
Liabilities and Net Assets		
Liabilities (each of which is current)		
Accounts payable	\$ 23,322	\$ 45,953
Collection payable	165,213	-
Due to related organizations	970,558	398,133
Due to other Diocesan funds	283,461	-
Total Liabilities	<u>1,442,554</u>	<u>444,086</u>
Net Assets		
Net Assets Without Donor Restrictions		
Undesignated	3,141,575	3,432,727
Investment in property and equipment	1,035,697	1,104,092
Total Net Assets Without Donor Restrictions	<u>4,177,272</u>	<u>4,536,819</u>
Net Assets With Donor Restrictions		
Spendable in a future year	172,234	221,329
Spendable for a specified purpose	1,211,002	1,077,849
Endowments	2,745,169	2,725,169
Total Net Assets With Donor Restrictions	<u>4,128,405</u>	<u>4,024,347</u>
Total Net Assets	<u>8,305,677</u>	<u>8,561,166</u>
Total Liabilities and Net Assets	<u>\$ 9,748,231</u>	<u>\$ 9,005,252</u>

	<u>2023</u>	<u>2022</u>
Operating Revenue		
Public Support		
Financial Contributions – Spendable		
Annual appeal	\$ 1,763,936	\$ 2,139,504
Legacies, bequests and donations	242,309	159,706
Parish taxes	737,212	745,590
Grants	106,879	91,710
Total Public Support	<u>2,850,336</u>	<u>3,136,510</u>
Income		
Program service collections	139,659	49,345
Miscellaneous income	40,341	140,270
Total Income	<u>180,000</u>	<u>189,615</u>
Total Operating Revenue	<u>3,030,336</u>	<u>3,326,125</u>
Operating Expense		
Grants, scholarships and assistance given	460,182	263,307
Formation and seminarian education	70,104	87,163
Personnel expenses: salaries, benefits, etc.	1,487,907	1,346,639
Professional fees, accounting and legal	544,618	369,115
Continuing education	2,369	12,911
Conferences, dues and assessments	88,674	83,155
Printing, postage and office supplies	276,793	114,408
Religious supplies	48,804	2,663
Resource and education materials	3,303	31,262
Meals and entertainment	3,802	10,446
Building and equipment expenses	46,496	142,581
Rent	48,900	52,300
Telephone, technology and utilities	98,031	75,762
Religious gatherings and youth events	44,181	44,797
Travel	12,162	57,450
Depreciation	70,685	72,269
Insurance	12,333	-
Property taxes	21,013	-
Miscellaneous	379,239	88,912
Total Operating Expense	<u>3,719,596</u>	<u>2,855,140</u>
Net Operating Revenue (Expense)	<u>(689,260)</u>	<u>470,985</u>
Other Changes in Net Assets		
Net investment return (loss)	62,499	(323,644)
Change in beneficial interest in Catholic Foundation	140,935	-
Change in beneficial interest in Mission Diocese Fund	49,337	-
Interfund administrative fee revenue	181,000	130,000
Interfund transfers received	-	1,160,062
Total Other Changes in Net Assets	<u>433,771</u>	<u>966,418</u>
Total Changes in Net Assets	(255,489)	1,437,403
Net Assets – Beginning	<u>8,561,166</u>	<u>7,123,763</u>
Net Assets – Ending	<u>\$ 8,305,677</u>	<u>\$ 8,561,166</u>

	<u>2023</u>	<u>2022</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 157,404	\$ 239,914
Accounts receivable	43,069	47,500
Prepaid expenses and other current assets	166,740	-
Due from other Diocesan funds	479,129	-
Total Current Assets	<u>846,342</u>	<u>287,414</u>
Noncurrent Assets		
Investments (at fair value)	4,668,313	4,410,518
Investments (at cost)	96,360	96,360
Beneficial interest in Catholic Foundation	68,418	65,313
Beneficial interest in Mission Diocese Fund	818,666	756,560
Total Noncurrent Assets	<u>5,651,757</u>	<u>5,328,751</u>
Total Assets	<u>\$ 6,498,099</u>	<u>\$ 5,616,165</u>
 Liabilities and Net Assets		
Liabilities (current)		
Due to other Diocesan funds	\$ -	\$ 8,053
Net Assets		
Net Assets Without Donor Restrictions		
Undesignated	<u>2,658,380</u>	<u>1,941,893</u>
Net Assets With Donor Restrictions		
Spendable for a specified purpose	-	27,237
Endowments	<u>3,839,719</u>	<u>3,638,982</u>
Total Net Assets With Donor Restrictions	<u>3,839,719</u>	<u>3,666,219</u>
Total Net Assets	<u>6,498,099</u>	<u>5,608,112</u>
Total Liabilities and Net Assets	<u>\$ 6,498,099Dr</u>	<u>\$ 5,616,165</u>
	<u>aft</u>	

	<u>2023</u>	<u>2022</u>
Operating Revenue		
Public Support		
Financial Contributions – Spendable		
Annual appeal	\$ 634,000	\$ -
Legacies, bequests and donations	914,929	82,465
Seminarian collections and events	264,696	277,035
Grants	281,988	166,240
Total Public Support	<u>2,095,613</u>	<u>525,740</u>
Income		
Program service collections	217,016	667,432
Miscellaneous income	5,100	33,878
Total Income	<u>222,116</u>	<u>701,310</u>
Total Operating Revenue	<u>2,317,729</u>	<u>1,227,050</u>
Operating Expense		
Grants, scholarships and assistance given	358,113	166,590
Formation and seminarian education	386,158	241,396
Personnel expenses: salaries, benefits, etc.	520,058	313,767
Professional fees, accounting and legal	53,917	18,424
Accreditation and licensing	29,206	44,067
Continuing education	17,325	9,000
Conferences, dues and assessments	72,155	73,540
Printing, postage and office supplies	1,078	685
Religious supply	19,115	-
Resource and education materials	1,595	9,350
Meals and entertainment	4,445	2,440
Telephone, technology and utilities	-	44,904
Religious gatherings and youth events	43,137	8,163
Travel	5,048	629,186
Insurance	2,776	-
Miscellaneous	119,061	141,995
Total Operating Expense	<u>1,633,187</u>	<u>1,703,507</u>
Net Operating Revenue (Expense)	<u>684,542</u>	<u>(476,457)</u>
Other Changes in Net Assets		
Net investment return (loss)	308,826	(371,545)
Change in beneficial interest in Catholic Foundation	4,710	-
Change in beneficial interest in Mission Diocese Fund	82,395	(130,919)
Interfund administrative fee expense	(190,486)	(95,000)
Interfund transfers received	-	383,120
Total Other Changes in Net Assets	<u>205,445</u>	<u>(214,344)</u>
Total Changes in Net Assets	889,987	(690,801)
Net Assets – Beginning	5,608,112	6,298,913
Net Assets – Ending	<u>\$ 6,498,099</u>	<u>\$ 5,608,112</u>

	<u>2023</u>	<u>2022</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 115,831	\$ 115,210
Due from other Diocesan funds	15,275	-
Total Current Assets	<u>131,106</u>	<u>115,210</u>
Noncurrent Assets		
Investments (at fair value)	<u>2,888,160</u>	<u>2,865,468</u>
Total Assets	<u>\$ 3,019,266</u>	<u>\$ 2,980,678</u>
 Liabilities and Net Assets		
Liabilities (each of which is current)		
Due to other funds	<u>\$ -</u>	<u>\$ 48,201</u>
Net Assets		
Net Assets Without Donor Restrictions		
Undesignated	<u>-</u>	<u>(840,450)</u>
Net Assets With Donor Restrictions		
Endowments	<u>3,019,266</u>	<u>3,772,927</u>
Total Net Assets	<u>3,019,266</u>	<u>2,932,477</u>
Total Liabilities and Net Assets	<u>\$ 3,019,266</u>	<u>\$ 2,980,678</u>

	<u>2023</u>	<u>2022</u>
Operating Revenue		
Public Support		
Financial Contributions – Spendable		
Legacies, bequests and donations	\$ 33,097	\$ 38,310
Income		
Miscellaneous	<u>26,140</u>	<u>15,229</u>
Total Operating Revenue	<u>59,237</u>	<u>53,539</u>
Operating Expense		
Grants, scholarships and assistance given	36,000	-
Personnel expenses: salaries, benefits, etc.	54,065	25,752
Professional fees, accounting and legal	14,615	1,900
Conferences, dues and assessments	-	903
Printing, postage and office supplies	69,128	82,485
Telephone, technology and utilities	-	40
Religious gatherings and youth events	-	518
Travel	207	-
Miscellaneous	-	18
Total Operating Expense	<u>174,015</u>	<u>111,616</u>
Net Operating Expense	<u>(114,778)</u>	<u>(58,077)</u>
Other Changes in Net Assets		
Net investment return (loss)	217,567	(270,010)
Interfund administrative fee expense	<u>(16,000)</u>	<u>(35,000)</u>
Total of Other Changes in Net Assets	<u>201,567</u>	<u>(305,010)</u>
Total Changes in Net Assets	86,789	(363,087)
Net Assets – Beginning	<u>2,932,477</u>	<u>3,295,564</u>
Net Assets – Ending	<u>\$ 3,019,266</u>	<u>\$ 2,932,477</u>

	<u>2023</u>	<u>2022</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 10,583	\$ 1,285,077
Prepaid expenses and other current assets	11,930	10,779
Total Current Assets	<u>22,513</u>	<u>1,295,856</u>
Noncurrent Assets		
Investments (at fair value)	23,985,337	27,307,959
Investments (at cost)	775,342	775,342
Notes receivable from related organizations	3,521,779	2,143,843
Total Noncurrent Assets	<u>28,282,458</u>	<u>30,227,144</u>
Total Assets	<u>\$ 28,304,971</u>	<u>\$ 31,523,000</u>
Liabilities and Net Assets		
Liabilities		
Current Liabilities		
Due to other funds	\$ 210,943	\$ 147,811
Accrued interest payable	119,625	-
Total Current Liabilities	<u>330,568</u>	<u>147,811</u>
Noncurrent Liabilities		
Funds on deposit due to related organizations	<u>24,710,482</u>	<u>28,136,625</u>
Total Liabilities	<u>25,041,050</u>	<u>28,284,436</u>
Net Assets		
Net Assets Without Donor Restrictions		
Undesignated	<u>2,263,312</u>	<u>2,131,430</u>
Net Assets With Donor Restrictions		
Spendable for a specified purpose	<u>1,000,609</u>	<u>1,107,134</u>
Total Net Assets	<u>3,263,921</u>	<u>3,238,564</u>
Total Liabilities and Net Assets	<u>\$ 28,304,971</u>	<u>\$ 31,523,000</u>

	<u>2023</u>	<u>2022</u>
Operating Revenues		
Public Support		
Financial Contributions – Spendable		
Legacies, bequests and donations	\$ -	\$ -
Operating Expenses		
Grants, scholarships and assistance given	120,000	6,343
Professional fees, accounting and legal expense	52,094	-
Printing, postage and office supplies	-	466
Building and equipment expenses (reimbursements)	-	1,986
Interest expense	428,967	217,484
Property taxes	2,049	-
Miscellaneous	-	2,983
Total Operating Expenses	<u>603,110</u>	<u>229,262</u>
Net Operating Expense	<u>(603,110)</u>	<u>(229,262)</u>
Other Changes in Net Assets		
Net investment return (loss)	<u>628,467</u>	<u>(1,040,291)</u>
Total Changes in Net Assets	25,357	(1,269,553)
Net Assets – Beginning	<u>3,238,564</u>	<u>4,508,117</u>
Net Assets – Ending	<u>\$ 3,263,921</u>	<u>\$ 3,238,564</u>

	<u>2023</u>	<u>2022</u>
Assets		
Noncurrent Assets		
Investments (at fair value)	\$ -	\$ -
Liabilities and Net Assets		
Current Liabilities		
Due to other funds	\$ -	\$ -
Noncurrent Liabilities		
Funds on deposit due to related organizations	-	-
Total Liabilities	-	-
Net Assets		
Net Assets Without Donor Restrictions		
Undesignated	-	-
Net Assets With Donor Restrictions		
Endowments	-	-
Total Net Assets	-	-
Total Liabilities and Net Assets	\$ -	\$ -

See Note 7 to the consolidated financial statements.

	<u>2023</u>	<u>2022</u>
Operating Revenues		
Spendable Contributions		
Legacies, bequests and donations	\$ -	\$ -
Operating Expenses		
Grants and assistance to others	-	-
Interest expense	-	-
Miscellaneous	-	-
Total Operating Expenses	<u>-</u>	<u>-</u>
Net Operating Expense	<u>-</u>	<u>-</u>
Other Changes in Net Assets		
Net investment return		-
Interfund transfers received (sent)		(1,454,301)
Transfer to related organization		(5,269,219)
Total of Other Changes in Net Assets	<u>-</u>	<u>(6,723,520)</u>
Total Changes in Net Assets	-	(6,723,520)
Net Assets – Beginning	-	6,723,520
Net Assets – Ending	<u>\$ -</u>	<u>\$ -</u>

See Note 7 to the consolidated financial statements.

	<u>2023</u>	<u>2022</u>
Assets		
Noncurrent Assets		
Investments (at fair value)	<u>\$ 4,441,506</u>	<u>\$ 4,307,360</u>
Liabilities and Net Assets		
Liabilities		
Due to other funds	<u>\$ -</u>	<u>\$ -</u>
Net Assets		
Net Assets Without Donor Restrictions		
Undesignated	363,971	347,511
Net Assets With Donor Restrictions		
Endowments	<u>4,077,535</u>	<u>3,959,849</u>
Total Net Assets	<u>4,441,506</u>	<u>4,307,360</u>
Total Liabilities and Net Assets	<u>\$ 4,441,506</u>	<u>\$ 4,307,360</u>

	<u>2023</u>	<u>2022</u>
Operating Revenues		
Income		
Miscellaneous	\$ 1,053	\$ -
Operating Expenses		
Grants, scholarships and assistance given	186,130	-
Professional fees, accounting and legal	11,012	-
Total Operating Expenses	<u>197,142</u>	<u>-</u>
Net Operating Expense	<u>(196,089)</u>	<u>-</u>
Other Changes in Net Assets		
Net investment return (loss)	330,235	(459,661)
Nonspendable contributions	-	997
Interfund transfers sent	-	(42,295)
Total of Other Changes in Net Assets	<u>330,235</u>	<u>(500,959)</u>
Total Changes in Net Assets	134,146	(500,959)
Net Assets – Beginning	<u>4,307,360</u>	<u>4,808,319</u>
Net Assets – Ending	<u>\$ 4,441,506</u>	<u>\$ 4,307,360</u>

	Evangelization and Ministries	Clergy Development and Support	Religious Education	Parish and School Support	Supporting Other Religious Organizations	Total Program Service Expenses
Grants, scholarships and assistance given	\$ 36,000	\$ 587,915	\$ 362,528	\$ 120,000	\$ 53,982	\$ 1,160,425
Formation and seminarian education	-	454,447	1,815	-	-	456,262
Personnel expenses: salaries, benefits, etc.	*	290,167	296,972	223,788	308,423	-
Professional fees, accounting and legal	*	56,221	29,151	35,778	52,593	405
Accreditation and licensing	-	-	6,476	-	-	6,476
Continuing education	63	2,147	16,415	-	-	18,625
Conferences, dues and assessments	*	63,406	60,083	1,450	1,845	16,952
Printing, postage and office supplies	*	124,856	1,078	-	-	-
Religious supplies	67,787	-	-	-	-	67,787
Resource and education materials	440	123	1,472	2,018	-	4,053
Meals and entertainment	-	4,445	-	-	-	4,445
Building and equipment expenses	*	-	-	-	13,987	13,987
Rent	*	900	-	-	-	900
Telephone, technology and utilities	*	834	-	-	44,963	45,797
Religious gatherings and youth events	69,322	16,412	-	-	-	85,734
Travel	*	6,814	839	4,209	386	-
Interest	-	-	-	401,858	-	401,858
Insurance	-	-	1,700	-	6,563	8,263
Property taxes	-	-	-	2,049	-	2,049
Depreciation	*	89	-	-	-	89
Miscellaneous	176,816	6,678	42,479	1,256	-	227,229
Total Program Service Expenses	\$ 893,715	\$ 1,460,290	\$ 698,110	\$ 890,428	\$ 136,852	\$ 4,079,395

* These expense lines contain joint costs that are attributed to more than one program (as listed above) or supporting service (as listed on the consolidated statement of functional expense) and these joint costs have been allocated to the services on the basis of estimates of time and effort.

	<u>Evangelization and Ministries</u>	<u>Clergy Development and Support</u>	<u>Religious Education</u>	<u>Parish and School Support</u>	<u>Supporting Other Religious Organizations</u>	<u>Total Program Service Expenses</u>
Grants, scholarships and assistance given	\$ -	\$ 241,589	\$ -	\$ 183,021	\$ 10,550	\$ 435,160
Formation and seminarian education	-	240,500	-	26,394	-	266,894
Personnel expenses: salaries, benefits, etc.	*	248,847	114,054	91,736	446,612	-
Professional fees, accounting and legal	*	18,067	5,540	2,322	61,684	-
Accreditation and licensing	-	-	-	44,067	-	44,067
Continuing education	3,142	7,991	9,120	280	-	20,533
Conferences, dues and assessments	*	14,223	128,362	5,447	12,982	53,829
Printing, postage and office supplies	*	133,570	3,547	5,161	3,452	-
Religious supplies	-	-	-	2,663	-	2,663
Resource and education materials	15,550	-	1,366	1,565	-	18,481
Meals and entertainment	*	172	2,002	62	62	-
Building and equipment expenses	*	14,457	14,457	14,457	14,457	-
Rent	*	6,040	5,140	5,140	5,140	-
Telephone, technology and utilities	*	5,841	5,107	5,107	15,770	-
Religious gatherings and youth events	665,630	-	16,867	-	-	682,497
Travel	*	19,271	4,012	2,594	7,309	-
Interest	-	-	-	217,484	-	217,484
Depreciation	*	7,227	7,227	7,227	7,227	-
Miscellaneous	7,893	15,916	3,807	33,853	-	61,469
Total Program Service Expenses	<u>\$ 1,159,930</u>	<u>\$ 795,444</u>	<u>\$ 170,413</u>	<u>\$ 1,084,022</u>	<u>\$ 64,379</u>	<u>\$ 3,274,188</u>

* These expense lines contain joint costs that are attributed to more than one program (as listed above) or supporting service (as listed on the consolidated statement of functional expense) and these joint costs have been allocated to the services on the basis of estimates of time and effort.