

The Roman Catholic Diocese of Salina - Chancery Office

**Financial Statements
As of June 30, 2021 and 2020
and For the Years Then Ended**

With Report by Independent Auditors



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The Roman Catholic Diocese of Salina - Chancery Office
Most Reverend Gerald Vincke
Bishop of The Roman Catholic Diocese of Salina
Salina, Kansas

November 30, 2021

Your Excellency:

Independent Auditor's Report

We have audited the accompanying financial statements of The Roman Catholic Diocese of Salina – Chancery Office (the Diocese), a non-profit organization, which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Supplemental Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information, as listed in the table of contents, is presented for purposes of additional analysis.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information is fairly stated in all material respects in relation to the financial statements as a whole.

Prior Year Financial Statements Audited by Other Auditors

The financial statements of the Diocese as of and for the year ended June 30, 2020 were audited by other auditors who issued an unmodified opinion in their report dated January 22, 2021.

Kientz & Penick, CPAs, LLC

Certified Public Accountants
Manhattan, Kansas

	<u>2021</u>	<u>2020</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 7,188,893	\$ 2,624,799
Accounts receivable	227,566	130,516
Contributions receivable, net	183,047	140,832
Prepaid expenses and other current assets	215,424	35,031
Total Current Assets	<u>7,814,930</u>	<u>2,931,178</u>
Noncurrent Assets		
Investments (at fair value)	63,309,038	54,802,403
Investments (at cost)	871,702	871,702
Notes receivable from related organizations	321,787	204,466
Property and equipment, net	1,157,308	1,208,251
Total Noncurrent Assets	<u>65,659,835</u>	<u>57,086,822</u>
Total Assets	<u>\$ 73,474,765</u>	<u>\$ 60,018,000</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 110,699	\$ 139,170
Due to Catholic Charities of Northern Kansas, Inc.	294,523	294,477
Note payable	-	191,820
Total Current Liabilities	<u>405,222</u>	<u>625,467</u>
Noncurrent Liabilities		
Funds on deposit due to related organizations	41,178,523	32,847,546
Deferred revenue	225,146	-
Total Noncurrent Liabilities	<u>41,403,669</u>	<u>32,847,546</u>
Total Liabilities	<u>41,808,891</u>	<u>33,473,013</u>
Net Assets		
Net Assets Without Donor Restrictions		
Undesignated	8,247,278	5,261,871
Designated spendable from capital campaign	-	39,176
Designated endowment for Seminary and Education Fund	1,159,817	1,159,817
Designated endowment for Catholic school subsidy	2,082,361	2,201,191
Net investment in property and equipment	1,157,308	1,208,251
Total Net Assets Without Donor Restrictions	<u>12,646,764</u>	<u>9,870,306</u>
Net Assets With Donor Restrictions		
Spendable in a future year	183,047	140,832
Spendable for a specified purpose	1,108,947	1,112,707
Endowments	17,727,116	15,421,142
Total Net Assets With Donor Restrictions	<u>19,019,110</u>	<u>16,674,681</u>
Total Net Assets	<u>31,665,874</u>	<u>26,544,987</u>
Total Liabilities and Net Assets	<u>\$ 73,474,765</u>	<u>\$ 60,018,000</u>

	2021			2020		
	Without Donor Restriction	With Donor Restriction	Total	Without Donor Restriction	With Donor Restriction	Total
Operating Revenues						
Spendable Contributions						
Annual appeal	\$ 2,197,190	\$ -	\$ 2,197,190	\$ 1,467,956	\$ -	\$ 1,467,956
Legacies, bequests, and donations	738,195	44,860	783,055	614,743	-	614,743
Parish taxes	772,926	-	772,926	728,505	-	728,505
Home mission and extension grants	167,813	-	167,813	187,091	-	187,091
Annual seminarian collection	174,203	-	174,203	165,493	-	165,493
Release of donor restrictions	224,405	(224,405)	-	472,999	(472,999)	-
Total Spendable Contributions	<u>4,274,732</u>	<u>(179,545)</u>	<u>4,095,187</u>	<u>3,636,787</u>	<u>(472,999)</u>	<u>3,163,788</u>
Income						
Program service collections	186,537	-	186,537	687,328	-	687,328
Miscellaneous income	214,279	-	214,279	200,437	-	200,437
Total Income	<u>400,816</u>	<u>-</u>	<u>400,816</u>	<u>887,765</u>	<u>-</u>	<u>887,765</u>
Total Operating Revenues	<u>4,675,548</u>	<u>(179,545)</u>	<u>4,496,003</u>	<u>4,524,552</u>	<u>(472,999)</u>	<u>4,051,553</u>
Operating Expenses						
Program services	3,648,244	-	3,648,244	4,435,133	-	4,435,133
Supporting services	1,356,553	-	1,356,553	1,144,652	-	1,144,652
Total Operating Expenses	<u>5,004,797</u>	<u>-</u>	<u>5,004,797</u>	<u>5,579,785</u>	<u>-</u>	<u>5,579,785</u>
Net Operating Revenue (Expense)	<u>(329,249)</u>	<u>(179,545)</u>	<u>(508,794)</u>	<u>(1,055,233)</u>	<u>(472,999)</u>	<u>(1,528,232)</u>
Other Changes in Net Assets						
Net investment return (loss)	3,105,707	2,503,974	5,609,681	941,433	(37,173)	904,260
Nonspendable contributions	-	20,000	20,000	-	-	-
Financing loss on uncollectable accounts	-	-	-	(93,892)	-	(93,892)
Total Other Changes in Net Assets	<u>3,105,707</u>	<u>2,523,974</u>	<u>5,629,681</u>	<u>847,541</u>	<u>(37,173)</u>	<u>810,368</u>
Total Changes in Net Assets	<u>2,776,458</u>	<u>2,344,429</u>	<u>5,120,887</u>	<u>(207,692)</u>	<u>(510,172)</u>	<u>(717,864)</u>
Net Assets, Beginning	<u>9,870,306</u>	<u>16,674,681</u>	<u>26,544,987</u>	<u>10,077,998</u>	<u>17,184,853</u>	<u>27,262,851</u>
Net Assets, Ending	<u>\$ 12,646,764</u>	<u>\$ 19,019,110</u>	<u>\$ 31,665,874</u>	<u>\$ 9,870,306</u>	<u>\$ 16,674,681</u>	<u>\$ 26,544,987</u>

	Program Services (**)	Supporting Services		Total Supporting Services	Total Operating Expenses
		Management and General	Fundraising		
Grants and assistance to others	\$ 1,055,490	\$ -	\$ -	\$ -	\$ 1,055,490
Scholarships and seminarian education	363,390	-	-	-	363,390
Salaries, payroll taxes and benefits	* 1,001,405	344,060	365,201	709,261	1,710,666
Professional fees, accounting and legal	* 15,499	231,294	47,400	278,694	294,193
Accreditation and licensing	34,611	-	-	-	34,611
Continuing education	18,658	792	219	1,011	19,669
Conferences, dues and assessments	* 91,417	16,818	11,881	28,699	120,116
Printing, postage and office supplies	* 149,816	60,705	16,870	77,575	227,391
Religious supplies	360	-	-	-	360
Resource and education materials	17,980	1,728	-	1,728	19,708
Meals and entertainment	* 1,134	2,484	116	2,600	3,734
Building and equipment expenses	* 22,608	28,253	5,652	33,905	56,513
Rent	* 20,100	24,000	4,800	28,800	48,900
Telephone, technology and utilities	* 81,476	61,001	43,567	104,568	186,044
Religious gatherings and youth events	65,962	1,091	53	1,144	67,106
Travel	* 24,039	7,588	1,665	9,253	33,292
Interest	634,572	-	-	-	634,572
Depreciation	* 31,926	39,625	7,920	47,545	79,471
Miscellaneous	17,801	21,340	10,430	31,770	49,571
Total	\$ 3,648,244	\$ 840,779	\$ 515,774	\$ 1,356,553	\$ 5,004,797

* 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 supplemental Schedule of Functional Expenses – Program Services on page 30 for further detail of expense by major program

	<u>Supporting Services</u>				<u>Total Operating Expenses</u>
	<u>Program Services (**)</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Supporting Services</u>	
Grants and assistance to others	\$ 890,358	\$ -	\$ -	\$ -	\$ 890,358
Scholarships and seminarian education	520,128	-	-	-	520,128
Salaries, payroll taxes and benefits	* 754,693	240,159	322,229	562,388	1,317,081
Professional fees, accounting and legal	* 15,382	204,168	45,725	249,893	265,275
Accreditation and licensing	48,974	-	-	-	48,974
Continuing education	15,709	160	219	379	16,088
Conferences, dues and assessments	* 138,878	21,245	11,909	33,154	172,032
Printing, postage and office supplies	* 140,529	18,349	30,315	48,664	189,193
Religious supplies	789	-	-	-	789
Resource and education materials	30,844	267	-	267	31,111
Meals and entertainment	* 1,001	5,882	172	6,054	7,055
Building and equipment expenses	* 34,652	43,332	8,663	51,995	86,647
Rent	* 19,100	22,750	4,550	27,300	46,400
Telephone, technology and utilities	* 57,493	43,279	27,932	71,211	128,704
Religious gatherings and youth events	644,433	3,603	128	3,731	648,164
Travel	* 32,680	8,278	1,226	9,504	42,184
Interest	1,049,313	-	-	-	1,049,313
Depreciation	* 32,180	39,650	7,926	47,576	79,756
Miscellaneous	7,997	24,877	7,659	32,536	40,533
Total	\$ 4,435,133	\$ 675,999	\$ 468,653	\$ 1,144,652	\$ 5,579,785

* 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 supplemental Schedule of Functional Expenses – Program Services on page 31 for further detail of expense by major program

	<u>2021</u>	<u>2020</u>
Cash Flows from Operating Activities		
Change in net assets	\$ 5,120,887	\$ (717,864)
Adjustments to Reconcile to Net Operating Cash Flow		
Depreciation expense	79,471	79,756
Net investment return	(5,609,681)	(904,260)
Principal forgiveness on note payable	(191,820)	-
Net Operating Changes in:		
Accounts receivable	(97,050)	(63,476)
Contributions receivable	(42,215)	208,770
Prepaid expenses and other current assets	(180,393)	288,825
Accounts payable	(28,471)	(7,676)
Due to Catholic Charities of Northern Kansas, Inc.	46	953
Deferred revenue	225,146	(253,918)
Net Cash Provided by (Used In) Operating Activities	<u>(724,080)</u>	<u>(1,368,890)</u>
Cash Flows from Investing Activities		
Sale of investments	9,622,858	5,514,308
Purchase of investments	(12,519,812)	(7,565,718)
Principal repayments on notes receivable	131,679	162,586
Principal issued on notes receivable	(249,000)	-
Purchase of property and equipment	(28,528)	(150,948)
Net Cash Provided by (Used In) Investing Activities	<u>(3,042,803)</u>	<u>(2,039,772)</u>
Cash Flows from Financing Activities		
Net proceeds (payments) on deposits held for others	8,330,977	4,020,832
Proceeds from note payable	-	191,820
Net Cash Provided by (Used In) Financing Activities	<u>8,330,977</u>	<u>4,212,652</u>
Net Change in Cash, and Cash Equivalents	4,564,094	803,990
Cash, and Cash Equivalents – Beginning	<u>2,624,799</u>	<u>1,820,809</u>
Cash, and Cash Equivalents – Ending	<u>\$ 7,188,893</u>	<u>\$ 2,624,799</u>
Supplemental Disclosure of Cash Flow Information		
Cash paid for interest expense	<u>\$ 634,572</u>	<u>\$ 1,049,313</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. It was moved from Concordia to Salina on December 23, 1944. 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 36,955.

The Chancery Office is organized under the stewardship of the Bishop of the Diocese and fulfills the mission of the Diocese 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 accompanying 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 corporations have been included in these financial statements as each is also administered directly by the Diocese:

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

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 financial statements.

Related Organizations

The Bishop has ecclesiastical responsibility for approximately 86 parishes, 15 Catholic schools, the Catholic Charities of Northern Kansas, Inc., the Catholic Foundation for Diocese of Salina, and the Salina Diocesan Clergy Health and Retirement Association, Inc. Each of these activities, as well as other Diocesan activities such as cemeteries or campus centers, are an operating entity distinct from the Diocese and are not included in these financial statements. Each of these entities maintains separate financial records and carries out its own services and programs.

Basis of Accounting and Financial Reporting

The Diocesan policy is to prepare its 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).

Note 1: Summary of Significant Accounting Policies (continued)**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. To date, the Diocese has not experienced losses related to this type of risk.

Receivables and Credit Policies

Receivables consist primarily of noninterest-bearing amounts due from patrons and related organizations of the Diocese. The Diocese determines an allowance for uncollectable accounts based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Receivables are written off when deemed uncollectable. Because the Diocese believes each account receivable and contribution receivable is fully collectable, no allowance has been established at June 30, 2021 or 2020. In-advance payments for program services are reported as deferred revenue in the accompanying statements of financial position.

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 finance council 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.

Note 1: Summary of Significant Accounting Policies (continued)**Notes Receivable**

As part of its mission, the Diocese issues programmatic loans in order to provide financial support to related organizations. These loans are issued with terms that require periodic payments of interest at 3.25% but otherwise do not require scheduled payments of principal. Due to the programmatic 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, 2021 or 2020.

Funds on Deposit Due to Related Organizations

Diocesan parishes, schools and other related organizations have placed funds on deposit with 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 :

From	To	Interest Rate	
		Deposits	Endowments
July 1, 2019	December 31, 2019	2.25%	5.00%
January 1, 2020	June 30, 2020	2.00%	5.00%
July 1, 2020	June 30, 2021	1.00%	4.25%

These rates are monitored by the Diocesan finance council, with final approval by 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 non-current 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.

As an organization that receives public support, in accordance with United States Treasury Regulations, the Diocese possesses variance power. Variance power is the unilateral 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. 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 contributions as without donor restriction for financial statement presentation.

Note 1: Summary of Significant Accounting Policies (continued)**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, 2021 and 2020, 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.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. See note 9 for further detail.

Subsequent Events

The Diocese has evaluated subsequent events through November 30, 2021 which is the date the financial statements were available to be issued.

Recent Accounting Guidance

The Financial Accounting Standards Board (FASB) has issued the following accounting standards update (ASU) which the Diocese has evaluated for implementation beginning with the year ended June 30, 2023.

ASU No. 2020-07 Contributed Nonfinancial Assets

Contribution revenue may currently include gifts of land, buildings, equipment, use of fixed assets or utilities, materials and supplies, intangible assets, services, and unconditional promises of those assets.

This new standard requires contributions of these types to be separately reported on the statement of activities, apart from contributions of cash and other financial assets. In addition, disclosure will be required about how the nonprofit organization intends to use or sell the contributed nonfinancial asset.

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.

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 available for general expenditures during 2022:

	<u>Liquid</u>	<u>Not Available</u>	<u>Liquid and Available</u>
Cash and cash equivalents	\$ 7,188,893	\$ -	\$ 7,188,893
Accounts receivable	227,566	-	227,566
Contributions receivable	183,047	32,803	150,244
Investments (at fair value)	63,309,038	63,256,764	52,274
	<u>\$ 70,908,544</u>	<u>\$ 63,289,567</u>	<u>\$ 7,618,977</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.

Liquid resources which are not available for general operating expenses in 2022 are as follows:

	<u>Diocesan Designations</u>	<u>Donor Restrictions</u>	<u>Funds on Deposit Due to Related Organizations</u>	<u>Not Available</u>
Contributions receivable	\$ -	\$ 32,803	\$ -	\$ 32,803
Investments (at fair value)	3,242,178	18,836,063	41,178,523	63,256,764
	<u>\$ 3,242,178</u>	<u>\$ 18,868,866</u>	<u>\$ 41,178,523</u>	<u>\$ 63,289,567</u>

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>2021</u>	<u>2020</u>
Land and Buildings	\$ 1,669,285	\$ 1,669,285
Office furnishings and equipment	530,258	538,802
Vehicles	115,206	115,206
Cost Basis of Property and Equipment	<u>2,314,749</u>	<u>2,323,293</u>
Accumulated Depreciation	<u>(1,157,441)</u>	<u>(1,115,042)</u>
Property and Equipment, Net	<u>\$ 1,157,308</u>	<u>\$ 1,208,251</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.

The investment assets of the Diocese are classified within Level 1 because each asset is comprised of marketable securities with readily determinable fair values based on active exchange prices.

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

	Fair Value Level	2021	2020
Assets			
Investments			
Cash and cash equivalents	Level 1	\$ 8,589,186	\$ 3,599,239
Certificates of deposit	Level 1	10,227	10,000
Stocks	Level 1	10,323,278	9,629,075
Bonds	Level 1	13,809,155	13,751,923
Mutual funds	Level 1	30,577,192	27,812,166
Total Investments at Fair Value		\$ 63,309,038	\$ 54,802,403

There were no other assets or liabilities measured and reported at fair value for 2021 or 2020.

Note 5: Net Assets with Donor Restrictions

Net Assets with donor restrictions are composed of the following on June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Fully spendable for a specified purpose		
General	\$ 1,077,849	\$ 1,081,609
Seminary and education	27,237	27,237
Deposit and loan	3,861	3,861
Total	<u>1,108,947</u>	<u>1,112,707</u>
Endowments		
General	2,603,966	2,472,935
Seminary and education	3,137,817	2,626,629
The Register	3,305,358	2,842,465
Education endowment	5,244,788	4,572,840
Seminary burses	3,435,187	2,906,273
Total	<u>17,727,116</u>	<u>15,421,142</u>
Spendable in a Future Year		
Contributions receivable, net	<u>183,047</u>	<u>140,832</u>
	<u>\$ 19,019,110</u>	<u>\$ 16,674,681</u>

Net Assets were released from donor restrictions during 2021 and 2020 as follows:

	<u>2021</u>	<u>2020</u>
Satisfaction of purpose restrictions		
General	\$ 3,760	\$ 52,229
Education endowment	218,000	212,000
	<u>221,760</u>	<u>264,229</u>
Satisfaction of time restrictions		
Contributions receivable, net	<u>2,645</u>	<u>208,770</u>
	<u>\$ 224,405</u>	<u>\$ 472,999</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 Endowment also includes certain net assets without donor restrictions that have been designated for endowment by the Bishop of the Diocese.

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, 2021 and 2020, 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.

Note 6: Endowments (continued)

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 Diocesan-designated endowments for the years ended June 30, 2021 and 2020 are as follows:

	Diocesan-Designated Endowments		
	Non-spendable Principal	Accumulated Earnings	Total
Balance at June 30, 2019	\$ 3,092,651	\$ 402,657	\$ 3,495,308
Contributions	-	25,000	25,000
Grants and scholarships	-	(159,300)	(159,300)
Balance at June 30, 2020	3,092,651	268,357	3,361,008
Contributions	-	37,500	37,500
Grants and scholarships	-	(156,330)	(156,330)
Balance at June 30, 2021	<u>\$ 3,092,651</u>	<u>\$ 149,527</u>	<u>\$ 3,242,178</u>

Changes in donor-restricted endowments for the years ended June 30, 2021 and 2020 are as follows:

	Donor-Restricted Endowments		
	Non-spendable Principal	Accumulated Earnings	Total
Balance at June 30, 2019	\$ 11,230,859	\$ 4,433,996	\$ 15,664,855
Net investment return (loss)	-	(31,713)	(31,713)
Grants and scholarships	-	(212,000)	(212,000)
Balance at June 30, 2020	11,230,859	4,190,283	15,421,142
Contributions	20,000	-	20,000
Net investment return	-	2,503,974	2,503,974
Grants and scholarships	-	(218,000)	(218,000)
Balance at June 30, 2021	<u>\$ 11,250,859</u>	<u>\$ 6,476,257</u>	<u>\$ 17,727,116</u>

Note 7: Related Organization Balances and Transactions

Significant related organization assets and (liabilities) reported on the statements of financial position are as follows:

	<u>2021</u>	<u>2020</u>
Loans receivable from related organizations	\$ 321,787	\$ 204,466
Funds on deposit due to related organizations	(41,178,523)	(32,847,546)
Accounts payable due to Salina Diocesan Clergy Health and Retirement Association, Inc.	(66,224)	(65,083)
Due to Catholic Charities of Northern Kansas, Inc.	<u>(294,523)</u>	<u>(294,477)</u>
Net liability due to related organizations	<u>\$ (41,217,483)</u>	<u>\$ (33,002,640)</u>

Significant revenue and (expense) transactions with related organizations are as follows:

	<u>2021</u>	<u>2020</u>
Taxes collected from Diocesan parishes	\$ 772,926	\$ 728,505
Grants and other financial assistance from the Seminary and Education fund to Catholic schools	(156,330)	(159,300)
Grants and other financial assistance from the Education Endowment fund to Catholic schools	(218,000)	(212,000)
Grants and other financial assistance from the General Fund to Salina Diocesan Clergy Health and Retirement Association, Inc.	(408,330)	(261,375)
Interest paid on deposits held for related organizations	<u>(634,572)</u>	<u>(1,049,313)</u>
Net expense transactions with related organizations	<u>\$ (644,306)</u>	<u>\$ (953,483)</u>

Note 8: Defined Benefit Pension Plan

The Diocese participates in a multi-employer defined benefit pension plan covering substantially all of the employees (excluding clergy). Employee benefits for retirement are based on the individual's years of service and compensation each year the individual participated in the plan. The Diocese contributed 6.5% of gross salary during the years ended June 30, 2021 and 2020 at a cost of \$66,550 and \$59,019, respectively.

Note 9: Prior Period Adjustments and Reclassifications

The Diocese identified the following adjustments and reclassifications to the previously reported closing balance of net assets as of June 30, 2019:

	Without Donor Restrictions	With Donor Restrictions	Total Net Assets
Balance as previously reported	\$ 11,354,152	\$ 15,900,819	\$ 27,254,971
Recognition of Marymount bank deposit	7,880	-	7,880
Reclassification of accumulated earnings of Foran Trust in the Education Endowment Fund	(1,222,425)	1,222,425	-
Reclassification of the spendable portion of donor-restricted investments in the General Fund	(61,609)	61,609	-
Balance as currently restated	<u>\$ 10,077,998</u>	<u>\$ 17,184,853</u>	<u>\$ 27,262,851</u>

Note 10: Education Endowment Fund

During 2021, the Bishop of the Diocese approved a finance council recommendation to transfer the assets of the Education Endowment fund to the Catholic Foundation for Diocese of Salina, Inc. As of June 30, 2021, the value of assets maintained in the Education Endowment fund were \$16,982,212. The transfer is intended to occur and be reflected in the Diocesan financial statements during the year ended June 30, 2022.

SUPPLEMENTAL INFORMATION

	<u>2021</u>	<u>2020</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 2,126,754	\$ 1,644,457
Accounts receivable	189,452	89,007
Contributions receivable, net	150,244	105,384
Prepaid expenses and other current assets	19,453	20,513
Due from other funds	1,805,988	1,838,903
Total Current Assets	<u>4,291,891</u>	<u>3,698,264</u>
Noncurrent Assets		
Investments (at fair value)	2,053,871	1,833,063
Property and equipment, net	1,157,308	1,208,251
Total Noncurrent Assets	<u>3,211,179</u>	<u>3,041,314</u>
Total Assets	<u>\$ 7,503,070</u>	<u>\$ 6,739,578</u>
Liabilities and Net Assets		
Liabilities (each of which are current)		
Accounts payable	\$ 84,784	\$ 109,765
Due to Catholic Charities of Northern Kansas, Inc.	294,523	294,477
Note payable	-	191,820
Total Liabilities	<u>379,307</u>	<u>596,062</u>
Net Assets		
Net Assets Without Donor Restrictions		
Undesignated	2,134,396	1,236,161
Designated spendable from capital campaign	-	39,176
Net investment in property and equipment	1,157,308	1,208,251
Total Net Assets Without Donor Restrictions	<u>3,291,704</u>	<u>2,483,588</u>
Net Assets With Donor Restrictions		
Spendable in a future year	150,244	105,384
Spendable for a specified purpose	1,077,849	1,081,609
Endowments	2,603,966	2,472,935
Total Net Assets With Donor Restrictions	<u>3,832,059</u>	<u>3,659,928</u>
Total Net Assets	<u>7,123,763</u>	<u>6,143,516</u>
Total Liabilities and Net Assets	<u>\$ 7,503,070</u>	<u>\$ 6,739,578</u>

	2021	2020
Operating Revenues		
Spendable Contributions		
Annual appeal	\$ 2,197,190	\$ 1,467,956
Legacies, bequests, and donations	649,631	298,110
Parish taxes	772,926	728,505
Home mission and extension grants	77,000	79,707
Total Spendable Contributions	<u>3,696,747</u>	<u>2,574,278</u>
Income		
Program service collections	22,756	14,884
Miscellaneous income	112,108	144,585
Total Income	<u>134,864</u>	<u>159,469</u>
Total Operating Revenues	<u>3,831,611</u>	<u>2,733,747</u>
Operating Expenses		
Grants and assistance to others	674,830	509,414
Scholarships and seminarian education	69,293	52,350
Salaries, payroll taxes and benefits	1,076,519	917,902
Professional fees, accounting and legal	266,015	260,799
Continuing education	19,050	15,629
Conferences, dues and assessments	98,271	97,349
Printing, postage and office supplies	158,161	70,934
Religious supplies	360	789
Resource and education materials	2,795	5,915
Meals and entertainment	3,214	6,722
Building and equipment expenses	64,289	66,943
Rent	48,900	46,400
Telephone, technology and utilities	127,987	102,100
Religious gatherings and youth events	19,217	35,600
Travel	3,904	78,587
Depreciation	79,471	79,756
Miscellaneous	24,341	30,988
Total Operating Expenses	<u>2,736,617</u>	<u>2,378,177</u>
Net Operating Revenue (Expense)	<u>1,094,994</u>	<u>355,570</u>
Other Changes in Net Assets		
Net investment return (loss)	327,577	112,967
Financing loss on uncollectable accounts	-	(35,773)
Interfund transfers received (sent)	(442,324)	(317,430)
Total Other Changes in Net Assets	<u>(114,747)</u>	<u>(240,236)</u>
Total Changes in Net Assets	980,247	115,334
Net Assets, Beginning	<u>6,143,516</u>	<u>6,028,182</u>
Net Assets, Ending	<u>\$ 7,123,763</u>	<u>\$ 6,143,516</u>

	<u>2021</u>	<u>2020</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 515,329	\$ 154,792
Accounts receivable	12,500	12,500
Contributions receivable, net	32,803	35,448
Prepaid expenses and other current assets	189,317	8,892
Due from other funds	-	62,666
Total Current Assets	<u>749,949</u>	<u>274,298</u>
Noncurrent Assets		
Investments (at fair value)	5,774,741	4,834,490
Investments (at cost)	96,360	96,360
Total Noncurrent Assets	<u>5,871,101</u>	<u>4,930,850</u>
Total Assets	<u>\$ 6,621,050</u>	<u>\$ 5,205,148</u>
Liabilities and Net Assets		
Liabilities (each of which are current)		
Accounts payable	\$ 25,915	\$ 29,405
Due to other funds	71,076	-
Deferred revenue	225,146	-
Total Liabilities	<u>322,137</u>	<u>29,405</u>
Net Assets		
Net Assets Without Donor Restrictions		
Undesignated	(141,122)	(874,579)
Designated endowment for Seminary and Education Fund	1,159,817	1,159,817
Designated endowment for Catholic school subsidy	2,082,361	2,201,191
Total Net Assets Without Donor Restrictions	<u>3,101,056</u>	<u>2,486,429</u>
Net Assets With Donor Restrictions		
Spendable in a future year	32,803	35,448
Spendable for a specified purpose	27,237	27,237
Endowments	3,137,817	2,626,629
Total Net Assets With Donor Restrictions	<u>3,197,857</u>	<u>2,689,314</u>
Total Net Assets	<u>6,298,913</u>	<u>5,175,743</u>
Total Liabilities and Net Assets	<u>\$ 6,621,050</u>	<u>\$ 5,205,148</u>

	<u>2021</u>	<u>2020</u>
Operating Revenues		
Spendable Contributions		
Legacies, bequests, and donations	\$ 62,174	\$ 185,268
Annual seminarian collection	174,203	165,493
Home mission and extension grants	90,813	107,384
Total Spendable Contributions	<u>327,190</u>	<u>458,145</u>
Income		
Program service collections	143,245	652,738
Miscellaneous income	102,171	55,852
Total Income	<u>245,416</u>	<u>708,590</u>
Total Operating Revenues	<u>572,606</u>	<u>1,166,735</u>
Operating Expenses		
Grants and assistance to others	156,330	159,300
Scholarships and seminarian education	294,097	467,778
Salaries, payroll taxes and benefits	582,941	324,574
Professional fees, accounting and legal	22,490	1,560
Accreditation and licensing	34,611	48,974
Continuing education	619	459
Conferences, dues and assessments	21,280	66,675
Printing, postage and office supplies	6,708	4,123
Resource and education materials	16,886	25,196
Meals and entertainment	520	333
Telephone, technology and utilities	58,017	25,819
Religious gatherings and youth events	6,942	5,167
Travel	70,091	569,577
Miscellaneous	18,416	2,346
Total Operating Expenses	<u>1,289,948</u>	<u>1,701,881</u>
Net Operating Revenue (Expense)	<u>(717,342)</u>	<u>(535,146)</u>
Other Changes in Net Assets		
Net investment return (loss)	1,002,330	101,500
Financing loss on uncollectable accounts	-	(58,119)
Interfund transfers received (sent)	838,182	586,430
Total Other Changes in Net Assets	<u>1,840,512</u>	<u>629,811</u>
Total Changes in Net Assets	1,123,170	94,665
Net Assets, Beginning	<u>5,175,743</u>	<u>5,081,078</u>
Net Assets, Ending	<u>\$ 6,298,913</u>	<u>\$ 5,175,743</u>

	<u>2021</u>	<u>2020</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 32,492	\$ 76,931
Accounts receivable	4,883	6,156
Total Current Assets	<u>37,375</u>	<u>83,087</u>
Noncurrent Assets		
Investments (at fair value)	<u>3,279,371</u>	<u>2,812,955</u>
Total Assets	<u>\$ 3,316,746</u>	<u>\$ 2,896,042</u>
 Liabilities and Net Assets		
Liabilities (each of which are current)		
Due to other funds	<u>\$ 21,182</u>	<u>\$ 37,891</u>
Net Assets		
Net Assets Without Donor Restrictions		
Undesignated	(9,794)	231,522
Net Assets With Donor Restrictions		
Endowments	<u>3,305,358</u>	<u>2,626,629</u>
Total Net Assets	<u>3,295,564</u>	<u>2,858,151</u>
Total Liabilities and Net Assets	<u>\$ 3,316,746</u>	<u>\$ 2,896,042</u>

	<u>2021</u>	<u>2020</u>
Operating Revenues		
Spendable Contributions		
Legacies, bequests, and donations	\$ 71,150	\$ 103,963
Income		
Program service collections	20,536	19,706
Total Operating Revenues	<u>91,686</u>	<u>123,669</u>
Operating Expenses		
Salaries, payroll taxes and benefits	51,206	74,605
Professional fees, accounting and legal	5,688	2,916
Conferences, dues and assessments	450	8,008
Printing, postage and office supplies	62,522	113,910
Telephone, technology and utilities	40	785
Religious gatherings and youth events	244	1,417
Miscellaneous	1,692	3,400
Total Operating Expenses	<u>121,842</u>	<u>205,041</u>
Net Operating Revenue (Expense)	(30,156)	(81,372)
Other Changes in Net Assets		
Net investment return (loss)	467,569	50,964
Total Changes in Net Assets	437,413	(30,408)
Net Assets, Beginning	<u>2,858,151</u>	<u>2,888,559</u>
Net Assets, Ending	<u>\$ 3,295,564</u>	<u>\$ 2,858,151</u>

	<u>2021</u>	<u>2020</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 4,514,318	\$ 748,619
Accounts receivable	20,731	22,853
Prepaid expenses and other current assets	6,654	5,626
Total Current Assets	<u>4,541,703</u>	<u>777,098</u>
Noncurrent Assets		
Investments (at fair value)	30,410,524	26,375,153
Investments (at cost)	775,342	775,342
Notes receivable from related organizations	321,787	204,466
Total Noncurrent Assets	<u>31,507,653</u>	<u>27,354,961</u>
Total Assets	<u>\$ 36,049,356</u>	<u>\$ 28,132,059</u>
Liabilities and Net Assets		
Current Liabilities		
Due to other funds	\$ 102,617	\$ 158,270
Noncurrent Liabilities		
Funds on deposit due to related organizations	<u>32,530,944</u>	<u>24,401,853</u>
Total Liabilities	<u>32,633,561</u>	<u>24,560,123</u>
Net Assets		
Net Assets Without Donor Restrictions		
Undesignated	3,411,934	3,568,075
Net Assets With Donor Restrictions		
Spendable for a specified purpose	<u>3,861</u>	<u>3,861</u>
Total Net Assets	<u>3,415,795</u>	<u>3,571,936</u>
Total Liabilities and Net Assets	<u>\$ 36,049,356</u>	<u>\$ 28,132,059</u>

	<u>2021</u>	<u>2020</u>
Operating Revenues		
Spendable Contributions		
Legacies, bequests, and donations	\$ 100	\$ 27,402
Operating Expenses		
Grants and assistance to others	6,330	9,644
Printing, postage and office supplies	-	226
Building and equipment expenses (reimbursements)	(7,776)	19,704
Interest expense	271,810	501,306
Miscellaneous	314	3,799
Total Operating Expenses	<u>270,678</u>	<u>534,679</u>
Net Operating Revenue (Expense)	<u>(270,578)</u>	<u>(507,277)</u>
Other Changes in Net Assets		
Net investment return (loss)	414,437	341,415
Interfund transfers received (sent)	(300,000)	(100,000)
Total of Other Changes in Net Assets	<u>114,437</u>	<u>241,415</u>
Total Changes in Net Assets	(156,141)	(265,862)
Net Assets, Beginning	<u>3,571,936</u>	<u>3,837,798</u>
Net Assets, Ending	<u>\$ 3,415,795</u>	<u>\$ 3,571,936</u>

	<u>2021</u>	<u>2020</u>
Assets		
Noncurrent Assets		
Investments (at fair value)	<u>\$ 16,982,212</u>	<u>\$ 14,740,140</u>
Liabilities and Net Assets		
Current Liabilities		
Due to other funds	\$ 1,611,113	\$ 1,699,568
Noncurrent Liabilities		
Funds on deposit due to related organizations	<u>8,647,579</u>	<u>8,445,693</u>
Total Liabilities	<u>10,258,692</u>	<u>10,145,261</u>
Net Assets		
Net Assets Without Donor Restrictions		
Undesignated	1,478,732	22,039
Net Assets With Donor Restrictions		
Endowments	<u>5,244,788</u>	<u>4,572,840</u>
Total Net Assets	<u>6,723,520</u>	<u>4,594,879</u>
Total Liabilities and Net Assets	<u>\$ 16,982,212</u>	<u>\$ 14,740,140</u>

	<u>2021</u>	<u>2020</u>
Operating Revenues		
Spendable Contributions		
Legacies, bequests, and donations	\$ -	\$ -
Operating Expenses		
Grants and assistance to others	218,000	212,000
Interest expense	362,762	548,007
Miscellaneous	4,950	-
Total Operating Expenses	<u>585,712</u>	<u>760,007</u>
Net Operating Revenue (Expense)	<u>(585,712)</u>	<u>(760,007)</u>
Other Changes in Net Assets		
Net investment return (loss)	2,660,211	213,153
Interfund transfers received (sent)	54,142	(169,000)
Total of Other Changes in Net Assets	<u>2,714,353</u>	<u>44,153</u>
Total Changes in Net Assets	2,128,641	(715,854)
Net Assets, Beginning	4,594,879	5,310,733
Net Assets, Ending	<u>\$ 6,723,520</u>	<u>\$ 4,594,879</u>

	<u>2021</u>	<u>2020</u>
Assets		
Noncurrent Assets		
Investments (at fair value)	<u>\$ 4,808,319</u>	<u>\$ 4,200,762</u>
Liabilities and Net Assets		
Liabilities		
Due to other funds	<u>\$ -</u>	<u>\$ -</u>
Net Assets		
Net Assets Without Donor Restrictions		
Undesignated	1,373,132	1,294,489
Net Assets With Donor Restrictions		
Endowments	<u>3,435,187</u>	<u>2,906,273</u>
Total Net Assets	<u>4,808,319</u>	<u>4,200,762</u>
Total Liabilities and Net Assets	<u>\$ 4,808,319</u>	<u>\$ 4,200,762</u>

	<u>2021</u>	<u>2020</u>
Operating Revenues		
Spendable Contributions		
Legacies, bequests, and donations	\$ -	\$ -
Operating Expenses		
Grants and assistance to others	-	-
Net Operating Revenue (Expense)	-	-
Other Changes in Net Assets		
Net investment return (loss)	737,557	84,261
Nonspendable contributions	20,000	-
Interfund transfers received (sent)	(150,000)	-
Total of Other Changes in Net Assets	<u>607,557</u>	<u>84,261</u>
Total Changes in Net Assets	607,557	84,261
Net Assets, Beginning	4,200,762	4,116,501
Net Assets, Ending	<u>\$ 4,808,319</u>	<u>\$ 4,200,762</u>

	<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 and assistance to others	\$ -	\$ 408,330	\$ -	\$ 374,330	\$ 272,830	\$ 1,055,490
Scholarships and seminarian education	-	305,663	-	57,727	-	363,390
Salaries, payroll taxes and benefits *	288,491	86,816	92,407	533,691	-	1,001,405
Professional fees, accounting and legal *	10,069	4,490	282	658	-	15,499
Accreditation and licensing	-	-	-	34,611	-	34,611
Continuing education	11,574	6,843	72	169	-	18,658
Conferences, dues and assessments *	26,225	1,900	4,813	8,506	49,973	91,417
Printing, postage and office supplies *	132,552	5,460	6,870	4,934	-	149,816
Religious supplies	-	-	-	360	-	360
Resource and education materials	10,720	-	6,890	370	-	17,980
Meals and entertainment *	116	786	116	116	-	1,134
Building and equipment expenses *	5,652	5,652	5,652	5,652	-	22,608
Rent *	5,700	4,800	4,800	4,800	-	20,100
Telephone, technology and utilities *	48,709	4,226	4,226	24,315	-	81,476
Religious gatherings and youth events	43,276	-	22,686	-	-	65,962
Travel *	12,491	5,721	295	5,532	-	24,039
Interest	-	-	-	506,316	128,256	634,572
Depreciation *	8,151	7,925	7,925	7,925	-	31,926
Miscellaneous	5,871	1,570	636	9,724	-	17,801
Total	<u>\$ 609,597</u>	<u>\$ 850,182</u>	<u>\$ 157,670</u>	<u>\$ 1,579,736</u>	<u>\$ 451,059</u>	<u>\$ 3,648,244</u>

	<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 and assistance to others	\$ -	\$ 261,375	\$ -	\$ 371,300	\$ 257,683	\$ 890,358
Scholarships and seminarian education	-	467,778	-	52,350	-	520,128
Salaries, payroll taxes and benefits *	301,369	78,346	99,615	275,363	-	754,693
Professional fees, accounting and legal *	14,076	360	284	662	-	15,382
Accreditation and licensing	-	-	-	48,974	-	48,974
Continuing education	8,158	7,411	42	98	-	15,709
Conferences, dues and assessments *	33,971	46,248	4,144	9,805	44,710	138,878
Printing, postage and office supplies *	124,683	4,303	6,720	4,823	-	140,529
Religious supplies	558	-	-	231	-	789
Resource and education materials	16,086	-	9,422	5,336	-	30,844
Meals and entertainment *	168	497	168	168	-	1,001
Building and equipment expenses *	8,663	8,663	8,663	8,663	-	34,652
Rent *	5,450	4,550	4,550	4,550	-	19,100
Telephone, technology and utilities *	34,717	4,216	4,216	14,344	-	57,493
Religious gatherings and youth events	631,817	-	12,616	-	-	644,433
Travel *	25,997	1,032	762	4,889	-	32,680
Interest	-	-	-	888,213	161,100	1,049,313
Depreciation *	8,387	7,931	7,931	7,931	-	32,180
Miscellaneous	6,547	951	585	(86)	-	7,997
Total	<u>\$ 1,220,647</u>	<u>\$ 893,661</u>	<u>\$ 159,718</u>	<u>\$ 1,697,614</u>	<u>\$ 463,493</u>	<u>\$ 4,435,133</u>