

The Roman Catholic Diocese of Salina

**Consolidated Financial Statements
As of June 30, 2024 and 2023
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

December __, 2024

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, 2024 and 2023, 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, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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.

Certified Public Accountants
Manhattan, Kansas

	2024	2023
Assets		
Current Assets		
Cash and cash equivalents	\$ 2,027,142	\$ 2,180,587
Accounts receivable	313,512	198,471
Contributions receivable, net	-	172,234
Prepaid expenses and other current assets	43,696	218,205
Total Current Assets	<u>2,384,350</u>	<u>2,769,497</u>
Noncurrent Assets		
Investments (at fair value)	32,708,915	37,405,973
Investments (at cost)	871,702	871,702
Beneficial interest in Catholic Foundation	5,984,663	4,548,782
Beneficial interest in Mission Diocese Fund	1,484,140	1,364,239
Notes receivable from related organizations	5,119,742	3,521,779
Property and equipment, net	1,266,446	1,035,697
Total Noncurrent Assets	<u>47,435,608</u>	<u>48,748,172</u>
Total Assets	<u>\$ 49,819,958</u>	<u>\$ 51,517,669</u>
Liabilities and Net Assets		
Liabilities		
Current Liabilities		
Accounts payable	\$ 101,688	\$ 23,322
Collection payable	133,259	165,213
Due to related organizations	1,342,546	970,558
Accrued interest payable	73,523	119,625
Total Current Liabilities	<u>1,651,016</u>	<u>1,278,718</u>
Noncurrent Liabilities		
Funds on deposit due to related organizations	19,774,094	24,710,482
Total Liabilities	<u>21,425,110</u>	<u>25,989,200</u>
Net Assets		
Net Assets Without Donor Restrictions		
Undesignated	10,480,504	8,427,238
Investment in property and equipment	1,266,446	1,035,697
Total Net Assets Without Donor Restrictions	<u>11,746,950</u>	<u>9,462,935</u>
Net Assets With Donor Restrictions		
Spendable in a future year	-	172,234
Spendable for a specified purpose	1,951,872	2,211,611
Endowments	14,696,026	13,681,689
Total Net Assets With Donor Restrictions	<u>16,647,898</u>	<u>16,065,534</u>
Total Net Assets	<u>28,394,848</u>	<u>25,528,469</u>
Total Liabilities and Net Assets	<u>\$ 49,819,958</u>	<u>\$ 51,517,669</u>

	Without Donor Restriction	With Donor Restriction	Total
Operating Revenue			
Public Support			
Financial Contributions – Spendable			
Annual appeal	\$ 2,193,271	\$ -	\$ 2,193,271
Legacies, bequests and donations	516,268	-	516,268
Cathedraticum assessment	816,622	-	816,622
Grants	413,673	-	413,673
Seminarian collections and events	753,211	-	753,211
Release of donor restrictions	698,721	(698,721)	-
Total Public Support	<u>5,391,766</u>	<u>(698,721)</u>	<u>4,693,045</u>
Income			
Program service collections	502,029	-	502,029
Shared administrative services	400,000	-	400,000
Miscellaneous income	255,733	-	255,733
Total Income	<u>1,157,762</u>	<u>-</u>	<u>1,157,762</u>
Total Operating Revenue	<u>6,549,528</u>	<u>(698,721)</u>	<u>5,850,807</u>
Operating Expense			
Program services	4,411,617	-	4,411,617
Supporting services	1,812,426	-	1,812,426
Total Operating Expense	<u>6,224,043</u>	<u>-</u>	<u>6,224,043</u>
Net Operating Revenue (Expense)	<u>325,485</u>	<u>(698,721)</u>	<u>(373,236)</u>
Other Changes in Net Assets			
Net investment return	1,490,724	1,281,085	2,771,809
Change in beneficial interest in Catholic Foundation	295,898	-	295,898
Change in beneficial interest in Mission Diocese Fund	171,908	-	171,908
Total Other Changes in Net Assets	<u>1,958,530</u>	<u>1,281,085</u>	<u>3,239,615</u>
Total Changes in Net Assets	2,284,015	582,364	2,866,379
Net Assets – Beginning	9,462,935	16,065,534	25,528,469
Net Assets – Ending	<u>\$ 11,746,950</u>	<u>\$ 16,647,898</u>	<u>\$ 28,394,848</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
Cathedraticum assessment	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>

	**	Supporting Services			Total Operating Expenses
		Program Services	Management and General	Fundraising	
Grants, scholarships and assistance given		\$ 816,549	\$ -	\$ -	\$ 816,549
Formation and seminarian education		489,809	-	-	489,809
Personnel expenses: salaries, benefits, etc.	*	1,122,349	1,042,350	-	2,164,699
Professional fees, accounting and legal	*	199,583	286,611	50,415	536,609
Accreditation and licensing		11,819	-	-	11,819
Continuing education		9,693	1,098	-	10,791
Conferences, dues and assessments	*	546,051	10,280	-	556,331
Printing, postage and office supplies	*	155,686	24,782	-	180,468
Religious supplies		35,868	472	-	36,340
Resource and education materials		11,668	22	-	11,690
Meals and entertainment	*	5,623	4,773	-	10,396
Building and equipment expenses	*	39,477	54,779	-	94,256
Rent	*	-	48,000	-	48,000
Telephone, technology and utilities	*	67,624	52,574	-	120,198
Religious gatherings and youth events		126,050	3,094	-	129,144
Travel	*	23,896	7,142	-	31,038
Interest		635,445	12,780	-	648,225
Insurance		9,825	34,195	-	44,020
Property taxes		2,775	72,127	-	74,902
Depreciation	*	89	77,631	-	77,720
Miscellaneous		101,738	29,301	-	131,039
Total Operating Expenses		<u>\$ 4,411,617</u>	<u>\$ 1,762,011</u>	<u>\$ 50,415</u>	<u>\$ 6,224,043</u>

* 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 29 for further detail of expense by major program.

	**	Supporting Services			Total Operating Expenses
		Program Services	Management and General	Fundraising	
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	-	2,063,106
Professional fees, accounting and legal	*	174,148	123,216	378,892	676,256
Accreditation and licensing		6,476	22,730	-	29,206
Continuing education		18,625	1,069	-	19,694
Conferences, dues and assessments	*	143,736	17,093	-	160,829
Printing, postage and office supplies	*	125,934	39,847	181,218	346,999
Religious supplies		67,787	132	-	67,919
Resource and education materials		4,053	845	-	4,898
Meals and entertainment	*	4,445	3,802	-	8,247
Building and equipment expenses	*	13,987	32,509	-	46,496
Rent	*	900	48,000	-	48,900
Telephone, technology and utilities	*	45,797	52,234	-	98,031
Religious gatherings and youth events		85,734	1,584	-	87,318
Travel	*	12,248	5,169	-	17,417
Interest		401,858	27,109	-	428,967
Insurance		8,263	5,770	-	14,033
Property taxes		2,049	21,013	-	23,062
Depreciation	*	89	70,596	-	70,685
Miscellaneous		227,230	296,556	-	523,786
Total Operating Expenses		<u>\$ 4,175,140</u>	<u>\$ 1,617,286</u>	<u>\$ 560,110</u>	<u>\$ 6,352,536</u>

* 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 30 for further detail of expense by major program.

	<u>2024</u>	<u>2023</u>
Cash Flows from Operating Activities		
Total changes in net assets	\$ 2,866,379	\$ 880,790
Adjustments to Reconcile to Net Operating Cash Flow		
Depreciation	77,720	70,685
Net investment return	(2,771,809)	(1,547,594)
Change in beneficial interest in Catholic Foundation	(295,898)	(145,645)
Change in beneficial interest in Mission Diocese Fund	(171,908)	(131,732)
Net Changes in Operating Assets and Liabilities		
Accounts receivable	(115,041)	2,112
Contributions receivable, net	172,234	49,095
Prepaid expenses and other current assets	174,509	(187,971)
Accounts payable	78,366	(22,631)
Collections payable	(31,954)	165,213
Due to related organizations	371,988	572,425
Accrued interest payable	(46,102)	119,625
Net Cash Provided by (Used in) Operating Activities	<u>308,484</u>	<u>(175,628)</u>
Cash Flows from Investing Activities		
Sale of investments	14,290,237	9,515,698
Purchase of investments	(6,821,370)	(4,534,534)
Addition to beneficial interest in Catholic Foundation	(3,596,446)	(2,735,534)
Withdrawal from beneficial interest in Catholic Foundation	2,508,470	1,769,739
Principal repayments on notes receivable	850,803	70,606
Principal issued on notes receivable	(2,448,766)	(1,448,542)
Purchase of property and equipment	(308,469)	(2,290)
Net Cash Provided by Investing Activities	<u>4,474,459</u>	<u>2,635,143</u>
Cash Flows from Financing Activities		
Net payments on deposits held for others	(4,936,388)	(3,426,143)
Net Change in Cash and Cash Equivalents	(153,445)	(966,628)
Cash and Cash Equivalents – Beginning	2,180,587	3,147,215
Cash and Cash Equivalents – Ending	<u>\$ 2,027,142</u>	<u>\$ 2,180,587</u>
Supplementary Disclosure of Cash Flow Information		
Cash paid for interest expense	<u>\$ 694,327</u>	<u>\$ 282,233</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 34,999. 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 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.

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 December __, 2024 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, 2024 and 2023.

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 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 \$5,000 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, 2024 and 2023.

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, 2024 and 2023:

<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%
July 1, 2023	June 30, 2024	4.25%

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, 2024 and 2023.

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%
July 1, 2023	June 30, 2024	3.00%

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 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, 2024 and 2023, 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 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, 2024 which are available for general expenditures during the year ended June 30, 2025:

	<u>Liquid</u>	<u>Not Available</u>	<u>Liquid and Available</u>
Cash and cash equivalents	\$ 2,027,142	\$ -	\$ 2,027,142
Accounts receivable	313,512	-	313,512
Investments (at fair value)	32,708,915	28,953,189	3,755,726
Beneficial interest in Catholic Foundation	5,984,663	5,984,663	-
Beneficial interest in Mission Diocese Fund	1,484,140	1,484,140	-
	<u>\$ 42,518,372</u>	<u>\$ 36,421,992</u>	<u>\$ 6,096,380</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 consolidated statements of financial position as follows at June 30,:

	<u>2024</u>	<u>2023</u>
Land and buildings	\$ 1,969,843	\$ 1,670,285
Office furnishings and equipment	559,513	550,602
Vehicles	115,206	115,206
Cost Basis of Property and Equipment	<u>2,644,562</u>	<u>2,336,093</u>
Accumulated depreciation	(1,378,116)	(1,300,396)
Property and Equipment, Net	<u>\$ 1,266,446</u>	<u>\$ 1,035,697</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	2024	2023
Assets Measured at Fair Value			
Investments (at Fair Value)			
Cash and cash equivalents	Level 1	\$ 1,315,897	\$ 909,110
Certificates of deposit	Level 1	534,006	1,060,157
Stocks	Level 1	7,005,008	4,995,535
Bonds	Level 1	12,977,999	11,421,360
Mutual funds	Level 1	10,876,005	19,019,811
Total Investments (at Fair Value)		32,708,915	37,405,973
Beneficial interest in Catholic Foundation	Level 2	5,984,663	4,548,782
Beneficial interest in Mission Diocese Fund	Level 2	1,484,140	1,364,239
Total Assets Measured at Fair Value		\$ 38,693,578	\$ 41,954,755

Note 5: Net Assets with Donor Restrictions

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

	<u>2024</u>	<u>2023</u>
Spendable in a Future Year		
Contributions receivable, net	\$ -	\$ 172,234
Fully Spendable for a Specified Purpose		
General Fund	920,786	1,211,002
Seminary and Education Fund	1,031,086	-
Deposit and Loan	-	1,000,609
Total of Fully Spendable for a Specified Purpose	<u>1,951,872</u>	<u>2,211,611</u>
Endowments		
General Fund	2,801,539	2,745,169
Seminary and Education Fund	4,242,780	3,839,719
The Register	3,186,422	3,019,266
Seminary Burses	4,465,285	4,077,535
Total Endowments	<u>14,696,026</u>	<u>13,681,689</u>
Total Net Assets With Donor Restrictions	<u>\$ 16,647,898</u>	<u>\$ 16,065,534</u>

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

	<u>2024</u>	<u>2023</u>
Satisfaction of Purpose Restrictions		
General Fund	\$ 391,353	\$ 30,000
Seminary and Education Fund	-	27,237
Deposit and Loan	-	123,861
Total Satisfaction of Purpose Restrictions	<u>391,353</u>	<u>181,098</u>
Satisfaction of time restrictions		
Contributions receivable, net	<u>172,234</u>	<u>49,095</u>
Endowment Appropriations		
The Register	135,134	971,228
Seminary Burses	-	186,130
Total Endowment Appropriations	<u>135,134</u>	<u>1,157,358</u>
Total Net Assets Released from Donor Restrictions	<u>\$ 698,721</u>	<u>\$ 1,387,551</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, 2024 and 2023, 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, 2024 and 2023 are as follows:

	Donor Restricted Endowments		
	Nonspendable Principal	Accumulated Earnings	Total
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
Net investment return	-	1,149,471	1,149,471
Expenditure appropriations	-	(135,134)	(135,134)
Balance at June 30, 2024	<u>\$ 7,446,036</u>	<u>\$ 7,249,990</u>	<u>\$ 14,696,026</u>

Note 7: Related Organization Balances and Transactions

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

	2024	2023
Loans receivable from Diocesan schools and parishes	\$ 5,119,742	\$ 3,521,779
Beneficial interest in Catholic Foundation	5,984,663	4,548,782
Due from Clergy Health and Retirement	-	28,462
Funds on deposit due to Diocesan schools and parishes	(19,774,094)	(24,710,482)
Due to Clergy Health and Retirement	(520,929)	(474,005)
Due to Catholic Charities of Northern Kansas, Inc.	(294,523)	(294,523)
Due to Catholic Foundation	(228,510)	(202,030)
Due to other Diocesan organizations	(298,584)	-
Net Liability Due to Related Organizations	\$ (10,012,235)	\$ (17,582,017)

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

	2024	2023
Cathedraticum assessment collected from Diocesan parishes	\$ 816,622	\$ 737,212
Grants, Scholarships and Other Financial Assistance Given		
From the General Fund to Clergy Health and Retirement	(400,000)	(400,000)
From the Seminary and Education Fund to Diocesan schools	(328,140)	(358,133)
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	(728,140)	(1,064,263)
Interest paid on deposits held for Diocesan schools and parishes	(648,225)	(428,967)
Net Expense Transactions with Related Organizations	\$ (559,743)	\$ (756,018)

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, 2024 and 2023. 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.

Note 8: Defined Benefit Pension Plan (Continued)

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, 2024, there were six Plan employers (exclusive of the Diocese) which were assessed a withdrawal liability totaling \$5,618,382. 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.

The Diocese has evaluated the current and potential cost of participation in the Plan. The Diocese has notified the Plan of its tentative intent to terminate participation effective June 30, 2024 and received a tentative withdrawal liability of \$723,681. The Diocese will have the option of paying the withdrawal amount in full, in payments or not at all. A final determination on whether to terminate participation in the Plan has not been made by the Diocese as of December __, 2024, which is the date that these consolidated financial statements were available to be issued. In the event the Diocese does terminate participation in the Plan, a new 403(b) Church Retirement Plan would be implemented for Diocesan employees.

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, 2024 and 2023 and for the years then ended:

	<u>2024</u>	<u>2023</u>
Net assets available for Plan benefits	\$ 1,552,135,828	\$ 1,481,318,588
Actuarial present value of accumulated Plan benefits	÷ 2,351,083,248	÷ 2,263,207,068
Funded ratio	<u>66.02%</u>	<u>65.45%</u>
Contributions by the Diocese to the Plan	\$ 98,454	\$ 102,637
Contributions received by the Plan from all participants	÷ 65,889,195	÷ 59,864,467
Proportion of Diocese to Plan Contributions	<u>0.15%</u>	<u>0.17%</u>

SUPPLEMENTARY INFORMATION

	<u>2024</u>	<u>2023</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 1,539,976	\$ 1,896,769
Accounts receivable	83,292	155,402
Contributions receivable, net	-	172,234
Prepaid expenses and other current assets	13,479	39,535
Due from other Diocesan funds	354,917	-
Total Current Assets	<u>1,991,664</u>	<u>2,263,940</u>
Noncurrent Assets		
Investments (at fair value)	1,162,214	1,422,657
Investments (at cost)	775,342	-
Beneficial interest in Catholic Foundation	5,888,316	4,480,364
Beneficial interest in Mission Diocese Fund	593,596	545,573
Property and equipment, net	1,266,446	1,035,697
Total Noncurrent Assets	<u>9,685,914</u>	<u>7,484,291</u>
Total Assets	<u>\$ 11,677,578</u>	<u>\$ 9,748,231</u>
Liabilities and Net Assets		
Liabilities (each of which is current)		
Accounts payable	\$ 101,688	\$ 23,322
Collection payable	133,259	165,213
Due to related organizations	1,340,546	970,558
Due to other Diocesan funds	282,493	283,461
Total Liabilities	<u>1,857,986</u>	<u>1,159,093</u>
Net Assets		
Net Assets Without Donor Restrictions		
Undesignated	4,830,801	3,141,575
Investment in property and equipment	1,266,466	1,035,697
Total Net Assets Without Donor Restrictions	<u>6,097,267</u>	<u>4,177,272</u>
Net Assets With Donor Restrictions		
Spendable in a future year	-	172,234
Spendable for a specified purpose	920,786	1,211,002
Endowments	2,801,539	2,745,169
Total Net Assets With Donor Restrictions	<u>3,722,325</u>	<u>4,128,405</u>
Total Net Assets	<u>9,819,592</u>	<u>8,305,677</u>
Total Liabilities and Net Assets	<u>\$ 11,677,578</u>	<u>\$ 9,464,770</u>

	<u>2024</u>	<u>2023</u>
Operating Revenue		
Public Support		
Financial Contributions – Spendable		
Annual appeal	\$ 1,225,271	\$ 1,763,936
Legacies, bequests and donations	289,999	242,309
Cathedraticum assessment	816,622	737,212
Grants	122,740	106,879
Total Public Support	<u>2,454,632</u>	<u>2,850,336</u>
Income		
Program service collections	87,403	139,659
Shared administrative services	935,000	181,000
Miscellaneous income	49,169	40,341
Total Income	<u>1,071,572</u>	<u>361,000</u>
Total Operating Revenue	<u>3,526,204</u>	<u>3,211,336</u>
Operating Expense		
Grants, scholarships and assistance given	488,409	460,182
Formation and seminarian education	77,563	70,104
Personnel expenses: salaries, benefits, etc.	1,456,700	1,487,907
Professional fees, accounting and legal	344,159	544,618
Continuing education	2,698	2,369
Conferences, dues and assessments	96,765	88,674
Printing, postage and office supplies	96,598	276,793
Religious supplies	10,365	48,804
Resource and education materials	1,351	3,303
Meals and entertainment	6,149	3,802
Building and equipment expenses	91,152	46,496
Rent	48,000	48,900
Telephone, technology and utilities	104,922	98,031
Religious gatherings and youth events	84,188	44,181
Travel	17,361	12,162
Interest	12,780	-
Depreciation	77,720	70,685
Insurance	42,945	12,333
Property taxes	72,127	21,013
Miscellaneous	149,815	379,239
Total Operating Expense	<u>3,281,767</u>	<u>3,719,596</u>
Net Operating Revenue (Expense)	<u>244,437</u>	<u>(508,260)</u>
Other Changes in Net Assets		
Net investment return	170,818	62,499
Change in beneficial interest in Catholic Foundation	254,569	140,935
Change in beneficial interest in Mission Diocese Fund	68,749	49,337
Interfund transfers received	775,342	-
Total Other Changes in Net Assets	<u>1,269,478</u>	<u>252,771</u>
Total Changes in Net Assets	1,513,915	(255,489)
Net Assets – Beginning	8,305,677	8,561,166
Net Assets – Ending	<u>\$ 9,819,592</u>	<u>\$ 8,305,677</u>

	<u>2024</u>	<u>2023</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 292,153	\$ 157,404
Accounts receivable	230,220	43,069
Prepaid expenses and other current assets	-	166,740
Due from other Diocesan funds	333,899	479,129
Total Current Assets	<u>856,272</u>	<u>846,342</u>
Noncurrent Assets		
Investments (at fair value)	6,845,608	4,668,313
Investments (at cost)	96,360	96,360
Beneficial interest in Catholic Foundation	96,347	68,418
Beneficial interest in Mission Diocese Fund	890,544	818,666
Total Noncurrent Assets	<u>7,928,859</u>	<u>5,651,757</u>
Total Assets	<u>\$ 8,785,131</u>	<u>\$ 6,498,099</u>
 Liabilities and Net Assets		
Liabilities (Each is Current)		
Due to other Diocesan funds	\$ 256,951	\$ -
Due to related Diocesan organizations	2,000	-
Total Liabilities	<u>258,951</u>	<u>-</u>
Net Assets		
Net Assets Without Donor Restrictions		
Undesignated	<u>3,282,791</u>	<u>2,658,380</u>
Net Assets With Donor Restrictions		
Spendable for a specified purpose	1,000,609	-
Endowments	<u>4,242,780</u>	<u>3,839,719</u>
Total Net Assets With Donor Restrictions	<u>5,243,389</u>	<u>3,839,719</u>
Total Net Assets	<u>8,526,180</u>	<u>6,498,099</u>
Total Liabilities and Net Assets	<u>\$ 8,785,131</u>	<u>\$ 6,498,099</u>

	<u>2024</u>	<u>2023</u>
Operating Revenue		
Public Support		
Financial Contributions – Spendable		
Annual appeal	\$ -	\$ 634,000
Legacies, bequests and donations	226,269	914,929
Seminarian collections and events	753,211	264,696
Grants	290,933	281,988
Total Public Support	<u>1,270,413</u>	<u>2,095,613</u>
Income		
Program service collections	414,626	217,016
Miscellaneous income	181,172	5,100
Total Income	<u>595,798</u>	<u>222,116</u>
Total Operating Revenue	<u>1,866,211</u>	<u>2,317,729</u>
Operating Expense		
Grants, scholarships and assistance given	328,140	358,113
Formation and seminarian education	412,246	386,158
Personnel expenses: salaries, benefits, etc.	651,251	520,058
Professional fees, accounting and legal	110,883	53,917
Accreditation and licensing	11,819	29,206
Continuing education	8,093	17,325
Conferences, dues and assessments	458,905	72,155
Printing, postage and office supplies	1,995	1,078
Religious supply	25,975	19,115
Resource and education materials	10,339	1,595
Meals and entertainment	4,247	4,445
Building and equipment	1,182	-
Telephone, technology and utilities	15,276	-
Religious gatherings and youth events	44,956	43,137
Travel	9,374	5,048
Insurance	958	2,776
Property taxes	1,456	-
Miscellaneous	96,000	119,061
Shared administrative services	500,000	190,486
Total Operating Expense	<u>2,693,095</u>	<u>1,823,673</u>
Net Operating Revenue (Expense)	<u>(826,884)</u>	<u>494,056</u>
Other Changes in Net Assets		
Net investment return	683,155	308,826
Change in beneficial interest in Catholic Foundation	41,329	4,710
Change in beneficial interest in Mission Diocese Fund	103,159	82,395
Interfund transfers received	2,027,322	-
Total Other Changes in Net Assets	<u>2,854,965</u>	<u>395,931</u>
Total Changes in Net Assets	2,028,081	889,987
Net Assets – Beginning	6,498,099	5,608,112
Net Assets – Ending	<u>\$ 8,526,180</u>	<u>\$ 6,498,099</u>

	<u>2024</u>	<u>2023</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 20,478	\$ 115,831
Due from other Diocesan funds	4,144	15,275
Total Current Assets	<u>24,622</u>	<u>131,106</u>
Noncurrent Assets		
Investments (at fair value)	<u>3,191,253</u>	<u>2,888,160</u>
Total Assets	<u>\$ 3,215,875</u>	<u>\$ 3,019,266</u>
Liabilities and Net Assets		
Liabilities (Each is Current)		
Due to other funds	<u>\$ 32,456</u>	<u>\$ -</u>
Net Assets		
Net Assets Without Donor Restrictions		
Undesignated	<u>-</u>	<u>-</u>
Net Assets With Donor Restrictions		
Endowments	<u>3,183,419</u>	<u>3,019,266</u>
Total Net Assets	<u>3,183,419</u>	<u>3,019,266</u>
Total Liabilities and Net Assets	<u>\$ 3,215,875</u>	<u>\$ 3,019,266</u>

	<u>2024</u>	<u>2023</u>
Operating Revenue		
Public Support		
Financial Contributions – Spendable		
Legacies, bequests and donations	\$ 33,000	\$ 33,097
Income		
Miscellaneous	<u>25,392</u>	<u>26,140</u>
Total Operating Revenue	<u>58,392</u>	<u>59,237</u>
Operating Expense		
Grants, scholarships and assistance given	-	36,000
Personnel expenses: salaries, benefits, etc.	56,865	54,065
Professional fees, accounting and legal	15,701	14,615
Conferences, dues and assessments	660	-
Printing, postage and office supplies	81,875	69,128
Building and equipment	1,922	-
Travel	4,303	207
Miscellaneous	203	-
Shared administrative services	<u>35,000</u>	<u>16,000</u>
Total Operating Expense	<u>196,529</u>	<u>190,015</u>
Net Operating Expense	<u>(138,137)</u>	<u>(130,778)</u>
Other Changes in Net Assets		
Net investment return	<u>302,290</u>	<u>217,567</u>
Total Changes in Net Assets	164,153	86,789
Net Assets – Beginning	<u>3,019,266</u>	<u>2,932,477</u>
Net Assets – Ending	<u>\$ 3,183,419</u>	<u>\$ 3,019,266</u>

	<u>2024</u>	<u>2023</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 174,535	\$ 10,583
Prepaid expenses and other current assets	30,217	11,930
Total Current Assets	<u>204,752</u>	<u>22,513</u>
Noncurrent Assets		
Investments (at fair value)	16,646,867	23,985,337
Investments (at cost)	-	775,342
Notes receivable from related organizations	5,119,742	3,521,779
Total Noncurrent Assets	<u>21,766,609</u>	<u>28,282,458</u>
Total Assets	<u>\$ 21,971,361</u>	<u>\$ 28,304,971</u>
Liabilities and Net Assets		
Liabilities		
Current Liabilities		
Due to other funds	\$ 121,060	\$ 210,943
Accrued interest payable	73,523	119,625
Total Current Liabilities	<u>194,583</u>	<u>330,568</u>
Noncurrent Liabilities		
Funds on deposit due to related organizations	19,774,094	24,710,482
Total Liabilities	<u>19,968,677</u>	<u>25,041,050</u>
Net Assets		
Net Assets Without Donor Restrictions		
Undesignated	2,002,684	2,263,312
Net Assets With Donor Restrictions		
Spendable for a specified purpose	-	1,000,609
Total Net Assets	<u>2,002,684</u>	<u>3,263,921</u>
Total Liabilities and Net Assets	<u>\$ 21,971,361</u>	<u>\$ 28,304,971</u>

	<u>2024</u>	<u>2023</u>
Operating Revenues		
Public Support		
Financial Contributions – Spendable		
Legacies, bequests and donations	\$ -	\$ -
Operating Expenses		
Grants, scholarships and assistance given	-	120,000
Professional fees, accounting and legal expense	65,865	52,094
Interest expense	520,468	428,967
Property taxes	1,319	2,049
Total Operating Expenses	<u>587,652</u>	<u>603,110</u>
Net Operating Expense	<u>(587,652)</u>	<u>(603,110)</u>
Other Changes in Net Assets		
Net investment return	1,194,079	628,467
Interfund transfers sent	(1,867,664)	-
Total of Other Changes in Net Assets	<u>(673,585)</u>	<u>628,467</u>
Total Changes in Net Assets	(1,261,237)	25,357
Net Assets – Beginning	<u>3,263,921</u>	<u>3,238,564</u>
Net Assets – Ending	<u>\$ 2,002,684</u>	<u>\$ 3,263,921</u>

	<u>2024</u>	<u>2023</u>
Assets		
Noncurrent Assets		
Investments (at fair value)	\$ 4,862,973	\$ 4,441,506
Liabilities and Net Assets		
Liabilities		
Due to other funds	\$ -	\$ -
Net Assets		
Net Assets Without Donor Restrictions		
Undesignated	397,688	363,971
Net Assets With Donor Restrictions		
Endowments	4,465,285	4,077,535
Total Net Assets	<u>4,862,973</u>	<u>4,441,506</u>
Total Liabilities and Net Assets	<u>\$ 4,862,973</u>	<u>\$ 4,441,506</u>

	<u>2024</u>	<u>2023</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>-</u>	<u>197,142</u>
Net Operating Expense	<u>-</u>	<u>(196,089)</u>
Other Changes in Net Assets		
Net investment return	421,467	330,235
Total Changes in Net Assets	421,467	134,146
Net Assets – Beginning	4,441,506	4,307,360
Net Assets – Ending	<u>\$ 4,862,973</u>	<u>\$ 4,441,506</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, scholarships and assistance given	\$ 28,377	\$ 402,595	\$ 349,340	\$ -	\$ 36,237	\$ 816,549
Formation and seminarian education	-	489,809	-	-	-	489,809
Personnel expenses: salaries, benefits, etc.	* 413,182	226,523	328,761	153,883	-	1,122,349
Professional fees, accounting and legal	* 21,669	36,540	72,580	67,034	1,760	199,583
Accreditation and licensing	-	-	11,819	-	-	11,819
Continuing education	2,275	4,329	3,089	-	-	9,693
Conferences, dues and assessments	* 497,963	26,717	3,158	1,262	16,951	546,051
Printing, postage and office supplies	* 153,691	1,651	344	-	-	155,686
Religious supplies	30,268	-	5,600	-	-	35,868
Resource and education materials	1,329	-	10,339	-	-	11,668
Meals and entertainment	* 1,376	4,247	-	-	-	5,623
Building and equipment expenses	*	-	1,182	-	38,295	39,477
Rent	*	-	-	-	-	-
Telephone, technology and utilities	* 9,757	-	15,276	-	42,591	67,624
Religious gatherings and youth events	117,545	8,469	36	-	-	126,050
Travel	* 13,790	2,854	6,520	732	-	23,896
Interest	-	-	-	635,445	-	635,445
Insurance	-	-	1,075	-	8,750	9,825
Property taxes	-	1,456	-	1,319	-	2,775
Depreciation	* 89	-	-	-	-	89
Miscellaneous	8,287	6,089	84,844	2,518	-	101,738
Total Program Service Expenses	<u>\$ 1,299,598</u>	<u>\$ 1,211,279</u>	<u>\$ 893,963</u>	<u>\$ 862,193</u>	<u>\$ 144,584</u>	<u>\$ 4,411,617</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.

	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	404,167	-
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	-	-	-
Building and equipment expenses	*	-	-	-	13,987	-
Rent	*	900	-	-	-	900
Telephone, technology and utilities	*	834	-	-	44,963	-
Religious gatherings and youth events	69,322	16,412	-	-	-	85,734
Travel	*	6,814	839	4,209	386	-
Interest	-	-	-	401,858	-	-
Insurance	-	-	1,700	-	6,563	-
Property taxes	-	-	-	2,049	-	-
Depreciation	*	89	-	-	-	89
Miscellaneous	176,817	6,678	42,479	1,256	-	-
Total Program Service Expenses	<u>\$ 893,716</u>	<u>\$ 1,460,290</u>	<u>\$ 698,110</u>	<u>\$ 986,172</u>	<u>\$ 136,852</u>	<u>\$ 4,175,140</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.