

***ROMAN CATHOLIC DIOCESE OF OWENSBORO***  
***(Chancery and Certain Entities)***

***COMBINED FINANCIAL STATEMENTS***  
***AND***  
***SUPPLEMENTARY INFORMATION***

***Years Ended June 30, 2022 and 2021***

***(With Independent Auditor's Report Thereon)***

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**Riney Hancock CPAs**  
PSC

## **INDEPENDENT AUDITOR'S REPORT**

Diocesan Finance Council  
Roman Catholic Diocese of Owensboro

### **Opinion**

We have audited the accompanying combined financial statements of the Roman Catholic Diocese of Owensboro (Chancery and Certain Entities) (Diocese) (a nonprofit organization), which comprise the combined statements of financial position as of June 30, 2022 and 2021, and the related combined statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the combined financial statements.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of the Roman Catholic Diocese of Owensboro (Chancery and Certain Entities) as of June 30, 2022 and 2021, and the changes in their net assets and their 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 audit 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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these combined 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 combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Diocese's ability to continue as a going concern within one year after the date that the combined 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 combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if

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### **Auditor's Responsibilities for the Audit of the Financial Statements, Continued**

there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the combined 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 combined 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 combined financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Diocese's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Diocese's ability to continue as a going concern for a reasonable period of time.

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

### **Report on Supplementary Information**

Our audits were conducted for the purpose of forming an opinion on the combined financial statements as a whole. The combining statements of financial position and the combining statements of activities on pages 31-34 are presented for purposes of additional analysis and are not a required part of the combined 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 combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined 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 combined financial statements as a whole.

Owensboro, Kentucky  
December 20, 2022

*Riny Hancock CPA, PSC*

**ROMAN CATHOLIC DIOCESE OF OWENSBORO**  
**(Chancery and Certain Entities)**

**COMBINED STATEMENTS OF FINANCIAL POSITION**

June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 5,895,463	\$ 5,254,434
Investments	51,705,747	43,877,352
Real estate held for investment	544,355	544,355
Accounts receivable:		
Due from parishes	257,089	327,793
Other	613,362	459,451
Grants	351,659	149,315
Notes	4,564,791	8,936,764
Due from related party	43,715	-
Notes receivable	6,395,404	3,896,608
Accrued interest receivable	133	500
Prepaid expenses	24,485	11,440
Inventories	62,272	57,943
Beneficial interests in trusts	189,014	223,802
Cemetery property	17,005	47,771
Property and equipment, net	<u>5,503,158</u>	<u>5,574,943</u>
<b>Total assets</b>	<b>\$ <u>76,167,652</u></b>	<b>\$ <u>69,362,471</u></b>
<b>LIABILITIES AND NET ASSETS</b>		
Accounts payable and accrued expenses	\$ 643,941	\$ 543,208
Due to related party	-	156,756
Deferred revenue	1,747,648	1,909,910
Accrued interest payable	14,679	12,621
Deposits payable	29,227,718	15,336,215
Collections payable	15,159	14,219
Notes payable	4,564,791	8,936,764
Interest rate swap	15,628	67,453
Accrued retirement obligations	621,484	690,216
Pledges payable	<u>22,000</u>	<u>15,000</u>
<b>Total liabilities</b>	<b><u>36,873,048</u></b>	<b><u>27,682,362</u></b>
<b>Net assets:</b>		
Without donor restrictions:		
Undesignated	16,736,762	20,843,138
Board designated	12,474,915	17,617,956
Legally mandated	<u>905,949</u>	<u>992,832</u>
	<u>30,117,626</u>	<u>39,453,926</u>
With donor restrictions	<u>9,176,978</u>	<u>2,226,183</u>
<b>Total net assets</b>	<b><u>39,294,604</u></b>	<b><u>41,680,109</u></b>
<b>Total liabilities and net assets</b>	<b>\$ <u>76,167,652</u></b>	<b>\$ <u>69,362,471</u></b>

See Notes to Combined Financial Statements

**ROMAN CATHOLIC DIOCESE OF OWENSBORO**  
(Chancery and Certain Entities)

**COMBINED STATEMENTS OF ACTIVITIES**

Years Ended June 30, 2022 and 2021

	2022		2021	
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions
<b>Revenue, support and gains:</b>				
P parish assessments	\$ 2,979,562	\$ -	\$ 3,115,239	\$ -
Contributions and bequests of cash and other financial assets	621,884	10,106,994	2,112,707	1,540,714
Contributions of nonfinancial assets	170,441	68,694	190,326	-
Investment return	(8,030,663)	(16,357)	8,992,664	25,762
Change in value of beneficial interests in trusts	-	(34,788)	-	13,692
Change in value of interest rate swap	51,825	-	63,633	-
Interest income on loans	285,345	-	163,338	-
Rental income	114,033	-	119,474	-
Income on real estate investments	325	-	1,337,374	-
Grants	2,823,375	566,172	2,176,106	240,881
Program and service fee income	6,949,677	-	6,699,242	-
Gain (loss) on disposal of property and equipment	(114,369)	-	4,495	-
Other income	1,221,095	-	1,254,791	-
Net assets released from restrictions	3,739,920	(3,739,920)	1,612,162	(1,612,162)
<b>Total revenue, support and gains</b>	<b>10,812,450</b>	<b>6,950,795</b>	<b>27,841,551</b>	<b>208,887</b>
<b>Expenses and losses:</b>				
Salaries and wages	4,230,637	-	3,575,211	-
Payroll taxes	289,651	-	238,366	-
Employee benefits	7,602,772	-	6,602,454	-
Other employee assistance	-	-	4,292	-
Retired priests' benefits	469,753	-	468,447	-
Professional and technical fees	511,924	-	505,697	-
Travel and auto expense	253,152	-	132,102	-
Postage and printing	236,539	-	180,926	-
Advertising	7,729	-	2,942	-
Insurance	98,553	-	102,217	-
Telephone and utilities	188,052	-	176,241	-
Repairs and maintenance	497,771	-	85,649	-
Supplies	372,392	-	118,863	-
Miscellaneous	82,810	-	70,653	-
Books, materials, subscriptions and dues	115,001	-	95,699	-
Assessments	95,548	-	88,704	-
Program services expense	2,265,909	-	1,842,333	-
Professional development expense	55,598	-	6,725	-
Depreciation expense	274,970	-	258,224	-
Interest expense	344,149	-	233,195	-
Grants, subsidies, and other direct and	2,146,112	-	2,764,090	-
Bad debt expense	9,728	-	9,728	-
<b>Total expenses and losses</b>	<b>20,148,750</b>	<b>-</b>	<b>17,562,758</b>	<b>-</b>
<b>Change in net assets</b>	<b>(9,336,300)</b>	<b>6,950,795</b>	<b>10,278,793</b>	<b>208,887</b>
<b>Net assets, beginning of year</b>	<b>39,453,926</b>	<b>2,226,183</b>	<b>29,175,133</b>	<b>2,017,296</b>
<b>Net assets, end of year</b>	<b>\$ 30,117,626</b>	<b>\$ 9,176,978</b>	<b>\$ 39,453,926</b>	<b>\$ 2,226,183</b>

See Notes to Combined Financial Statements

**ROMAN CATHOLIC DIOCESE OF OWENSBORO**  
(Chancery and Certain Entities)

**COMBINED STATEMENTS OF FUNCTIONAL EXPENSES**

Year Ended June 30, 2022

	2022					2021				
	Program Services	Management and General	Fundraising	Eliminations	Total	Program Services	Management and General	Fundraising	Eliminations	Total
Salaries and wages	\$ 3,186,061	\$ 910,065	\$ 134,511	\$ -	\$ 4,230,637	\$ 2,617,284	\$ 839,988	\$ 125,964	\$ -	\$ 3,573,236
Payroll taxes	217,246	62,497	9,908	-	289,651	172,530	56,448	9,388	-	238,366
Employee benefits	7,969,628	138,671	27,159	(532,686)	7,602,772	6,983,273	116,460	25,198	(522,477)	6,602,454
Other employee assistance	-	-	-	-	-	4,292	4,034	-	-	8,326
Retired priests benefits	469,753	-	-	-	469,753	468,447	-	-	-	468,447
Rent	3,600	-	-	(3,600)	-	3,600	-	-	(3,600)	-
Professional and technical fees	426,528	76,797	8,599	-	511,924	476,156	64,396	793	-	541,345
Travel and auto expense	217,610	34,309	1,233	-	253,152	121,640	10,240	222	-	132,102
Postage and printing	165,482	23,475	45,582	-	236,539	112,122	22,886	45,918	-	180,926
Advertising	6,016	1,387	326	-	7,729	1,746	1,035	161	-	2,942
Insurance	52,171	46,382	-	-	98,553	53,403	48,814	-	-	102,217
Telephone and utilities	140,773	47,279	-	-	188,052	132,804	43,437	-	-	176,241
Repairs and maintenance	369,086	128,685	-	-	497,771	46,096	39,553	-	-	85,649
Supplies	274,379	96,478	1,535	-	372,392	92,239	21,567	237	-	114,043
Miscellaneous	38,331	44,206	273	-	82,810	51,083	12,758	735	-	64,576
Books, materials, subscriptions and dues	39,179	73,151	2,671	-	115,001	55,563	38,577	2,780	-	96,920
Assessments	-	95,548	-	-	95,548	-	88,704	-	-	88,704
Program services expense	2,263,373	7,415	8,173	(12,052)	2,265,909	1,803,975	8,898	3,298	(773)	1,815,398
Professional development expense	34,356	17,439	5,963	(160)	55,598	5,581	(350)	548	(150)	5,629
Depreciation expense	-	274,970	-	-	274,970	-	258,224	-	-	258,224
Interest expense	344,149	-	-	-	344,149	234,537	-	-	(1,342)	233,195
Grants, subsidies, and other direct aid	2,211,535	52,617	-	(118,040)	2,146,112	1,300,862	1,589,883	-	(126,655)	2,764,090
Bad debt expense	-	9,728	-	-	9,728	-	9,728	-	-	9,728
	<u>\$ 18,428,356</u>	<u>\$ 2,143,099</u>	<u>\$ 243,933</u>	<u>\$ (666,538)</u>	<u>\$ 20,148,750</u>	<u>\$ 14,737,233</u>	<u>\$ 3,265,280</u>	<u>\$ 215,242</u>	<u>\$ (654,997)</u>	<u>\$ 17,562,758</u>

See Notes to Certified Financial Statements

**ROMAN CATHOLIC DIOCESE OF OWENSBORO**  
(Chancery and Certain Entities)

**COMBINED STATEMENTS OF CASH FLOWS**

Years Ended June 30, 2022 and 2021

	2022	2021
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ (2,385,505)	\$ 10,487,680
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	274,970	258,224
Bad debts written off	9,728	9,728
Realized (gain) loss on investments	(971,982)	(1,734,749)
Unrealized (gain) loss on investments	9,709,621	(6,710,940)
Loss (gain) on sale of real estate investments	-	(1,315,938)
Change in beneficial interests in trusts	34,788	(13,692)
Change in value of interest rate swap	(51,825)	(63,633)
Loss (gain) on disposal of property and equipment	114,369	(4,495)
Contribution of property and equipment	(82,684)	-
Decrease (increase) in operating assets:		
Accounts receivable	(295,279)	(280,166)
Due from related party	(43,715)	-
Notes receivable	(2,498,796)	31,111
Accrued interest receivable	367	10,846
Prepaid expenses	(13,045)	(4,303)
Inventories	(4,329)	31,780
Cemetery property	30,766	19,440
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	100,733	1,729
Due to related party	(156,756)	151,873
Deferred revenue	(162,262)	105,296
Accrued interest payable	2,058	1,806
Deposits payable	13,891,503	(608,154)
Collections payable	940	(13,246)
Accrued retirement obligations	(68,732)	(76,069)
Pledges payable	7,000	(25,000)
Net cash provided by (used in) operating activities	<u>17,441,933</u>	<u>259,128</u>
<b>Cash flows from investing activities:</b>		
Purchases of property and equipment	(243,371)	(47,899)
Proceeds from sale of property and equipment	8,501	4,495
Purchases of investments	(32,495,949)	(11,497,635)
Proceeds from sale of investments	15,929,915	12,010,557
Proceeds from sale of real estate held for investment	-	1,583,472
Net cash provided by (used in) investing activities	<u>(16,800,904)</u>	<u>2,052,990</u>
<b>Cash flows from financing activities:</b>		
Proceeds from notes payable	-	44,113
Repayment of notes payable	(4,371,973)	(768,230)
Decrease in notes receivable	4,371,973	724,117
Net cash provided by (used in) financing activities	<u>-</u>	<u>-</u>
Net increase in cash	641,029	2,312,118
Cash and cash equivalents, beginning of year	<u>5,254,434</u>	<u>2,942,316</u>
Cash and cash equivalents, end of year	<u>\$ 5,895,463</u>	<u>\$ 5,254,434</u>
<b>Supplemental Cash Flows Information:</b>		
Cash paid for interest	<u>\$ 342,343</u>	<u>\$ 231,389</u>
Noncash operating transactions:		
Food commodities from the U.S. Department of Agriculture	<u>\$ 156,451</u>	<u>\$ 190,326</u>
Noncash investing transactions:		
Property and equipment received through contribution	<u>\$ 82,684</u>	<u>\$ -</u>

See Notes to Combined Financial Statements



**ROMAN CATHOLIC DIOCESE OF OWENSBORO**  
**(Chancery and Certain Entities)**

**NOTES TO COMBINED FINANCIAL STATEMENTS**

Years Ended June 30, 2022 and 2021

**1. Organization and Summary of Significant Accounting Policies**

Nature of Organization

The Roman Catholic Diocese of Owensboro (Diocese) is a not-for-profit organization, founded under the laws of the Commonwealth of Kentucky and commencing operations in 1937. The Diocese provides support for the administration of pastoral, vocational, educational, and other services to the parishes of Western Kentucky.

Principles of Combination

The combined financial statements include the accounts of the Diocese of Owensboro Chancery and Certain Entities, which are under common control. Such entities are collectively referred to as the Diocese in the financial statements and related notes and include the McRaith Catholic Center (Chancery) and the following entities:

- Deposit and Loan Fund
- Charitable Trust Fund
- Diocesan Benefit Plan
- Division of School and Community Nutrition
- Owensboro Catholic Cemeteries
- Owensboro Catholic League
- Gasper River Catholic Retreat Center

All significant transactions among the entities included in the combined financial statements have been eliminated. The combined financial statements do not include parishes, schools, or other entities not under the control of the Chancery.

Basis of Presentation

The Diocese reports information regarding its financial position and activities on the accrual basis according to two classes of net assets: without donor restrictions and with donor restrictions.

Cash, Cash Equivalents, and Restricted Cash

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 to be cash and cash equivalents. Cash and highly liquid financial instruments that have donor-imposed restrictions limiting its use is reported as restricted cash in the combined financial statements. The Diocese had no restricted cash at December 31, 2022 and 2021.

**ROMAN CATHOLIC DIOCESE OF OWENSBORO**  
**(Chancery and Certain Entities)**

**NOTES TO COMBINED FINANCIAL STATEMENTS**

Years Ended June 30, 2022 and 2021

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**1. Organization and Summary of Significant Accounting Policies, Continued**

Investments

Investments are stated at fair value. Investments acquired by gift are recorded at the fair value on the date the gift was received. Investment return that is initially restricted by donor stipulation and for which the restriction will be satisfied in the same year is included in net assets without donor restrictions. Other investment return is reflected in the combined statements of activities as with or without donor restrictions based upon the existence and nature of any donor or legally imposed restrictions. Investment return includes unrealized gains and losses, and is reported net of investment expenses.

Allowances for Uncollectible Receivables

Accounts and notes receivable are stated at face amount, less an allowance for doubtful accounts. No allowance for doubtful accounts was recorded as management considers all amounts to be collectible.

Revenue Recognition

The Diocese generates the majority of its revenue from nonexchange transactions which are outside of the scope of Topic 606. The Diocese's significant revenue recognition policies are:

Parish assessments – Revenues from Parish assessments are recognized over time as the services are performed and the performance obligation is satisfied.

Contributions and bequests – Contributions and bequests, including unconditional contributions and bequests, are recognized in the period received. Conditional contributions and bequests, those with a measurable performance or other barrier and right of return, are not recognized until the conditions on which they depend have been met.

Grants – The Diocese receives grants from governmental and private sources. A majority of these revenues are derived from nonreciprocal transactions, which are conditioned upon meeting certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Diocese has met performance requirements or incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to meeting performance requirements or incurring qualifying expenditures are reported as deferred revenue in the combined statements of financial position.

**ROMAN CATHOLIC DIOCESE OF OWENSBORO**  
**(Chancery and Certain Entities)**

**NOTES TO COMBINED FINANCIAL STATEMENTS**

Years Ended June 30, 2022 and 2021

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**1. Organization and Summary of Significant Accounting Policies, Continued**

Revenue Recognition, Continued

Program and service fee income:

Insurance premiums – Diocesan entities pay insurance premiums in exchange for centrally-administered health insurance, property insurance and workers compensation insurance. Revenues from insurance premiums are recognized over time which corresponds to the period of insurance coverage and the satisfaction of the performance obligation.

Sales of goods and services – Revenues from sales of goods and services primarily consist of cemetery-related sales. The performance obligations related to cemetery arrangements sold at the time of death include delivering cemetery property, unearthing ground, interring remains and installing merchandise. Each item is recognized as a distinct good or service. The performance obligation is satisfied and revenue is recognized on the purchase date of the interment right, on the date of cemetery service, and on the date of delivery of merchandise. Payment is due at or before time of transfer. For cemetery arrangements made prior to death, the performance obligation is the sale of the interment right and revenue is recognized at the time the contract is signed.

Program fees – Revenues from program fees are recognized over time as services are rendered and the performance obligation is satisfied.

Contributions and Grants

Contributions and grants restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the combined statements of activities as net assets released from restrictions.

Inventories

Inventories, which consist of purchased and commodity food items utilized in the Division of School and Community Nutrition, are stated at the lower of cost or market determined by the first-in, first-out method.

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**NOTES TO COMBINED FINANCIAL STATEMENTS**

Years Ended June 30, 2022 and 2021

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**1. Organization and Summary of Significant Accounting Policies, Continued**

**Contributed Goods and Services**

A substantial number of volunteers donate significant amounts of their time to benefit the mission and programs of the Diocese. However, the value of these services is not reflected in the combined financial statements as it does not meet the criteria for recognition.

Contributions of tangible assets are recognized at fair value when received. The amounts are reflected in the accompanying combined financial statements as contributions of nonfinancial assets and are offset by like amounts included in expenses or assets.

**Cemetery Property**

Cemetery property consists of mausoleums, columbariums, lots, and lot development costs, stated at cost. As burial sites and vaults are sold, an allocated portion of the costs are expensed.

**Property and Equipment**

Property and equipment are carried at cost or at estimated fair value at the date acquired, if donated. Assets donated with explicit restrictions regarding their use are reported as restricted support until such restrictions expire. Absent donor stipulations, contributions of property and equipment are recorded as revenue without donor restrictions. Acquisitions of property and equipment in excess of \$2,500 are capitalized. Depreciation expense is computed by the straight-line method over estimated useful lives of the related assets.

**Derivative Instrument**

The Diocese uses an interest-rate swap to mitigate interest-rate risk on a note payable. The related liability or asset is reported at fair value in the combined statements of financial position, and the change in the fair value of the swap is reflected in the combined statements of activities. The difference between amounts paid and received under this agreement are recognized in interest expense.

**Functional Expenses**

The costs of providing the various programs, management and general, and fundraising activities have been summarized on a natural basis in the combined statements of activities. The combined statements of functional expenses present expenses by function and natural classification. Expenses directly attributable to a specific functional area of the Diocese are reported as expenses of those functional areas, while indirect costs that benefit multiple

**ROMAN CATHOLIC DIOCESE OF OWENSBORO**  
**(Chancery and Certain Entities)**

**NOTES TO COMBINED FINANCIAL STATEMENTS**

Years Ended June 30, 2022 and 2021

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**1. Organization and Summary of Significant Accounting Policies, Continued**

Functional Expenses, Continued

functional areas have been allocated among the programs and supporting services benefited. Payroll-related costs are allocated based on time and effort. Depreciation has not been allocated to program services.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Advertising

The Diocese expenses the costs of advertising as incurred.

Change in Accounting Principle

The Diocese adopted the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2020-07, *Not-For-Profit (Topic 958) Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* in fiscal year 2022. The amendments in this ASU modify the financial statement presentation and disclosure requirements for contributed nonfinancial assets. Adoption of this pronouncement had no material effect on the Diocese's current or previously issued combined financial statements.

Reclassifications

Certain amounts in 2021 have been reclassified to conform with the 2022 presentation.

**2. Liquidity and Availability of Funds**

The financial assets of the Diocese available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, are as follows:

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**2. Liquidity and Availability of Funds, Continued**

	2022	2021
Chancery financial assets at year-end:		
Cash	\$ 1,454,702	\$ 1,721,738
Investments	23,428,464	19,883,205
Accounts receivable, excluding note	377,158	596,275
Loans receivable	60,891	55,598
	<u>25,321,215</u>	<u>22,256,816</u>
Less amounts not available to be used within one year:		
Board designated financial assets	(661,700)	(487,859)
Donor restricted financial assets	(8,800,684)	(1,854,132)
Loans receivable not expected to be received within one year	<u>(45,345)</u>	<u>(43,391)</u>
Chancery financial assets available to meet general expenditures over the next twelve months	<u>\$ 15,813,486</u>	<u>\$ 19,871,434</u>

The net assets of all entities in the combined financial statements other than the Chancery are either board designated or legally mandated, and, therefore, are not available for general expenditures. As part of the Diocese's liquidity management plan, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

That plan includes a commitment not to expend amounts reflected as Board designated, and to invest excess cash as deemed prudent. In the event of unexpected liquidity needs, Board-designated funds could be made available for general expenditure, but only after appropriate Board approval.

**3. Investments**

Investments in securities are stated at fair value and consisted of the following at June 30:

	2022		2021	
	Cost	Fair Value	Cost	Fair Value
Cash and cash equivalents	\$ 5,589,334	\$ 5,589,378	\$ 430,754	430,754
Corporate stocks	2,972,538	3,745,326	2,561,515	4,559,149
Exchange-traded funds and closed-end funds	23,336,653	24,013,461	21,443,314	26,619,515
Government securities	1,656,625	1,505,081	1,671,958	1,679,039
Mutual funds	17,788,256	16,852,501	7,698,053	10,588,895
	<u>\$ 51,343,406</u>	<u>\$ 51,705,747</u>	<u>\$ 33,805,594</u>	<u>43,877,352</u>

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**3. Investments, Continued**

Real estate held for investment totaled \$544,355 and \$544,355 at June 30, 2022 and 2021, respectively, and represents donated properties which were recorded at fair value at the date of gift. Farming, logging, oil and mineral rights income generated from certain of these properties is recorded as distributed by the agents of the properties.

The following schedule summarizes investment return and its classification for the years ended June 30:

	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Interest and dividend income	\$ 924,311	\$ 2,040	\$ 926,351
Realized gains (losses)	971,900	82	971,982
Unrealized gains (losses)	(9,691,995)	(17,626)	(9,709,621)
Investment fees	(234,879)	(853)	(235,732)
	<u>\$ (8,030,663)</u>	<u>\$ (16,357)</u>	<u>\$ (8,047,020)</u>
	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Interest and dividend income	\$ 763,838	\$ 2,084	\$ 765,922
Realized gains (losses)	1,727,106	7,643	1,734,749
Unrealized gains (losses)	6,694,495	16,445	6,710,940
Investment fees	(192,775)	(410)	(193,185)
	<u>\$ 8,992,664</u>	<u>\$ 25,762</u>	<u>\$ 9,018,426</u>

**4. Deposit and Loan Fund**

A deposit and loan fund is maintained for the benefit of parishes, schools, and certain other Catholic organizations across the Diocese. Deposit and Loan Fund deposits, as reflected in the combining statements of financial position, at June 30, 2022 and 2021, totaled \$29,227,718 and \$15,336,215, respectively. Depositors earned 1.5% on deposit balances during fiscal years 2022 and 2021 and may add or withdraw funds on demand.

Deposit and Loan Fund loans receivable, as reflected in the combining statements of financial position, at June 30, were as follows:

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**4. Deposit and Loan Fund, Continued**

<u>Type of Loan</u>	<u>2022</u>		<u>2021</u>	
	<u>Number of Loans</u>	<u>Balance</u>	<u>Number of Loans</u>	<u>Balance</u>
Non-interest bearing	1	\$ 96,100	1	\$ 98,427
4.00%	6	3,818,001	3	764,008
4.50%	2	2,420,412	5	2,978,576
	<u>9</u>	<u>\$ 6,334,513</u>	<u>9</u>	<u>\$ 3,841,011</u>

The loans, which are uncollateralized, generally mature five years from the date of the first payment; however, non-interest bearing notes do not have a maturity date. An allowance for loan losses was not recorded as of June 30, 2022 and 2021, as in management's opinion, all known and anticipated losses have been written off.

Loans committed but not yet disbursed totaled \$3,143,000 and \$3,310,000 at June 30, 2022 and 2021, respectively.

**5. Beneficial Interests in Trusts**

Perpetual Trust

The Diocese is a beneficiary under an irrevocable perpetual trust administered by a third-party trustee. Under the trust agreement, the Diocese receives 6.25% of the trust's net income each year. Based on the fair value of the assets held within the trust, as reported by the trustee, the Diocese's beneficial interest in the trust at June 30, 2022 and 2021, totaled \$145,292 and \$171,552, respectively. The beneficial interest is reported in the combined statements of financial position as net assets with donor restrictions, as the Diocese will never receive the assets or have the ability to direct the trustee to redeem them, and the change in this beneficial interest is reported as revenue with donor restrictions. The income received from the trust is recorded as revenue with donor restrictions, as the agreement specified that such income be used for the support of Catholic schools.

Charitable Trust

The Diocese is also a lead and remainder beneficiary under an irrevocable charitable trust administered by a third-party trustee. Under the agreement, upon the donor's death in 1999, the Diocese began to receive 5% of the net income of the trust for a period of 25 years, after which all of the remaining assets of the trust will be distributed to the beneficiaries in the



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**5. Beneficial Interests in Trusts, Continued**

Charitable Trust, Continued

same percentages. Based on the fair value of the assets held within the trust, as reported by the trustee, the Diocese's beneficial interest in the trust at June 30, 2022 and 2021, totaled \$43,722 and \$52,250, respectively. The beneficial interest is reported in the statements of financial position as net assets with donor restrictions (temporarily restricted), as the Diocese will receive their proportionate share in 2024 after the passage of time specified. The income received from the trust and the change in this beneficial interest are recorded as revenue with donor restrictions (temporarily restricted), as the agreement directed that such income and remaining assets be used for the support of the poorest mission churches in the Diocese.

**6. Property and Equipment**

Property and equipment consisted of the following at June 30:

	<u>2022</u>	<u>2021</u>
Land	\$ 1,066,326	\$ 1,094,242
Buildings and improvements	7,150,898	7,916,515
Furnishings and equipment	506,990	513,825
Computer and software	51,267	51,267
Vehicles	305,749	164,102
Land improvements	<u>184,052</u>	<u>150,688</u>
	9,265,282	9,890,639
Accumulated depreciation	<u>(3,762,124)</u>	<u>(4,315,696)</u>
	<u>\$ 5,503,158</u>	<u>\$ 5,574,943</u>

Depreciation expense for the years ended June 30, 2022 and 2021, totaled \$274,970 and \$258,224, respectively.

**7. Notes Payable**

Project Financing

Notes payable for project financing are as follows at June 30:

	<u>2022</u>	<u>2021</u>
John Paul II Catholic School	\$ 4,564,791	\$ 4,966,547
Holy Spirit Parish	<u>-</u>	<u>3,970,217</u>
	<u>\$ 4,564,791</u>	<u>\$ 8,936,764</u>

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**7. Notes Payable, Continued**

Project Financing, Continued

*John Paul II Catholic School*

In May of 2013, the Diocese obtained financing to pay for the costs associated with the acquisition, construction, equipping and installation of John Paul II Catholic School in Morganfield, Kentucky (School). The note payable bears interest at a variable rate equal to sixty-five percent (65%) of the sum of the Daily LIBOR Rate, plus 150 basis points (1.5%), not to exceed a maximum rate of 10%. Principal and interest is due monthly, with the rates of interest being 2.022989% and 1.034150% at June 30, 2022 and 2021, respectively. The note was secured by the revenues and pledged revenues of the parishes to be served by the school, with a maturity date of May 1, 2018, at which time all outstanding principal and interest would have been due and payable. The note was refinanced in October of 2017 at the same interest rates and collateral terms as the previous note. Principle payments of \$33,479, plus interest, are due monthly through November 1, 2034.

In conjunction with the issuance of the 2013 debt, the Diocese and the School entered into an agreement wherein the School agreed to pay to the Diocese payments in amounts equal to the principal and interest due on the debt. The agreement was effective through May of 2018, and was renewable for an additional three terms at five years each. The School shall have the option to purchase the premises for \$1 at the end of each renewal period. The agreement was amended on June 17, 2019, to extend the agreement through November 1, 2024.

In September of 2022, the School borrowed funds from the Deposit and Loan Fund at the Diocese to pay in full the balance due to the local financial institution.

In October of 2017, the Diocese entered into an interest rate swap agreement with a financial institution to reduce the impact of changes in interest rates on \$4,000,000 of this variable rate note payable. At June 30, 2022 and 2021, the amortized notional amount of the swap agreement was \$2,907,317 and \$3,141,463, respectively. The agreement, which effectively changed the Diocese's interest rate exposure on the notional amount to a fixed 2.927%, matures at the time the related note matures.

Changes in the interest rate swap asset (liability) were as follows for the years ended June 30:

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**7. Notes Payable, Continued**

Project Financing, Continued

*John Paul II Catholic School, Continued*

	2022	2021
Beginning of year	\$ (67,453)	\$ (131,086)
Change in value	51,825	63,633
End of year	\$ <u>(15,628)</u>	\$ <u>(67,453)</u>

In July of 2022, the interest rate swap agreement was terminated.

The future scheduled maturity of payments related to this project financing arrangement, for which a note receivable and a note payable have been recorded, totaled \$4,564,791 to be paid in fiscal year 2023.

*Holy Spirit Parish*

In December of 2009, Holy Spirit Parish of Bowling Green, Kentucky (Parish) and the Diocese entered into a Supplemental Loan Agreement with a local financial institution to finance costs associated with the construction of a new church for the Parish. The Parish and the Diocese were jointly and severally liable under the related promissory note, which is secured by a real estate mortgage on the property. All required monthly payments in the amount of \$43,800, including interest at 5.95%, were paid by the Parish, with a final balloon payment to be made in December of 2019. The Parish reflected the obligation on its financial statements, and the Diocese reported the obligation as a commitment and contingency in the footnotes to its financial statements.

In October of 2011, the terms were revised to obtain a reduced interest rate of 4.90%, with all other provisions of the borrowing arrangements remaining unchanged. The Parish continued to make monthly payments of \$43,800 in a timely manner and reflect the obligation on its financial statements. The Diocese continued to report the obligation as a commitment and contingency in the footnotes to its combined financial statements through June 30, 2015.

In April of 2016, a Mortgage and Loan Modification Agreement was entered into by the Parish, the Diocese, and the financial institution to extend the maturity date to April 2026. The modification agreement requires monthly payments of \$36,919, including interest at an unchanged rate of 4.90% for 10 years, with a balloon payment due in April of 2026.

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**7. Notes Payable, Continued**

Project Financing, Continued

*Holy Spirit Parish, Continued*

In conjunction with the modification of this debt, the Diocese and the Parish entered into an agreement wherein the Diocese assumed the outstanding balance of the debt, and the Parish agreed to pay to the Diocese the required monthly payments of \$36,919, equal to the principal and interest payments to be made on the debt, plus additional amounts to be applied to principal for a total monthly payment of \$43,800. The agreement terminates in April of 2036, or such earlier date as the debt may be retired. Payments to be received from the Parish are to remain at \$43,800 monthly at an interest rate of 4.90% until the debt is retired, without regard to the anticipated refinancing of the debt in April of 2026.

In July of 2021, Holy Spirit Parish borrowed funds from the Deposit and Loan Fund at the Diocese to pay in full the balance due to the local financial institution.

Interest received from the School and the Parish on the notes receivable and paid by the Diocese to the financial institutions on the notes payable totaled \$134,990 and \$348,956 for the years ended June 30, 2022 and 2021, respectively. There were no interest accruals at June 30, 2022 and 2021.

**8. Pledges Payable**

In September of 2019, the Diocese pledged \$25,000 for the construction of a new seminary in India, payable in annual installments of \$5,000. In October of 2021, the Diocese pledged \$20,000 in honor of two priests to a Society in India. The outstanding pledge balances will be paid in the following fiscal years:

	<u>Seminary</u>	<u>HGN Pledge #2</u>	<u>Total</u>
2023	\$ 5,000	\$ 8,000	\$ 13,000
2024	<u>5,000</u>	<u>4,000</u>	<u>9,000</u>
	\$ <u>10,000</u>	\$ <u>12,000</u>	\$ <u>22,000</u>

The future payments have not been discounted to present value, as management has determined that the discount is insignificant.

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**9. Special Event Revenue**

Gross receipts from special fundraising events recorded by the Diocese consist of contribution revenue and exchange transaction revenue as follows:

	<u>2022</u>
Contributions	\$ 14,122
Special event revenue	<u>2,048</u>
Special fundraising events, gross	\$ <u>16,170</u>

There were no fundraising events in fiscal year 2021.

**10. Contributed Nonfinancial Assets**

For the years ended December 31, contributed nonfinancial assets recognized within the statement of activities included:

	<u>2022</u>	<u>2021</u>
Food	\$ 156,451	\$ 190,326
Vehicles	<u>82,684</u>	<u>-</u>
	\$ <u>239,135</u>	\$ <u>190,326</u>

Contributed food was utilized in the Division of School and Community Nutrition in accordance with National School Lunch Program guidelines. Valuation is based on summary reports received with the commodities.

The contributed vehicles consisted of two vehicles. One vehicle was restricted for use within Catholic Charities and the other was designated by management for use at Gasper River for maintenance and general activities. The vehicles were valued utilizing online car valuation websites.

Unless specifically restricted by donors, all contributed nonfinancial assets received by the Diocese for the years ended June 30, 2022 and 2021 were considered to be without donor restrictions.

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**11. Net Assets Without Donor Restrictions**

Net assets without donor restrictions consist of the following at June 30:

	<u>2022</u>	<u>2021</u>
Undesignated	\$ 16,736,762	\$ 20,843,138
Board-designated:		
Chancery		
Disaster Relief	868	868
Catholic Schools	11,765	11,119
Bishop's Fund	398,193	197,397
Social Concerns Ministries	40,718	68,319
Bishop McRaith Bequest Fund	210,156	210,156
	<u>661,700</u>	<u>487,859</u>
Deposit and Loan Fund	590,047	3,866,176
Charitable Trust Fund	3,586,538	4,089,649
Diocesan Benefit Plan	2,223,123	4,301,790
Division of School and Community Nutrition	1,166,732	517,336
Owensboro Catholic Cemeteries	1,044,704	1,041,561
Owensboro Catholic League	80,462	66,295
Gasper River Catholic Retreat Center	3,121,609	3,247,290
	<u>12,474,915</u>	<u>17,617,956</u>
Legally mandated:		
Perpetual care and maintenance fund	905,949	992,832
Total	\$ <u>30,117,626</u>	\$ <u>39,453,926</u>

Legally mandated net assets consist of funds held in segregated accounts for the cemeteries. Kentucky Revised Statutes require that the following percentages of burial site sales be placed in the fund: 20% for graves; 5% for underground and mausoleum crypts; and 10% for columbariums. The balance is included in investments in the combined statement of financial position.

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**12. Net Assets With Donor Restrictions**

Net assets with donor restrictions and balances released are as follows for the years ended June 30:

	<u>2022</u>		<u>2021</u>	
	<u>Restricted</u>	<u>Released</u>	<u>Restricted</u>	<u>Released</u>
By time and purpose:				
Chancery:				
Social Concerns Ministry	\$ 168,688	\$ 679,071	\$ 225,720	\$ 412,368
Catholic Charities	7,396,377	1,584,059	121,255	262,509
Disciples Response Fund	241,415	540,308	188,675	596,201
Social Needs	42,135	7,000	39,438	6,000
Seminary Education	583,225	398,676	463,338	295,032
Youth and Young Adult Ministries	31,853	73,268	29,602	31,858
Capital Campaign Designations	336,991	449,233	786,104	-
	<u>8,800,684</u>	<u>3,731,615</u>	<u>1,854,132</u>	<u>1,603,968</u>
Gaspar River Catholic Retreat Center	187,280	8,305	148,249	8,196
Beneficial interest in charitable trust for missions	43,722	-	52,250	-
	<u>9,031,686</u>	<u>\$ 3,739,920</u>	<u>2,054,631</u>	<u>\$ 1,612,164</u>
In perpetuity:				
Chancery:				
Beneficial interest in perpetual trust for catholic schools	145,292		171,552	
Total	<u>\$ 9,176,978</u>		<u>\$ 2,226,183</u>	

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**13. Functional Expenses**

A summary of expenses by functional classification is as follows for the years ended June 30:

	<u>2022</u>	<u>2021</u>
Program services:		
Education	\$ 1,488,764	\$ 1,249,740
Worship and Spiritual Life	246,903	208,260
Social Concerns	3,457,022	1,511,648
Vocation Development	733,789	1,090,050
Grants to other organizations	145,992	130,270
Owensboro Catholic Cemeteries	445,426	374,277
Charitable Trust Fund	582,827	530,528
Deposit and Loan Fund	342,091	231,023
Diocesan Benefit Plan	7,763,429	6,960,114
Gaspar River Catholic Retreat Center	421,497	339,233
Owensboro Catholic League	136,487	103,595
Division of School and Community Nutrition	<u>2,664,030</u>	<u>2,008,436</u>
Total program service expenses	<u>18,428,257</u>	<u>14,737,174</u>
Management and general:		
General and administrative	1,868,128	3,007,131
Depreciation	<u>274,970</u>	<u>258,224</u>
Total management and general	<u>2,143,098</u>	<u>3,265,355</u>
Total fundraising	<u>243,933</u>	<u>215,226</u>
Total expenses before eliminations	20,815,288	18,217,755
Less eliminations	<u>(666,538)</u>	<u>(654,997)</u>
Total expenses	<u>\$ 20,148,750</u>	<u>\$ 17,562,758</u>



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**14. Retirement Plans**

The retirement plans of the Diocese consist of the following:

Retired Priests Benefit

The Diocese has a monthly retirement benefit commitment for priests who retired on or before June 1, 2012. The Charitable Trust Fund holds the assets which are used to fund these benefits. The actuarial present value of these future benefits totaled \$365,381 and \$445,170 at June 30, 2022 and 2021, respectively, and is reflected as a liability in the combined statements of financial position. Benefits provided to retired priests under this plan totaled \$53,600 and \$70,700 for the years ended June 30, 2022 and 2021, respectively. Priests who retired after June 1, 2012, participate in the defined benefit plan.

International Priests Benefits

The Diocese accrues an annual retirement benefit for certain international priests (non-incardinated) serving in the Diocese. The benefit is funded by the parishes where the priests are serving and is held by the Charitable Trust Fund in individual liability accounts for each priest. The annual retirement contribution by the parish is on par with the retirement contribution for diocesan priests. At the end of the priest's assignment with the Diocese the accrued funds are remitted either to the priest's order or to the priest himself if he has no affiliation with an order. The combined total of all international priests' accrued benefits was \$256,103 and \$245,046 for the years ended June 30, 2022 and 2021, respectively.

Defined Benefit Plan

The Diocese participates in the Christian Brothers Employee Retirement Plan (Plan) a contributory, multi-employer, defined benefit pension plan for Catholic organizations administered by Christian Brothers Retirement Services. The Plan name is the *Christian Brothers Employee Retirement Plan* and covers all permanent full-time employees and active Diocesan priests of the Chancery and Certain Entities, as well as various Catholic schools and parishes. The Diocese, schools and parishes contributed 7.8% and 6.5% of each participant's compensation to the plan for fiscal years 2022 and 2021, respectively. The actuarial information for the multi-employer plan as of July 1, 2021, indicates that it is in compliance with ERISA regulations regarding funding. Information regarding the Plan is publicly available at [www.cbsservices.org](http://www.cbsservices.org).

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**14. Retirement Plans, Continued**

Defined Benefit Plan, Continued

The risks of participating in multi-employer defined benefit pension plans are different from single-employer plans because: (a) assets contributed to the multi-employer plan by one employer may be used to provide benefits to employees of other participating employers, (b) if a participating employer stops contributing to the plan, the unfunded obligations of the plan may be required to be borne by the remaining participating employers, and (c) if the Diocese chooses to stop participating in its multi-employer plan, it may be required to pay a withdrawal liability to the plan. Depending on the number of employees withdrawn in any future period and the financial condition of the multi-employer Plan at the time of withdrawal, the associated withdrawal liabilities could be material to the Diocese's change in net assets in the period of the withdrawal. The Diocese has no plans to withdraw from its multi-employer pension Plan.

The following presents information about the multi-employer pension Plan as of and for the years ended June 30, 2022 and 2021:

EIN and Plan Number	Pension Protection Act Zone Status		FIP/RP Status	Contributions for the Year Ended June 30,		Surcharge Imposed
	2022	2021		2022	2021	
36-2671613 Plan No. 333	Yellow 6/30/22	Yellow 6/30/21	N/A	\$466,985	\$365,865	No

The Diocese did not contribute more than 5% of total contributions to the Plan in fiscal years 2022 or 2021.

**15. Fair Value Measurements**

The Diocese has adopted the provisions of FASB ASC 820, *Fair Value Measurements*. FASB ASC 820 establishes a framework for measuring fair value and establishes a three-tier hierarchy that prioritizes the inputs to valuation techniques used to measure fair value, as follows:

- Level 1: Quoted prices for identical assets or liabilities in active markets. Level 1 investments include money market funds, mutual funds, and corporate stocks.
- Level 2: Observable inputs, such as quoted prices for similar assets or liabilities in active markets or quoted prices for identical or similar assets or liabilities in inactive markets, or unobservable inputs that are derived principally from or corroborated by observable market data.

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**15. Fair Value Measurements, Continued**

Level 3: Unobservable inputs that are based on the Diocese's own assumptions as to how knowledgeable parties would price assets or liabilities that are not corroborated by market data.

Fair values of assets measured on a recurring basis at June 30, 2022, were as follows:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments:				
Cash and cash equivalents	\$ 5,589,378	\$ 5,589,378	\$ -	\$ -
Corporate stocks:				
Energy	181,308			
Materials	183,163			
Industrials	300,754			
Consumer discretionary	520,799			
Consumer staples	143,167			
Health care	541,191			
Financials	466,784			
Information technology	958,216			
Telecommunication services	276,007			
Utilities	173,937			
	<u>3,745,326</u>	3,745,326	-	-
Exchange-traded and closed-end funds	<u>24,013,461</u>	24,013,461	-	-
Government securities:				
Treasury	946,654			
Federal	<u>558,427</u>			
	<u>1,505,081</u>	-	1,505,081	-
Mutual funds:				
Equities	14,233,605			
Alternative	45,448			
Fixed income and preferreds	<u>2,573,448</u>			
	<u>16,852,501</u>	16,852,501	-	-
Total investments	<u>51,705,747</u>			
Beneficial interests in trusts	189,014	-	43,722	145,292
Interest rate swap	<u>(15,628)</u>	-	<u>(15,628)</u>	-
	<u>\$ 51,879,133</u>	<u>\$ 50,200,666</u>	<u>\$ 1,533,175</u>	<u>\$ 145,292</u>

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**15. Fair Value Measurements, Continued**

Fair values of assets measured on a recurring basis at June 30, 2021, were as follows:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments:				
Cash and cash equivalents	\$ 430,754	\$ 430,754	\$ -	\$ -
Corporate stocks:				
Energy	162,142			
Materials	199,310			
Industrials	399,852			
Consumer discretionary	675,034			
Consumer staples	151,991			
Health care	461,587			
Financials	605,949			
Information technology	1,255,478			
Telecommunication services	460,821			
Utilities	186,985			
	<u>4,559,149</u>	4,559,149	-	-
Exchange-traded and closed-end funds	<u>26,619,515</u>	26,619,515	-	-
Government securities:				
Treasury	1,040,992			
Federal	638,047			
	<u>1,679,039</u>	-	1,679,039	-
Mutual funds:				
Equities	7,755,641			
Real estate	28,639			
Alternative	23,686			
Fixed income and preferreds	<u>2,780,929</u>			
	<u>10,588,895</u>	10,588,895	-	-
Total investments	43,877,352			
Beneficial interests in trusts	223,802	-	52,250	171,552
Interest rate swap	<u>(67,453)</u>	<u>-</u>	<u>(67,453)</u>	<u>-</u>
	<u>\$ 44,033,701</u>	<u>\$ 42,198,313</u>	<u>\$ 1,663,836</u>	<u>\$ 171,552</u>

**ROMAN CATHOLIC DIOCESE OF OWENSBORO**  
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**NOTES TO COMBINED FINANCIAL STATEMENTS**

Years Ended June 30, 2022 and 2021

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**15. Fair Value Measurements, Continued**

The following is a description of the valuation methodologies used for Level 2 and Level 3 assets measured at fair value.

*Government securities:* Valued using pricing models maximizing the use of observable inputs for similar securities, including yields currently available on comparable securities of issuers with similar credit ratings.

*Beneficial interests in trusts:* Valued at the fair value of the assets within the trusts, as reported by the trustees. The Diocese considers its beneficial interest in the charitable trust to be a Level 2 measurement because it will receive those assets in the future. The Diocese considers its beneficial interest in the perpetual trust to be a Level 3 measurement because the Diocese will never receive those assets or have the ability to direct the trustee to redeem them.

*Interest rate swap:* Valued using the cash flow model utilized by the financial institution, which considers past, present, and future assumptions regarding interest rates and market conditions to estimate the fair value of the agreement.

There were no transfers between levels for the years ended June 30, 2022 and 2021.

**16. Concentrations of Credit Risk**

Financial instruments that potentially expose the Diocese to concentrations of credit and market risk consist primarily of cash on deposit at financial institutions, investments, and accounts and loans receivable.

The Diocese attempts to limit its cash credit risk exposure by maintaining accounts at high-quality financial institutions where deposits are insured by the FDIC. Cash on deposit exceeded the insured limits by \$5,034,093 and \$4,007,670 at June 30, 2022 and 2021, respectively.

Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the combined financial statements.

Although the realization of accounts and loans receivable balances due from parishes and schools in the Diocese, which are uncollateralized, is dependent on the various economic conditions of each locality, the Diocese considers these balances to be fully collectible. Management periodically reviews receivables for collectability and records these balances at estimated net realizable values.

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**17. Self-Insurance**

In the Diocesan Benefit Plan, the Diocese maintains a comprehensive self-insurance plan through a third-party administrator for employees' medical, dental, prescription, life, and long-term disability coverage. The plan provides for specific claims coverage up to \$150,000 per employee for periods ending June 30, 2022 and 2021, respectively, and maximum aggregate insurance up to \$1,000,000 per policy period. Settled claims have not exceeded insurance coverage, nor has there been any reduction in insurance coverage from the prior year.

The Diocese recorded an estimated claims liability at June 30, 2022 and 2021, totaling \$22,089 and \$131,883, respectively, based on actual activity occurring subsequent to year end.

**18. Related Party Transactions**

Legal services are provided to the Diocese by a member of the Diocesan Finance Council, for which the Diocese paid \$17,303 and \$11,838 for the years ended June 30, 2022 and 2021, none of which was included in accounts payable at each fiscal year end.

Accounting assistance and program services provided to the Diocese by family members of management or employees totaled \$8,639 and \$11,911 for the years ended June 30, 2022 and 2021, respectively, none of which was payable at each fiscal year end.

Program services provided to the Diocese by board members or family of board members totaled \$235,244 and \$6,312 for the years ended June 30, 2022 and 2021, respectively, none of which was payable at each fiscal year end.

Effective in fiscal year 2022, the Diocese began charging a management fee to the Catholic Foundation of Western Kentucky, Inc. (Foundation) for administrative, human resources, legal and accounting support. While the Diocese and the Foundation share a common purpose to support the region's Catholic community, the Diocese does not control the Foundation. Transactions between the Foundation and the Diocese were as follows for the years ended June 30:

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Years Ended June 30, 2022 and 2021

**18. Related Party Transactions, Continued**

	<u>2022</u>	<u>2021</u>
Due to the Foundation:		
Bequest	\$ <u>-</u>	\$ <u>156,756</u>
Due from the Foundation:		
Endowment to Charitable Trust Fund	<u>43,715</u>	<u>-</u>
Contributions to the Foundation:		
On behalf of donors, including Vocare	\$ <u>33,487</u>	\$ <u>4,900</u>
Revenue from the Foundation for program services:		
Operating Fund:		
Seminarians	\$ 392,927	\$ 367,170
Religious education	29,673	27,935
Outreach	14,664	13,805
Catholic charities	12,554	11,818
Other programs	<u>27,728</u>	<u>30,423</u>
	\$ <u>477,546</u>	\$ <u>451,151</u>
Funds managed by the Foundation in		
assets held for others:		
Gasper River Catholic Retreat Center	\$ <u>121,655</u>	\$ <u>144,199</u>
Receipts from the Foundation for management fees:		
Management Fees	\$ <u>76,053</u>	\$ <u>-</u>

**19. Income Taxes**

The Diocese is a nonprofit organization exempt from income taxes under Section 501(c) (3) of the Internal Revenue Code, except on net income derived from unrelated business activities. The Diocese believes that it has support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the combined financial statements. As a religious organization, the Diocese is not required to file annual federal or state information returns.

**20. Contingencies**

The Diocese receives funding from Federal, state and local government agencies and from private contributions. These funds are to be used for designated purposes only. For government agency grants, if based upon the grantors' review, the funds are considered not

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**NOTES TO COMBINED FINANCIAL STATEMENTS**

Years Ended June 30, 2022 and 2021

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**20. Contingencies, Continued**

to have been used for the intended purpose, the grantors may request a refund of monies advanced, or refuse to reimburse the Diocese for its disbursements. The amount of such future refunds and unreimbursed disbursements, if any, is not expected to be significant. Continuation of the Diocese's grant programs is predicated upon the grantors' satisfaction that the funds provided are being spent as intended and the grantors' intent to continue their programs.

**21. Recently Issued Accounting Pronouncements**

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments-Credit Losses*. The standard requires a financial asset (including trade and finance receivables) measured at amortized cost basis to be presented at the net amount expected to be collected. Thus, the statement of activities will reflect the measurement of credit losses for newly-recognized financial assets, as well as the expected increases or decreases of expected credit losses that have taken place during the period. This standard is effective for fiscal years beginning after December 15, 2022.

Management is currently evaluating the impact that the standard may have on its financial statements.

**22. Impact of COVID-19**

The COVID-19 pandemic, whose effects first became known in January 2020, continues to have a broad and negative impact on commerce and financial markets around the world. Initially, the United States and global markets experienced significant declines in value resulting from uncertainty caused by the pandemic. Fortunately, by fiscal year end June 30, 2020, markets had rebounded considerably and the negative impact on the Diocese's financial statements at June 30, 2021 and 2022, was minimized. As of June 30, 2022, the Chancery and Certain Entities have returned to normal operations and staffing.

As of October 2021, all Diocesan round two Paycheck Protection Program "PPP" loans granted by the Small Business Administration (SBA) in fiscal year 2021 totaling \$1,053,619 were granted full forgiveness, which has been reflected in the combined statement of activities as other income.

**23. Subsequent Events**

The Diocese has evaluated subsequent events through December 20, 2022, the date the combined financial statements were available to be issued.



**ROMAN CATHOLIC DIOCESE OF OWENSBORO**  
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**COMBINING STATEMENT OF FINANCIAL POSITION**

June 30, 2022

ASSETS	Chancery	Deposit and Loan Fund	Charitable Trust Fund	Diocesan Benefit Plan	Division of School and Community Nutrition	Owensboro Catholic Cemeteries	Owensboro Catholic League	Casper River Catholic Retreat Center	Eliminations	Combined
Cash and cash equivalents	\$ 1,454,702	\$ 2,850,908	\$ 194,588	\$ 32,621	\$ 908,198	\$ 379,363	\$ 59,398	\$ 65,685	\$ -	\$ 5,895,463
Investments	23,428,464	21,329,974	3,763,584	2,156,121	-	905,949	-	121,655	-	51,705,747
Real estate held for investment	544,355	-	-	-	-	-	-	-	-	544,355
Accounts receivable:										
Due from parishes	261,923	-	-	-	-	-	-	-	(4,834)	257,089
Other	23,779	-	222,940	166,470	-	51,174	-	9,308	139,691	613,362
Grants	91,456	-	-	-	260,203	-	-	-	-	351,659
Notes	4,564,791	-	-	-	-	-	-	-	-	4,564,791
Loans receivable	60,891	6,334,513	-	-	-	-	-	-	-	6,395,404
Accrued interest receivable	-	133	-	-	-	-	-	-	-	133
Due from related party	-	-	43,715	-	-	-	-	-	(947,454)	43,715
Due from other funds	947,454	-	-	-	-	-	-	-	-	24,485
Prepaid expenses	24,485	-	-	-	62,272	-	-	-	-	62,272
Inventory	-	-	-	-	-	-	-	-	-	189,014
Beneficial interests in trusts	189,014	-	-	-	-	17,005	-	-	-	17,005
Cemetery property	-	-	-	-	-	669,114	32,403	3,121,968	-	5,503,158
Property and equipment, net	1,678,916	-	-	-	757	-	-	-	-	-
<b>Total assets</b>	<b>\$ 33,270,230</b>	<b>\$ 30,515,528</b>	<b>\$ 4,224,827</b>	<b>\$ 2,355,212</b>	<b>\$ 1,231,430</b>	<b>\$ 1,972,605</b>	<b>\$ 91,801</b>	<b>\$ 3,318,616</b>	<b>\$ (812,597)</b>	<b>\$ 76,167,652</b>
<b>LIABILITIES AND NET ASSETS</b>										
Accounts payable and accrued expenses	\$ 580,031	\$ -	\$ 2,126	\$ 22,089	\$ 16,314	\$ 16,772	\$ 6,916	\$ 4,527	\$ (4,834)	\$ 643,941
Due to related party	-	-	-	-	-	-	-	-	-	-
Due to other funds	1,684,461	697,763	-	110,000	48,384	5,180	4,423	5,200	1807,763	1,747,648
Deferred revenue	-	-	-	-	-	-	-	-	-	14,679
Accrued interest payable	-	29,227,718	14,679	-	-	-	-	-	-	29,227,718
Deposits payable	-	-	-	-	-	-	-	-	-	15,159
Collections payable	15,159	-	-	-	-	-	-	-	-	4,564,791
Notes payable	4,564,791	-	-	-	-	-	-	-	-	15,628
Interest rate swap	15,628	-	-	-	-	-	-	-	-	621,484
Accrued retirement obligations	-	-	621,484	-	-	-	-	-	-	22,000
Pledge payable	22,000	-	-	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>6,882,070</b>	<b>29,925,481</b>	<b>638,289</b>	<b>132,089</b>	<b>64,698</b>	<b>21,952</b>	<b>11,339</b>	<b>9,727</b>	<b>(812,597)</b>	<b>36,873,648</b>
<b>Net assets</b>										
Without donor restrictions	16,736,762	-	-	2,223,123	1,166,732	1,044,704	80,462	3,121,609	-	16,736,762
Designated	661,700	590,047	3,586,538	-	-	905,949	-	-	-	12,474,915
Legally mandated	17,398,462	590,047	3,586,538	2,223,123	1,166,732	1,950,653	80,462	3,121,609	-	30,117,626
With donor restrictions	8,989,698	-	-	-	-	-	-	187,280	-	9,176,978
<b>Total net assets</b>	<b>26,388,160</b>	<b>590,047</b>	<b>3,586,538</b>	<b>2,223,123</b>	<b>1,166,732</b>	<b>1,950,653</b>	<b>80,462</b>	<b>3,308,889</b>	<b>-</b>	<b>39,204,604</b>
<b>Total liabilities and net assets</b>	<b>\$ 33,270,230</b>	<b>\$ 30,515,528</b>	<b>\$ 4,224,827</b>	<b>\$ 2,355,212</b>	<b>\$ 1,231,430</b>	<b>\$ 1,972,605</b>	<b>\$ 91,801</b>	<b>\$ 3,318,616</b>	<b>\$ (812,597)</b>	<b>\$ 76,167,652</b>

**ROMAN CATHOLIC DIOCESE OF OWENSBORO**  
(Chancery and Certain Entities)

**COMBINING STATEMENT OF ACTIVITIES**

Year Ended June 30, 2022

	Chancery	Deposit and Loan Fund	Charitable Trust Fund	Diocesan Benefit Plan	Division of School and Community Relations	Owensboro Catholic Cemeteries	Owensboro Catholic League	Casper River Catholic Retreat Center	Elaborations	Continued
<b>Revenue, support and gains:</b>										
Parish assessments	\$ 2,824,562	\$ -	\$ 176,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (21,000)	\$ 2,979,562
Contributions and bequests of cash and other financial assets	10,234,139	-	474,759	-	-	50	525	115,405	(96,000)	10,728,878
Contributions of nonfinancial assets	68,894	-	-	-	156,451	-	-	13,990	-	239,135
Investment return	(3,766,491)	(3,047,739)	(685,165)	(410,836)	43	(122,801)	-	(15,971)	-	(8,047,020)
Change in value of beneficial interests in trusts	(34,788)	-	-	-	-	-	-	-	-	(34,788)
Change in value of interest rate swap	51,825	-	-	-	-	-	-	-	-	51,825
Interest income on loans	285,345	-	-	-	-	-	-	-	-	285,345
Interest income	89,668	-	-	-	-	27,967	-	-	(3,600)	114,033
Rental income	325	-	-	-	-	-	-	-	-	325
Income on real estate investments	625,046	-	-	-	2,764,501	-	-	-	(10,000)	3,389,547
Gratuities	289,142	-	-	-	201,868	491,287	149,553	254,653	(531,938)	6,249,677
Program and service fee income	(119,537)	-	-	-	-	990	3,698	1,500	-	(114,589)
Gain (loss) on disposal of property and equipment	862,177	-	112,122	566	(91,088)	-	-	58,152	(14,000)	1,221,095
Other income	-	-	-	-	-	-	-	-	-	-
<b>Total revenue, support and gains</b>	<b>11,134,760</b>	<b>(2,762,394)</b>	<b>79,716</b>	<b>5,684,762</b>	<b>3,313,951</b>	<b>397,533</b>	<b>153,276</b>	<b>427,729</b>	<b>(666,538)</b>	<b>17,763,245</b>
<b>Expenses and losses:</b>										
Salaries and wages	2,942,066	-	-	62,589	835,970	177,133	-	213,879	-	4,220,637
Payroll taxes	(99,661)	-	-	-	61,602	12,785	-	13,603	-	289,651
Employee benefits	489,212	-	-	7,438,147	(45,081)	29,958	-	32,460	(532,686)	7,682,772
Retired persons benefits	-	-	469,753	-	-	231	-	-	-	469,753
Rent expense	-	-	3,600	-	-	-	-	-	(3,600)	-
Professional and technical fees	180,316	-	-	128,366	27,545	7,612	-	13,600	-	311,924
Travel and auto expense	(96,043)	-	(18,000)	-	24,326	6,719	-	8,064	-	255,152
Postage and printing	235,334	-	-	27	588	-	-	359	-	236,539
Advertising	7,308	-	-	-	-	-	-	421	-	7,729
Insurance	54,753	-	3,275	-	11,691	16,215	-	12,021	-	98,553
Telephone and utilities	(24,971)	-	7,040	-	4,847	8,105	7,260	35,829	-	188,032
Repairs and maintenance	400,025	-	3,240	-	8,438	29,085	34,058	22,945	-	497,771
Supplies	331,284	-	-	589	15,959	18,147	3,702	2,711	-	372,392
Miscellaneous	67,288	-	2	-	10,052	2,580	247	2,641	-	82,810
Books, materials, subscriptions and dues	109,087	-	200	-	4,853	941	-	-	-	115,001
Assessments	95,548	-	-	-	-	-	-	-	-	95,548
Program services expense	592,361	-	1,136	33,711	1,564,525	135,915	91,240	58,073	(12,052)	2,365,909
Professional development expense	43,809	-	40	-	11,035	-	-	874	(160)	55,598
Depreciation expense	142,644	-	-	-	535	35,847	3,072	92,862	-	274,970
Interest expense	-	342,091	2,058	-	-	-	-	-	-	344,149
Grants, subsidies, and other direct aid	2,122,817	-	-	-	138,918	-	-	2,417	(118,040)	2,146,112
Bad debt expense	9,728	-	-	-	-	-	-	-	-	9,728
<b>Total expenses and losses</b>	<b>8,227,175</b>	<b>342,091</b>	<b>582,827</b>	<b>7,763,429</b>	<b>2,644,545</b>	<b>481,275</b>	<b>139,556</b>	<b>514,379</b>	<b>(666,538)</b>	<b>20,148,750</b>
<b>Excess (deficiency) of revenue, support and gains over expenses and losses</b>	<b>2,807,585</b>	<b>(3,104,385)</b>	<b>(503,111)</b>	<b>(2,078,667)</b>	<b>649,396</b>	<b>(83,740)</b>	<b>14,167</b>	<b>(86,650)</b>	<b>-</b>	<b>(2,385,505)</b>
<b>Transfers</b>	<b>(171,644)</b>	<b>(171,644)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Change in net assets</b>	<b>2,979,229</b>	<b>(3,276,129)</b>	<b>(503,111)</b>	<b>(2,078,667)</b>	<b>649,396</b>	<b>(83,740)</b>	<b>14,167</b>	<b>(86,650)</b>	<b>-</b>	<b>(2,385,505)</b>
<b>Net assets, beginning of year</b>	<b>23,408,931</b>	<b>3,866,176</b>	<b>4,089,649</b>	<b>4,301,790</b>	<b>517,336</b>	<b>2,034,393</b>	<b>66,295</b>	<b>3,396,539</b>	<b>-</b>	<b>41,980,109</b>
<b>Net assets, end of year</b>	<b>26,388,160</b>	<b>599,047</b>	<b>3,586,538</b>	<b>2,223,123</b>	<b>1,166,732</b>	<b>1,950,653</b>	<b>80,462</b>	<b>3,309,889</b>	<b>-</b>	<b>39,294,604</b>

**ROMAN CATHOLIC DIOCESE OF OWENSBORO**  
(Chancery and Certain Entities)

**COMBINING STATEMENT OF FINANCIAL POSITION**

June 30, 2021

ASSETS	Chancery	Deposit and Loan Fund	Charitable Trust Fund	Diocesan Benefit Plan	Division of School and Community Nutrition	Owensboro Catholic Cemeteries	Owensboro Catholic League	Gasport River Catholic Retreat Center	Eliminations	Combined
Cash and cash equivalents	\$ 1,721,738	\$ 1,965,340	\$ 477,716	\$ 210,932	\$ 594,438	\$ 241,397	\$ 37,622	\$ 105,241	\$ -	\$ 5,254,434
Investments	(9,883,205)	14,321,600	4,447,755	4,087,701	-	992,832	-	144,199	-	42,877,382
Real estate held for investment	544,355	-	-	-	-	-	-	-	-	544,355
Accounts receivable	331,260	-	-	-	-	-	-	-	(3,467)	327,793
Due from parishes	-	-	1,468	135,040	-	64,230	-	8,564	-	459,451
Other	240,049	-	-	-	134,348	-	-	-	-	149,315
Grants	14,967	-	-	-	-	-	-	-	-	8,936,764
Notes	8,936,764	-	-	-	-	-	-	-	-	3,896,008
Loans receivable	55,597	3,841,011	-	-	-	-	-	-	-	500
Accrued interest receivable	-	500	-	-	-	-	-	-	(1834,110)	-
Due from other funds	834,110	-	-	-	-	-	-	-	-	11,440
Prepaid expenses	11,440	-	-	-	57,943	-	-	-	-	57,943
Inventories	-	-	-	-	-	47,771	-	-	-	223,802
Beneficial interests in trusts	223,802	-	-	-	-	-	-	-	-	47,771
Chancery property	-	-	-	-	1,282	704,961	38,808	3,200,861	-	5,574,943
Property and equipment, net	1,629,031	-	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 34,436,318</b>	<b>\$ 20,028,511</b>	<b>\$ 4,926,639</b>	<b>\$ 4,433,673</b>	<b>\$ 788,011</b>	<b>\$ 2,061,291</b>	<b>\$ 76,440</b>	<b>\$ 3,458,865</b>	<b>\$ (1837,577)</b>	<b>\$ 69,363,471</b>
<b>LIABILITIES AND NET ASSETS</b>										
Accounts payable and accrued expenses	\$ 337,323	\$ -	\$ 14,503	\$ 131,883	\$ 37,408	\$ 11,718	\$ 5,431	\$ 6,571	\$ (1,629)	\$ 543,208
Due to related party	156,756	-	-	-	-	-	-	-	-	156,756
Due to other funds	2,000	826,120	7,828	-	-	-	-	-	(835,948)	-
Deferred revenue	1,497,872	-	112,122	-	233,267	5,180	4,714	56,755	-	1,904,910
Accrued interest payable	-	-	12,621	-	-	-	-	-	-	12,621
Deposits payable	-	15,336,215	-	-	-	-	-	-	-	15,336,215
Collections payable	14,219	-	-	-	-	-	-	-	-	14,219
Notes payable	8,936,764	-	-	-	-	-	-	-	-	8,936,764
Interest rate swap	67,453	-	690,216	-	-	-	-	-	-	67,453
Accrued retirement obligations	-	-	-	-	-	-	-	-	-	690,216
Pledge payable	15,000	-	-	-	-	-	-	-	-	15,000
<b>Total liabilities</b>	<b>\$ 11,027,387</b>	<b>\$ 16,162,335</b>	<b>\$ 837,290</b>	<b>\$ 131,883</b>	<b>\$ 270,675</b>	<b>\$ 16,898</b>	<b>\$ 10,145</b>	<b>\$ 63,326</b>	<b>\$ (1837,577)</b>	<b>\$ 27,682,362</b>
<b>Net assets</b>										
Without donor restrictions:										
Undesignated	20,843,138	-	-	-	-	1,041,361	60,295	3,247,290	-	20,843,138
Board designated	487,859	3,866,176	4,089,649	4,301,790	517,336	992,832	-	-	-	17,617,956
Legally mandated	21,330,997	3,866,176	4,089,649	4,301,790	517,336	2,034,393	66,295	3,247,290	-	39,453,926
With donor restrictions	2,077,934	-	-	-	-	-	-	148,249	-	2,226,183
<b>Total net assets</b>	<b>\$ 23,408,931</b>	<b>\$ 3,866,176</b>	<b>\$ 4,089,649</b>	<b>\$ 4,301,790</b>	<b>\$ 517,336</b>	<b>\$ 2,034,393</b>	<b>\$ 66,295</b>	<b>\$ 3,395,539</b>	<b>\$ -</b>	<b>\$ 41,680,109</b>
<b>Total liabilities and net assets</b>	<b>\$ 34,436,318</b>	<b>\$ 20,028,511</b>	<b>\$ 4,926,639</b>	<b>\$ 4,433,673</b>	<b>\$ 788,011</b>	<b>\$ 2,061,291</b>	<b>\$ 76,440</b>	<b>\$ 3,458,865</b>	<b>\$ (1837,577)</b>	<b>\$ 69,363,471</b>

**ROMAN CATHOLIC DIOCESE OF OWENSBORO**  
(Chantry and Certain Entities)

**COMBINING STATEMENT OF ACTIVITIES**

Year Ended June 30, 2021

	Chantry	Deposit and Loan Fund	Charitable Trust Fund	Diocesan Benefit Plan	Division of School and Community Nurture	Owensboro Catholic Center	Owensboro Catholic League	Chaparral River Catholic Retreat Center	Eliminations	Combined
<b>Revenues, support and gains:</b>										
Parish assessments	\$ 2,978,798	\$ -	\$ 150,191	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (15,750)	\$ 3,115,239
Contributions and bequests of cash and other financial assets	2,367,638	-	1,647,311	-	-	-	1,510	101,535	(478,170)	3,653,421
Contributions of nonfinancial assets	4,465,528	2,818,281	686,560	855,227	190,336	-	-	25,950	-	9,018,426
Investment return	13,692	-	-	-	23	-	-	-	-	13,692
Change in value of beneficial interests in trusts	63,623	-	-	-	-	-	-	-	-	63,623
Change in value of interest rate swap	-	-	-	-	-	-	-	-	-	-
Interest income on loans	98,709	164,080	-	-	-	-	-	-	-	262,789
Rental income	1,337,374	-	-	-	-	-	-	-	-	1,337,374
Income on real estate investments	277,528	-	-	-	-	-	-	-	-	277,528
Grants	(62,016)	-	-	-	-	-	-	-	-	(62,016)
Program and service fee income	4,495	-	-	5,960,613	155,467	-	111,444	2,600	(147,558)	6,689,242
Gain (loss) on disposal of property and equipment	765,579	-	112,122	-	179,010	-	-	156,087	-	1,254,791
Other income	12,310,755	2,962,961	2,596,124	6,785,840	2,673,090	-	112,954	468,415	(654,997)	28,050,438
<b>Total revenue, support and gains</b>										
<b>Expenses and losses:</b>										
Salaries and wages	2,530,949	-	-	35,042	666,363	-	-	176,776	-	3,573,211
Payroll taxes	165,054	-	-	-	49,143	-	-	12,678	-	236,866
Employer benefits	445,849	-	-	6,527,033	111,597	-	-	22,678	(152,477)	6,862,454
Other employee assistance	4,292	-	-	-	-	-	-	-	-	4,292
Retired person benefits	-	-	498,447	-	-	-	-	-	-	498,447
Rent expense	114,147	-	3,860	-	-	-	-	-	(3,600)	505,697
Professional and technical fees	91,751	-	17,597	353,656	7,017	-	35	12,562	-	132,102
Travel and auto expense	178,061	-	24,750	-	6,036	-	-	3,980	-	180,926
Postage and printing	2,942	-	-	74	1,161	-	-	915	-	2,942
Advertising	56,784	-	3,204	-	13,017	-	-	13,217	-	102,217
Insurance	121,526	-	7,250	-	4,042	-	5,816	30,703	-	176,241
Telephone and utilities	49,680	-	2,829	-	835	-	-	13,839	-	85,499
Repairs and maintenance	61,169	1	145	154	38,898	-	95	4,031	-	118,863
Supplies	49,825	-	-	5	8,472	-	-	8,904	-	70,653
Miscellaneous	89,963	-	291	-	4,459	-	-	45	-	95,099
Books, materials, subscriptions and dues	88,704	-	-	-	-	-	-	-	-	88,704
Assessments	455,987	-	573	44,150	1,095,193	-	97,649	29,343	(773)	1,842,333
Program services expense	5,879	-	50	-	474	-	-	472	(150)	6,725
Professional development expense	125,966	-	1,806	-	1,589	-	3,221	92,576	-	258,224
Depreciation expense	-	231,022	-	-	1,709	-	-	-	(1,342)	235,195
Interest expense	2,869,655	-	-	-	-	-	-	-	(126,655)	2,764,090
Grants, subsidies, and other direct aid	9,728	-	-	-	-	-	-	-	-	9,728
Bad debt expense	-	-	-	-	-	-	-	-	-	-
<b>Total expenses and losses</b>	7,538,291	231,022	570,528	6,960,114	2,010,025	-	108,816	431,809	(654,997)	17,562,738
<b>Excess (deficiency) of revenue, support and gains over expenses and losses</b>	4,772,464	2,751,938	2,065,596	(174,274)	663,065	-	6,138	36,606	-	10,487,680
<b>Transfers</b>	826,120	(826,120)	-	-	-	-	-	-	-	-
<b>Change in net assets</b>	5,598,384	1,925,818	2,065,596	(174,274)	663,065	-	6,138	36,606	-	10,487,680
<b>Net assets, beginning of year</b>	17,810,347	1,940,358	2,024,053	4,476,064	(145,739)	-	60,157	3,358,933	-	31,192,439
<b>Net assets, end of year</b>	23,408,931	3,866,176	4,089,649	4,301,790	517,336	-	66,295	3,395,539	-	41,680,119