

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

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

***Years Ended June 30, 2024 and 2023***

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

## C O N T E N T S

---

	<u>Pages</u>
Independent Auditor's Report	1-2
Combined Financial Statements:	
Combined Statements of Financial Position	3
Combined Statements of Activities	4
Combined Statements of Functional Expenses	5
Combined Statements of Cash Flows	6
Notes to Combined Financial Statements	7-28
Supplementary Information:	
Combining Statements of Financial Position and Activities – 2024	29-30
Combining Statements of Financial Position and Activities – 2023	31-32



---

## INDEPENDENT AUDITOR'S REPORT

Diocesan Finance Council  
Roman Catholic Diocese of Owensboro

### Opinion

We have audited the 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, 2024 and 2023, 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 accompanying combined financial statements present fairly, in all material respects, the financial position of the Roman Catholic Diocese of Owensboro (Chancery and Certain Entities) as of June 30, 2024 and 2023, 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 (GAAS). 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 combined 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 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 GAAS 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 there is a substantial likelihood

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

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 GAAS, 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.

### **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 29-32 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 19, 2024

*Riney Hancock CPAs PSC*

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

COMBINED STATEMENTS OF FINANCIAL POSITION

June 30, 2024 and 2023

	2024	2023
<b>ASSETS</b>		
Cash and cash equivalents	\$ 2,383,446	\$ 3,019,218
Investments	71,212,628	62,602,849
Real estate held for investment	378,656	378,656
Accounts receivable:		
Due from parishes	595,059	217,438
Other	320,506	105,347
Grants	230,309	171,862
Notes receivable	5,877,052	6,806,933
Accrued interest receivable	479	-
Prepaid expenses	86,913	129,664
Inventories	60,330	71,560
Beneficial interests in trusts	195,273	188,818
Cemetery property	16,094	17,427
Property and equipment, net	6,150,810	5,717,030
<b>Total assets</b>	<b>\$ 87,507,555</b>	<b>\$ 79,426,802</b>
<b>LIABILITIES AND NET ASSETS</b>		
Accounts payable and accrued expenses	\$ 666,115	\$ 363,843
Due to related party	979	4,000,000
Deferred revenue	1,938,844	2,181,779
Accrued interest payable	23,448	18,329
Deposits payable	44,692,874	35,708,865
Collections payable	80,700	37,566
Notes payable	42,607	-
Accrued retirement obligations	458,364	444,245
Pledges payable	-	9,000
<b>Total liabilities</b>	<b>47,903,931</b>	<b>42,763,627</b>
Net assets:		
Without donor restrictions:		
Undesignated	18,966,577	16,911,958
Board designated	14,262,054	12,779,480
Legally mandated	1,076,537	996,802
	34,305,168	30,688,240
With donor restrictions	5,298,456	5,974,935
<b>Total net assets</b>	<b>39,603,624</b>	<b>36,663,175</b>
<b>Total liabilities and net assets</b>	<b>\$ 87,507,555</b>	<b>\$ 79,426,802</b>

See Notes to Combined Financial Statements

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

COMBINED STATEMENTS OF ACTIVITIES

Years Ended June 30, 2024 and 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue, support and gains:</b>						
Parish assessments	\$ 4,082,101	\$ -	\$ 4,082,101	\$ 3,032,698	\$ -	\$ 3,032,698
Contributions and bequests of cash and other financial assets	1,436,699	1,976,516	3,413,215	262,355	2,898,108	3,160,463
Contributions of nonfinancial assets	170,928	-	170,928	156,281	-	156,281
Investment return	6,256,040	21,262	6,277,302	4,395,503	10,109	4,405,612
Change in value of beneficial interests in trusts	-	6,455	6,455	-	(196)	(196)
Change in value of interest rate swap	-	-	-	15,628	-	15,628
Interest income on loans	264,515	-	264,515	287,177	-	287,177
Rental income	152,658	-	152,658	119,722	-	119,722
Income on real estate investments	325	-	325	227,351	-	227,351
Grants	1,021,418	749,013	1,770,431	980,729	1,400,128	2,380,857
Program and service fee income	8,698,861	162,250	8,861,111	7,915,185	28,900	7,944,085
Gain (loss) on disposal of property and equipment	(147,039)	-	(147,039)	(4,441)	-	(4,441)
Other income	244,157	-	244,157	566,068	100,000	666,068
Net assets released from restrictions	3,591,975	(3,591,975)	-	7,639,092	(7,639,092)	-
Total revenue, support and gains	25,772,638	(676,479)	25,096,159	25,593,348	(3,202,043)	22,391,305
<b>Expenses and losses:</b>						
Salaries and wages	5,215,297	-	5,215,297	5,328,692	-	5,328,692
Payroll taxes	338,430	-	338,430	356,676	-	356,676
Employee benefits	7,913,385	-	7,913,385	7,879,499	-	7,879,499
Retired priests benefits	441,139	-	441,139	478,810	-	478,810
Professional and technical fees	674,812	-	674,812	591,729	-	591,729
Travel and auto expense	301,399	-	301,399	337,068	-	337,068
Postage and printing	243,691	-	243,691	243,070	-	243,070
Advertising	3,145	-	3,145	3,436	-	3,436
Insurance	153,954	-	153,954	124,689	-	124,689
Telephone and utilities	203,215	-	203,215	210,070	-	210,070
Repairs and maintenance	439,648	-	439,648	1,291,779	-	1,291,779
Supplies	377,395	-	377,395	2,490,022	-	2,490,022
Miscellaneous	66,608	-	66,608	59,996	-	59,996
Books, materials, subscriptions and dues	203,083	-	203,083	209,408	-	209,408
Assessments	70,689	-	70,689	91,242	-	91,242
Program services expense	2,253,538	-	2,253,538	2,221,229	-	2,221,229
Professional development expense	57,585	-	57,585	51,413	-	51,413
Depreciation expense	292,607	-	292,607	290,712	-	290,712
Interest expense	1,359,169	-	1,359,169	850,168	-	850,168
Grants, subsidies, and other direct aid	1,537,193	-	1,537,193	1,822,836	-	1,822,836
Bad debt expense	9,728	-	9,728	9,728	-	9,728
Total expenses and losses	22,155,710	-	22,155,710	24,942,272	-	24,942,272
<b>Change in net assets</b>	3,616,928	(676,479)	2,940,449	651,076	(3,202,043)	(2,550,967)
<b>Net assets, beginning of year</b>	30,688,240	5,974,935	36,663,175	30,037,164	9,176,978	39,214,142
<b>Net assets, end of year</b>	\$ 34,305,168	\$ 5,298,456	\$ 39,603,624	\$ 30,688,240	\$ 5,974,935	\$ 36,663,175

See Notes to Combined Financial Statements

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

COMBINED STATEMENTS OF FUNCTIONAL EXPENSES

Year Ended June 30, 2024

	2024					2023				
	Program Services	Management and General	Fundraising	Eliminations	Total	Program Services	Management and General	Fundraising	Eliminations	Total
Salaries and wages	\$ 4,098,719	\$ 952,530	\$ 164,048	\$ -	\$ 5,215,297	\$ 4,167,919	\$ 972,167	\$ 188,606	\$ -	\$ 5,328,692
Payroll taxes	261,248	65,890	11,292	-	338,430	276,002	67,367	13,307	-	356,676
Employee benefits	8,416,369	165,304	31,213	(699,501)	7,913,385	8,345,579	154,899	35,745	(656,724)	7,879,499
Retired priests benefits	441,139	-	-	-	441,139	478,810	-	-	-	478,810
Rent	3,600	-	-	(3,600)	-	3,600	-	-	(3,600)	-
Professional and technical fees	577,810	88,229	8,773	-	674,812	478,575	105,272	7,882	-	591,729
Travel and auto expense	257,124	39,755	4,520	-	301,399	300,919	32,568	3,581	-	337,068
Postage and printing	160,501	32,474	50,716	-	243,691	160,091	36,859	46,120	-	243,070
Advertising	1,559	400	1,186	-	3,145	2,937	499	-	-	3,436
Insurance	77,483	76,471	-	-	153,954	66,151	58,538	-	-	124,689
Telephone and utilities	159,716	43,499	-	-	203,215	162,043	48,027	-	-	210,070
Repairs and maintenance	255,680	183,968	-	-	439,648	925,153	366,626	-	-	1,291,779
Supplies	337,365	39,344	686	-	377,395	2,423,442	64,595	1,985	-	2,490,022
Miscellaneous	39,082	22,816	4,807	(97)	66,608	36,811	21,101	2,744	(660)	59,996
Books, materials, subscriptions and dues	117,895	84,005	1,183	-	203,083	85,284	121,471	2,653	-	209,408
Assessments	-	70,689	-	-	70,689	-	91,242	-	-	91,242
Program services expense	2,241,901	6,127	19,570	(14,060)	2,253,538	2,213,195	13,140	1,241	(6,347)	2,221,229
Professional development expense	39,950	20,645	2,840	(5,850)	57,585	29,047	23,021	1,370	(2,025)	51,413
Depreciation expense	-	292,607	-	-	292,607	-	290,712	-	-	290,712
Interest expense	1,362,085	-	-	(2,916)	1,359,169	850,168	-	-	-	850,168
Grants, subsidies, and other direct aid	2,017,931	347,005	25,123	(852,866)	1,537,193	2,141,170	551,100	-	(869,434)	1,822,836
Bad debt expense	-	9,728	-	-	9,728	-	9,728	-	-	9,728
	<u>\$ 20,867,157</u>	<u>\$ 2,541,486</u>	<u>\$ 325,957</u>	<u>\$ (1,578,890)</u>	<u>\$ 22,155,710</u>	<u>\$ 23,146,896</u>	<u>\$ 3,028,932</u>	<u>\$ 305,234</u>	<u>\$ (1,538,790)</u>	<u>\$ 24,942,272</u>

See Notes to Combined Financial Statements

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

COMBINED STATEMENTS OF CASH FLOWS

Years Ended June 30, 2024 and 2023

	2024	2023
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ 2,940,449	\$ (2,550,967)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	292,607	290,712
Bad debts written off	9,728	9,728
Realized (gain) loss on investments	(419,069)	132,344
Unrealized (gain) loss on investments	(4,268,708)	(3,315,962)
Loss (gain) on sale of real estate investments	-	(227,026)
Change in beneficial interests in trusts	(6,455)	196
Change in value of interest rate swap	-	(15,628)
Loss (gain) on disposal of property and equipment	147,039	4,441
Decrease (increase) in operating assets:		
Accounts receivable	(660,955)	717,735
Due from related party	-	43,715
Notes receivable	929,881	(411,529)
Accrued interest receivable	(479)	133
Prepaid expenses	42,751	(105,179)
Inventories	11,230	(9,288)
Cemetery property	1,333	(422)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	302,272	(273,182)
Due to related party	(3,999,021)	4,000,000
Deferred revenue	(242,935)	438,554
Accrued interest payable	5,119	3,650
Deposits payable	8,984,009	6,481,147
Collections payable	43,134	22,407
Accrued retirement obligations	14,119	(177,239)
Pledges payable	(9,000)	(13,000)
Net cash provided by (used in) operating activities	4,117,049	5,045,340
<b>Cash flows from investing activities:</b>		
Purchases of property and equipment	(918,180)	(542,828)
Proceeds from sale of property and equipment	44,754	1,400
Purchases of investments	(21,609,768)	(21,153,027)
Proceeds from sale of investments	17,687,766	13,439,543
Proceeds from sale of real estate held for investment	-	392,725
Net cash provided by (used in) investing activities	(4,795,428)	(7,862,187)
<b>Cash flows from financing activities:</b>		
Proceeds from notes payable	100,000	-
Repayment of notes payable	(57,393)	(4,564,791)
Decrease in notes receivable	-	4,564,791
Net cash provided by (used in) financing activities	42,607	-
Net increase in cash	(635,772)	(2,816,847)
Cash and cash equivalents, beginning of year	3,019,218	5,836,065
Cash and cash equivalents, end of year	\$ 2,383,446	\$ 3,019,218
<b>Supplemental Cash Flows Information:</b>		
Cash paid for interest	\$ 1,359,169	\$ 846,517
Noncash operating transactions:		
Food commodities from the U.S. Department of Agriculture	\$ 170,928	\$ 149,128

See Notes to Combined Financial Statements



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

**NOTES TO COMBINED FINANCIAL STATEMENTS**

Years Ended June 30, 2024 and 2023

---

**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  
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, 2024 and 2023.

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

**NOTES TO COMBINED FINANCIAL STATEMENTS**

Years Ended June 30, 2024 and 2023

---

**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.

Receivables

Accounts and notes receivable are stated at face amount less an allowance for credit losses that reflects the Diocese's best estimate of the amounts that will be collected. Based on the Diocese assessment of the customer's current creditworthiness, historical payment experience, and the age of the outstanding receivables, the Diocese estimate the portion, if any, that will not be collected. No allowance for credit losses was recorded as management considers all amounts to be fully 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, 2024 and 2023

---

**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.

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

**NOTES TO COMBINED FINANCIAL STATEMENTS**

Years Ended June 30, 2024 and 2023

---

**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, if any, 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. The interest-rate swap was terminated during fiscal year 2023.

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, 2024 and 2023

---

**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.

Recently Issued Accounting Standards

In June 2016, the FASB issued ASU 2016-13, Financial Instruments-Credit Losses. The standard requires a financial asset (including trade receivables) measured at amortized cost basis to be presented at the net amount expected to be collected. Thus, the combined 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. The Diocese adopted ASU 2016-13 effective July 1, 2023 with no material impact on the combined financial statements.

**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:

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

**NOTES TO COMBINED FINANCIAL STATEMENTS**

Years Ended June 30, 2024 and 2023

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

	2024	2023
Chancery financial assets at year-end:		
Cash	\$ 464,175	\$ 654,197
Investments	23,320,905	22,392,872
Accounts receivable, excluding lease	751,780	359,165
Loans receivable	18,632	31,071
	<u>24,555,492</u>	<u>23,437,305</u>
Less amounts not available to be used within one year:		
Board designated financial assets	(1,179,646)	(633,354)
Donor restricted financial assets	(4,928,676)	(5,634,713)
Loans receivable not expected to be received within one year	<u>(6,068)</u>	<u>(18,632)</u>
Chancery financial assets available to meet general expenditures over the next twelve months	<u>\$ 18,441,102</u>	<u>\$ 17,150,606</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:

	2024		2023	
	Cost	Fair Value	Cost	Fair Value
Cash and cash equivalents	\$ 15,585,555	\$ 15,689,058	\$ 8,760,412	8,804,681
Corporate stocks	3,659,056	5,941,742	2,504,986	4,066,074
Exchange-traded funds and closed-end funds	29,176,487	33,901,973	29,792,916	31,801,088
Government securities	2,085,165	1,915,850	1,983,940	1,817,104
Mutual funds	<u>12,755,007</u>	<u>13,764,005</u>	<u>15,878,227</u>	<u>16,113,902</u>
	<u>\$ 63,261,270</u>	<u>\$ 71,212,628</u>	<u>\$ 58,920,481</u>	<u>62,602,849</u>

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

NOTES TO COMBINED FINANCIAL STATEMENTS

Years Ended June 30, 2024 and 2023

**3. Investments, Continued**

Real estate held for investment totaled \$378,656 and \$378,656 at June 30, 2024 and 2023, 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:

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Interest and dividend income	\$ 1,872,344	\$ 2,723	\$ 1,875,067
Realized gains (losses)	416,110	2,959	419,069
Unrealized gains (losses)	4,252,205	16,503	4,268,708
Investment fees	(284,619)	(923)	(285,542)
	<u>\$ 6,256,040</u>	<u>\$ 21,262</u>	<u>\$ 6,277,302</u>
	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Interest and dividend income	\$ 1,476,948	\$ 2,379	\$ 1,479,327
Realized gains (losses)	(135,345)	3,001	(132,344)
Unrealized gains (losses)	3,310,476	5,486	3,315,962
Investment fees	(256,576)	(757)	(257,333)
	<u>\$ 4,395,503</u>	<u>\$ 10,109</u>	<u>\$ 4,405,612</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, 2024 and 2023, totaled \$44,692,874 and \$35,708,865, respectively. Depositors earned 1.5% on deposit balances during July to November of fiscal year 2023. This rate was increased to 3.0% beginning in December of fiscal year 2023 and again in June of the same year to 3.25% and remained this rate throughout fiscal year 2024. Depositors may add or withdraw funds on demand.

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

NOTES TO COMBINED FINANCIAL STATEMENTS

Years Ended June 30, 2024 and 2023

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

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

<u>Type of Loan</u>	<u>2024</u>		<u>2023</u>	
	<u>Number of Loans</u>	<u>Balance</u>	<u>Number of Loans</u>	<u>Balance</u>
Non-interest bearing	-	\$ -	1	\$ 31,569
4.00%	3	3,959,206	3	4,658,439
4.50%	1	1,756,607	1	2,085,854
5.75%	2	142,607	-	-
	<u>6</u>	<u>\$ 5,858,420</u>	<u>5</u>	<u>\$ 6,775,862</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.

Loans committed but not yet disbursed totaled \$9,500,000 and \$4,600,000 at June 30, 2024 and 2023, 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, 2024 and 2023, totaled \$146,555 and \$143,500, 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. The change in value included in the Statement of Activities at June 30, 2024 and 2023 totaled \$3,055 and \$1,596, respectively.



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

**NOTES TO COMBINED FINANCIAL STATEMENTS**

Years Ended June 30, 2024 and 2023

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

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 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, 2024 and 2023, totaled \$48,718 and \$45,318, respectively. The beneficial interest is reported in the statements of financial position as net assets with donor restrictions, as the Diocese will receive their proportionate share in 2025 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, as the agreement directed that such income and remaining assets be used for the support of the poorest mission churches in the Diocese. The change in value included in the Statement of Activities at June 30, 2024 and 2023, totaled \$3,400 and \$(1,792), respectively.

**6. Property and Equipment**

Property and equipment consisted of the following at June 30:

	<u>2024</u>	<u>2023</u>
Land	\$ 1,066,326	\$ 1,066,326
Buildings and improvements	7,652,714	7,196,585
Furnishings and equipment	562,858	550,317
Computer and software	51,266	51,266
Vehicles	349,164	372,219
Land improvements	556,987	184,052
Construction in progress	<u>-</u>	<u>248,548</u>
	10,239,315	9,669,313
Accumulated depreciation	<u>(4,088,505)</u>	<u>(3,952,283)</u>
	<u>\$ 6,150,810</u>	<u>\$ 5,717,030</u>

Depreciation expense for the years ended June 30, 2024 and 2023, totaled \$292,607 and \$290,712, respectively.

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

**NOTES TO COMBINED FINANCIAL STATEMENTS**

Years Ended June 30, 2024 and 2023

---

**7. Note Payable**

Project Financing

*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% at June 30, 2022. 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, the amortized notional amount of the swap agreement was \$2,907,317. 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 year ended June 30, 2023:

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

NOTES TO COMBINED FINANCIAL STATEMENTS

Years Ended June 30, 2024 and 2023

**7. Note Payable, Continued**

Project Financing, Continued

*John Paul II Catholic School, Continued*

Beginning of year	\$ <u>(15,628)</u>
Change in value	<u>15,628</u>
End of year	\$ <u>-</u>

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

Interest received from the School on the note receivable and paid by the Diocese to the financial institutions on the note payable totaled \$14,791 for the year ended June 30, 2023. There were no interest accruals at June 30, 2024 and 2023.

**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. Both of these pledges were paid off during fiscal year 2024.

**9. Special Event Revenue**

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

	<u>2024</u>	<u>2023</u>
Contributions	\$ 118,372	\$ 23,805
Special event revenue	<u>23,895</u>	<u>12,344</u>
Special fundraising events, gross	<u>\$ 142,267</u>	<u>\$ 36,149</u>

**10. Contributed Nonfinancial Assets**

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

	<u>2024</u>	<u>2023</u>
Food	\$ 170,928	\$ 149,128
Vehicles	<u>-</u>	<u>7,153</u>
	<u>\$ 170,928</u>	<u>\$ 156,281</u>

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

**NOTES TO COMBINED FINANCIAL STATEMENTS**

Years Ended June 30, 2024 and 2023

**10. Contributed Nonfinancial Assets, Continued**

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.

During fiscal year 2022, the Diocese received 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, 2024 and 2023 were considered to be without donor restrictions.

**11. Net Assets Without Donor Restrictions**

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

	<u>2024</u>	<u>2023</u>
Undesignated	\$ 18,966,577	\$ 16,911,958
Board-designated:		
Chancery		
Disaster Relief	868	868
Catholic Schools	-	5,027
Bishop's Fund	952,156	341,397
Social Concerns Ministries	16,466	75,906
Bishop McRaith Bequest Fund	210,156	210,156
	<u>1,179,646</u>	<u>633,354</u>
Deposit and Loan Fund	3,546,154	2,001,565
Charitable Trust Fund	3,990,123	3,743,799
Diocesan Benefit Plan	5,247	1,256,903
Division of School and Community Nutrition	951,112	1,023,813
Owensboro Catholic Cemeteries	1,107,024	1,038,714
Gasper River Catholic Retreat Center	3,482,748	3,081,332
	<u>14,262,054</u>	<u>12,779,480</u>
Legally mandated:		
Perpetual care and maintenance fund	1,076,537	996,802
Total	<u>\$ 34,305,168</u>	<u>\$ 30,688,240</u>

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

NOTES TO COMBINED FINANCIAL STATEMENTS

Years Ended June 30, 2024 and 2023

**11. Net Assets Without Donor Restrictions**

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.

**12. Net Assets With Donor Restrictions**

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

	2024		2023	
	Restricted	Released	Restricted	Released
By time and purpose:				
Chancery:				
Social Concerns Ministry	\$ 69,274	\$ 434,940	\$ 57,756	\$ 755,965
Catholic Charities	3,663,083	1,996,782	4,545,050	5,435,361
Disciples Response Fund	207,654	610,000	220,759	600,000
Social Needs	60,429	-	49,572	-
Seminary Education	895,025	283,581	672,868	434,436
Youth and Young Adult Ministries	33,211	192,140	29,111	63,477
Capital Campaign Designations	-	59,597	59,597	277,394
	<u>4,928,676</u>	<u>3,577,040</u>	<u>5,634,713</u>	<u>7,566,633</u>
Gaspar River Catholic Retreat Center	174,507	14,935	151,404	72,459
Beneficial interest in charitable trust for missions	<u>48,718</u>	<u>-</u>	<u>45,318</u>	<u>-</u>
	<u>5,151,901</u>	<u>\$ 3,591,975</u>	<u>5,831,435</u>	<u>\$ 7,639,092</u>
In perpetuity:				
Chancery:				
Beneficial interest in perpetual trust for catholic schools	<u>146,555</u>		<u>143,500</u>	
Total	<u>\$ 5,298,456</u>		<u>\$ 5,974,935</u>	

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

NOTES TO COMBINED FINANCIAL STATEMENTS

Years Ended June 30, 2024 and 2023

**13. Functional Expenses**

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

	<u>2024</u>	<u>2023</u>
Program services:		
Education	\$ 2,353,286	\$ 1,574,511
Worship and Spiritual Life	338,555	296,075
Social Concerns	3,556,697	7,292,460
Vocation Development	834,729	945,364
Grants to other organizations	140,142	132,548
Catholic Cemeteries	497,860	452,608
Charitable Trust Fund	487,208	536,585
Deposit and Loan Fund	1,353,291	846,517
Diocesan Benefit Plan	8,209,127	8,104,062
Gasper River Catholic Retreat Center	580,401	538,102
Division of School and Community Nutrition	<u>2,515,861</u>	<u>2,428,064</u>
Total program service expenses	<u>20,867,157</u>	<u>23,146,896</u>
Management and general:		
General and administrative	2,248,879	2,738,220
Depreciation	<u>292,607</u>	<u>290,712</u>
Total management and general	<u>2,541,486</u>	<u>3,028,932</u>
Total fundraising	<u>325,957</u>	<u>305,234</u>
Total expenses before eliminations	23,734,600	26,481,062
Less eliminations	<u>(1,578,890)</u>	<u>(1,538,790)</u>
Total expenses	<u>\$ 22,155,710</u>	<u>\$ 24,942,272</u>

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

**NOTES TO COMBINED FINANCIAL STATEMENTS**

Years Ended June 30, 2024 and 2023

---

**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 \$221,859 and \$239,003 at June 30, 2024 and 2023, respectively, and is reflected as a liability in the combined statements of financial position. Benefits provided to retired priests under this plan totaled \$26,400 and \$37,350 for the years ended June 30, 2024 and 2023, 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 \$236,505 and \$205,242 for the years ended June 30, 2024 and 2023, 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 8.39% and 7.8% of each participant's compensation to the plan for fiscal years 2024 and 2023, respectively. The actuarial information for the multi-employer plan as of July 1, 2024, indicates that it is in compliance with ERISA regulations regarding funding. Information regarding the Plan is publicly available at [www.cbsecurities.org](http://www.cbsecurities.org).

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

**NOTES TO COMBINED FINANCIAL STATEMENTS**

Years Ended June 30, 2024 and 2023

**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, 2024 and 2023:

EIN and Plan Number	Pension Protection Act Zone Status		FIP/RP Status	Contributions for the Year Ended June 30,		Surcharge Imposed
	2024	2023		2024	2023	
36-2671613 Plan No. 333	Yellow 6/30/24	Yellow 6/30/23	N/A	\$377,567	\$372,862	No

The Diocese did not contribute more than 5% of total contributions to the Plan in fiscal years 2024 or 2023.

**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.



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

**NOTES TO COMBINED FINANCIAL STATEMENTS**

Years Ended June 30, 2024 and 2023

**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, 2024, 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	\$ 15,689,058	\$ 15,689,058	\$ -	\$ -
Corporate stocks:				
Energy	217,044			
Materials	167,137			
Industrials	439,138			
Consumer discretionary	642,538			
Consumer staples	220,354			
Health care	663,666			
Financials	802,436			
Information technology	1,808,438			
Telecommunication services	668,129			
Real estate	77,522			
Utilities	235,340			
	<u>5,941,742</u>	5,941,742	-	-
Exchange-traded and closed-end funds	<u>33,901,973</u>	33,901,973	-	-
Government securities:				
Treasury	1,193,747			
Federal	<u>722,103</u>			
	<u>1,915,850</u>	-	1,915,850	-
Mutual funds:				
Equities	6,903,932			
Fixed income and preferreds	<u>6,860,073</u>			
	<u>13,764,005</u>	13,764,005	-	-
Total investments	<u>71,212,628</u>			
Beneficial interests in trusts	<u>195,273</u>	-	48,718	146,555
	<u>\$ 71,407,901</u>	<u>\$ 69,296,778</u>	<u>\$ 1,964,568</u>	<u>\$ 146,555</u>

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

NOTES TO COMBINED FINANCIAL STATEMENTS

Years Ended June 30, 2024 and 2023

**15. Fair Value Measurements, Continued**

Fair values of assets measured on a recurring basis at June 30, 2023, 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	\$ 8,804,681	\$ 8,804,681	\$ -	\$ -
Corporate stocks:				
Energy	189,285			
Materials	210,945			
Industrials	339,482			
Consumer discretionary	455,896			
Consumer staples	151,593			
Health care	502,262			
Financials	606,442			
Information technology	1,066,831			
Telecommunication services	312,383			
Real estate	34,920			
Utilities	196,035			
	<u>4,066,074</u>	4,066,074	-	-
Exchange-traded and closed-end funds	<u>31,801,088</u>	31,801,088	-	-
Government securities:				
Treasury	1,177,998			
Federal	639,106			
	<u>1,817,104</u>	-	1,817,104	-
Mutual funds:				
Equities	6,750,511			
Fixed income and preferreds	9,363,391			
	<u>16,113,902</u>	16,113,902	-	-
Total investments	<u>62,602,849</u>			
Beneficial interests in trusts	<u>188,818</u>	-	45,318	143,500
	<u>\$ 62,791,667</u>	<u>\$ 60,785,745</u>	<u>\$ 1,862,422</u>	<u>\$ 143,500</u>

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

**NOTES TO COMBINED FINANCIAL STATEMENTS**

Years Ended June 30, 2024 and 2023

---

**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.

There were no transfers between levels for the years ended June 30, 2024 and 2023.

**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 \$2,268,735 and \$2,840,762 at June 30, 2024 and 2023, 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.

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

**NOTES TO COMBINED FINANCIAL STATEMENTS**

Years Ended June 30, 2024 and 2023

---

**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 \$175,000 per employee for periods ending June 30, 2024 and 2023, 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, 2024 and 2023, totaling \$251,122 and \$1,768, 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 \$5,970 and \$8,420 for the years ended June 30, 2024 and 2023, \$361 of which was included in accounts payable at June 30, 2023.

Program services provided to the Diocese by family members of management or employees totaled \$30,418 and \$5,482 for the years ended June 30, 2024 and 2023, respectively, \$705 and \$672 of which was payable at each fiscal year end, respectively.

Program services provided to the Diocese by a member of the Diocesan Finance Council totaled \$247,163 and \$241,407 for the years ended June 30, 2024 and 2023, respectively, none of which was payable at each fiscal year end.

The Diocese charges 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:

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

NOTES TO COMBINED FINANCIAL STATEMENTS

Years Ended June 30, 2024 and 2023

**18. Related Party Transactions, Continued**

	<u>2024</u>	<u>2023</u>
Due to the Foundation:		
Endowment	\$ -	\$ 4,000,000
Refund	<u>979</u>	<u>-</u>
	<u>979</u>	<u>4,000,000</u>
Contributions to the Foundation:		
On behalf of donors, including Vocare	\$ <u>25,123</u>	\$ <u>29,983</u>
Revenue from the Foundation for program services:		
Operating Fund:		
Seminarians	\$ 422,103	\$ 407,556
Religious education	25,692	30,483
Outreach	15,470	15,065
Catholic charities	13,244	12,896
Other programs	<u>46,086</u>	<u>44,756</u>
	\$ <u>522,595</u>	\$ <u>510,756</u>
Funds managed by the Foundation in assets held for others:		
Gasper River Catholic Retreat Center	\$ <u>140,419</u>	\$ <u>125,545</u>
Receipts from the Foundation for management fees:		
Management Fees	\$ <u>105,156</u>	<u>86,146</u>

**19. 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 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.

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

**NOTES TO COMBINED FINANCIAL STATEMENTS**

Years Ended June 30, 2024 and 2023

---

**20. 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.

**23. Subsequent Events**

The Diocese has evaluated subsequent events through December 19, 2024, the date the combined financial statements were available to be issued.

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

COMBINING STATEMENT OF FINANCIAL POSITION

June 30, 2024

	Chancery	Deposit and Loan Fund	Charitable Trust Fund	Diocesan Benefit Plan	Division of School and Community Nutrition	Owensboro Catholic Cemeteries	Gaspar River Catholic Retreat Center	Eliminations	Combined
<b>ASSETS</b>									
Cash and cash equivalents	\$ 464,175	\$ 774,803	\$ 92,906	\$ 150,337	\$ 827,415	\$ 62,313	\$ 11,497	\$ -	\$ 2,383,446
Investments	23,320,905	42,380,326	4,288,034	6,407	-	1,076,537	140,419	-	71,212,628
Real estate held for investment	378,656	-	-	-	-	-	-	-	378,656
Accounts receivable:									
Due from parishes	601,697	-	-	-	-	-	-	(6,638)	595,059
Other	67,227	-	91,140	99,625	-	56,126	6,388	-	320,506
Grants	82,857	-	-	-	147,452	-	-	-	230,309
Loans receivable	18,632	5,858,420	-	-	-	-	-	-	5,877,052
Accrued interest receivable	-	479	-	-	-	-	-	-	479
Due from other funds	775,000	-	-	-	-	-	-	(775,000)	-
Prepaid expenses	86,913	-	-	-	-	-	-	-	86,913
Inventories	-	-	-	-	60,330	-	-	-	60,330
Beneficial interests in trusts	195,273	-	-	-	-	-	-	-	195,273
Cemetery property	-	-	-	-	-	16,094	-	-	16,094
Property and equipment, net	1,587,213	-	-	-	-	1,048,270	3,515,327	-	6,150,810
<b>Total assets</b>	<b>\$ 27,578,548</b>	<b>\$ 49,014,028</b>	<b>\$ 4,472,080</b>	<b>\$ 256,369</b>	<b>\$ 1,035,197</b>	<b>\$ 2,259,340</b>	<b>\$ 3,673,631</b>	<b>\$ (781,638)</b>	<b>\$ 87,507,555</b>
<b>LIABILITIES AND NET ASSETS</b>									
Accounts payable and accrued expenses	\$ 341,482	\$ -	\$ 145	\$ 251,122	\$ 36,236	\$ 28,392	\$ 15,376	\$ (6,638)	\$ 666,115
Due to related party	979	-	-	-	-	-	-	-	979
Due to other funds	-	775,000	-	-	-	-	-	(775,000)	-
Deferred revenue	1,885,215	-	-	-	47,849	4,780	1,000	-	1,938,844
Accrued interest payable	-	-	23,448	-	-	-	-	-	23,448
Deposits payable	-	44,692,874	-	-	-	-	-	-	44,692,874
Collections payable	80,700	-	-	-	-	-	-	-	80,700
Notes payable	-	-	-	-	-	42,607	-	-	42,607
Accrued retirement obligations	-	-	458,364	-	-	-	-	-	458,364
Pledge payable	-	-	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>2,308,376</b>	<b>45,467,874</b>	<b>481,957</b>	<b>251,122</b>	<b>84,085</b>	<b>75,779</b>	<b>16,376</b>	<b>(781,638)</b>	<b>47,903,931</b>
Net assets:									
Without donor restrictions:									
Undesignated	18,966,577	-	-	-	-	-	-	-	18,966,577
Board designated	1,179,646	3,546,154	3,990,123	5,247	951,112	1,107,024	3,482,748	-	14,262,054
Legally mandated	-	-	-	-	-	1,076,537	-	-	1,076,537
	20,146,223	3,546,154	3,990,123	5,247	951,112	2,183,561	3,482,748	-	34,305,168
With donor restrictions	5,123,949	-	-	-	-	-	174,507	-	5,298,456
<b>Total net assets</b>	<b>25,270,172</b>	<b>3,546,154</b>	<b>3,990,123</b>	<b>5,247</b>	<b>951,112</b>	<b>2,183,561</b>	<b>3,657,255</b>	<b>-</b>	<b>39,603,624</b>
<b>Total liabilities and net assets</b>	<b>\$ 27,578,548</b>	<b>\$ 49,014,028</b>	<b>\$ 4,472,080</b>	<b>\$ 256,369</b>	<b>\$ 1,035,197</b>	<b>\$ 2,259,340</b>	<b>\$ 3,673,631</b>	<b>\$ (781,638)</b>	<b>\$ 87,507,555</b>

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

COMBINING STATEMENT OF ACTIVITIES

Year Ended June 30, 2024

	Chancery	Deposit and Loan Fund	Charitable Trust Fund	Diocesan Benefit Plan	Division of School and Community Nutrition	Owensboro Catholic Cemeteries	Gaspar River Catholic Retreat Center	Eliminations	Combined
<b>Revenue, support and gains:</b>									
Parish assessments	\$ 3,926,601	\$ -	\$ 179,500	\$ -	\$ -	\$ -	\$ -	\$ (24,000)	\$ 4,082,101
Contributions and bequests of cash and other financial assets	3,199,634	-	115,969	7,000	-	1,695	909,432	(820,515)	3,413,215
Contributions of nonfinancial assets	-	-	-	-	170,928	-	-	-	170,928
Investment return	2,288,288	3,407,347	439,021	17,768	46	103,250	21,582	-	6,277,302
Change in value of beneficial interests in trusts	6,455	-	-	-	-	-	-	-	6,455
Interest income on loans	936	266,495	-	-	-	-	-	(2,916)	264,515
Rental income	130,040	-	-	-	-	26,218	-	(3,600)	152,658
Income on real estate investments	325	-	-	-	-	-	-	-	325
Grants	858,712	-	-	-	914,970	-	3,500	(6,751)	1,770,431
Program and service fee income	491,094	-	-	6,933,665	1,301,158	552,104	302,206	(719,116)	8,861,111
Gain (loss) on disposal of property and equipment	(18,515)	-	-	-	-	8,700	(137,224)	-	(147,039)
Other income	187,202	-	-	-	57,249	-	1,698	(1,992)	244,157
<b>Total revenue, support and gains</b>	<b>11,070,772</b>	<b>3,673,842</b>	<b>734,490</b>	<b>6,958,433</b>	<b>2,444,351</b>	<b>691,967</b>	<b>1,101,194</b>	<b>(1,578,890)</b>	<b>25,096,159</b>
<b>Expenses and losses:</b>									
Salaries and wages	3,711,211	-	-	71,410	895,267	226,961	310,448	-	5,215,297
Payroll taxes	229,410	-	-	5,185	65,977	15,677	22,181	-	338,430
Employee benefits	668,799	-	-	7,668,579	173,153	48,700	53,655	(699,501)	7,913,385
Retired priests benefits	-	-	441,139	-	-	-	-	-	441,139
Rent expense	-	-	3,600	-	-	-	-	(3,600)	-
Professional and technical fees	183,321	-	1,610	456,291	10,772	676	22,142	-	674,812
Travel and auto expense	240,034	-	17,250	583	29,151	6,341	8,040	-	301,399
Postage and printing	242,271	-	-	-	928	182	310	-	243,691
Advertising	1,971	-	-	-	305	-	869	-	3,145
Insurance	90,670	-	4,946	-	17,836	22,936	17,566	-	153,954
Telephone and utilities	146,949	-	6,998	-	6,760	9,330	33,178	-	203,215
Repairs and maintenance	381,254	-	3,303	-	-	28,736	26,355	-	439,648
Supplies	348,843	-	-	-	4,516	15,979	8,057	-	377,395
Miscellaneous	49,560	6	10	-	14,270	2,587	272	(97)	66,608
Books, materials, subscriptions and dues	174,804	960	959	960	20,816	2,791	1,793	-	203,083
Assessments	70,689	-	-	-	-	-	-	-	70,689
Program services expense	807,702	-	-	7,081	1,267,076	115,010	70,729	(14,060)	2,253,538
Professional development expense	51,494	-	2,469	-	8,822	-	650	(5,850)	57,585
Depreciation expense	151,961	-	-	-	233	45,100	95,313	-	292,607
Interest expense	-	1,353,287	5,882	-	-	2,916	-	(2,916)	1,359,169
Grants, subsidies, and other direct aid	2,383,772	-	-	-	1,170	-	5,117	(852,866)	1,537,193
Bad debt expense	9,728	-	-	-	-	-	-	-	9,728
<b>Total expenses and losses</b>	<b>9,944,443</b>	<b>1,354,253</b>	<b>488,166</b>	<b>8,210,089</b>	<b>2,517,052</b>	<b>543,922</b>	<b>676,675</b>	<b>(1,578,890)</b>	<b>22,155,710</b>
<b>Excess (deficiency) of revenue, support and gains over expenses and losses</b>	<b>1,126,329</b>	<b>2,319,589</b>	<b>246,324</b>	<b>(1,251,656)</b>	<b>(72,701)</b>	<b>148,045</b>	<b>424,519</b>	<b>-</b>	<b>2,940,449</b>
<b>Transfers</b>	<b>775,000</b>	<b>(775,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Change in net assets</b>	<b>1,901,329</b>	<b>1,544,589</b>	<b>246,324</b>	<b>(1,251,656)</b>	<b>(72,701)</b>	<b>148,045</b>	<b>424,519</b>	<b>-</b>	<b>2,940,449</b>
<b>Net assets, beginning of year</b>	<b>23,368,843</b>	<b>2,001,565</b>	<b>3,743,799</b>	<b>1,256,903</b>	<b>1,023,813</b>	<b>2,035,516</b>	<b>3,232,736</b>	<b>-</b>	<b>36,663,175</b>
<b>Net assets, end of year</b>	<b>\$ 25,270,172</b>	<b>\$ 3,546,154</b>	<b>\$ 3,990,123</b>	<b>\$ 5,247</b>	<b>\$ 951,112</b>	<b>\$ 2,183,561</b>	<b>\$ 3,657,255</b>	<b>\$ -</b>	<b>\$ 39,603,624</b>



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

COMBINING STATEMENT OF FINANCIAL POSITION

June 30, 2023

	Chancery	Deposit and Loan Fund	Charitable Trust Fund	Diocesan Benefit Plan	Division of School and Community Nutrition	Owensboro Catholic Cemeteries	Gaspar River Catholic Retreat Center	Eliminations	Combined
<b>ASSETS</b>									
Cash and cash equivalents	\$ 654,197	\$ 1,149,740	\$ 171,381	\$ 6,508	\$ 917,156	\$ 100,531	\$ 19,705	\$ -	\$ 3,019,218
Investments	22,392,872	33,784,828	4,050,639	1,252,163	-	996,802	125,545	-	62,602,849
Real estate held for investment	378,656	-	-	-	-	-	-	-	378,656
Accounts receivable:									
Due from parishes	224,231	-	-	-	-	-	-	(6,793)	217,438
Other	53,646	-	-	-	-	43,347	8,354	-	105,347
Grants	81,288	-	-	-	90,574	-	-	-	171,862
Notes	-	-	-	-	-	-	-	-	-
Loans receivable	31,071	6,775,862	-	-	-	-	-	-	6,806,933
Accrued interest receivable	-	-	-	-	-	-	-	-	-
Due from related party	-	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-	-
Prepaid expenses	129,664	-	-	-	-	-	-	-	129,664
Inventories	-	-	-	-	71,560	-	-	-	71,560
Beneficial interests in trusts	188,818	-	-	-	-	-	-	-	188,818
Cemetery property	-	-	-	-	-	17,427	-	-	17,427
Property and equipment, net	1,731,914	-	-	-	233	897,388	3,087,495	-	5,717,030
<b>Total assets</b>	<b>\$ 25,866,357</b>	<b>\$ 41,710,430</b>	<b>\$ 4,222,020</b>	<b>\$ 1,258,671</b>	<b>\$ 1,079,523</b>	<b>\$ 2,055,495</b>	<b>\$ 3,241,099</b>	<b>\$ (6,793)</b>	<b>\$ 79,426,802</b>
<b>LIABILITIES AND NET ASSETS</b>									
Accounts payable and accrued expenses	\$ 317,279	\$ -	\$ 15,647	\$ 1,768	\$ 12,980	\$ 15,199	\$ 7,763	\$ (6,793)	\$ 363,843
Due to related party	-	4,000,000	-	-	-	-	-	-	4,000,000
Due to other funds	-	-	-	-	-	-	-	-	-
Deferred revenue	2,133,669	-	-	-	42,730	4,780	600	-	2,181,779
Accrued interest payable	-	-	18,329	-	-	-	-	-	18,329
Deposits payable	-	35,708,865	-	-	-	-	-	-	35,708,865
Collections payable	37,566	-	-	-	-	-	-	-	37,566
Notes payable	-	-	-	-	-	-	-	-	-
Interest rate swap	-	-	-	-	-	-	-	-	-
Accrued retirement obligations	-	-	444,245	-	-	-	-	-	444,245
Pledge payable	9,000	-	-	-	-	-	-	-	9,000
<b>Total liabilities</b>	<b>2,497,514</b>	<b>39,708,865</b>	<b>478,221</b>	<b>1,768</b>	<b>55,710</b>	<b>19,979</b>	<b>8,363</b>	<b>(6,793)</b>	<b>42,763,627</b>
Net assets:									
Without donor restrictions:									
Undesignated	16,911,958	-	-	-	-	-	-	-	16,911,958
Board designated	633,354	2,001,565	3,743,799	1,256,903	1,023,813	1,038,714	3,081,332	-	12,779,480
Legally mandated	-	-	-	-	-	996,802	-	-	996,802
	17,545,312	2,001,565	3,743,799	1,256,903	1,023,813	2,035,516	3,081,332	-	30,688,240
With donor restrictions	5,823,531	-	-	-	-	-	151,404	-	5,974,935
<b>Total net assets</b>	<b>23,368,843</b>	<b>2,001,565</b>	<b>3,743,799</b>	<b>1,256,903</b>	<b>1,023,813</b>	<b>2,035,516</b>	<b>3,232,736</b>	<b>-</b>	<b>36,663,175</b>
<b>Total liabilities and net assets</b>	<b>\$ 25,866,357</b>	<b>\$ 41,710,430</b>	<b>\$ 4,222,020</b>	<b>\$ 1,258,671</b>	<b>\$ 1,079,523</b>	<b>\$ 2,055,495</b>	<b>\$ 3,241,099</b>	<b>\$ (6,793)</b>	<b>\$ 79,426,802</b>

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

COMBINING STATEMENT OF ACTIVITIES

Year Ended June 30, 2023

	Chancery	Deposit and Loan Fund	Charitable Trust Fund	Diocesan Benefit Plan	Division of School and Community Nutrition	Owensboro Catholic Cemeteries	Gasper River Catholic Retreat Center	Eliminations	Combined
<b>Revenue, support and gains:</b>									
Parish assessments	\$ 2,867,948	\$ -	\$ 185,750	\$ -	\$ -	\$ -	\$ -	\$ (21,000)	\$ 3,032,698
Contributions and bequests of cash and other financial assets	3,019,113	-	119,156	705,576	-	80	118,114	(801,576)	3,160,463
Contributions of nonfinancial assets	7,153	-	-	-	149,128	-	-	-	156,281
Investment return	2,016,784	1,973,082	289,900	47,907	50	67,263	10,626	-	4,405,612
Change in value of beneficial interests in trusts	(196)	-	-	-	-	-	-	-	(196)
Change in value of interest rate swap	15,628	-	-	-	-	-	-	-	15,628
Interest income on loans	1,211	285,966	-	-	-	-	-	-	287,177
Rental income	95,410	-	-	-	-	27,912	-	(3,600)	119,722
Income on real estate investments	227,351	-	-	-	-	-	-	-	227,351
Grants	1,466,814	-	-	-	910,283	-	4,000	(240)	2,380,857
Program and service fee income	389,454	-	-	6,384,599	1,182,373	379,909	319,408	(711,658)	7,944,085
Gain (loss) on disposal of property and equipment	(4,441)	-	-	-	-	-	-	-	(4,441)
Other income	319,056	-	100,000	-	44,795	100,000	102,933	(716)	666,068
Total revenue, support and gains	10,421,285	2,259,048	694,806	7,138,082	2,286,629	575,164	555,081	(1,538,790)	22,391,305
<b>Expenses and losses:</b>									
Salaries and wages	3,925,139	-	-	71,441	864,922	199,167	268,023	-	5,328,692
Payroll taxes	254,523	-	-	5,232	63,850	13,895	19,176	-	356,676
Employee benefits	665,947	-	-	7,629,392	158,575	40,676	41,633	(656,724)	7,879,499
Retired priests benefits	-	-	478,810	-	-	-	-	-	478,810
Rent expense	-	-	3,600	-	-	-	-	(3,600)	-
Professional and technical fees	188,196	-	837	372,171	10,706	869	18,950	-	591,729
Travel and auto expense	279,583	-	17,860	1,416	23,730	6,284	8,195	-	337,068
Postage and printing	239,503	-	-	1,475	819	90	1,183	-	243,070
Advertising	2,511	-	-	-	680	-	245	-	3,436
Insurance	68,995	-	3,592	-	19,683	18,324	14,095	-	124,689
Telephone and utilities	146,322	-	9,060	-	4,051	8,563	42,074	-	210,070
Repairs and maintenance	1,213,048	-	5,957	-	-	51,331	21,443	-	1,291,779
Supplies	2,467,246	-	53	-	2,702	9,501	10,520	-	2,490,022
Miscellaneous	48,567	53	-	-	9,615	773	1,648	(660)	59,996
Books, materials, subscriptions and dues	181,048	960	1,574	240	21,266	2,671	1,649	-	209,408
Assessments	91,242	-	-	-	-	-	-	-	91,242
Program services expense	838,712	-	8,836	22,935	1,170,521	101,424	85,148	(6,347)	2,221,229
Professional development expense	44,334	-	3,715	-	4,950	-	439	(2,025)	51,413
Depreciation expense	161,283	-	-	-	524	36,733	92,172	-	290,712
Interest expense	-	846,517	3,651	-	-	-	-	-	850,168
Grants, subsidies, and other direct aid	2,614,675	-	-	-	72,954	-	4,641	(869,434)	1,822,836
Bad debt expense	9,728	-	-	-	-	-	-	-	9,728
Total expenses and losses	13,440,602	847,530	537,545	8,104,302	2,429,548	490,301	631,234	(1,538,790)	24,942,272
<b>Excess (deficiency) of revenue, support and gains over expenses and losses</b>	(3,019,317)	1,411,518	157,261	(966,220)	(142,919)	84,863	(76,153)	-	(2,550,967)
<b>Transfers</b>	-	-	-	-	-	-	-	-	-
<b>Change in net assets</b>	(3,019,317)	1,411,518	157,261	(966,220)	(142,919)	84,863	(76,153)	-	(2,550,967)
<b>Net assets, beginning of year</b>	26,388,160	590,047	3,586,538	2,223,123	1,166,732	1,950,653	3,308,889	-	39,214,142
<b>Net assets, end of year</b>	<u>\$ 23,368,843</u>	<u>\$ 2,001,565</u>	<u>\$ 3,743,799</u>	<u>\$ 1,256,903</u>	<u>\$ 1,023,813</u>	<u>\$ 2,035,516</u>	<u>\$ 3,232,736</u>	<u>\$ -</u>	<u>\$ 36,663,175</u>