

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

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

***Years Ended June 30, 2025 and 2024***

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

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## 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, 2025 and 2024, 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, 2025 and 2024, 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 27-30 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.

*Riney Hancock CPAs PSC*  
Owensboro, Kentucky

January 14, 2026

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

COMBINED STATEMENTS OF FINANCIAL POSITION

June 30, 2025 and 2024

	2025	2024
<b>ASSETS</b>		
Cash and cash equivalents	\$ 2,754,822	\$ 2,383,446
Investments	73,728,196	71,212,628
Real estate held for investment	378,656	378,656
Accounts receivable:		
Due from parishes	643,919	595,059
Other	174,293	320,506
Grants	214,055	230,309
Notes receivable	5,770,172	5,877,052
Accrued interest receivable	1,197	479
Prepaid expenses	60,923	86,913
Inventories	57,600	60,330
Beneficial interests in trusts	155,775	195,273
Cemetery property	16,623	16,094
Property and equipment, net	5,764,566	6,150,810
<b>Total assets</b>	<b>\$ 89,720,797</b>	<b>\$ 87,507,555</b>
<b>LIABILITIES AND NET ASSETS</b>		
Accounts payable and accrued expenses	\$ 881,971	\$ 666,115
Due to related party	-	979
Deferred revenue	1,587,620	1,938,844
Accrued interest payable	28,323	23,448
Deposits payable	43,494,024	44,692,874
Collections payable	25,398	80,700
Notes payable	-	42,607
Accrued retirement obligations	271,505	458,364
Total liabilities	46,288,841	47,903,931
Net assets:		
Without donor restrictions:		
Undesignated	21,287,257	18,966,577
Board designated	16,939,645	14,262,054
Legally mandated	1,054,187	1,076,537
	39,281,089	34,305,168
With donor restrictions	4,150,867	5,298,456
Total net assets	43,431,956	39,603,624
<b>Total liabilities and net assets</b>	<b>\$ 89,720,797</b>	<b>\$ 87,507,555</b>

See Notes to Combined Financial Statements

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

COMBINED STATEMENTS OF ACTIVITIES

Years Ended June 30, 2025 and 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue, support and gains:</b>						
Parish assessments	\$ 3,961,989	\$ -	\$ 3,961,989	\$ 4,082,101	\$ -	\$ 4,082,101
Contributions and bequests of cash and other financial assets	463,711	1,611,189	2,074,900	1,436,699	1,976,516	3,413,215
Contributions of nonfinancial assets	102,572	-	102,572	170,928	-	170,928
Investment return	7,357,403	15,523	7,372,926	6,256,040	21,262	6,277,302
Change in value of beneficial interests in trusts	-	11,483	11,483	-	6,455	6,455
Interest income on loans	243,126	-	243,126	264,515	-	264,515
Rental income	135,454	-	135,454	152,658	-	152,658
Income on real estate investments	325	-	325	325	-	325
Grants	1,045,051	858,008	1,903,059	1,021,418	749,013	1,770,431
Program and service fee income	8,895,417	50,295	8,945,712	8,698,861	162,250	8,861,111
Gain (loss) on disposal of property and equipment	(98,679)	-	(98,679)	(147,039)	-	(147,039)
Other income	633,181	1,103	634,284	244,157	-	244,157
Net assets released from restrictions	3,695,190	(3,695,190)	-	3,591,975	(3,591,975)	-
<b>Total revenue, support and gains</b>	<b>26,434,740</b>	<b>(1,147,589)</b>	<b>25,287,151</b>	<b>25,772,638</b>	<b>(676,479)</b>	<b>25,096,159</b>
<b>Expenses and losses:</b>						
Salaries and wages	5,472,897	-	5,472,897	5,215,297	-	5,215,297
Payroll taxes	354,552	-	354,552	338,430	-	338,430
Employee benefits	7,658,060	-	7,658,060	7,913,385	-	7,913,385
Retired priests benefits	323,562	-	323,562	441,139	-	441,139
Rent expense	3,601	-	3,601	-	-	-
Professional and technical fees	523,898	-	523,898	674,812	-	674,812
Travel and auto expense	299,167	-	299,167	301,399	-	301,399
Postage and printing	252,525	-	252,525	243,691	-	243,691
Advertising	5,993	-	5,993	3,145	-	3,145
Insurance	176,782	-	176,782	153,954	-	153,954
Telephone and utilities	221,087	-	221,087	203,215	-	203,215
Repairs and maintenance	192,688	-	192,688	439,648	-	439,648
Supplies	453,817	-	453,817	377,395	-	377,395
Miscellaneous	51,647	-	51,647	66,608	-	66,608
Books, materials, subscriptions and dues	213,063	-	213,063	203,083	-	203,083
Assessments	94,309	-	94,309	70,689	-	70,689
Program services expense	2,420,023	-	2,420,023	2,253,538	-	2,253,538
Professional development expense	50,443	-	50,443	57,585	-	57,585
Depreciation expense	295,236	-	295,236	292,607	-	292,607
Interest expense	1,186,100	-	1,186,100	1,359,169	-	1,359,169
Grants, subsidies, and other direct aid	1,196,685	-	1,196,685	1,537,193	-	1,537,193
Bad debt expense	12,684	-	12,684	9,728	-	9,728
<b>Total expenses and losses</b>	<b>21,458,819</b>	<b>-</b>	<b>21,458,819</b>	<b>22,155,710</b>	<b>-</b>	<b>22,155,710</b>
<b>Change in net assets</b>	<b>4,975,921</b>	<b>(1,147,589)</b>	<b>3,828,332</b>	<b>3,616,928</b>	<b>(676,479)</b>	<b>2,940,449</b>
<b>Net assets, beginning of year</b>	<b>34,305,168</b>	<b>5,298,456</b>	<b>39,603,624</b>	<b>30,688,240</b>	<b>5,974,935</b>	<b>36,663,175</b>
<b>Net assets, end of year</b>	<b>\$ 39,281,089</b>	<b>\$ 4,150,867</b>	<b>\$ 43,431,956</b>	<b>\$ 34,305,168</b>	<b>\$ 5,298,456</b>	<b>\$ 39,603,624</b>

See Notes to Combined Financial Statements

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

COMBINED STATEMENTS OF FUNCTIONAL EXPENSES

Years Ended June 30, 2025 and 2024

	2025					2024				
	Program Services	Management and General	Fundraising	Eliminations	Total	Program Services	Management and General	Fundraising	Eliminations	Total
Salaries and wages	\$ 4,316,363	\$ 998,348	\$ 158,186	\$ -	\$ 5,472,897	\$ 4,098,719	\$ 952,530	\$ 164,048	\$ -	\$ 5,215,297
Payroll taxes	274,457	69,033	11,062	-	354,552	261,248	65,890	11,292	-	338,430
Employee benefits	8,137,190	163,842	31,579	(674,551)	7,658,060	8,416,369	165,304	31,213	(699,501)	7,913,385
Retired priests benefits	323,562	-	-	-	323,562	441,139	-	-	-	441,139
Rent	7,201	-	-	(3,600)	3,601	3,600	-	-	(3,600)	-
Professional and technical fees	415,548	92,798	15,552	-	523,898	577,810	88,229	8,773	-	674,812
Travel and auto expense	247,257	46,705	5,205	-	299,167	257,124	39,755	4,520	-	301,399
Postage and printing	170,637	41,118	40,770	-	252,525	160,501	32,474	50,716	-	243,691
Advertising	4,464	629	900	-	5,993	1,559	400	1,186	-	3,145
Insurance	92,584	84,198	-	-	176,782	77,483	76,471	-	-	153,954
Telephone and utilities	172,532	48,555	-	-	221,087	159,716	43,499	-	-	203,215
Repairs and maintenance	113,159	79,429	100	-	192,688	255,680	183,968	-	-	439,648
Supplies	409,315	43,814	688	-	453,817	337,365	39,344	686	-	377,395
Miscellaneous	36,318	9,567	6,680	(918)	51,647	39,082	22,816	4,807	(97)	66,608
Books, materials, subscriptions and dues	132,593	78,903	1,567	-	213,063	117,895	84,005	1,183	-	203,083
Assessments	-	94,309	-	-	94,309	-	70,689	-	-	70,689
Program services expense	2,375,511	9,028	46,571	(11,087)	2,420,023	2,241,901	6,127	19,570	(14,060)	2,253,538
Professional development expense	31,248	23,270	1,200	(5,275)	50,443	39,950	20,645	2,840	(5,850)	57,585
Depreciation expense	-	295,236	-	-	295,236	-	292,607	-	-	292,607
Interest expense	1,188,128	-	-	(2,028)	1,186,100	1,362,085	-	-	(2,916)	1,359,169
Grants, subsidies, and other direct aid	1,516,295	532,670	170,960	(1,023,240)	1,196,685	2,017,931	347,005	25,123	(852,866)	1,537,193
Bad debt expense	2,956	9,728	-	-	12,684	-	9,728	-	-	9,728
	<u>\$ 19,967,318</u>	<u>\$ 2,721,180</u>	<u>\$ 491,020</u>	<u>\$ (1,720,699)</u>	<u>\$ 21,458,819</u>	<u>\$ 20,867,157</u>	<u>\$ 2,541,486</u>	<u>\$ 325,957</u>	<u>\$ (1,578,890)</u>	<u>\$ 22,155,710</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, 2025 and 2024

	2025	2024
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ 3,828,332	\$ 2,940,449
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	295,236	292,607
Bad debts written off	12,684	9,728
Realized (gain) loss on investments	(1,413,062)	(419,069)
Unrealized (gain) loss on investments	(4,139,640)	(4,268,708)
Loss (gain) on sale of real estate investments	-	-
Change in beneficial interests in trusts	39,498	(6,455)
Loss (gain) on disposal of property and equipment	98,679	147,039
Decrease (increase) in operating assets:		
Cash restricted for deposits	-	-
Accounts receivable	100,923	(660,955)
Notes receivable	106,880	929,881
Accrued interest receivable	(718)	(479)
Prepaid expenses	25,990	42,751
Inventories	2,730	11,230
Cemetery property	(529)	1,333
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	215,856	302,272
Due to related party	(979)	(3,999,021)
Deferred revenue	(351,224)	(242,935)
Accrued interest payable	4,875	5,119
Deposits payable	(1,198,850)	8,984,009
Collections payable	(55,302)	43,134
Accrued retirement obligations	(186,859)	14,119
Pledges payable	-	(9,000)
Net cash provided by (used in) operating activities	(2,615,480)	4,117,049
<b>Cash flows from investing activities:</b>		
Purchases of property and equipment	(15,222)	(918,180)
Proceeds from sale of property and equipment	7,551	44,754
Purchases of investments	(12,560,298)	(21,609,768)
Proceeds from sale of investments	15,597,432	17,687,766
Net cash provided by (used in) investing activities	3,029,463	(4,795,428)
<b>Cash flows from financing activities:</b>		
Proceeds from notes payable	(100,000)	100,000
Repayment of notes payable	57,393	(57,393)
Net cash provided by (used in) financing activities	(42,607)	42,607
Net increase in cash	371,376	(635,772)
Cash and cash equivalents, beginning of year	2,383,446	3,019,218
Cash and cash equivalents, end of year	\$ 2,754,822	\$ 2,383,446
<b>Supplemental Cash Flows Information:</b>		
Cash paid for interest	\$ 1,186,100	\$ 1,359,169
Noncash operating transactions:		
Food commodities from the U.S. Department of Agriculture	\$ 102,572	\$ 170,928

See Notes to Combined Financial Statements

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

NOTES TO COMBINED FINANCIAL STATEMENTS

Years Ended June 30, 2025 and 2024

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**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, 2025 and 2024.

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

NOTES TO COMBINED FINANCIAL STATEMENTS

Years Ended June 30, 2025 and 2024

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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.

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, 2025 and 2024

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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.

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

NOTES TO COMBINED FINANCIAL STATEMENTS

Years Ended June 30, 2025 and 2024

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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, 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.

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 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.

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

NOTES TO COMBINED FINANCIAL STATEMENTS

Years Ended June 30, 2025 and 2024

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

Advertising

The Diocese expenses the costs of advertising as incurred.

**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:

	2025	2024
Chancery financial assets at year-end:		
Cash	\$ 618,128	\$ 464,175
Investments	24,927,775	23,320,905
Accounts receivable, excluding lease	796,183	751,780
Loans receivable	6,069	18,632
	26,348,155	24,555,492
Less amounts not available to be used within one year:		
Board designated financial assets	(1,162,168)	(1,179,646)
Donor restricted financial assets	(3,805,788)	(4,928,676)
Deferred revenue	(575,720)	-
Loans receivable not expected to be received within one year	(3,103)	(6,068)
Chancery financial assets available to meet general expenditures over the next twelve months	\$ 20,801,376	\$ 18,441,102

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.

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NOTES TO COMBINED FINANCIAL STATEMENTS

Years Ended June 30, 2025 and 2024

**3. Investments**

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

	2025		2024	
	Cost	Fair Value	Cost	Fair Value
Cash and cash equivalents	\$ 9,665,039	\$ 9,728,301	\$ 15,585,555	15,689,058
Corporate stocks	3,034,863	5,346,269	3,659,056	5,941,742
Exchange-traded funds and closed-end funds	38,200,559	46,413,078	29,176,487	33,901,973
Corporate income	936,478	955,843	-	-
Government securities	1,042,714	1,011,409	2,085,165	1,915,850
Mutual funds	8,752,254	10,273,296	12,755,007	13,764,005
	<u>\$ 61,631,907</u>	<u>\$ 73,728,196</u>	<u>\$ 63,261,270</u>	<u>71,212,628</u>

Real estate held for investment totaled \$378,656 and \$378,656 at June 30, 2025 and 2024, 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:

	2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Interest and dividend income	\$ 2,136,745	\$ 3,053	\$ 2,139,798
Realized gains (losses)	1,408,815	4,247	1,413,062
Unrealized gains (losses)	4,130,445	9,195	4,139,640
Investment fees	(318,602)	(972)	(319,574)
	<u>\$ 7,357,403</u>	<u>\$ 15,523</u>	<u>\$ 7,372,926</u>
	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>

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**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, 2025 and 2024, totaled \$43,705,930 and \$44,692,874, respectively. Depositors earned 3.25% on deposit balances during fiscal year 2024. This rate was decreased to 2.75% beginning in October of fiscal year 2025 and decreased again to 2.50% in December of fiscal year 2025. The rate remained unchanged throughout the remainder of fiscal year 2025. Depositors 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:

<u>Type of Loan</u>	2025		2024	
	Number of Loans	Balance	Number of Loans	Balance
4.00%	3	\$ 2,984,958	3	\$ 3,959,206
4.50%	1	1,533,159	1	1,756,607
5.00%	3	1,144,650	-	-
5.75%	1	101,336	2	142,607
	8	\$ 5,764,103	6	\$ 5,858,420

The loans, which are uncollateralized, generally mature five years from the date of the first payment.

Loans committed but not yet disbursed totaled \$7,300,000 and \$9,500,000 at June 30, 2025 and 2024, 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, 2025 and 2024, totaled \$155,775 and \$146,555, 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

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NOTES TO COMBINED FINANCIAL STATEMENTS

Years Ended June 30, 2025 and 2024

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

Perpetual Trust, Continued

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, 2025 and 2024, totaled \$9,220 and \$3,055, respectively.

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, totaled \$48,718. The beneficial interest is reported in the statements of financial position as net assets with donor restrictions because of the Diocese's right to receive its share of the trust assets is subject to the passage of time. 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, 2025 and 2024, totaled \$2,263 and \$3,400, respectively. The trust terminated during fiscal year 2025 upon the expiration of the specified time period, at which time the remaining trust assets were distributed.

**6. Property and Equipment**

Property and equipment consisted of the following at June 30:

	2025	2024
Land	\$ 1,066,326	\$ 1,066,326
Buildings and improvements	7,507,942	7,652,714
Furnishings and equipment	562,858	562,858
Computer and software	51,266	51,266
Vehicles	322,849	349,164
Land improvements	556,987	556,987
Construction in progress	15,222	-
	10,083,450	10,239,315
Accumulated depreciation	(4,318,884)	(4,088,505)
	\$ 5,764,566	\$ 6,150,810

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NOTES TO COMBINED FINANCIAL STATEMENTS

Years Ended June 30, 2025 and 2024

**6. Property and Equipment, Continued**

Depreciation expense for the years ended June 30, 2025 and 2024, totaled \$295,236 and \$292,607, respectively.

**7. Special Event Revenue**

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

	2025	2024
Contributions	\$ 88,223	\$ 118,372
Special event revenue	37,111	23,895
Special fundraising events, gross	\$ 125,334	\$ 142,267

**8. Contributed Nonfinancial Assets**

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

	2025	2024
Food	\$ 102,572	\$ 170,928

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.

Unless specifically restricted by donors, all contributed nonfinancial assets received by the Diocese for the years ended June 30, 2025 and 2024 were considered to be without donor restrictions.

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NOTES TO COMBINED FINANCIAL STATEMENTS

Years Ended June 30, 2025 and 2024

**9. Net Assets Without Donor Restrictions**

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

	<u>2025</u>	<u>2024</u>
Undesignated	\$ 21,287,257	\$ 18,966,577
Board-designated:		
Chancery		
Disaster Relief	-	868
Catholic Schools	-	-
Bishop's Fund	945,995	952,156
Social Concerns Ministries	6,017	16,466
Bishop McRaith Bequest Fund	210,156	210,156
	<u>1,162,168</u>	<u>1,179,646</u>
Deposit and Loan Fund	6,251,604	3,546,154
Charitable Trust Fund	4,440,116	3,990,123
Diocesan Benefit Plan	(268,902)	5,247
Division of School and Community Nutrition	725,490	951,112
Owensboro Catholic Cemeteries	1,248,582	1,107,024
Gasper River Catholic Retreat Center	3,380,587	3,482,748
	<u>16,939,645</u>	<u>14,262,054</u>
Legally mandated:		
Perpetual care and maintenance fund	1,054,187	1,076,537
Total	<u>\$ 39,281,089</u>	<u>\$ 34,305,168</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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NOTES TO COMBINED FINANCIAL STATEMENTS

Years Ended June 30, 2025 and 2024

**10. Net Assets With Donor Restrictions**

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

	2025		2024	
	Restricted	Released	Restricted	Released
By time and purpose:				
Chancery:				
Social Concerns Ministry	\$ 82,516	516,137	\$ 69,274	\$ 434,940
Catholic Charities	2,806,141	2,060,682	3,663,083	1,996,782
Disciples Response Fund	196,863	597,400	207,654	610,000
Social Needs	69,775	-	60,429	-
Seminary Education	586,067	372,284	895,025	283,581
Youth and Young Adult Ministries	17,227	86,566	33,211	192,140
Capital Campaign Designations	-	-	-	59,597
	3,758,589	3,633,069	4,928,676	3,577,040
Charitable Trust Fund:				
Capital Campaign Designations	47,199	-	-	-
Gaspar River Catholic Retreat Center	189,304	11,140	174,507	14,935
Beneficial interest in charitable trust for missions	-	50,981	48,718	-
	3,995,092	\$ 3,695,190	5,151,901	\$ 3,591,975
In perpetuity:				
Chancery:				
Beneficial interest in perpetual trust for catholic schools	155,775		146,555	
Total	\$ 4,150,867		\$ 5,298,456	

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

Years Ended June 30, 2025 and 2024

**11. Functional Expenses**

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

	2025	2024
Program services:		
Education	\$ 1,922,734	\$ 2,353,286
Worship and Spiritual Life	313,083	338,555
Social Concerns	3,385,122	3,556,697
Vocation Development	971,701	834,729
Grants to other organizations	150,900	140,142
Catholic Cemeteries	512,804	497,860
Charitable Trust Fund	367,702	487,208
Deposit and Loan Fund	1,181,598	1,353,291
Diocesan Benefit Plan	7,731,285	8,209,127
Gasper River Catholic Retreat Center	647,256	580,401
Division of School and Community Nutrition	2,783,133	2,515,861
Total program service expenses	19,967,318	20,867,157
Management and general:		
General and administrative	2,425,944	2,248,879
Depreciation	295,236	292,607
Total management and general	2,721,180	2,541,486
Total fundraising	491,020	325,957
Total expenses before eliminations	23,179,518	23,734,600
Less eliminations	(1,720,699)	(1,578,890)
Total expenses	\$ 21,458,819	\$ 22,155,710

**12. 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 at June 30, 2024 and is reflected as a liability in the combined statement of financial position.

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NOTES TO COMBINED FINANCIAL STATEMENTS

Years Ended June 30, 2025 and 2024

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**12. Retirement Plans, Continued**

Retired Priests Benefit, Continued

Benefits provided to retired priests under this plan totaled \$10,500 and \$26,400 for the years ended June 30, 2025 and 2024, respectively. At June 30, 2025, there was no future benefit obligation, and, therefore, no liability recorded. 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 \$271,505 and \$236,505 for the years ended June 30, 2025 and 2024, 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 9.03% and 8.39% of each participant's compensation to the Plan for fiscal years 2025 and 2024, respectively. Information regarding the Plan is publicly available at [www.cbsecurities.org](http://www.cbsecurities.org).

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.

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**12. Retirement Plans, Continued**

Defined Benefit Plan, Continued

The following presents information about the multi-employer pension Plan as of and for the years ended June 30, 2025 and 2024:

EIN and Plan Number	Pension Protection Act Zone Status		FIP/RP Status	Contributions for the Year Ended June 30,		Surcharge Imposed
	2025	2024		2025	2024	
36-2671613 Plan No. 333	Yellow 6/30/25	Yellow 6/30/24	N/A	\$417,330	\$377,567	No

The Diocese did not contribute more than 5% of total contributions to the Plan in fiscal years 2025 or 2024.

**13. 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.
- 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.

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Years Ended June 30, 2025 and 2024

**13. Fair Value Measurements, Continued**

Fair values of assets measured on a recurring basis at June 30, 2025, were as follows:

	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Investments:				
Cash and cash equivalents	\$ 9,728,301	\$ 9,728,301	\$ -	\$ -
Corporate stocks:				
Communication services	630,828			
Consumer discretionary	500,061			
Consumer staples	200,441			
Energy	243,064			
Financials	800,360			
Health care	609,245			
Industrials	507,813			
Information technology	1,405,084			
Materials	165,637			
Real estate	83,709			
Utilities	200,027			
	<u>5,346,269</u>	5,346,269	-	-
Exchange-traded and closed-end funds	<u>46,413,078</u>	46,413,078	-	-
Corporate income	<u>955,843</u>	955,843		
Government securities:				
Treasury	621,319			
Federal	390,090			
	<u>1,011,409</u>	-	1,011,409	-
Mutual funds:				
Equities	5,174,510			
Fixed income and preferreds	5,098,786			
	<u>10,273,296</u>	10,273,296	-	-
Total investments	<u>73,728,196</u>			
Beneficial interests in trusts	<u>155,775</u>	-	-	155,775
	<u>\$ 73,883,971</u>	<u>\$ 72,716,787</u>	<u>\$ 1,011,409</u>	<u>\$ 155,775</u>

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Years Ended June 30, 2025 and 2024

**13. Fair Value Measurements, Continued**

Fair values of assets measured on a recurring basis at June 30, 2024, were as follows:

	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
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	722,103			
	<u>1,915,850</u>	-	1,915,850	-
Mutual funds:				
Equities	6,903,932			
Fixed income and preferreds	6,860,073			
	<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>

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NOTES TO COMBINED FINANCIAL STATEMENTS

Years Ended June 30, 2025 and 2024

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**13. 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, 2025 and 2024.

**14. 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 \$2,191,008 and \$2,268,735 at June 30, 2025 and 2024, 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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NOTES TO COMBINED FINANCIAL STATEMENTS

Years Ended June 30, 2025 and 2024

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**15. 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, 2025 and 2024, 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, 2025 and 2024, totaling \$427,327 and \$251,122, respectively, based on actual activity occurring subsequent to year end.

**16. Related Party Transactions**

Legal services are provided to the Diocese by a member of the Diocesan Finance Council, for which the Diocese paid \$7,409 and \$5,970 for the years ended June 30, 2025 and 2024, respectively, none of which was payable at each fiscal year end.

Program services provided to the Diocese by family members of management or employees totaled \$34,180 and \$30,418 for the years ended June 30, 2025 and 2024, respectively, none of which was payable at each fiscal year end.

Program services provided to the Diocese by a member of the Diocesan Finance Council totaled \$57,600 and \$247,163 for the years ended June 30, 2025 and 2024, 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:

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NOTES TO COMBINED FINANCIAL STATEMENTS

Years Ended June 30, 2025 and 2024

**16. Related Party Transactions, Continued**

	2025	2024
Due to the Foundation:		
Refund	\$ -	\$ 979
	-	979
Contributions to the Foundation:		
On behalf of donors, including Vocare	\$ -	\$ 25,123
Revenue from the Foundation for program services:		
Operating Fund:		
Seminarians	\$ -	\$ 422,103
Religious education	5,543	25,692
Outreach	-	15,470
Catholic charities	-	13,244
Other programs	605,170	46,086
	\$ 610,713	\$ 522,595
Funds managed by the Foundation in assets held for others:		
Gaspar River Catholic Retreat Center	\$ 149,637	\$ 140,419
Receipts from the Foundation for management fees:		
Management Fees	\$ 119,794	105,156

**17. 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.

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NOTES TO COMBINED FINANCIAL STATEMENTS

Years Ended June 30, 2025 and 2024

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**18. 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.

**19. Employee Retention Credit**

The Diocese has applied for and received funds under the federal Employee Retention Credit (ERC) program. Due to uncertainty surrounding final approval and potential examination by the Internal Revenue Service, ERC proceeds have been accounted for as a gain contingency and recognized only when amounts were realized and collection was considered assured.

As of June 30, 2025, the Diocese had received ERC proceeds totaling \$211,535, which have been recognized as revenue in the accompanying financial statements. Subsequent to year end and through the date of issuance of these financial statements, the Diocese received additional ERC proceeds, bringing total receipts to \$1,367,961.

In addition, the Diocese has submitted ERC claims totaling approximately \$308,109 that have not yet been approved as of the date of issuance of these financial statements. No amounts related to these unapproved claims have been recorded in the financial statements. Management continues to monitor the status of these claims; however, due to the uncertainty of approval, no assurance can be given regarding the ultimate realization of these amounts.

**20. Subsequent Events**

The Diocese has evaluated subsequent events through January 14, 2026, the date the combined financial statements were available to be issued.

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COMBINING STATEMENT OF FINANCIAL POSITION

June 30, 2025

ASSETS	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
Cash and cash equivalents	\$ 618,128	\$ 1,179,512	\$ 205,473	\$ 151,653	\$ 597,217	\$ 202,271	\$ 12,474	\$ (211,906)	\$ 2,754,822
Investments	24,927,775	43,018,400	4,571,425	6,772	-	1,054,187	149,637	-	73,728,196
Real estate held for investment	378,656	-	-	-	-	-	-	-	378,656
Accounts receivable:									
Due from parishes	651,455	-	-	-	-	-	-	(7,536)	643,919
Other	88,799	-	13,104	-	-	53,759	18,631	-	174,293
Grants	55,929	-	-	-	158,126	-	-	-	214,055
Loans receivable	6,069	5,764,103	-	-	-	-	-	-	5,770,172
Accrued interest receivable	-	1,197	-	-	-	-	-	-	1,197
Prepaid expenses	60,923	-	-	-	-	-	-	-	60,923
Inventories	-	-	-	-	57,600	-	-	-	57,600
Beneficial interests in trusts	155,775	-	-	-	-	-	-	-	155,775
Cemetery property	-	-	-	-	-	16,623	-	-	16,623
Property and equipment, net	1,367,265	-	-	-	-	991,572	3,405,729	-	5,764,566
<b>Total assets</b>	<b>\$ 28,310,774</b>	<b>\$ 49,963,212</b>	<b>\$ 4,790,002</b>	<b>\$ 158,425</b>	<b>\$ 812,943</b>	<b>\$ 2,318,412</b>	<b>\$ 3,586,471</b>	<b>\$ (219,442)</b>	<b>\$ 89,720,797</b>
<b>LIABILITIES AND NET ASSETS</b>									
Accounts payable and accrued expenses	\$ 395,228	\$ 5,678	\$ 2,859	\$ 427,327	\$ 34,702	\$ 10,863	\$ 12,850	\$ (7,536)	\$ 881,971
Deferred revenue	1,526,359	-	-	-	52,751	4,780	3,730	-	1,587,620
Accrued interest payable	-	-	28,323	-	-	-	-	-	28,323
Deposits payable	-	43,705,930	-	-	-	-	-	(211,906)	43,494,024
Collections payable	25,398	-	-	-	-	-	-	-	25,398
Accrued retirement obligations	-	-	271,505	-	-	-	-	-	271,505
<b>Total liabilities</b>	<b>1,946,985</b>	<b>43,711,608</b>	<b>302,687</b>	<b>427,327</b>	<b>87,453</b>	<b>15,643</b>	<b>16,580</b>	<b>(219,442)</b>	<b>46,288,841</b>
Net assets:									
Without donor restrictions:									
Undesignated	21,287,257	-	-	-	-	-	-	-	21,287,257
Board designated	1,162,168	6,251,604	4,440,116	(268,902)	725,490	1,248,582	3,380,587	-	16,939,645
Legally mandated	-	-	-	-	-	1,054,187	-	-	1,054,187
	<u>22,449,425</u>	<u>6,251,604</u>	<u>4,440,116</u>	<u>(268,902)</u>	<u>725,490</u>	<u>2,302,769</u>	<u>3,380,587</u>	<u>-</u>	<u>39,281,089</u>
With donor restrictions	3,914,364	-	47,199	-	-	-	189,304	-	4,150,867
<b>Total net assets</b>	<b>26,363,789</b>	<b>6,251,604</b>	<b>4,487,315</b>	<b>(268,902)</b>	<b>725,490</b>	<b>2,302,769</b>	<b>3,569,891</b>	<b>-</b>	<b>43,431,956</b>
<b>Total liabilities and net assets</b>	<b>\$ 28,310,774</b>	<b>\$ 49,963,212</b>	<b>\$ 4,790,002</b>	<b>\$ 158,425</b>	<b>\$ 812,943</b>	<b>\$ 2,318,412</b>	<b>\$ 3,586,471</b>	<b>\$ (219,442)</b>	<b>\$ 89,720,797</b>

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

COMBINING STATEMENT OF ACTIVITIES

Year Ended June 30, 2025

	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	\$ 3,779,697	\$ -	\$ 203,292	\$ -	\$ -	\$ -	\$ -	\$ (21,000)	\$ 3,961,989
Contributions and bequests of cash and other financial assets	1,818,271	-	176,307	725,000	-	250	315,072	(960,000)	2,074,900
Contributions of nonfinancial assets	-	-	-	-	102,572	-	-	-	102,572
Investment return	2,510,914	4,244,047	486,254	2,305	298	113,727	15,752	(371)	7,372,926
Change in value of beneficial interests in trusts	11,483	-	-	-	-	-	-	-	11,483
Interest income on loans	820	243,963	-	-	-	-	-	(1,657)	243,126
Rental income	121,919	-	-	-	-	17,135	-	(3,600)	135,454
Income on real estate investments	325	-	-	-	-	-	-	-	325
Grants	897,047	-	-	-	1,015,012	-	-	(9,000)	1,903,059
Program and service fee income	914,489	-	-	6,730,630	1,233,437	454,038	335,738	(722,620)	8,945,712
Gain (loss) on disposal of property and equipment	(87,573)	-	-	-	-	(11,106)	-	-	(98,679)
Other income	316,046	-	-	-	207,152	109,649	3,888	(2,451)	634,284
<b>Total revenue, support and gains</b>	<b>10,283,438</b>	<b>4,488,010</b>	<b>865,853</b>	<b>7,457,935</b>	<b>2,558,471</b>	<b>683,693</b>	<b>670,450</b>	<b>(1,720,699)</b>	<b>25,287,151</b>
<b>Expenses and losses:</b>									
Salaries and wages	3,880,068	-	-	77,428	935,368	232,045	347,988	-	5,472,897
Payroll taxes	239,592	-	-	5,399	68,692	16,000	24,869	-	354,552
Employee benefits	670,177	-	-	7,364,108	180,252	52,651	65,423	(674,551)	7,658,060
Retired priests benefits	-	-	323,562	-	-	-	-	-	323,562
Rent expense	3,601	-	3,600	-	-	-	-	(3,600)	3,601
Professional and technical fees	206,496	-	2,232	277,735	17,413	581	19,441	-	523,898
Travel and auto expense	241,813	-	13,500	-	32,011	5,792	6,051	-	299,167
Postage and printing	250,123	-	160	-	1,100	250	892	-	252,525
Advertising	4,698	-	-	-	883	-	412	-	5,993
Insurance	104,380	-	5,454	-	19,867	23,292	23,789	-	176,782
Telephone and utilities	162,914	-	7,624	-	4,662	9,051	36,836	-	221,087
Repairs and maintenance	142,935	-	3,478	-	2,190	22,524	21,561	-	192,688
Supplies	421,609	-	998	-	9,999	8,380	12,831	-	453,817
Miscellaneous	36,208	2	24	-	14,086	2,142	103	(918)	51,647
Books, materials, subscriptions and dues	184,023	962	960	799	21,859	2,669	1,791	-	213,063
Assessments	94,309	-	-	-	-	-	-	-	94,309
Program services expense	859,071	-	103	6,615	1,353,048	136,730	75,543	(11,087)	2,420,023
Professional development expense	44,534	-	2,091	-	6,528	-	2,565	(5,275)	50,443
Depreciation expense	134,917	-	-	-	-	50,721	109,598	-	295,236
Interest expense	-	1,181,596	4,875	-	-	1,657	-	(2,028)	1,186,100
Grants, subsidies, and other direct aid	2,098,625	-	-	-	116,135	-	5,165	(1,023,240)	1,196,685
Bad debt expense	9,728	-	-	-	-	-	2,956	-	12,684
<b>Total expenses and losses</b>	<b>9,789,821</b>	<b>1,182,560</b>	<b>368,661</b>	<b>7,732,084</b>	<b>2,784,093</b>	<b>564,485</b>	<b>757,814</b>	<b>(1,720,699)</b>	<b>21,458,819</b>
<b>Excess (deficiency) of revenue, support and gains over expenses and losses</b>	<b>493,617</b>	<b>3,305,450</b>	<b>497,192</b>	<b>(274,149)</b>	<b>(225,622)</b>	<b>119,208</b>	<b>(87,364)</b>	<b>-</b>	<b>3,828,332</b>
<b>Transfers</b>	<b>600,000</b>	<b>(600,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Change in net assets</b>	<b>1,093,617</b>	<b>2,705,450</b>	<b>497,192</b>	<b>(274,149)</b>	<b>(225,622)</b>	<b>119,208</b>	<b>(87,364)</b>	<b>-</b>	<b>3,828,332</b>
<b>Net assets, beginning 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>
<b>Net assets, end of year</b>	<b>\$ 26,363,789</b>	<b>\$ 6,251,604</b>	<b>\$ 4,487,315</b>	<b>\$ (268,902)</b>	<b>\$ 725,490</b>	<b>\$ 2,302,769</b>	<b>\$ 3,569,891</b>	<b>\$ -</b>	<b>\$ 43,431,956</b>

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

COMBINING STATEMENT OF FINANCIAL POSITION

June 30, 2024

ASSETS	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
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
<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
	<u>20,146,223</u>	<u>3,546,154</u>	<u>3,990,123</u>	<u>5,247</u>	<u>951,112</u>	<u>2,183,561</u>	<u>3,482,748</u>	<u>-</u>	<u>34,305,168</u>
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	Gasper 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>