

**ADMINISTRATIVE OFFICES OF THE ROMAN  
CATHOLIC DIOCESE OF DES MOINES**

**FINANCIAL STATEMENTS**

**YEARS ENDED JUNE 30, 2023 AND 2022**



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CATHOLIC DIOCESE OF DES MOINES  
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YEARS ENDED JUNE 30, 2023 AND 2022**

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## INDEPENDENT AUDITORS' REPORT

The Most Reverend William M. Joensen  
Bishop of the Diocese of Des Moines  
Administrative Offices of The Roman Catholic Diocese of Des Moines  
Des Moines, Iowa

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of the Administrative Offices of The Roman Catholic Diocese of Des Moines (the Diocese), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Diocese as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Diocese and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Diocese's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

The Most Reverend William M. Joensen  
Bishop of the Diocese of Des Moines  
Administrative Offices of The Roman Catholic Diocese of Des Moines

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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 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.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Cedar Rapids, Iowa  
December 12, 2023

**ADMINISTRATIVE OFFICES OF THE ROMAN  
CATHOLIC DIOCESE OF DES MOINES  
STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2023 AND 2022**

	2023	2022
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 475,191	\$ 645,205
Receivables		
Accounts, Less Allowance	968,558	411,322
Annual Appeal	1,619,642	1,035,651
Due from Affiliates	22,729	9,463
Bequests	-	3,233
Promises to Give, Net of Allowance and Discount	14,590,689	11,464,935
Split-Interest Agreement Receivable	26,105	22,536
Investments	13,418,587	11,393,812
Equity Balance in Insurance Pool	336,717	300,235
Property and Equipment, Net	158,015	157,122
Prepays and Other Assets	307,125	36,768
	\$ 31,923,358	\$ 25,480,282
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts Payable and Accrued Expenses	\$ 1,033,478	\$ 1,060,877
Due to Affiliates	551,929	763,037
Funds Held for Others	66,841	38,658
Capital Campaign - Amounts Raised for Other Organizations, Net of Allowance and Discount	17,467,328	11,204,077
Accrued Employee Benefits	111,960	111,471
Annual Appeal Refunds	19,055	15,333
Deferred Revenue	-	19,430
Accrued Postretirement Benefits	4,409,317	5,182,985
Net Unfunded Accrued Priest Pension Liability (Asset)	(1,280,492)	1,815,730
	22,379,416	20,211,598
<b>NET ASSETS</b>		
Without Donor Restrictions		
Board-Designated	2,018,520	1,844,136
Undesignated	5,578,013	1,789,527
Total Without Donor Restrictions	7,596,533	3,633,663
With Donor Restrictions	1,947,409	1,635,021
Total Net Assets	9,543,942	5,268,684
	\$ 31,923,358	\$ 25,480,282

See accompanying Notes to Financial Statements.

**ADMINISTRATIVE OFFICES OF THE ROMAN  
CATHOLIC DIOCESE OF DES MOINES  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2023**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE</b>			
Capital Campaign Results	\$ 17,274,393	\$ -	\$ 17,274,393
Less: Amounts Raised for Other Organizations	(16,789,502)	-	(16,789,502)
Less: Bad Debt Expense	(76,406)	-	(76,406)
Net Capital Campaign Contributions	408,485	-	408,485
Annual Diocesan Appeal	4,825,709	-	4,825,709
Endowment Income	948,870	86,428	1,035,298
Contributions	496,699	337,831	834,530
Program Service Fees	715,373	-	715,373
Investment Return	465,313	114,770	580,083
Advertising Revenue	37,758	-	37,758
Grants	102,780	-	102,780
Other Reimbursements	786,491	-	786,491
Insurance Risk Retention			
Property, Casualty, and Liability	1,406,148	-	1,406,148
Workers' Compensation	340,861	-	340,861
Net Assets Released from Restrictions			
Time Restricted	3,233	(3,233)	-
Purpose Restricted	223,408	(223,408)	-
Total Support and Revenue	10,761,128	312,388	11,073,516
<b>EXPENSES</b>			
Program Services			
Pastoral	2,368,935	-	2,368,935
Religious Development	777,765	-	777,765
Education	926,344	-	926,344
Clergy Care	1,562,702	-	1,562,702
Group Insurance	1,732,010	-	1,732,010
Total Program Services	7,367,756	-	7,367,756
Supporting Services			
Diocesan Administration	1,917,468	-	1,917,468
Development and Stewardship	192,975	-	192,975
Pastoral Center	476,627	-	476,627
Capital Campaign	713,322	-	713,322
Total Supporting Services	3,300,392	-	3,300,392
Total Expenses	10,668,148	-	10,668,148
<b>CHANGE IN NET ASSETS BEFORE OTHER CHANGES</b>	92,980	312,388	405,368
<b>OTHER CHANGES</b>			
Change in Value of Accrued Postretirement Benefits	773,668	-	773,668
Change in Value of Accrued Pension Plan	3,096,222	-	3,096,222
Total Other Changes	3,869,890	-	3,869,890
<b>CHANGE IN NET ASSETS</b>	3,962,870	312,388	4,275,258
Net Assets - Beginning of Year	3,633,663	1,635,021	5,268,684
<b>NET ASSETS - END OF YEAR</b>	\$ 7,596,533	\$ 1,947,409	\$ 9,543,942

See accompanying Notes to Financial Statements.

**ADMINISTRATIVE OFFICES OF THE ROMAN  
CATHOLIC DIOCESE OF DES MOINES  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2022**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE</b>			
Capital Campaign Results	\$ 13,179,694	\$ -	\$ 13,179,694
Less: Amounts Raised for Other Organizations	<u>(11,741,483)</u>	<u>-</u>	<u>(11,741,483)</u>
Net Capital Campaign Contributions	1,438,211	-	1,438,211
Annual Diocesan Appeal	4,636,870	-	4,636,870
Endowment Income	1,472,112	-	1,472,112
Contributions	479,925	436,698	916,623
Program Service Fees	655,741	-	655,741
Investment Return	(648,298)	(135,306)	(783,604)
Advertising Revenue	50,695	-	50,695
Grants	91,624	12,765	104,389
National Youth Conference	191,458	-	191,458
Other Reimbursements	552,246	-	552,246
Insurance Risk Retention			
Property, Casualty, and Liability	1,310,990	-	1,310,990
Workers' Compensation	350,742	-	350,742
Net Assets Released from Restrictions			
Time Restricted	1,619	(1,619)	-
Purpose Restricted	<u>178,195</u>	<u>(178,195)</u>	<u>-</u>
Total Support and Revenue	<u>10,762,130</u>	<u>134,343</u>	<u>10,896,473</u>
<b>EXPENSES</b>			
Program Services			
Pastoral	2,364,479	-	2,364,479
Religious Development	920,284	-	920,284
Education	1,046,003	-	1,046,003
Clergy Care	1,263,911	-	1,263,911
Group Insurance	<u>1,656,474</u>	<u>-</u>	<u>1,656,474</u>
Total Program Services	<u>7,251,151</u>	<u>-</u>	<u>7,251,151</u>
Supporting Services			
Diocesan Administration	1,829,446	-	1,829,446
Development and Stewardship	184,825	-	184,825
Pastoral Center	401,184	-	401,184
Capital Campaign	<u>955,489</u>	<u>-</u>	<u>955,489</u>
Total Supporting Services	<u>3,370,944</u>	<u>-</u>	<u>3,370,944</u>
Total Expenses	<u>10,622,095</u>	<u>-</u>	<u>10,622,095</u>
<b>CHANGE IN NET ASSETS BEFORE OTHER CHANGES</b>	140,035	134,343	274,378
<b>OTHER CHANGES</b>			
Change in Value of Accrued Postretirement Benefits	(32,415)	-	(32,415)
Change in Value of Accrued Pension Plan	<u>856,396</u>	<u>-</u>	<u>856,396</u>
Total Other Changes	<u>823,981</u>	<u>-</u>	<u>823,981</u>
<b>CHANGE IN NET ASSETS</b>	964,016	134,343	1,098,359
Net Assets - Beginning of Year	<u>2,669,647</u>	<u>1,500,678</u>	<u>4,170,325</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 3,633,663</u>	<u>\$ 1,635,021</u>	<u>\$ 5,268,684</u>

See accompanying Notes to Financial Statements.

**ADMINISTRATIVE OFFICES OF THE ROMAN  
CATHOLIC DIOCESE OF DES MOINES  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED JUNE 30, 2023**

	Program Services						Supporting Services					Total Expenses	
	Pastoral	Religious		Clergy	Group	Total	Diocesan Administration	Development and Stewardship		Pastoral	Capital		Total
		Development	Education	Care	Insurance			Center	Campaign				
Salaries and Wages	\$ 716,664	\$ 199,567	\$ 508,958	\$ 126,671	\$ 12,303	\$ 1,564,163	\$ 872,065	\$ 85,781	\$ 103,713	\$ 38,095	\$ 1,099,654	\$ 2,663,817	
Employee Benefits and Taxes	222,177	34,734	115,755	55,129	941	428,736	265,059	16,389	25,938	9,056	316,442	745,178	
Total Salaries and Related Expenses	938,841	234,301	624,713	181,800	13,244	1,992,899	1,137,124	102,170	129,651	47,151	1,416,096	3,408,995	
Contracted Services	362,978	11,631	169,280	79,938	7,246	631,073	227,076	10,079	3,308	546,811	787,274	1,418,347	
Postage and Printing	62,383	936	254	1,623	-	65,196	48,321	61,190	-	83,617	193,128	258,324	
Administrative Expenses	12,214	4,412	45,717	178,451	-	240,794	2,885	1,766	960	-	5,611	246,405	
Software Maintenance Fees	1,943	-	-	-	-	1,943	175,814	-	-	-	175,814	177,757	
Priest and Seminarian Health Insurance and Priest Retirement	-	50,192	-	939,061	-	989,253	-	-	-	-	-	989,253	
Financial Assistance	102,780	95,700	11,977	-	-	210,457	1,992	-	-	-	1,992	212,449	
Program Services	160,165	17,400	45,249	32,887	-	255,701	56,162	15,836	-	-	71,998	327,699	
Tuition/Board	25,156	335,119	-	-	-	360,275	580	-	-	-	580	360,855	
Employee Education and Travel	62,474	28,074	29,154	86,810	-	206,512	57,203	809	2,623	-	60,635	267,147	
Occupancy	-	-	-	3,875	-	3,875	5,999	-	273,925	-	279,924	283,799	
Depreciation	-	-	-	-	-	-	-	-	65,760	-	65,760	65,760	
Assessments	-	-	-	-	-	-	139,082	-	-	-	139,082	139,082	
Property, Casualty, and Liability Group Plan	-	-	-	-	1,382,068	1,382,068	-	-	-	-	-	1,382,068	
Workers Compensation Group Plan	-	-	-	-	329,452	329,452	-	-	-	-	-	329,452	
Contributions	638,689	-	-	27,962	-	666,651	36,152	1,125	-	-	37,277	703,928	
Miscellaneous	1,312	-	-	30,295	-	31,607	29,078	-	400	35,743	65,221	96,828	
Total Expenses	\$ 2,368,935	\$ 777,765	\$ 926,344	\$ 1,562,702	\$ 1,732,010	\$ 7,367,756	\$ 1,917,468	\$ 192,975	\$ 476,627	\$ 713,322	\$ 3,300,392	\$ 10,668,148	

See accompanying Notes to Financial Statements.



**ADMINISTRATIVE OFFICES OF THE ROMAN  
CATHOLIC DIOCESE OF DES MOINES  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED JUNE 30, 2022**

	Program Services						Supporting Services					Total Expenses
	Pastoral	Religious	Education	Clergy	Group	Total	Diocesan Administration	Development	Pastoral Center	Capital	Total	
		Development		Care	Insurance			and Stewardship		Campaign		
Salaries and Wages	\$ 667,075	\$ 156,212	\$ 461,099	\$ 44,586	\$ 10,717	\$ 1,339,689	\$ 844,815	\$ 80,773	\$ 92,551	\$ 71,521	\$ 1,089,660	\$ 2,429,349
Employee Benefits and Taxes	164,249	32,785	102,208	22,339	820	322,401	215,289	14,287	22,977	14,922	267,475	589,876
Total Salaries and Related Expenses	831,324	188,997	563,307	66,925	11,537	1,662,090	1,060,104	95,060	115,528	86,443	1,357,135	3,019,225
Contracted Services	433,257	9,076	157,490	134,332	7,753	741,908	254,822	10,935	-	805,366	1,071,123	1,813,031
Postage and Printing	108,265	1,422	528	20	-	110,235	40,424	59,061	-	54,278	153,763	263,998
Administrative Expenses	8,578	580	30,798	17,936	-	57,892	18,792	3,356	1,013	-	23,161	81,053
Software Maintenance Fees	900	165	52	-	-	1,117	155,664	180	-	-	155,844	156,961
Priest and Seminarian Health Insurance and Priest Retirement	-	48,776	-	940,347	-	989,123	-	-	-	-	-	989,123
Financial Assistance	80,561	59,392	1,872	-	-	141,825	-	-	-	-	-	141,825
Program Services	111,717	50,898	52,789	34,255	-	249,659	48,327	13,303	-	3,066	64,696	314,355
Tuition/Board	27,514	533,953	-	-	-	561,467	-	-	-	-	-	561,467
Employee Education and Travel	47,263	27,024	20,556	64,318	-	159,161	50,312	2,930	1,137	1,022	55,401	214,562
Occupancy	450	-	34	5,728	-	6,212	5,378	-	223,955	-	229,333	235,545
Depreciation	-	-	-	-	-	-	-	-	59,551	-	59,551	59,551
Assessments	-	-	-	-	-	-	139,030	-	-	-	139,030	139,030
Property, Casualty, and Liability Group Plan	-	-	-	-	1,279,492	1,279,492	-	-	-	-	-	1,279,492
Workers Compensation Group Plan	-	-	-	-	357,692	357,692	-	-	-	-	-	357,692
National Catholic Youth Conference	-	-	218,576	-	-	218,576	-	-	-	-	-	218,576
Contributions	714,650	-	-	-	-	714,650	24,650	-	-	-	24,650	739,300
Miscellaneous	-	1	1	50	-	52	31,943	-	-	5,314	37,257	37,309
<b>Total Expenses</b>	<b>\$ 2,364,479</b>	<b>\$ 920,284</b>	<b>\$ 1,046,003</b>	<b>\$ 1,263,911</b>	<b>\$ 1,656,474</b>	<b>\$ 7,251,151</b>	<b>\$ 1,829,446</b>	<b>\$ 184,825</b>	<b>\$ 401,184</b>	<b>\$ 955,489</b>	<b>\$ 3,370,944</b>	<b>\$ 10,622,095</b>

See accompanying Notes to Financial Statements.

**ADMINISTRATIVE OFFICES OF THE ROMAN  
CATHOLIC DIOCESE OF DES MOINES  
STATEMENTS OF CASH FLOWS  
YEARS ENDED JUNE 30, 2023 AND 2022**

	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 4,275,258	\$ 1,098,359
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	65,760	59,551
Bad Debt Expense	77,904	1,557
Loss on Disposal of Property and Equipment	5,966	-
Unrealized and Realized (Gains) Losses on Investments	(306,293)	868,359
Unrealized (Gain) Loss on Value of Equity Balance in Insurance Pool	(36,482)	54,161
Net Change in Accrued Postretirement Benefits	(773,668)	32,415
Net Change in Accrued Pension Plan	(3,096,222)	(856,396)
Changes in Assets and Liabilities:		
Accounts Receivable	(635,140)	(154,022)
Annual Appeal	(583,991)	(162,846)
Due from Affiliates	(13,266)	123,971
Bequests	3,233	1,619
Promises to Give	(3,125,754)	(5,015,188)
Split-Interest Agreement	(3,569)	15,658
Prepays and Other Assets	(270,357)	95,530
Accounts Payable and Accrued Expenses	(27,399)	231,046
Due to Affiliates	(211,108)	316,875
Funds Held for Others	28,183	(22,102)
Capital Campaign - Amounts Raised for Other Organizations	6,263,251	5,139,391
Accrued Employee Benefits	489	(20,895)
Annual Appeal Refunds	3,722	(12,232)
Deferred Revenue	(19,430)	19,430
Net Cash Provided by Operating Activities	1,621,087	1,814,241
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from the Sale of Investments	91,000	-
Purchase of Investments	(1,809,482)	(1,743,529)
Purchase of Property and Equipment	(72,619)	(84,830)
Net Cash Used by Investing Activities	(1,791,101)	(1,828,359)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(170,014)	(14,118)
Cash and Cash Equivalents - Beginning of Year	645,205	659,323
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 475,191	\$ 645,205

See accompanying Notes to Financial Statements.

**ADMINISTRATIVE OFFICES OF THE ROMAN  
CATHOLIC DIOCESE OF DES MOINES  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

**NOTE 1 ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities**

The Administrative Offices of The Roman Catholic Diocese of Des Moines (the Diocese) was organized in 1911 and is a constituent of the Roman Catholic Church. The Diocese spans 23 counties in Central and Southwest Iowa, and its purpose is to promote the spiritual and educational interests and administer to the temporal affairs of the Roman Catholic Church in this area.

These statements exclude the financial position and transactions of the parishes and missions, schools, and parish operated cemeteries. These organizations are separate operating entities distinct from the Diocese and maintains separate accounts and carries on its own services and programs.

**Major Programs**

Pastoral

Provides marriage preparation, worship, Hispanic ministry, evangelization using traditional and new forms of media, and the monthly Catholic Mirror, and financial assistance to Catholic Charities.

Religious Development

Provides education and formation for men enrolled in the seminary and for couples enrolled in the permanent diaconate. Priests are provided a sabbatical during their years of ministry as well as an active campus and youth ministry program.

Education

Provides oversight and assistance to the 17 schools in the Diocese along with the Faith Formation programs at each parish.

Clergy Care

Provides for the health insurance needs of all active and retired priests in the Diocese.

Group Insurance

Includes the activity of the self-funded property/casualty insurance administered by the Diocese for parishes and schools within the Diocese. This also includes workers' compensation insurance for all entities within the Diocese.

**Basis of Accounting**

The accompanying financial statements have been prepared using the accrual basis of accounting. As such, revenues are recognized when earned and expenses are recognized when the underlying obligations are incurred.

**Use of 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. Accordingly, actual results could differ from those estimates.

**ADMINISTRATIVE OFFICES OF THE ROMAN  
CATHOLIC DIOCESE OF DES MOINES  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

**NOTE 1 ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenue Recognition**

Major sources of revenue include the Annual Diocesan Appeal, the Ignite! Capital Campaign, income on investments, insurance assessments to the parishes of the Diocese, and various other grants and contributions.

Revenue is recognized as the performance obligations are satisfied. Performance obligations are determined based on the nature of the services provided by the Diocese. Revenue for performance obligations satisfied at a point in time is recognized when goods or services are provided, and the Diocese does not believe they are required to provide additional goods or services to the client. The following table presents the revenue streams that are satisfied, and recognized, over time, within the fiscal year, as the underlying services are rendered:

	<u>2023</u>	<u>2022</u>
Other Reimbursements	\$ 786,491	\$ 552,246
Property, Casualty, and Liability	1,406,148	1,310,990
Workers' Compensation	340,861	350,742
Total	<u>\$ 2,533,500</u>	<u>\$ 2,213,978</u>
	<u>2023</u>	<u>2022</u>
Program Service Fees	\$ 715,373	\$ 655,741
Advertising Revenue	37,758	50,695
National Youth Conference	-	191,458
Total	<u>\$ 753,131</u>	<u>\$ 897,894</u>

Property, Casualty, and Liability, Workers' Compensation, Other Reimbursements, and Program Service Fees are recognized as revenue during the period in which the insurance coverage or related services are provided and during the period the assessment is made. Advertising is recognized as revenue when the related service is provided. National Youth Conference is recognized as revenue when the associated conference is held.

Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets with or without donor restrictions, depending on the existence and/or nature of any donor restrictions, at the date of pledge. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Bequests are recognized as contributions when the donor passes away or the underlying will has been deemed irrevocable. The amount initially recognized is generally based on the executor's estimated value of the amount to be received.

**Donated Assets**

Donated marketable securities and other noncash donations are recorded as contributions at their estimated fair values at the date of donation.

**ADMINISTRATIVE OFFICES OF THE ROMAN  
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**NOTE 1 ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Cash and Cash Equivalents**

Cash consists of checking and savings accounts. The Diocese considers money market funds and short-term treasury funds with a maturity of three months or less at inception to be cash equivalents. Cash management funds held in brokerage accounts are classified as investments.

**Investments**

Investments are recorded at fair value, with gains and losses resulting from market fluctuations recognized in the period in which the fluctuations occur. Investment return is reported as an increase or decrease in net assets without donor restrictions unless the use of the assets is restricted by the donor.

**Split-Interest Gifts**

A split-interest gift is one in which a donor makes an initial gift to a trust or directly to the Diocese, in which the Diocese has a beneficial interest, but the donor retains a portion of the benefits of the assets or names a third party as the recipient of a portion of the benefits. To date, the Diocese has been party to a charitable remainder annuity trust agreement, for which the accounting policy is as follows:

A charitable remainder annuity trust agreement is an arrangement whereby a trust provides for the payment of distributions to the grantor over the lives of the grantor or the grantor's surviving spouse. At the end of the trust's term, the remaining assets are available for the Diocese's use.

**Property and Equipment**

Property and equipment is stated at cost. Cost is reduced for related state historical preservation tax credits. Depreciation is computed using the straight-line method over the useful lives of the assets, which range from 2 to 40 years.

**Funds Held for Others**

The Diocese accepts cash or other assets from donors and agrees to use the assets on behalf of or transfer the assets to a specified beneficiary. These amounts are recognized as funds held for others in the statements of financial position.

**Net Assets**

Net assets, revenues, and other support are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* – Net assets that are available for use in general operations and not subject to donor restrictions. The Diocese's governing board may earmark portions of its net assets without donor restrictions as board-designated for various purposes.

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**NOTE 1 ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Net Assets (Continued)**

*Net Assets With Donor Restrictions* – Net assets that are subject to donor restrictions. Some donor-imposed restrictions are temporary in nature such as those that will be met by the passage of time or by actions of the Diocese meeting the purpose of the restriction. Other donor-imposed restrictions are perpetual in nature, such as endowment type funds, where the donor stipulates that sources be maintained in perpetuity. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the stipulated time restriction ends, or purpose restriction is accomplished, in the same reporting period as the initial contribution.

**Income Taxes**

The Diocese is exempt from the payment of income taxes under Internal Revenue Code Section 501(c)(3). The Diocese believes it has appropriate support for any tax positions taken, and therefore, does not have any uncertain income tax positions that are material to the financial statements. The Diocese is not required to file an annual return for organizations exempt from income tax.

**Concentrations of Credit Risk**

Accounts receivable consist of amounts due from individuals, parishes, and schools who use Diocesan services and advertise in the Catholic Mirror. Receivables are unsecured and repayment is based upon the economic conditions of central and southwest Iowa and the individual debtor. The Diocese maintains demand deposit and savings accounts at local banks, which may exceed the Federal Deposit Insurance Corporation's insurance level from time to time.

**Functional Expense Allocations**

The costs of conducting the various programs and functions and the related supporting services have been summarized on a functional basis in the statements of activities. Salary and benefit expenses are allocated between program, fundraising, and administrative expenses based on the time spent by each employee in these categories. As costs are incurred, they are charged to a cost center that determines whether the expense is program, administrative, or fundraising in nature. No additional allocation of expenses occurs.

**Subsequent Events**

In preparing these financial statements, the Diocese has evaluated events and transactions for potential recognition or disclosure through December 12, 2023, the date the financial statements were available for issuance.

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**NOTE 1 ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Adoption of New Accounting Standard**

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*. This new standard increases transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the statement of financial position. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The Diocese adopted the requirements of the guidance effective July 1, 2022, and has elected to apply the provisions of this standard to the beginning of the period of adoption, with certain practical expedients available. The standard did not have a material impact on the statement of financial position, statements of activities, or statements of cash flows.

The Diocese has elected to adopt the package of practical expedients available in the year of adoption. The Diocese has elected to adopt the available practical expedient to use hindsight in determining the lease term and in assessing impairment of the Diocese's ROU assets.

The Diocese determines if an arrangement is a lease at inception. Operating leases are reported on the statement of financial position as an ROU asset and lease liability, as applicable. ROU assets represent the Diocese's right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. As most of the leases do not provide an implicit rate, the Diocese uses a risk-free rate based on the information available at the lease commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Diocese will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. The Diocese has elected to recognize payments for short-term leases with a lease term of 12 months or less and these leases are not included as lease liabilities or right of use assets on the statement of financial position.

Revenue from lease payments is recognized under the accrual method. Lease payments include rental payments and are included in income as rents become due. Lease payments received in advance are deferred until earned. At the commencement of an operating lease, no revenue is recognized; subsequently, lease payments received by the Diocese are recognized as income on the straight-line basis.

The Diocese has elected to apply the practical expedient available, which does not require contracts to be separated between lease and non-lease components.

**ADMINISTRATIVE OFFICES OF THE ROMAN  
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**NOTE 2 LIQUIDITY AND AVAILABILITY**

The Diocese regularly monitors liquidity required to meet its operating needs and other contractual commitments, while striving to maximize the investment of its available funds. The following table reflects the Diocese's financial assets as of June 30, 2023 and 2022, reduced by amounts that are not available to meet general expenditures within one year of the statements of financial position date because of purpose or time restrictions.

	<u>2023</u>	<u>2022</u>
Cash and Cash Equivalents	\$ 475,191	\$ 645,205
Accounts Receivable, Less Allowance	968,558	411,322
Annual Appeal	1,619,642	1,035,651
Due from Affiliates	22,729	9,463
Bequests	-	3,233
Investments	13,418,587	11,393,812
Less: Net Assets with Donor Restrictions	(1,947,409)	(1,635,021)
Total	<u>\$ 14,557,298</u>	<u>\$ 11,863,665</u>

**NOTE 3 NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions consist of the following as of June 30:

	<u>2023</u>	<u>2022</u>
Time Restricted		
Gift Annuities	\$ 26,105	\$ 22,536
Other Funds	-	3,233
Total	<u>26,105</u>	<u>25,769</u>
Purpose Restricted		
Campus Ministry and Priests' Housing	1,324,501	1,235,891
Parish Solidarity	150,877	229,394
Hispanic Seminarian Endowment	109,274	-
Other Funds	336,652	143,967
Total	<u>1,921,304</u>	<u>1,609,252</u>
Total Net Assets with Donor Restrictions	<u>\$ 1,947,409</u>	<u>\$ 1,635,021</u>

**NOTE 4 INVESTMENTS, INVESTMENT RETURN, AND FAIR VALUE MEASUREMENTS**

The Diocese has categorized its financial instruments based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.



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**NOTE 4 INVESTMENTS, INVESTMENT RETURN, AND FAIR VALUE MEASUREMENTS  
(CONTINUED)**

Financial assets and liabilities recorded on the statements of financial position are categorized based on the inputs to the valuation techniques as follows:

*Level 1* – Financial assets and liabilities whose values are based on unadjusted quoted prices for identical assets or liabilities in an active market that the Diocese has the ability to access.

*Level 2* – Financial assets and liabilities whose values are based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability. Level 2 inputs include the following:

- Quoted prices for similar assets or liabilities in active markets;
- Pricing models whose inputs are observable for substantially the full term of the asset or liability; and
- Pricing models whose inputs are derived principally from or corroborated by observable market data through correlation or other means for substantially the full term of the asset or liability.

*Level 3* – Financial assets and liabilities whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect management’s own assumptions about the assumptions a market participant would use in pricing the asset or liability.

The following table presents the balances of assets measured at fair value on a recurring basis as of June 30, 2023, by level within the fair value hierarchy:

	Fair Value	Level 1	Level 2	Level 3
Cash and Cash Equivalents	\$ 4,125,042	\$ -	\$ -	\$ -
Fixed Income	2,831,612	-	2,831,612	-
Funds Held by the Catholic Extension	109,274	-	-	109,274
Funds Held by the Catholic Foundation of Southwest Iowa	6,352,659	-	-	6,352,659
Total	<u>\$ 13,418,587</u>	<u>\$ -</u>	<u>\$ 2,831,612</u>	<u>\$ 6,461,933</u>
	Fair Value	Principal Valuation Technique	Unobservable Inputs	
Funds Held by the Catholic Extension	\$ 109,274			
Funds Held by the Catholic Foundation of Southwest Iowa	\$ 6,352,659	Net Asset Value	Value of Underlying Assets	

**ADMINISTRATIVE OFFICES OF THE ROMAN  
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**NOTE 4 INVESTMENTS, INVESTMENT RETURN, AND FAIR VALUE MEASUREMENTS  
(CONTINUED)**

The following table presents the balances of assets measured at fair value on a recurring basis as of June 30, 2022, by level within the fair value hierarchy:

	Fair Value	Level 1	Level 2	Level 3
Cash and Cash Equivalents	\$ 2,398,379	\$ -	\$ -	\$ -
Fixed Income	3,020,109	-	3,020,109	-
Funds Held by the Catholic Foundation of Southwest Iowa	5,975,324	-	-	5,975,324
Total	<u>\$ 11,393,812</u>	<u>\$ -</u>	<u>\$ 3,020,109</u>	<u>\$ 5,975,324</u>

  

	Fair Value	Principal Valuation Technique	Unobservable Inputs
Funds Held by the Catholic Foundation of Southwest Iowa	\$ 5,975,324	Net Asset Value	Value of Underlying Assets

During the years ended June 30, 2023 and 2022, there were purchases of \$42,950 and \$284,579 and distributions of \$91,000 and \$0- from the Funds Held by the Catholic Extension and Funds Held by the Catholic Foundation of Southwest Iowa.

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

	2023	2022
Realized Gain (Loss) on Investments	\$ (9,631)	\$ 362,147
Unrealized Gain (Loss) on Investments	352,406	(1,284,667)
Interest	237,308	138,916
Total Investment Return	<u>\$ 580,083</u>	<u>\$ (783,604)</u>

**NOTE 5 PROPERTY AND EQUIPMENT**

A summary of property and equipment at June 30:

	2023	2022
Office Furniture and Equipment	\$ 603,127	\$ 565,687
Automobiles	101,904	127,193
Subtotal	705,031	692,880
Less: Accumulated Depreciation	(547,016)	(535,758)
Total Property and Equipment	<u>\$ 158,015</u>	<u>\$ 157,122</u>

**ADMINISTRATIVE OFFICES OF THE ROMAN  
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**NOTE 6 EMPLOYEE BENEFIT PLANS**

The Diocese maintains a 403(b) retirement savings plan for all employees. Contributions by the Diocese are equal to 50% of employee elective deferrals up to a maximum of 8% of eligible compensation for certain employees and an additional 2% for other employees, based on the date of employment. Total contributions for the years ended June 30, 2023 and 2022 were \$151,373 and \$146,157, respectively.

**NOTE 7 ACCRUED POSTRETIREMENT BENEFITS**

The Diocese sponsors a postretirement health insurance plan and purchases Medicare supplement plans for incardinated, retired, priests. The plan is noncontributory for diocesan priests. The plan is funded on a cash basis as premiums are paid. Annual distributions from the Priest Medical Endowment Fund held by the Catholic Foundation of Southwest Iowa are used to cover payments of the required insurance premiums. At June 30, 2023, the liability was calculated using a discount rate of 5.05% and an expected rate of increase in insurance premiums of 6.30%. At June 30, 2023, there were 89 incardinated priests within the Diocese. Based on these inputs and the associated life expectancy of each priest, as determined by published actuarial life tables issued by the United States Social Security Administration, the present value of the plan was calculated, and totaled \$4,409,317 and \$5,182,985 at June 30, 2023 and 2022, respectively.

**NOTE 8 DEFINED BENEFIT PENSION PLAN**

The Diocese has a noncontributory defined benefit pension plan covering substantially all the priests of the Diocese. The plan provides priests with benefits upon retirement and for total and permanent disability incurred prior to the normal retirement date, which ranges from 65 to 68.

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**NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)**

The following provides further information about the plan as of and for the years ended June 30:

	<u>2023</u>	<u>2022</u>
Benefit Obligation - Beginning of Year	\$ 13,325,696	\$ 16,423,560
Service Cost	234,602	356,571
Interest Cost	585,161	423,299
Actuarial Gain	(1,781,096)	(3,045,980)
Benefit Payments	<u>(842,918)</u>	<u>(831,754)</u>
Projected Benefit Obligation - End of Year	11,521,445	13,325,696
Change in Plan Assets:		
Fair Value of Plan Assets - Beginning of Year	11,509,966	13,751,434
Actual Return on Assets	1,013,208	(1,472,908)
Employer Contributions	1,121,681	63,194
Benefit Payments	<u>(842,918)</u>	<u>(831,754)</u>
Fair Value of Plan Assets - End of Year	<u>12,801,937</u>	<u>11,509,966</u>
Net Unfunded Accrued Priest Pension Liability (Asset)	<u>\$ (1,280,492)</u>	<u>\$ 1,815,730</u>

Weighted average assumptions used to determine benefit obligations:

	<u>2023</u>	<u>2022</u>
Discount Rate	5.05 %	4.55 %
Expected Long-Term Rate of Return on Plan Assets	6.25	6.25

Components of net periodic benefit cost:

	<u>2023</u>	<u>2022</u>
Service Cost	\$ 234,602	\$ 356,571
Interest Cost on Projected Benefit Obligation	585,161	423,299
Expected Return on Plan Assets	(538,362)	(653,660)
Amortization of Prior Service Cost	38,166	38,166
Amortization of Net Loss	52,421	132,473
Periodic Benefit Cost Recognized	<u>\$ 371,988</u>	<u>\$ 296,849</u>

Historical and future expected returns of multiple asset classes were analyzed to develop a risk-free real rate of return and risk premiums for each asset class. The overall rate for each asset class was developed by combining a long-term inflation component with the calculated risk-free real rate of return and the associated risk premium. A weighted average rate was then developed based on those overall rates and the target asset allocation of the plan.

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**NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)**

The following table sets forth, by level within the fair value hierarchy (further described in Note 4), the plan's assets as of June 30, 2023:

	Fair Value	Level 1	Level 2	Level 3
Cash and Cash Equivalents	\$ 15,110	\$ -	\$ -	\$ -
Fixed Income	3,124,465	-	3,124,465	-
Equities	6,511,315	6,511,315	-	-
Real Estate	772,092	-	772,092	-
Funds Held by the Catholic Foundation of Southwest Iowa	<u>2,378,955</u>	-	-	<u>2,378,955</u>
Total	<u>\$ 12,801,937</u>	<u>\$ 6,511,315</u>	<u>\$ 3,896,557</u>	<u>\$ 2,378,955</u>

  

	Fair Value	Principal Valuation Technique	Unobservable Inputs
Funds Held by the Catholic Foundation of Southwest Iowa	\$ 2,378,955	Net Asset Value	Value of Underlying Assets

The following table sets forth, by level within the fair value hierarchy (further described in Note 4), the plan's assets as of June 30, 2022:

	Fair Value	Level 1	Level 2	Level 3
Cash and Cash Equivalents	\$ 45,114	\$ -	\$ -	\$ -
Fixed Income	2,761,679	-	2,761,679	-
Equities	5,704,289	5,704,289	-	-
Real Estate	770,034	-	770,034	-
Funds Held by the Catholic Foundation of Southwest Iowa	<u>2,228,850</u>	-	-	<u>2,228,850</u>
Total	<u>\$ 11,509,966</u>	<u>\$ 5,704,289</u>	<u>\$ 3,531,713</u>	<u>\$ 2,228,850</u>

  

	Fair Value	Principal Valuation Technique	Unobservable Inputs
Funds Held by the Catholic Foundation of Southwest Iowa	\$ 2,228,850	Net Asset Value	Value of Underlying Assets

During the years ended June 30, 2023 and 2022, there were purchases of \$577 and \$13,799, respectively, and distributions of \$9,935 and \$220,000, respectively, from the Funds Held by the Catholic Foundation of Southwest Iowa.

The plan's investment policy for plan assets is to manage the portfolio to preserve principal and liquidity while maximizing the return on the investment portfolio through the full investment of available funds. The portfolio is diversified by investing in multiple types of investment-grade securities.

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**NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)**

The estimated future benefit payments for the next five years and the aggregate five years thereafter is as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2024	\$ 860,000
2025	870,000
2026	850,000
2027	820,000
2028	830,000
2029-2033	4,020,000
Total	<u><u>\$ 8,250,000</u></u>

**NOTE 9 SPLIT-INTEREST AGREEMENTS**

The Diocese is the beneficiary of one charitable remainder annuity trust agreement. The trust provides for the payment of distributions to the grantor over the lives of the grantor or the grantor's surviving spouse. At the end of the trust's term, the remaining value is available for the Diocese's use.

The portion of the split-interest agreement attributable to the present value of the future benefits to be received by the Diocese is recorded in the accompanying statements of activities as with donor restriction contribution revenue in the period the agreement is established. The estimated net present value of the amount to be received under the split-interest agreement totaled \$26,105 and \$22,536 at June 30, 2023 and 2022, respectively. On an annual basis, the Diocese revalues this receivable based upon actuarial assumptions.

**NOTE 10 IGNITE! CAPITAL CAMPAIGN**

During the year ended June 30, 2021, the Diocese began the Ignite! Capital Campaign with a goal of \$45,000,000 to be raised over the next three to five years. The goal is attributable to the following purposes: \$25,000,000 for a Catholic Schools Endowment, \$5,000,000 for the Seminarian Endowment, \$2,000,000 for Priest Retirement, \$3,500,000 for Parish Renewal and Vibrancy, \$7,500,000 back to parishes within the Diocese, and \$2,000,000 to cover campaign expenses. The Schools Endowment, Seminarian Endowment, and Parish Renewal and Vibrancy are all funds owned by the Catholic Foundation of Southwest Iowa. The Priest Retirement funds will be given to the Priest Pension Plan. The only dollars that will be retained by the Diocese are those needed to cover the campaign expenses.

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**NOTE 10 IGNITE! CAPITAL CAMPAIGN (CONTINUED)**

Promises to Give activity is as follows as of June 30, 2023:

Pledges	\$ 36,880,562
Payments Received	(19,401,642)
Write-Offs	(76,406)
Allowance for Uncollectible Accounts	(2,262,327)
Discount	(549,498)
Promises to Give, Net of Allowance and Discount	<u>\$ 14,590,689</u>

Promises to Give as of June 30, 2023 will be paid in the following fiscal years:

<u>Year Ending June 30,</u>	<u>Amount</u>
2024	\$ 8,448,201
2025	5,595,240
2026	2,795,964
2027	476,188
2028	86,921
Promises to Give, Gross	<u>17,402,514</u>
Allowance for Uncollectible Accounts	(2,262,327)
Discount	(549,498)
Promises to Give, Net of Allowance and Discount	<u>\$ 14,590,689</u>

Capital Campaign – Amounts Raised for Other Organizations activity is as follows as of June 30, 2023:

Pledges	\$ 36,880,562
Campaign Expenses	(2,208,485)
Payments Made	(14,292,924)
Anticipated Campaign Expenses	(100,000)
Allowance for Uncollectible Accounts	(2,262,327)
Discount	(549,498)
Capital Campaign - Amounts Raised for Other Organizations, Net of Allowance and Discount	<u>\$ 17,467,328</u>

**ADMINISTRATIVE OFFICES OF THE ROMAN  
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**NOTE 11 RELATED PARTY TRANSACTIONS**

Operating advances between certain other nonprofit organizations formed by the Roman Catholic Church within the Diocese of Des Moines have resulted in the following amounts due to, and from, the Diocese at June 30, 2023:

	Due from Affiliates	Due to Affiliates
Catholic Charities	\$ -	\$ 168,960
Catholic Tuition Organization	22,729	-
Catholic Pastoral Center Foundation	-	382,969
Total	<u>\$ 22,729</u>	<u>\$ 551,929</u>

The amounts due to, and from, the Diocese at June 30, 2022 are as follows:

	Due from Affiliates	Due to Affiliates
Catholic Charities	\$ -	\$ 742,378
Catholic Tuition Organization	9,463	-
Catholic Pastoral Center Foundation	-	20,659
Total	<u>\$ 9,463</u>	<u>\$ 763,037</u>

The Diocese provides administrative, human resource, accounting and fundraising support to Catholic Charities. The Diocese also provides office space and other related occupancy expenses for Catholic Charities, totaling \$108,942 and \$67,154 for the fiscal years ended June 30 2023 and 2022, respectively .

Each year the Catholic Foundation of Southwest Iowa (the Catholic Foundation) provides grants to the Diocese to fund various programs. For the years ended June 30, 2023 and 2022, total grants paid to the Diocese were \$1,035,298 and \$1,472,112, respectively. During the years ended June 30, 2023 and 2022, the Diocese provided \$270,195 and \$300,701, respectively, in funding to Catholic Charities for various programs.

During the years ended June 30, 2023 and 2022, the Diocese was reimbursed \$184,624 and \$164,502, respectively, for administrative, human resource, accounting and fundraising support and parking costs provided to Catholic Charities. During the years ended June 30, 2023 and 2022, the Diocese was reimbursed \$131,250 and \$130,793, respectively, for office space, administrative and accounting support, and parking provided to the Catholic Tuition Organization. During the years ended June 30, 2023 and 2022, the Diocese was reimbursed \$99,756 and \$91,965, respectively, for office space, administrative and accounting support, and parking provided to the Catholic Pastoral Center Foundation.



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**NOTE 12 COMMITMENTS**

The Diocese has guaranteed certain debt obligations of two parishes. One is to refinance and consolidate the debt of the parish, including a line of credit, and the second is to aid in the construction of a new church. As of June 30, 2023, approximately \$1,313,008 and \$2,185,688 were outstanding, respectively. Default by the parishes on the obligations would require performance by the Diocese. The guarantees are to remain in force until payment in full of the obligations.

**NOTE 13 EQUITY BALANCE IN INSURANCE POOL**

The Catholic Umbrella Pool II (the Pool) was created as a self-insurance fund for certain (Arch) Dioceses of the Roman Catholic Church in North America. On July 1, 1989, the Pool began providing excess liability coverages for its membership which is limited to participants in The Catholic Mutual Relief Society of America. The Board of Trustees of the Pool have determined that unrealized gains and losses shall be recognized in valuing the Pool surplus for each year and that such gain or loss be allocated among participants in a given participant year. The Diocese's share in the Pool was \$336,717 and \$300,235 at June 30, 2023 and 2022, respectively.



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