

DIOCESE OF LITTLE ROCK

Auditor's Report and Financial Statements

June 30, 2023



Bishop Anthony B. Taylor

"The proper management of assets and their use is a testimony given to all of how much can be done with little."

Pope Francis, Dec. 5

Dear Friends in Christ:

Pope Francis spoke of the importance of financial budgeting, auditing, investing and saving in December and remarked that it is essential that we have good financial practices when carrying out the Church's mission. He said we must do these tasks with the highest sense of responsibility and prudence.

The annual audit for the Diocese of Little Rock is presented for your reading and review. In our effort to be transparent, all parishioners can view the state of our finances and see how we are doing in the areas of investing and saving.

Our diocesan finance office, led by Greg Wolfe, follows the pope's lead by employing the best financial practices, including an annual audit of our major accounts. I am personally grateful for their extreme diligence and concern for our diocese.

Sincerely in Christ,

**+Anthony B. Taylor
Bishop of Little Rock**



Independent Auditors' Report

Opinion

We have audited the accompanying financial statements of The Roman Catholic Diocese of Little Rock (the "Diocese") (a nonprofit organization), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities and changes in net assets 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. 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 within one year after the date that the financial statements are available to be issued.

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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

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

Certified Public Accountants & Consultants

100 River Bluff Drive, Suite #200, Little Rock, AR 72202
501-375-8500 501-375-1908

December 5, 2023

THE ROMAN CATHOLIC DIOCESE OF LITTLE ROCK

Statements of Financial Position

June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 2,161,228	1,154,416
Due from parishes, affiliated organizations, and others	765,974	676,627
CASA pledges receivable	173,779	159,355
Other receivables	552,635	1,013,092
Prepaid expenses and other assets	<u>188,965</u>	<u>146,003</u>
Total current assets	3,842,581	3,149,493
Investments	43,679,221	41,609,303
Property, plant, and equipment, net	<u>13,321,964</u>	<u>13,378,548</u>
Total assets	<u>\$ 60,843,766</u>	<u>58,137,344</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 102,627	267,536
Accrued expenses	455,675	500,827
Due to parishes, affiliated organizations, and others	<u>1,088,407</u>	<u>1,214,057</u>
Total current liabilities	<u>1,646,709</u>	<u>1,982,420</u>
Net assets:		
Without donor restrictions	55,522,904	52,710,185
With donor restrictions	<u>3,674,153</u>	<u>3,444,739</u>
Total net assets	<u>59,197,057</u>	<u>56,154,924</u>
Total liabilities and net assets	<u>\$ 60,843,766</u>	<u>58,137,344</u>

See accompanying notes to financial statements.

THE ROMAN CATHOLIC DIOCESE OF LITTLE ROCK

Statements of Activities and Changes in Net Assets

For the Years Ended June 30, 2023 and 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains, and other income:						
Contributions, grants, and bequests	\$ 3,313,751	1,045,524	4,359,275	2,699,677	1,182,285	3,881,962
Assessments	3,013,685	—	3,013,685	2,823,712	—	2,823,712
Net investment income (loss)	3,567,254	—	3,567,254	(5,488,357)	—	(5,488,357)
Gain on sale of property, plant, and equipment	20,880	—	20,880	9,000	—	9,000
Fees, advertising, and other	1,238,421	—	1,238,421	1,376,299	—	1,376,299
Rents	292,214	—	292,214	265,211	—	265,211
Other income	183,204	—	183,204	126,647	—	126,647
Net assets released from donor restrictions	816,110	(816,110)	—	662,911	(662,911)	—
Total revenues, gains, and other income	12,445,519	229,414	12,674,933	2,475,100	519,374	2,994,474
Expenses:						
Program activities:						
Salaries and fringe benefits	4,203,655	—	4,203,655	4,030,514	—	4,030,514
Professional services	137,348	—	137,348	248,349	—	248,349
Utilities	51,181	—	51,181	47,860	—	47,860
Supplies and office expense	276,868	—	276,868	281,894	—	281,894
Education	86,030	—	86,030	97,707	—	97,707
Conferences conducted	326,107	—	326,107	325,663	—	325,663
Non-employee expenses	120,174	—	120,174	102,543	—	102,543
Contributions, grants, and subsidies	421,309	—	421,309	501,511	—	501,511
Other program expenses	430,673	—	430,673	449,356	—	449,356
Total program activities	6,053,345	—	6,053,345	6,085,397	—	6,085,397
Supporting activities:						
Salaries and fringe benefits	1,899,349	—	1,899,349	1,843,870	—	1,843,870
Professional services	390,753	—	390,753	387,155	—	387,155
Utilities	246,247	—	246,247	223,084	—	223,084
Supplies and office expense	109,324	—	109,324	76,512	—	76,512
Repairs and maintenance	323,099	—	323,099	277,194	—	277,194
Contributions and subsidies	76,780	—	76,780	76,354	—	76,354
Depreciation	382,594	—	382,594	386,673	—	386,673
Other supporting expenses	151,309	—	151,309	411,953	—	411,953
Total administrative activities	3,579,455	—	3,579,455	3,682,795	—	3,682,795
Total expenses	9,632,800	—	9,632,800	9,768,192	—	9,768,192
Change in net assets	2,812,719	229,414	3,042,133	(7,293,092)	519,374	(6,773,718)
Net assets, beginning of year	52,710,185	3,444,739	56,154,924	60,003,277	2,925,365	62,928,642
Net assets, end of year	\$ 55,522,904	3,674,153	59,197,057	52,710,185	3,444,739	56,154,924

See accompanying notes to financial statements

THE ROMAN CATHOLIC DIOCESE OF LITTLE ROCK

Statements of Cash Flows

For the Years Ended June 30, 2023 and 2022

	2023	2022
Cash flows from operating activities:		
Change in net assets	\$ 3,042,133	(6,773,718)
Non-cash operating activities:		
Gain on sale of property, plant, and equipment	(20,880)	(9,000)
Net realized and unrealized losses (gains) on investments	(2,475,610)	6,349,166
Depreciation	382,594	386,673
Changes in operating assets and liabilities:		
CASA pledges receivable	(14,424)	15,228
Other receivables	460,457	(350,141)
Prepaid expenses and other assets	(42,962)	14,501
Due to parishes, affiliated organizations, and others	(125,650)	613,569
Due from parishes, affiliated organizations, and others	(89,347)	54,432
Accounts payable	(164,909)	80,341
Accrued expenses	(45,152)	(47,705)
Net cash provided by operating activities	906,250	333,346
Cash flows from investing activities:		
Purchase of property and equipment	(326,260)	(45,462)
Proceeds from sale of property, plant, and equipment	21,130	9,000
Purchase of investments	(2,669,350)	(5,833,214)
Proceeds from sale of investments	3,075,042	4,490,710
Net cash provided (used) by investing activities	100,562	(1,378,966)
Net change in cash and cash equivalents	1,006,812	(1,045,620)
Cash and cash equivalents:		
Beginning of year	1,154,416	2,200,036
End of year	\$ 2,161,228	1,154,416

See accompanying notes to financial statements

Notes to Financial Statements

June 30, 2023 and 2022

(1) Organization and Summary of Significant Accounting Policies

The Roman Catholic Diocese of Little Rock (the "Diocese") is the administrative office for the Catholic Church in the State of Arkansas.

The accompanying financial statements do not include the accounts of other activities in the Diocese, such as parishes, schools, parish cemeteries, Deposit and Loan Fund, Inc., Clergy Welfare Fund, Inc., and Monsignor James E. O'Connell Diocesan Seminarian Fund, Inc., for the years ended June 30, 2023 and 2022. These activities may or may not be separately incorporated under civil law; however, each is an autonomous operating entity which maintains separate accounts and carries on its own services and programs separate and distinct from the Diocesan administrative offices.

The following is a summary of the significant accounting policies used in the preparation of the accompanying financial statements:

Basis of Presentation: Financial statement presentation follows the recommendations of FASB ASC 958, Financial Statements of Not-for-Profit Organizations. Under ASC 958, the Diocese is required to report information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions. Net assets with donor restrictions are those whose use by the Diocese has been limited by donors to a specific time period or purpose.

Cash and Cash Equivalents: The Diocese considers all liquid investments with original maturities of three months or less to be cash equivalents.

Due from Parishes, Affiliated Organizations, and Others: The Diocese uses the allowance method to provide for estimated uncollectible accounts receivable. Management believes no allowance is necessary at either statement of financial position date. Receivable amounts are considered past due when one or more payments have been missed.

CASA Pledges Receivable: The Diocese conducts a pledge drive each year for the Catholic Arkansas Sharing Appeal, for which payments are received throughout the calendar year. A receivable is recorded each year for the amount of outstanding pledges as of June 30th. This receivable is considered fully collectible as subsequent collections consistently exceed outstanding pledges.

Investments and Net Investment Income: Investments in equity securities having a readily determinable fair value and all debt securities are carried at fair value. Other investments are valued at cost (or fair value at time of donation, if acquired by contribution) unless events indicate a permanent decline in value at which time the investment is written down to recognize such a decline. Net investment income includes dividends, interest, and realized and unrealized gains and losses.

Net investment income that is initially restricted by donor stipulation and for which the restriction will be satisfied in the same year is included in net investment income of net assets without donor restrictions. Other net investment income is reflected in the statement of activities as with or without donor restrictions based upon the existence and nature of any donor or legally imposed restrictions.

The Diocese maintains pooled investment accounts for its investable assets. Investment income and realized and unrealized gains and losses from securities in the pooled investment accounts are allocated quarterly to the individual funds and endowments based on the relationship of the fair value of the interest of each fund and endowment to the total fair value of the pooled investment accounts, as adjusted for additions to or deductions from those accounts.

Property, Plant, and Equipment: The Diocese capitalizes property and equipment additions having a unit cost of \$4,000 or more. Property and equipment are reported at cost less a provision for depreciation on a straight-line basis over the estimated useful life of each asset ranging from five to fifty years.

Leases: The Diocese leases land and buildings to customers, which is used for parking and office space. The determination of whether an arrangement is a lease is made at the lease's inception. Under ASC 842, a contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the contract are changed.

Contributions: Gifts of cash and other assets received without donor stipulations are reported as revenue and net assets without donor restrictions. Gifts received with a donor stipulation that limits their use are reported as revenue and net assets with donor restrictions. When a donor 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.

Gifts of land, buildings, equipment, and other long-lived assets are reported as revenue and net assets without donor restrictions unless explicit donor stipulations specify how such assets must be used, in which case the gifts are reported as revenue and net assets with donor restrictions. Absent explicit donor stipulations for the time long-lived assets must be held, expirations of restrictions resulting in reclassification of net assets with donor restrictions as net assets without donor restrictions are reported when the long-lived assets are placed in service.

Revenue Recognition: The Diocese recognizes revenue when an arrangement or contract to provide goods or services exists, the transaction price is fixed or determinable, and the Diocese has satisfied its performance obligation per the arrangement. All such contract revenue is included in the statements of activities and changes in net assets as fees, advertising, and other revenue and rents.

Fees, advertising, and other revenues include income earned from the provision of various goods and services, including printed goods, advertisements, accounting and administrative services, spiritual and educational conferences, immigration services, and more. Rents include income earned from the leasing of the Diocese's land and buildings to retail tenants.

Revenue from accounting and administrative services, as well as rents, is recognized over time as the services are provided. Other contract revenues are recognized at a point in time when the good or service is provided. Approx-

See **Notes page 9**

Notes

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mately 33% and 34% of contract revenues were recognized over time during the years ended June 30, 2023 and 2022, respectively. Billings generally have payment terms of 30 days.

The Diocese records a contract asset when it has satisfied a performance obligation but billing has not occurred. The Diocese also records a contract liability when payment is received prior to the related performance obligation being satisfied. The Diocese did not have any material contract assets or liabilities as of June 30, 2023 and 2022.

Income Taxes: The Diocese, a religious organization, is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and a similar provision of state law. Therefore, the Diocese does not file an income tax return in the U.S. federal or any state jurisdiction.

The Diocese follows the provisions of FASB ASC 740, Income Taxes. Management of the Diocese believes that the Diocese has taken no uncertain tax positions as of June 30, 2023.

Accounting 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 the reported amounts in the financial statements and accompanying notes. Actual results could differ from those estimates.

Allocation of Expenses: Expenses are allocated between program and supporting activities by cost center. Expenses of program-oriented cost centers are allocated to program activities, while those of primarily administrative cost centers are allocated to supporting activities.

Recent Accounting Pronouncements: In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842), which supersedes existing guidance in Topic 840, Leases. The FASB subsequently issued the following additional ASUs, which amend and clarify Topic 842: ASU 2018-01, Land Easement Practical Expedient for Transition to Topic 842; ASU 2018-10, Codification Improvements to Topic 842, Leases; ASU 2018-11, Leases (Topic 842): Targeted Improvements; ASU 2018-20, Narrow-scope Improvements for Lessors; and ASU 2019-01, Leases (Topic 842): Codification Improvements. Topic 842 amends lessor and lessee accounting and disclosure requirements.

The Diocese adopted the leasing standards effective July 1, 2021, however, the adoption did not result in any material adjustments to the Diocese's financial statements for the years ended June 30, 2023 and 2022.

(2) Investments

Investments consisted of the following as of June 30, 2023 and 2022:

	2023		2022	
	Cost	Fair Value	Cost	Fair Value
Domestic fixed income	\$ 21,844,932	19,556,667	22,710,042	20,918,393
Mutual funds	15,382,921	21,617,838	15,083,612	18,186,194
	37,227,853	41,174,505	37,793,654	39,104,587

	2023		2022	
	Cost	Fair Value	Cost	Fair Value
Commercial properties*	2,504,716	2,504,716	2,504,716	2,504,716
	\$ 39,732,569	43,679,221	40,298,370	41,609,303

*These commercial properties are valued at cost on the date of purchase or fair value at time of donation if contributed.

Net investment income (loss) is comprised of the following for the years ended June 30, 2023 and 2022:

	2023	2022
Interest and dividend income	\$ 1,150,228	919,602
Realized gains (losses) on investments reported at fair value	(160,107)	664,665
Unrealized gains (losses) on investments reported at fair value	2,635,717	(7,013,831)
Investment management fees	(58,584)	(58,793)
	\$ 3,567,254	(5,488,357)

(3) Property, Plant, and Equipment

Property, plant, and equipment consisted of the following as of June 30, 2023 and 2022:

	2023	2022
Land	\$ 2,266,616	2,266,866
Furniture and equipment	3,211,977	3,228,713
Buildings	20,960,728	20,644,543
	26,439,321	26,140,122
Less accumulated depreciation	(13,117,357)	(12,761,574)
	\$ 13,321,964	13,378,548

Depreciation expense for the years ended June 30, 2023 and 2022 was \$382,594 and \$386,673, respectively.

(4) Net Assets

The Diocese has internally designated substantially all of its net assets without donor restrictions, whereas external donors have

placed restrictions on net assets with donor restrictions. Net assets consisted of the following as of June 30, 2023 and 2022:

	2023	2022
Without donor restrictions:		
Undesignated	\$ 6,646,389	6,041,266
Designated for Catholic Charities	605,731	515,129
Designated for missions/ministries	2,064,066	2,072,561
Total unrestricted for current operations	9,316,186	8,628,956
Endowment fund	32,749,677	30,659,774
Insurance fund	135,077	42,907
Plant fund	13,321,964	13,378,548
Total without donor restrictions	55,522,904	52,710,185
With donor restrictions	3,674,153	3,444,739
Total net assets	\$ 59,197,057	56,154,924

(5) Retirement Plan

The Diocese has a defined contribution retirement plan covering substantially all lay employees. The Diocese makes discretionary contributions to the plan which are allocated based on each individual employee's current earnings. Contributions to the plan were \$261,807 and \$259,217 for the years ended June 30, 2023 and 2022, respectively.

(6) Concentration of Credit Risk

The Diocese maintains cash in bank deposit accounts which exceeds federally insured limits. Cash exceeding federally insured limits totaled \$1,203,277 and \$551,479 at June 30, 2023 and 2022, respectively. The Diocese has not experienced any losses in such accounts and believes they are not exposed to any significant credit risk on cash and cash equivalents.

(7) Leases

The Diocese has six operating leases in which land and buildings are leased to retail tenants. Four of these leases, one of which is with a related-party nonprofit organization, are month-to-month agreements. Initial lease terms range from 10 to 50 years on the long-term leases, with 18 months to 37 years remaining. Rental payments are either contingent on tenant profit or increase based on the Consumer Price Index, subject to certain minimum increases. Contingent rentals were not significant for the years ended June 30, 2023 and 2022.

Future minimum rental payments to be received on non-cancelable operating leases contractually due for fiscal years subsequent to June 30, 2023 are as follows:

2024	\$ 66,000
2025	69,000
2026	72,000
2027	72,000
2028	72,000
Thereafter	3,475,000
	\$ 3,826,000

However, the related arrangement is such that it is amended annually to reduce the monthly payment to one dollar. Therefore, management has not factored these future payments into rents on the accompanying statement of activities and changes in net assets, and has not recorded an asset to reflect the increasing lease payments.

Future minimum rental payments to be received do not include contingent rentals that may be received under certain leases as a result of tenant profit.

Investment assets subject to operating leases were as follows on June 30, 2023 and 2022:

	2023	2022
Land	\$ 2,504,716	2,504,716
Building, at cost	101,977	101,977
	2,606,693	2,606,693
Less accumulated depreciation	(101,977)	(101,977)
	\$ 2,504,716	2,504,716

(8) Fair Value Measurement

Under FASB ASC 820-10, three prioritized valuation inputs may be used to determine fair value at the measurement date: Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 - observable inputs other than the quoted prices included in Level 1; Level 3 - unobservable inputs. There have been no changes in valuation methodologies during either of the periods presented, therefore no recognition of gain or loss is required for these financial statements.

Following is a description of the valuation methodologies used for assets measured at fair value:

Domestic fixed income: Valued using quoted market prices of identical assets on active exchanges when available. Otherwise, valued based on data from third-party pricing services, which generally use a market approach based on observable inputs such as reported trades, broker/dealer quotes, bids and offers, or benchmark yields, as applicable. Such inputs are considered to be equivalent to quoted prices on active markets.

alent to quoted prices on active markets.

Mutual funds: Valued at the net asset value of identical shares traded on active markets.

The following table sets forth by level, within the fair value hierarchy, the Diocese's assets held for investment purposes at fair value as of June 30, 2023 and 2022:

	Fair Value Measurements at Reporting Date				
	June 30, 2023	Fair Value	Level 1	Level 2	Level 3
Investments:					
Domestic fixed income	\$ 19,556,667	19,556,667	—	—	—
Mutual funds	21,617,838	21,617,838	—	—	—
	\$ 41,174,505	41,174,505	—	—	—
June 30, 2022					
Investments:					
Domestic fixed income	\$ 20,918,393	20,918,393	—	—	—
Mutual funds	18,186,194	18,186,194	—	—	—
	\$ 39,104,587	39,104,587	—	—	—

(9) Commitments and Contingencies

There were claims pending against the Diocese as of June 30, 2023 and 2022. The liability for claims originating before June 30, 2022 that were settled after that date are included in accounts payable on the statement of financial position. No provision has been made as of June 30, 2023, as any potential liability cannot be reasonably estimated. While the ultimate outcome of these matters is not determinable at this time, it is the opinion of the Diocese's management that the resolution of these claims will not have a material adverse effect on the financial statements.

(10) Subsequent Events

The Diocese has evaluated subsequent events through December 5, 2023, the date the financial statements were available to be issued.

ADDITIONAL FINANCIAL INFORMATION

Deposit and Loan Fund, Inc.

Statements of Financial Position

June 30, 2023 and 2022

(Condensed from audited financial statements)

	2023	2022
	<u>Assets</u>	
Assets:		
Cash and cash equivalents	\$ 3,749,625	3,750,526
Accrued interest receivable	530,579	454,898
Due from related party	277	277
Notes receivable - parishes	8,834,697	10,194,028
Investments	58,827,876	51,865,098
Total assets	\$ 71,943,054	66,264,827
	<u>Liabilities and Net Assets</u>	
Liabilities:		
Deposits payable to parishes and others	\$ 69,622,033	60,921,479
Accounts payable	8,703	8,218
Total liabilities	69,630,736	60,929,697
Net assets without donor restrictions	2,312,318	5,335,130
Total liabilities and net assets	\$ 71,943,054	66,264,827

Statements of Activities and

Changes in Net Assets (Condensed)

For the Years Ended June 30, 2023 and 2022

	2023	2022
Revenues and gains (losses)	\$ 521,607	(3,210,856)
Expenses:		
Program activities	3,428,656	1,047,581
Supporting activities	115,763	118,107
Total expenses	3,544,419	1,165,688
Change in net assets	(3,022,812)	(4,376,544)
Net assets, beginning of year	5,335,130	9,711,674
Net assets, end of year	\$ 2,312,318	5,335,130

Clergy Welfare Fund, Inc.

Statements of Financial Position

June 30, 2023 and 2022

(Condensed from audited financial statements)

	2023	2022
Assets		
Assets:		
Cash and cash equivalents	\$ 590,307	786,342
Interest receivable	109,361	96,503
Investments	27,063,573	23,992,996
Due from related party	32,224	22,595
Total assets	<u>\$ 27,795,465</u>	<u>24,898,436</u>
Liabilities and Net Assets		
Liabilities:		
Accrued expenses	\$ —	7,440
Total liabilities	<u>—</u>	<u>7,440</u>
Net assets without donor restrictions	<u>27,795,465</u>	<u>24,890,996</u>
Total liabilities and net assets	<u>\$ 27,795,465</u>	<u>24,898,436</u>

Statements of Activities and Changes in Net Assets (Condensed)

For the Years Ended June 30, 2023 and 2022

	2023	2022
Revenues, gains (losses) and other support	\$ 4,236,088	(2,567,763)
Program activities	1,265,206	1,004,524
Supporting activities	66,413	54,376
Total expenses	<u>1,331,619</u>	<u>1,058,900</u>
Change in net assets without donor restrictions	2,904,469	(3,626,663)
Net assets without donor restrictions, beginning of year	<u>24,890,996</u>	<u>28,517,659</u>
Net assets without donor restrictions, end of year	<u>\$ 27,795,465</u>	<u>24,890,996</u>

Contributions for Special Collections

For Years Ended June 30, 2023 and 2022

(unaudited)

Annual Collections:	2023	2022	Change	% Change
Black and Indian Missions	\$88,412	\$73,170	15,242	21%
Aid to the Church in Central and Eastern Europe	\$77,871	77,990	-119	0%
Ash Wednesday Collection for Arkansas Missions	\$170,370	135,439	34,932	26%
Catholic Relief Services	\$120,795	126,332	-5,537	-4%
Operation Rice Bowl (1)	\$21,267	23,628	-2,361	-10%
Holy Thursday Collection for Seminarians	\$306,591	331,686	-25,095	-8%
Holy Land	\$113,846	108,023	5,823	5%
Catholic Communications Campaign (2)	\$61,526	76,136	-14,610	-19%
The Church in Latin America	\$71,461	60,694	10,767	18%
Peter's Pence (Collection for the Holy Father)	\$93,963	83,481	10,482	13%
Catholic Home Missions Appeal	\$86,296	65,271	21,025	32%
Catechetical Sunday (3)	\$51,474	45,896	5,579	12%
World Mission Sunday	\$87,504	82,981	4,523	5%
Catholic Campaign for Human Development (4)	\$80,838	74,531	6,307	8%
National Retirement Fund for Religious	\$189,488	168,174	21,314	13%
Christmas Collection for the Retired & Infirm Clergy (5)	\$623,405	539,350	84,055	16%
Totals	<u>\$2,245,108</u>	<u>\$2,072,782</u>	<u>\$172,325</u>	<u>8%</u>
One-Time Collections:				
International Disaster Relief	\$11,073	\$22,806		
Haiti Earthquake	\$193	\$130,229		

1) Diocese retains 25% for emergency assistance to the poor in Arkansas

2) Diocese retains 50% for diocesan communications

3) Diocese retains 50%, parishes retain 50%

4) Diocese retains 25% for CCHD projects in Arkansas

5) Clergy Welfare Fund, Inc. receives 100%

Monsignor James E. O'Connell

Diocesan Seminarian Fund, Inc.

Statements of Financial Position

June 30, 2023 and 2022

(Condensed from audited financial statements)

	2023	2022
Assets		
Cash	\$219,429	\$219,807
Prepaid expense	7,600	2,404
Mutual Funds, at Market (Cost: 2023 - \$16,891,442; 2022 - \$16,148,010)	18,232,036	16,398,343
Due from Diocese of Little Rock	159	-
Unconditional promises to give - without donor restrictions	40,000	33,600
Note Receivable	12,157	12,457
Property and equipment at contributed value and/or cost less 2023 and 2022 accumulated depreciation of \$134,358 and \$120,433, respectively	<u>73,277</u>	<u>87,202</u>
Total Assets	<u>\$18,584,658</u>	<u>\$16,753,813</u>
Liabilities		
Accounts payable	\$37,769	\$36,636
Refundable advances	<u>52,140</u>	<u>-</u>
Total Liabilities	<u>89,909</u>	<u>36,636</u>
Net Assets		
Without donor restrictions	10,844,986	9,163,298
With donor restrictions	<u>7,649,763</u>	<u>7,553,879</u>
	<u>18,494,749</u>	<u>16,717,177</u>
Total Liabilities and Net Assets	<u>\$18,584,658</u>	<u>\$16,753,813</u>

Statements of Activities

Years ended June 30, 2023 and 2022

(Condensed from audited financial statements)

	2023	2022
Revenues		
Dividends	\$443,432	\$198,755
Miscellaneous income	15,443	41,130
Parish Support	468,778	475,878
Realized and unrealized net gain (loss) on investments	1,090,262	(2,658,272)
Burses and donations received	<u>1,303,175</u>	<u>1,424,478</u>
	3,321,090	(518,031)
Expenses		
Program - Seminarian Support	1,210,023	957,260
Supporting - Management & General	222,876	206,142
Supporting - Fundraising	<u>110,619</u>	<u>40,115</u>
Total Expenses	<u>1,543,518</u>	<u>1,203,517</u>
Increase (Decrease) in Net Assets	1,777,572	(1,721,548)
Net Assets - Beginning of Year	<u>16,717,177</u>	<u>18,438,725</u>
Net Assets - End of Year	<u>\$18,494,749</u>	<u>\$16,717,177</u>