

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

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2024 AND 2023



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**ADMINISTRATIVE OFFICES OF THE ROMAN CATHOLIC DIOCESE OF DES MOINES
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YEARS ENDED JUNE 30, 2024 AND 2023**

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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, 2024 and 2023, 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, 2024 and 2023, 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 10, 2024

ADMINISTRATIVE OFFICES OF THE ROMAN CATHOLIC DIOCESE OF DES MOINES
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2024 AND 2023

ASSETS	2024	2023
Cash and Cash Equivalents	\$ 552,404	\$ 475,191
Receivables		
Accounts Receivable	365,030	968,558
Lines of Credit Receivable, Less Allowance	460,000	-
Annual Appeal	1,395,643	1,619,642
Due from Affiliates	2,139	22,729
Promises to Give, Net of Allowance and Discount	7,244,869	14,590,689
Split-Interest Agreement	32,311	26,105
Investments	12,804,414	13,418,587
Equity Balance in Insurance Pool	366,060	336,717
Property and Equipment, Net	169,229	158,015
Prepays and Other Assets	137,825	307,125
Net Funded Status - Priest Pension Plan	2,752,045	1,280,492
Total Assets	\$ 26,281,969	\$ 33,203,850
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 411,880	\$ 1,033,478
Due to Affiliates	110,088	551,929
Funds Held for Others	356,319	66,841
Capital Campaign - Amounts Raised for Other Organizations, Net of Allowance and Discount	8,967,811	17,467,328
Accrued Employee Benefits	144,647	111,960
Annual Appeal Refunds	13,091	19,055
Accrued Postretirement Benefits	5,950,036	4,409,317
Total Liabilities	15,953,872	23,659,908
NET ASSETS		
Without Donor Restrictions:		
Board-Designated	2,262,951	2,018,520
Undesignated	5,976,820	5,578,013
Total Without Donor Restrictions	8,239,771	7,596,533
With Donor Restrictions	2,088,326	1,947,409
Total Net Assets	10,328,097	9,543,942
Total Liabilities and Net Assets	\$ 26,281,969	\$ 33,203,850

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
SUPPORT AND REVENUE			
Capital Campaign Results	\$ 298,169	\$ -	\$ 298,169
Less: Amounts Raised for Other Organizations	(36,541)	-	(36,541)
Less: Bad Debt Expense	(194,336)	-	(194,336)
Net Capital Campaign Contributions	67,292	-	67,292
Annual Diocesan Appeal	4,961,952	-	4,961,952
Endowment Income	1,726,749	-	1,726,749
Contributions	415,266	314,680	729,946
Program Service Fees	682,464	-	682,464
Investment Return	814,388	114,602	928,990
Advertising Revenue	45,949	-	45,949
Grants	109,000	-	109,000
National Youth Conference	342,275	-	342,275
Other Reimbursements	845,128	-	845,128
Insurance Risk Retention			
Property, Casualty, and Liability	1,811,333	-	1,811,333
Workers' Compensation	347,097	-	347,097
Net Assets Released from Restrictions			
Purpose Restricted	288,365	(288,365)	-
Total Support and Revenue	12,457,258	140,917	12,598,175
EXPENSES			
Program Services			
Communications and Financial Assistance	1,956,457	-	1,956,457
Religious Development	930,321	-	930,321
Education	1,790,456	-	1,790,456
Clergy Care	1,694,429	-	1,694,429
Group Insurance	2,114,280	-	2,114,280
Total Program Services	8,485,943	-	8,485,943
Supporting Services			
Diocesan Administration	2,246,083	-	2,246,083
Development and Stewardship	201,570	-	201,570
Pastoral Center	690,440	-	690,440
Capital Campaign	120,818	-	120,818
Total Supporting Services	3,258,911	-	3,258,911
Total Expenses	11,744,854	-	11,744,854
CHANGE IN NET ASSETS BEFORE OTHER CHANGES	712,404	140,917	853,321
OTHER CHANGES			
Change in Value of Accrued Postretirement Benefits	(1,540,719)	-	(1,540,719)
Change in Value of Accrued Pension Plan	1,471,553	-	1,471,553
Total Other Changes	(69,166)	-	(69,166)
CHANGE IN NET ASSETS	643,238	140,917	784,155
Net Assets - Beginning of Year	7,596,533	1,947,409	9,543,942
NET ASSETS - END OF YEAR	<u>\$ 8,239,771</u>	<u>\$ 2,088,326</u>	<u>\$ 10,328,097</u>

See accompanying Notes to Financial Statements.

ADMINISTRATIVE OFFICES OF THE ROMAN CATHOLIC DIOCESE OF DES MOINES
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2024 AND 2023

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
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
EXPENSES			
Program Services			
Communications and Financial Assistance	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
CHANGE IN NET ASSETS BEFORE OTHER CHANGES	92,980	312,388	405,368
OTHER CHANGES			
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
CHANGE IN NET ASSETS	3,962,870	312,388	4,275,258
Net Assets - Beginning of Year	3,633,663	1,635,021	5,268,684
NET ASSETS - END OF YEAR	\$ 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 FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2024

	Program Services						Supporting Services					Total Expenses
	Communications		Education	Clergy Care	Group Insurance	Total	Development				Total	
	and Financial Assistance	Religious Development					Diocesan Administration	and Stewardship	Pastoral Center	Capital Campaign		
Salaries and Wages	\$ 429,993	\$ 240,957	\$ 793,328	\$ 190,522	\$ 23,404	\$ 1,678,204	\$ 962,649	\$ 103,734	\$ 181,398	\$ 24,574	\$ 1,272,355	\$ 2,950,559
Employee Benefits and Taxes	120,122	22,130	177,388	64,679	1,790	386,109	230,557	19,571	65,083	9,273	324,484	710,593
Total Salaries and Related Expenses	550,115	263,087	970,716	255,201	25,194	2,064,313	1,193,206	123,305	246,481	33,847	1,596,839	3,661,152
Contracted Services	359,504	13,318	308,051	64,677	7,891	753,441	208,333	10,798	9,945	43,182	272,258	1,025,699
Postage and Printing	120,886	1,366	106	657	-	123,015	9,841	53,184	37,188	6,983	107,196	230,211
Administrative Expenses	15,169	2,527	37,852	-	-	55,548	12,833	1,039	35,728	-	49,600	105,148
Software Maintenance Fees	1,026	303	65	-	-	1,394	210,306	-	-	-	210,306	211,700
Priest and Seminarian Health Insurance and Priest Retirement	-	49,765	-	1,160,484	-	1,210,249	-	-	-	-	-	1,210,249
Financial Assistance	275,130	53,445	8,585	-	-	337,160	-	-	-	-	-	337,160
Program Services	89,155	45,859	102,700	22,430	-	260,144	50,714	8,906	2,574	-	62,194	322,338
Tuition/Board	4,903	473,511	-	12,425	-	490,839	-	-	-	-	-	490,839
Employee Education and Travel	41,287	26,981	25,956	133,618	-	227,842	67,296	4,338	425	-	72,059	299,901
Occupancy	-	-	-	10,037	-	10,037	-	-	306,766	-	306,766	316,803
Depreciation	-	-	-	-	-	-	-	-	51,333	-	51,333	51,333
Assessments	-	-	-	-	-	-	135,147	-	-	-	135,147	135,147
Property, Casualty, and Liability Group Plan	-	-	-	-	1,733,103	1,733,103	-	-	-	-	-	1,733,103
Workers Compensation Group Plan	-	-	-	-	348,092	348,092	-	-	-	-	-	348,092
National Catholic Youth Conference	-	-	331,241	-	-	331,241	-	-	-	-	-	331,241
Contributions	496,262	-	600	-	-	496,862	34,041	-	-	-	34,041	530,903
Miscellaneous	3,020	159	4,584	34,900	-	42,663	324,366	-	-	36,806	361,172	403,835
Total Expenses	\$ 1,956,457	\$ 930,321	\$ 1,790,456	\$ 1,694,429	\$ 2,114,280	\$ 8,485,943	\$ 2,246,083	\$ 201,570	\$ 690,440	\$ 120,818	\$ 3,258,911	\$ 11,744,854

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
	Communications and Financial Assistance		Religious Development	Education	Clergy Care	Group Insurance	Total	Development			Total	
	Assistance	Development						Diocesan Administration	and Stewardship	Pastoral Center		
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
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 784,155	\$ 4,275,258
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	51,333	65,760
Bad Debt Expense	496,201	77,904
Loss on Disposal of Property and Equipment	-	5,966
Unrealized and Realized Gains on Investments	(553,597)	(306,293)
Donated Investments	(2,843,452)	-
Unrealized Gain on Value of Equity Balance in Insurance Pool	(29,343)	(36,482)
Net Change in Accrued Postretirement Benefits	1,540,719	(773,668)
Net Change in Accrued Pension Plan	(1,471,553)	(3,096,222)
Changes in Assets and Liabilities:		
Accounts Receivable	551,663	(635,140)
Annual Appeal	223,999	(583,991)
Due from Affiliates	20,590	(13,266)
Bequests	-	3,233
Promises to Give	7,151,484	(3,125,754)
Split-Interest Agreement	(6,206)	(3,569)
Prepays and Other Assets	169,300	(270,357)
Accounts Payable and Accrued Expenses	(621,598)	(27,399)
Due to Affiliates	(441,841)	(211,108)
Funds Held for Others	289,478	28,183
Capital Campaign - Amounts Raised for Other Organizations	(8,499,517)	6,263,251
Accrued Employee Benefits	32,687	489
Annual Appeal Refunds	(5,964)	3,722
Deferred Revenue	-	(19,430)
Net Cash Provided (Used) by Operating Activities	(3,161,462)	1,621,087
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from the Sale of Investments	8,614,068	91,000
Purchase of Investments	(4,602,846)	(1,809,482)
Issuance of Lines of Credit	(710,000)	-
Purchase of Property and Equipment	(62,547)	(72,619)
Net Cash Provided (Used) by Investing Activities	3,238,675	(1,791,101)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	77,213	(170,014)
Cash and Cash Equivalents - Beginning of Year	475,191	645,205
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 552,404	\$ 475,191

See accompanying Notes to Financial Statements.

ADMINISTRATIVE OFFICES OF THE ROMAN CATHOLIC DIOCESE OF DES MOINES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

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

Communications and Financial Assistance

Includes the monthly Catholic Mirror and the Communications office, financial assistance to Catholic Charities, and the worship office.

Religious Development

Includes the education and formation of seminarians working towards priesthood and the formation and education of Deacons.

Education and Evangelization

Includes the oversight and assistance to the 17 Catholic schools and evangelization and faith formation efforts in all parishes.

Clergy Care

Includes assistance and support to all active and retired priests including health insurance and continuing education.

Group Insurance

Includes the activity of the self-funded property/casualty insurance administered by the Diocese for all locations 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, 2024 AND 2023**

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>2024</u>	<u>2023</u>
Other Reimbursements	\$ 845,128	\$ 786,491
Property, Casualty, and Liability	1,811,333	1,406,148
Workers' Compensation	347,097	340,861
Total	<u>\$ 3,003,558</u>	<u>\$ 2,533,500</u>
	<u>2024</u>	<u>2023</u>
Program Service Fees	\$ 682,464	\$ 715,373
Advertising Revenue	45,949	37,758
National Youth Conference	342,275	-
Total	<u>\$ 1,070,688</u>	<u>\$ 753,131</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
CATHOLIC DIOCESE OF DES MOINES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

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.

Accounts Receivable and Allowance for Credit Losses

Accounts receivable consist of amounts due for advertising, reimbursements from parishes, loans directly to priests, and other miscellaneous program service fees. The Diocese uses historical loss information based on the aging of receivables as the basis to determine expected credit losses for receivables and believes the composition of trade receivables at year-end is consistent with historical conditions. When assessing future expected credit losses, the Diocese believes forward-looking information shows reasonable and supportable evidence for the expected credit loss rate to remain unchanged for the year. The Diocese reviews the estimate of expected credit losses on a regular basis and adjusts as necessary based on changes in economic conditions, customer/parish creditworthiness, and other factors. Allowance for credit losses totaled \$612 and \$1,223 as of June 30, 2024 and 2023, respectively.

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.

**ADMINISTRATIVE OFFICES OF THE ROMAN
CATHOLIC DIOCESE OF DES MOINES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

NOTE 1 ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

**ADMINISTRATIVE OFFICES OF THE ROMAN
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

NOTE 1 ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 10, 2024, the date the financial statements were available for issuance.

Adoption of New Accounting Standard

The Diocese adopted Financial Accounting Standards Board (FASB) ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, as amended, during the year which modifies the measurement of expected credit losses. The Diocese adopted this new guidance utilizing the modified retrospective transition method. The adoption resulted in changes to the Diocese's accounting policies, including the recognition of credit losses based on expected future credit losses rather than incurred credit losses. The adoption of this standard did not have a material impact on the Diocese's financial statements.

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, 2024 and 2023, 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>2024</u>	<u>2023</u>
Cash and Cash Equivalents	\$ 552,404	\$ 475,191
Accounts Receivable, Less Allowance	365,030	968,558
Annual Appeal	1,395,643	1,619,642
Due from Affiliates	2,139	22,729
Lines of Credit Receivable, Less Allowance	460,000	-
Investments	12,804,414	13,418,587
Less: Net Assets with Donor Restrictions	<u>(2,088,326)</u>	<u>(1,947,409)</u>
Total	<u>\$ 13,491,304</u>	<u>\$ 14,557,298</u>

**ADMINISTRATIVE OFFICES OF THE ROMAN
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NOTE 3 LINES OF CREDIT RECEIVABLE

The Diocese has entered into line of credit agreements with two parishes. One line of credit was entered into on December 20, 2023 for an amount up to \$500,000 at an interest rate of 4% with interest and outstanding principal due on December 20, 2024. The outstanding balance totaled \$500,000 at June 30, 2024. The second line of credit was entered into on June 26, 2024 for an amount up to \$210,000 at an interest rate of 5% with interest and outstanding principal due on October 31, 2024. The outstanding balance totaled \$210,000 at June 30, 2024. The Diocese has determined an allowance for credit losses in the amount of \$250,000 was necessary to record on these lines of credit as of June 30, 2024.

NOTE 4 NET ASSETS WITH DONOR RESTRICTIONS

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

	2024	2023
Time Restricted:		
Gift Annuities	\$ 32,311	\$ 26,105
Purpose Restricted:		
Campus Ministry and Priests' Housing	1,411,540	1,324,501
Parish Solidarity	165,742	150,877
Hispanic Seminarian Endowment	123,769	109,274
Other Funds	354,964	336,652
Total	2,056,015	1,921,304
Total Net Assets with Donor Restrictions	\$ 2,088,326	\$ 1,947,409

NOTE 5 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.

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.

**ADMINISTRATIVE OFFICES OF THE ROMAN
CATHOLIC DIOCESE OF DES MOINES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

**NOTE 5 INVESTMENTS, INVESTMENT RETURN, AND FAIR VALUE MEASUREMENTS
(CONTINUED)**

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, 2024, by level within the fair value hierarchy:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Cash and Cash Equivalents	\$ 3,202,203	\$ -	\$ -	\$ -
Fixed Income	2,336,663	-	2,336,663	-
Funds Held by the Catholic Extension	123,769	-	-	123,769
Funds Held by the Catholic Foundation of Southwest Iowa	7,141,779	-	-	7,141,779
Total	<u>\$ 12,804,414</u>	<u>\$ -</u>	<u>\$ 2,336,663</u>	<u>\$ 7,265,548</u>

	<u>Fair Value</u>	<u>Principal Valuation Technique</u>	<u>Unobservable Inputs</u>
Funds Held by the Catholic Extension	\$ 123,769		
Funds Held by the Catholic Foundation of Southwest Iowa	7,141,779	Net Asset Value	Value of Underlying Assets

**ADMINISTRATIVE OFFICES OF THE ROMAN
CATHOLIC DIOCESE OF DES MOINES
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**NOTE 5 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, 2023, by level within the fair value hierarchy:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
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	<u>6,352,659</u>	<u>-</u>	<u>-</u>	<u>6,352,659</u>
Total	<u>\$ 13,418,587</u>	<u>\$ -</u>	<u>\$ 2,831,612</u>	<u>\$ 6,461,933</u>

	<u>Fair Value</u>	<u>Principal Valuation Technique</u>	<u>Unobservable Inputs</u>
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

During the years ended June 30, 2024 and 2023, there were purchases of \$183,040 and \$42,950 and distributions of \$34,426 and \$91,000 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:

	<u>2024</u>	<u>2023</u>
Realized Loss on Investments	\$ (38,120)	\$ (9,631)
Unrealized Gain on Investments	621,060	352,406
Interest	346,050	237,308
Total Investment Return	<u>\$ 928,990</u>	<u>\$ 580,083</u>

NOTE 6 PROPERTY AND EQUIPMENT

A summary of property and equipment at June 30:

	<u>2024</u>	<u>2023</u>
Office Furniture and Equipment	\$ 603,127	\$ 603,127
Automobiles	<u>154,732</u>	<u>101,904</u>
Subtotal	757,859	705,031
Less: Accumulated Depreciation	<u>(588,630)</u>	<u>(547,016)</u>
Total Property and Equipment	<u>\$ 169,229</u>	<u>\$ 158,015</u>

**ADMINISTRATIVE OFFICES OF THE ROMAN
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JUNE 30, 2024 AND 2023**

NOTE 7 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, 2024 and 2023 were \$163,862 and \$151,373, respectively.

NOTE 8 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, 2024, the liability was calculated using a discount rate of 5.40% and an expected rate of increase in insurance premiums of 5.58%. At June 30, 2024, there were 90 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 \$5,950,036 and \$4,409,317 at June 30, 2024 and 2023, respectively.

NOTE 9 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.

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

	<u>2024</u>	<u>2023</u>
Benefit Obligation - Beginning of Year	\$ 11,521,445	\$ 13,325,696
Service Cost	215,547	234,602
Interest Cost	560,118	585,161
Actuarial Gain	(565,760)	(1,781,096)
Benefit Payments	(797,613)	(842,918)
Projected Benefit Obligation - End of Year	<u>10,933,737</u>	<u>11,521,445</u>
Change in Plan Assets:		
Fair Value of Plan Assets - Beginning of Year	12,801,937	11,509,966
Actual Return on Assets	1,320,505	1,013,208
Employer Contributions	360,953	1,121,681
Benefit Payments	(797,613)	(842,918)
Fair Value of Plan Assets - End of Year	<u>13,685,782</u>	<u>12,801,937</u>
Net Funded Status - Priest Pension Plan	<u>\$ 2,752,045</u>	<u>\$ 1,280,492</u>

**ADMINISTRATIVE OFFICES OF THE ROMAN
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NOTE 9 DEFINED BENEFIT PENSION PLAN (CONTINUED)

Weighted average assumptions used to determine benefit obligations:

	<u>2024</u>	<u>2023</u>
Discount Rate	5.40 %	5.05 %
Expected Long-Term Rate of Return on Plan Assets	6.25 %	6.25 %

Components of net periodic benefit cost:

	<u>2024</u>	<u>2023</u>
Service Cost	\$ 215,547	\$ 234,602
Interest Cost on Projected Benefit Obligation	560,118	585,161
Expected Return on Plan Assets	(616,139)	(538,362)
Amortization of Prior Service Cost	27,935	38,166
Amortization of Net Loss	-	52,421
Periodic Benefit Cost Recognized	<u>\$ 187,461</u>	<u>\$ 371,988</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.

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, 2024:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Cash and Cash Equivalents	\$ 11,534	\$ -	\$ -	\$ -
Fixed Income	3,209,584	-	3,209,584	-
Equities	7,226,128	7,226,128	-	-
Real Estate	737,197	-	737,197	-
Funds Held by the Catholic Foundation of Southwest Iowa	<u>2,501,339</u>	<u>-</u>	<u>-</u>	<u>2,501,339</u>
Total	<u>\$ 13,685,782</u>	<u>\$ 7,226,128</u>	<u>\$ 3,946,781</u>	<u>\$ 2,501,339</u>
	<u>Fair Value</u>	<u>Principal Valuation Technique</u>	<u>Unobservable Inputs</u>	
Funds Held by the Catholic Foundation of Southwest Iowa	<u>\$ 2,501,339</u>	<u>Net Asset Value</u>	<u>Value of Underlying Assets</u>	

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NOTE 9 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:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
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>-</u>	<u>-</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>

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

During the years ended June 30, 2024 and 2023, there were purchases of \$872 and \$577, respectively, and distributions of \$90,000 and \$9,935, 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.

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>
2025	\$ 870,000
2026	840,000
2027	810,000
2028	820,000
2029	790,000
2030-2034	<u>3,980,000</u>
Total	<u>\$ 8,110,000</u>

NOTE 10 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.

**ADMINISTRATIVE OFFICES OF THE ROMAN
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NOTE 10 SPLIT-INTEREST AGREEMENTS (CONTINUED)

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 \$32,311 and \$26,105 at June 30, 2024 and 2023, respectively. On an annual basis, the Diocese revalues this receivable based upon actuarial assumptions.

NOTE 11 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.

Promises to Give activity, since inception of the campaign, is as follows as of June 30, 2024:

Pledges	\$ 37,178,731
Payments Received	(27,430,445)
Write-Offs	(270,742)
Allowance for Uncollectible Accounts	(2,067,990)
Discount	(164,685)
Promises to Give, Net of Allowance and Discount	<u>\$ 7,244,869</u>

Promises to Give as of June 30, 2024 will be paid in the following fiscal years:

<u>Year Ending June 30,</u>	<u>Amount</u>
2025	\$ 6,244,173
2026	2,693,475
2027	458,725
2028	81,171
Promises to Give, Gross	<u>9,477,544</u>
Allowance for Uncollectible Accounts	(2,067,990)
Discount	(164,685)
Promises to Give, Net of Allowance and Discount	<u>\$ 7,244,869</u>

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NOTE 11 IGNITE! CAPITAL CAMPAIGN (CONTINUED)

Capital Campaign – Amounts Raised for Other Organizations activity, since inception of the campaign, is as follows as of June 30, 2024:

Pledges	\$ 37,178,731
Write-Offs	(270,742)
Campaign Expenses	(2,275,776)
Payments Made	(23,431,727)
Allowance for Uncollectible Accounts	(2,067,990)
Discount	<u>(164,685)</u>
Capital Campaign - Amounts Raised for Other Organizations, Net of Allowance and Discount	<u>\$ 8,967,811</u>

NOTE 12 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, 2024:

	<u>Due from Affiliates</u>	<u>Due to Affiliates</u>
Catholic Charities	\$ -	\$ 83,533
Catholic Tuition Organization	2,139	-
Catholic Pastoral Center Foundation	-	26,555
Total	<u>\$ 2,139</u>	<u>\$ 110,088</u>

The amounts due to, and from, the Diocese at June 30, 2023 are as follows:

	<u>Due from Affiliates</u>	<u>Due to Affiliates</u>
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 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 \$120,964 and \$108,942 for the fiscal years ended June 30 2024 and 2023, respectively. During the years ended June 30, 2024 and 2023, the Diocese provided \$394,304 and \$270,195, respectively, in funding to Catholic Charities for various programs.

During the years ended June 30, 2024 and 2023, the Diocese was reimbursed \$184,710 and \$184,624, respectively, for administrative, human resource, accounting and fundraising support and parking costs provided to Catholic Charities.

**ADMINISTRATIVE OFFICES OF THE ROMAN
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NOTE 12 RELATED PARTY TRANSACTIONS (CONTINUED)

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, 2024 and 2023, total grants paid to the Diocese were \$1,726,749 and \$1,035,298, respectively.

During the years ended June 30, 2024 and 2023, the Diocese was reimbursed \$10,662 and \$131,250, respectively, for office space, administrative and accounting support, and parking provided to the Catholic Tuition Organization.

During the years ended June 30, 2024 and 2023, the Diocese was reimbursed \$85,701 and \$99,756, respectively, for office space, administrative and accounting support, and parking provided to the Catholic Pastoral Center Foundation.

NOTE 13 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, 2024, approximately \$1,322,325 and \$1,884,110 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 is received in full for the obligations.

NOTE 14 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 \$366,060 and \$336,717 at June 30, 2024 and 2023, respectively.



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