

Independent Auditors' Report

To the Most Reverend Thomas John Paprocki, Bishop
Diocese of Springfield in Illinois

Opinion

We have audited the accompanying financial statements of the Diocese of Springfield in Illinois (a nonprofit organization), which are comprised of the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities 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 of Springfield in Illinois 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 of Springfield in Illinois 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 of Springfield in Illinois' 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, including omissions, 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 of Springfield in Illinois' 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 of Springfield in Illinois' 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.

Erik, Schfer & Pank, LLP

Springfield, Illinois
November 22, 2023

Diocese of Springfield in Illinois

STATEMENTS OF FINANCIAL POSITION

June 30

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and cash equivalents	\$ 5,223,879	\$ 1,799,009
Investments	1,245,932	3,919
Receivables		
Collections and assessments - less allowance for uncollectibles of \$ 320,401 in 2023 and \$ 420,401 in 2022	3,134,769	3,135,909
Premiums - less allowance for uncollectibles of \$ 175,000 in 2023 and 2022	1,659,241	1,606,175
Other	<u>278,687</u>	<u>266,825</u>
	5,072,697	5,008,909
Prepaid expenses	20,000	948
Funds invested in the Deposit and Loan Fund	46,698,340	51,050,134
Equipment - less accumulated depreciation of \$ 532,426 in 2023 and \$ 505,558 in 2022	55,900	82,768
Investment in insurers, at cost	244,066	244,066
Other assets	<u>59,500</u>	<u>59,500</u>
	<u>\$ 58,620,314</u>	<u>\$ 58,249,253</u>

The accompanying notes are an integral part of these financial statements.

2023

2022

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable and accrued liabilities

Trade payables	\$ 956,365	\$ 1,314,570
Property, payroll and other taxes	969,081	462,058
Claims payable	<u>1,385,000</u>	<u>2,200,000</u>

3,310,446 3,976,628

Funds held for others

1,673,909 1,514,035

Total liabilities

4,984,355 5,490,663

NET ASSETS

Without donor restrictions

Undesignated	323,572	391,092
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Designated

Specific	6,700,000	5,200,000
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Program

<u>31,501,044</u>	<u>31,567,599</u>
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38,524,616 37,158,691

Net assets with donor restrictions

15,111,343 15,599,899

Total net assets

53,635,959 52,758,590

\$ 58,620,314 \$ 58,249,253

Diocese of Springfield in Illinois

STATEMENT OF ACTIVITIES

Year Ended June 30, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues, gains and other support:			
Parish tithing	\$ 5,078,149	\$ -	\$ 5,078,149
Diocesan service fees	1,001,960	-	1,001,960
Insurance premiums	19,418,170	-	19,418,170
Real estate - net	13,081	-	13,081
Investment gain, net of fees of \$5,750	532,275	17,057	549,332
Investment gain - Deposit and Loan Fund	1,604,007	36,749	1,640,756
Change in unrealized gain on investments	-	78,875	78,875
Contributions	4,670,066	265,062	4,935,128
Catholic Times subscriptions	2,648	-	2,648
Catholic Times advertising	130,978	-	130,978
Bequests	-	2,032	2,032
Other	297,023	1,700	298,723
Net assets released from restrictions	890,031	(890,031)	-
Total revenues, gains and other support	33,638,388	(488,556)	33,149,832
Expenses			
Program services			
Diocesan and Catechetical services	29,818,282	-	29,818,282
Supporting activities			
Management and general	2,081,593	-	2,081,593
Fundraising	372,588	-	372,588
Total expenses	32,272,463	-	32,272,463
Change in net assets	1,365,925	(488,556)	877,369
Net assets at beginning of year	37,158,691	15,599,899	52,758,590
Net assets at end of year	<u>\$ 38,524,616</u>	<u>\$ 15,111,343</u>	<u>\$ 53,635,959</u>

The accompanying notes are an integral part of this financial statement.

Diocese of Springfield in Illinois

STATEMENT OF ACTIVITIES

Year Ended June 30, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues, gains and other support:			
Parish tithing	\$ 4,758,358	\$ -	\$ 4,758,358
Diocesan service fees	792,696	-	792,696
Insurance premiums	18,581,426	-	18,581,426
Real estate - net	113,777	-	113,777
Investment gain, net of fees of \$25,744	494,494	-	494,494
Investment gain (loss) - Deposit and Loan Fund	(3,350,785)	36,487	(3,314,298)
Loss on sale of investments - net	(7)	-	(7)
Contributions	4,350,820	238,870	4,589,690
Catholic Times subscriptions	301,529	-	301,529
Catholic Times advertising	123,749	-	123,749
Bequests	35	33,725	33,760
Other	48,128	15,000	63,128
Net assets released from restrictions	<u>760,760</u>	<u>(760,760)</u>	<u>-</u>
Total revenues, gains and other support	26,974,980	(436,678)	26,538,302
Expenses			
Program services			
Diocesan and Catechetical services	29,322,670	-	29,322,670
Supporting activities			
Management and general	2,099,037	-	2,099,037
Fundraising	<u>194,366</u>	<u>-</u>	<u>194,366</u>
Total expenses	<u>31,616,073</u>	<u>-</u>	<u>31,616,073</u>
Change in net assets	(4,641,093)	(436,678)	(5,077,771)
Net assets at beginning of year	<u>41,799,784</u>	<u>16,036,577</u>	<u>57,836,361</u>
Net assets at end of year	<u>\$ 37,158,691</u>	<u>\$ 15,599,899</u>	<u>\$ 52,758,590</u>

The accompanying notes are an integral part of this financial statement.

Diocese of Springfield in Illinois

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2023

	Program Services	Supporting Activities			Total
	Diocesan and Catechetical Services	Management and General	Fundraising	Total Supporting	
Salaries and employee benefits	\$ 3,442,642	\$ 1,306,581	\$ 277,797	\$ 1,584,378	\$ 5,027,020
Contributions	363,541	-	-	-	363,541
Retirement benefits	2,328,740	-	-	-	2,328,740
Professional fees	176,645	301,472	-	301,472	478,117
Contractual Services	110,433	56,396	13,250	69,646	180,079
Occupancy	808,100	-	-	-	808,100
Travel	92,319	10,030	665	10,695	103,014
Printing	191,163	4,355	4,321	8,676	199,839
Postage and shipping	199,975	373	-	373	200,348
Meetings	104,847	1,072	(6,763)	(5,691)	99,156
Insurance claims	20,510,113	-	-	-	20,510,113
Supplies	23,730	881	136	1,017	24,747
Telephone	5,780	5,317	-	5,317	11,097
Equipment rental and maintenance	94,642	47,371	-	47,371	142,013
Fees	115,976	-	-	-	115,976
Dues and publications	35,864	30,863	1,120	31,983	67,847
Insurance	51,620	-	-	-	51,620
Workshops	8,042	-	-	-	8,042
Advertising	11,148	3,311	25,592	28,903	40,051
Tuition and education	777,493	-	-	-	777,493
Ministry	135,424	-	-	-	135,424
Settlements and therapy	-	247,484	-	247,484	247,484
Other	230,045	20,723	56,470	77,193	307,238
Depreciation	-	26,868	-	26,868	26,868
Bad debt expense	-	17,281	-	17,281	17,281
Interest expense	-	1,215	-	1,215	1,215
Total expenses	<u>\$ 29,818,282</u>	<u>\$ 2,081,593</u>	<u>\$ 372,588</u>	<u>\$ 2,454,181</u>	<u>\$ 32,272,463</u>

The accompanying notes are an integral part of these financial statements.

Diocese of Springfield in Illinois

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2022

	Program Services	Supporting Activities			Total
	Diocesan and Catechetical Services	Management and General	Fundraising	Total Supporting	
Salaries and employee benefits	\$ 3,429,659	\$ 1,049,242	\$ 142,070	\$ 1,191,312	\$ 4,620,971
Contributions	739,400	-	-	-	739,400
Retirement benefits	2,527,083	-	-	-	2,527,083
Professional fees	274,709	233,482	-	233,482	508,191
Contractual Services	103,151	-	11,259	11,259	114,410
Occupancy	538,053	-	-	-	538,053
Travel	68,635	6,031	441	6,472	75,107
Printing	194,376	3,465	-	3,465	197,841
Postage and shipping	196,606	82	1,502	1,584	198,190
Meetings	56,173	8,949	4,208	13,157	69,330
Insurance claims	19,772,320	-	-	-	19,772,320
Supplies	21,815	1,248	106	1,354	23,169
Telephone	5,666	15,928	-	15,928	21,594
Equipment rental and maintenance	80,776	56,963	-	56,963	137,739
Fees	110,004	-	-	-	110,004
Dues and publications	37,977	4,376	9,955	14,331	52,308
Insurance	49,798	-	-	-	49,798
Workshops	144	-	-	-	144
Advertising	14,857	4,509	2,848	7,357	22,214
Tuition and education	770,054	-	-	-	770,054
Ministry	722	-	-	-	722
Settlements and therapy	-	536,354	-	536,354	536,354
Other	330,692	20,276	21,977	42,253	372,945
Depreciation	-	56,743	-	56,743	56,743
Bad debt expense	-	101,075	-	101,075	101,075
Interest expense	-	314	-	314	314
Total expenses	<u>\$ 29,322,670</u>	<u>\$ 2,099,037</u>	<u>\$ 194,366</u>	<u>\$ 2,293,403</u>	<u>\$ 31,616,073</u>

The accompanying notes are an integral part of these financial statements.

Diocese of Springfield in Illinois

SCHEDULES OF PROGRAM SERVICES - OPERATING FUND

Years Ended June 30

	<u>2023</u>	<u>2022</u>
Cathedral operations	\$ 283,904	\$ 223,913
Catholic Pastoral Center operations	520,146	502,210
Human Resources	375,221	307,136
Office of the Bishop	241,992	225,464
Office for Campus Ministry		
Campus Ministry	870	1,998
Newman Center - Charleston	554,796	456,239
Newman Center - Decatur	60,723	54,467
Newman Center - Edwardsville	273,582	191,360
Newman Center - UIS	22,012	1,800
Office for Catholic Schools	221,515	169,022
Office for Catechesis	77,295	77,456
Office for Cemetery	52,963	68,658
Office for Clergy Personnel		
Post Graduate	86,528	71,765
Personnel	23,021	23,787
Clergy Leave	64,275	55,024
Office for Communications and Information Services	66,147	121,769
Office for Marriage and Family Life	(1,145)	47,222
Office for Lay Ministry	22	-
Office for Lay Organizations	-	(40)
Office for Vicar for Priests	56,534	34,780
Office for Pro-Life Activities & Special Ministries		
Pro-Life Activities & Special Ministries	57,859	59,448
Black Catholic Commission	6,524	4,087
Deaf Ministry	29,316	21,688
Diocesan Office for Hispanic Ministry	138,362	159,286
Office for Youth and Young Adult Ministry	26,406	82,112
Office for the Tribunal	<u>134,189</u>	<u>143,771</u>
 Total carried forward	 \$ 3,373,057	 \$ 3,104,422

Diocese of Springfield in Illinois

SCHEDULES OF PROGRAM SERVICES - OPERATING FUND - CONTINUED

Years Ended June 30

	<u>2023</u>	<u>2022</u>
Total brought forward	\$ 3,373,057	\$ 3,104,422
Office of Archives Management	177,604	214,574
Office for Vocations		
Seminarians Education	867,360	864,392
Office for Divine Worship and Catechumenate	30,702	28,749
Office for Stewardship and Discipleship	309,209	202,216
Office of the Diaconate	46,093	31,178
Presbyteral council	529	1,701
Subsidy to St. Patrick's School	50,000	50,000
Universal Church support		
United States Conference of Catholic Bishops	55,162	51,661
Catholic Conference of Illinois	33,811	33,908
Papal support	42,000	42,000
Catholic University of America	18,000	18,000
Villa Maria - Catholic Life Center	587,518	362,348
Other	90,534	70,894
Communications media	28,090	21,000
Rice Bowl	<u>18,397</u>	<u>19,809</u>
	<u>\$ 5,728,066</u>	<u>\$ 5,116,852</u>

Diocese of Springfield in Illinois

SCHEDULES OF SUPPORTING SERVICES - OPERATING FUND

Years Ended June 30

	<u>2023</u>	<u>2022</u>
Administration		
Catholic Pastoral Center - Information Technology	\$ 316,581	\$ 248,012
Office for Finance	800,303	609,511
Office of the Chancellor/Director of Policy Development	160,501	142,237
Office of the Vicar General	119,006	124,050
Office of Vocations	88,270	46,359
Delegates for Health Care and Legal Profession	<u>7,200</u>	<u>4,200</u>
	1,491,861	1,174,369
Settlements and therapy	247,484	336,354
Interest	1,215	314
Bad debt expense	17,281	101,075
Depreciation	26,868	56,743
Professional fees	<u>296,884</u>	<u>230,182</u>
	<u>\$ 2,081,593</u>	<u>\$ 1,899,037</u>