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A PROFESSIONAL CORPORATION

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March 15, 2024

To the Board of Directors & Management
Diocese of Lubbock-Central Administrative Office
P.O. Box 94710
Lubbock, TX 79493-4710

We have audited the financial statements of Diocese of Lubbock-Central Administrative Office (the Diocese) for the year ended June 30, 2023, and we will issue our report thereon dated March 15, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated August 1, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Diocese are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2023. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

Management's estimate of the allowance for doubtful accounts is based on historical collections. We evaluated the key factors and assumptions used to develop the allowance for doubtful accounts in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

The internal software system used (Shelby) was not functioning properly not due to the Diocese, this caused a delay in starting the audit in a timely manner.



Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 15, 2024:

Management Consultations with Other Independent Accountants

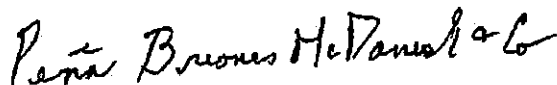
In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a second opinion on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of Directors and Management of The Roman Catholic Diocese of Lubbock and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,



Peña Briones McDaniel & Co.

DIOCESE OF LUBBOCK
CENTRAL ADMINISTRATIVE OFFICE

FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2023 AND 2022

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INDEPENDENT AUDITOR'S REPORT

The Most Reverend Robert M. Coerver, S.T.L., M.S.
Bishop of the Diocese of Lubbock
4620 4th Street
Lubbock, Texas 79499

Opinion

We have audited the accompanying financial statements of the Diocese of Lubbock-Central Administrative Office (the Diocese), which comprise 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 Lubbock-Central Administrative Office as of June 30, 2023 and 2022, and the change in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted by 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Diocese of Lubbock-Central Administrative Office 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 unmodified audit opinion for the June 30, 2023 and 2022 financial statements.

Correction of Error

As discussed in Note 21 to the financial statements, an error resulting in understatement of amounts previously reported for accounts receivable and revenue as of June 30, 2022, were discovered by management of the Diocese during the current fiscal year. Accordingly, amounts reported as accounts receivable and revenue have been restated in the June 30, 2022 financial statements now presented, and an adjustment has been made to net assets as of June 30, 2022, to correct the error. Our opinion is not modified with respect to that matter.

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 Lubbock-Central Administrative Office's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 of Lubbock-Central Administrative Office'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 of Lubbock-Central Administrative Office'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.

March 15, 2024
El Paso, Texas

DIOCESE OF LUBBOCK
CENTRAL ADMINISTRATIVE OFFICE

STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2023 AND 2022

	2023	2022
<u>ASSETS</u>		
Cash	\$ 2,699,448	\$ 2,595,120
Investments	4,375,359	2,875,863
Accounts receivable, net	154,190	145,720
Grants receivable	343,500	232,001
Loans receivable	164,921	192,666
Land, buildings, and equipment, net	5,387,286	5,389,841
Other assets	2,462	2,197
TOTAL ASSETS	\$ 13,127,166	\$ 11,433,408
<u>LIABILITIES AND NET ASSETS</u>		
Liabilities		
Accounts payable and accrued expenses	\$ 97,320	\$ 201,273
Parish savings and deposits	1,724,932	1,673,441
Online donation parishes payable	89,292	-
Insurance recovery payable	191,966	-
Health insurance reserve	73,313	73,313
Accrued priest pension plan	432,121	449,136
Total liabilities	2,608,944	2,397,163
Net assets		
Without donor restrictions:		
Undesignated	\$ 5,219,557	\$ 3,756,834
Unfunded pension obligation	(432,121)	(449,136)
Investment in plant assets	5,387,286	5,389,841
Total without donor restrictions net assets	10,174,722	8,697,539
With donor restrictions:		
Time restriction	343,500	338,706
Total with donor restrictions net assets	343,500	338,706
Total net assets	10,518,222	9,036,245
TOTAL LIABILITIES AND NET ASSETS	\$ 13,127,166	\$ 11,433,408

See independent accountant's report and notes to financial statements

DIOCESE OF LUBBOCK
CENTRAL ADMINISTRATIVE OFFICE

STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
SUPPORT AND REVENUE		
Annual appeal and other contributions	\$ 1,654,928	\$ 1,505,100
Cathedraticum	1,117,529	897,799
Gifts and honorariums	2,110,074	1,602,030
Fees for programs and services Interest	511,713	559,066
and investment revenues Royalties	44,385	2,929
Grants	4,754	3,592
Other revenues	544,005	566,280
Realized gain (loss) on investments	46,628	76,960
Unrealized (loss) gain on investments Pass-	10,091	31,447
through revenue	99,255	(281,369)
	-	306,023
Support and revenue	<u>6,143,362</u>	<u>5,269,857</u>
Net assets released from restriction	<u>338,706</u>	<u>77,500</u>
Total support and revenue	<u>6,482,068</u>	<u>5,347,357</u>
EXPENSES		
Program/ministries		
Campus ministry	82,886	76,363
Claims paid to parishes	113,848	72,609
Clergy	69,319	71,103
Communications and SPC	239,527	218,899
Deacon continuing education	138,638	123,269
Deacon formation	28,171	366
Diocesan High School	297,500	150,000
EF3 Conference	8,219	20,446
Formation Division	109,280	86,085
John Saleh and other gifts	74,932	118,751
Office for catechesis	88,449	69,482
Office of family life	66,809	33,253
Office of worship & liturgical music	41,330	8,321
Parish sustenance	162,317	86,275
RCIA	9,142	13,266
Seminarians	308,113	293,816
Superintendent -admin	51,144	47,165
Superintendent of school - teachers	350,215	107,770
Vicar for consecrated life	8,569	7,069
Vicar general office	25,590	21,000
Vocations office	70,126	57,949
Youth and young adults	59,173	28,593
Jail ministry	352	160
Parish billable	5,820	3,583
Total program/ministries	<u>2,409,469</u>	<u>1,715,593</u>

See independent accountant's report and notes to financial statements

DIOCESE OF LUBBOCK
CENTRAL ADMINISTRATIVE OFFICE

STATEMENTS OF ACTIVITIES (Continued)
YEARS ENDED JUNE 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
EXPENSES (Continued)		
Management/administrative		
Bishop emeritus	\$ 32,501	\$ 17,668
Bishop's office	141,561	222,908
Bishop's residence	46,992	46,978
Catholic pastoral center	85,101	84,315
Catholic renewal center	127,515	104,524
Chancellor	99,173	64,518
Clergy continuing education	14,079	37,227
Clergy- legal and accounting	37,518	7,661
Clergy- salary and benefits	411,366	258,432
Annual appeal	130,389	66,950
Deposit and loan	11,661	19,547
Development office	108,479	18,615
Facilities	132,033	106,047
Finance office	630,483	636,601
Marriage tribunal and canonical services	153,050	72,438
Miscellaneous	-	92,229
Parish administration	149,379	276,856
Social concerns	82,207	92,409
Office supplies- Joan Patton finance center	38,904	24,232
Total management/administrative	<u>2,432,391</u>	<u>2,250,155</u>
Total expenses	<u>4,841,860</u>	<u>3,965,748</u>
INCREASE IN NET ASSETS WITHOUT DONOR'S RESTRICTION BEFORE CAPITAL TRANSACTIONS	<u>1,640,208</u>	<u>1,381,609</u>
Capital transactions		
Insurance proceeds	10,000	-
Depreciation expense	(190,040)	(190,787)
Total capital transactions	<u>(180,040)</u>	<u>(190,787)</u>
INCREASE IN NET ASSETS WITHOUT DONOR'S RESTRICTIONS AFTER CAPITAL TRANSACTIONS	<u>1,460,168</u>	<u>1,190,822</u>
NET ASSETS WITH DONOR'S RESTRICTIONS		
Contributions	343,500	338,706
Net assets released	(338,706)	(77,500)
Total increase in net assets with donor's restrictions	<u>4,794</u>	<u>261,206</u>
TOTAL INCREASE IN NET ASSETS BEFORE PENSION LIABILITY	<u>1,464,962</u>	<u>1,452,028</u>
Other comprehensive income (loss)		
Minimum pension liability	17,015	(388,488)
NET ASSETS, Beginning of year as restated	<u>9,036,245</u>	<u>7,972,705</u>
NET ASSETS, End of year as restated	<u>\$ 10,518,222</u>	<u>\$ 9,036,245</u>

See independent accountant's report and notes to financial statements

DIOCESE OF LUBBOCK
CENTRAL ADMINISTRATIVE OFFICE

STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net increase (decrease) in net assets	\$ 1,481,977	\$ 831,539
Adjustments to reconcile net increase (decrease) in net assets to net cash provided by (used in) operating activities:		
Depreciation	190,040	190,787
Net unrealized loss (gain) on investments	(99,255)	281,369
Changes in operating assets and liabilities		
(Increase) decrease:		
Accounts receivable	(8,470)	(35,621)
Grants receivable	(111,499)	77,500
Loans receivable	27,745	50,608
Other assets	(265)	392
Increase (decrease):		
Accounts payable and accrued expenses	(103,953)	(90,426)
Accrued priest pension plan	(17,015)	388,489
Deposits payable	51,491	71,955
Online donation parishes payable	89,292	-
Insurance recovery payable	191,966	-
Net cash provided by operating activities	<u>1,692,054</u>	<u>1,766,592</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net purchase and sales of investments	(1,400,241)	(1,308,756)
Purchase of property, plant, and equipment	(187,485)	(40,500)
Net cash used in investing activities	<u>(1,587,726)</u>	<u>(1,349,256)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Acquisition of new debt (payments of debt)	-	(415,696)
Net cash provided by (used in) financing activities	<u>-</u>	<u>(415,696)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	104,328	1,640
CASH AND CASH EQUIVALENTS, Beginning of year	<u>2,595,120</u>	<u>2,593,480</u>
CASH AND CASH EQUIVALENTS, End of year	<u>\$ 2,699,448</u>	<u>\$ 2,595,120</u>
SUPPLEMENTAL DISCLOSURES		
Cash paid during the year for interest	<u>\$ 11,661</u>	<u>\$ 19,547</u>
Minimum pension liability	<u>\$ 432,121</u>	<u>\$ 449,136</u>

See independent accountant's report and notes to financial statements

DIOCESE OF LUBBOCK
CENTRAL ADMINISTRATIVE OFFICE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

1. PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES

Roman Catholic Diocese of Lubbock, Texas, is committed to a mission to discover the presence of God and to sanctify the world by the proclamation of the Gospel of Jesus Christ in order to enable the most effective witnessing to the Gospel. A new process has begun in the Diocese whereby all voices can be heard; especially those of the poor and anyone wounded by our contemporary society. We recognize that the voice of the people is, in a very special way, the call of the Spirit. We see a need for a process by which all the people of the diocese – priests, deacons, women religious and laity – can share their insights, strengths, and concerns.

In attempting to fulfill our mission, the Diocese will listen to all people. In listening to one another, we come to realize the living-out of our mission will be done in unity, not in uniformity. Firmly believing the listening process we have begun in the Diocese of Lubbock is an ongoing process – and priorities will change in response to the signs of the times – we, the People of God, name these as our priorities in our commitment to build up the Body of Christ and carry out the mission of the Church, which is evangelization.

Catechesis

Through the teaching office of the Bishop of Lubbock, ministering to the diversity of our Diocese: the Diocese supports the parents/guardians as the first educators in the domestic Church; We provide resources to pastors and local faith communities; We accompany the people of God on their spiritual journey through multigenerational evangelization, catechesis, and formation.

Catholic Charities

The Diocese is dedicated to providing services to the most vulnerable and most in need in our community: at risk families, the young, the elderly and immigrants.

Catholic Schools

The Diocese offers a nurturing environment and a distinctive Catholic education that gives students the formation necessary to lead a full and active Christian life in a community permeated by the Spirit of Love.

DIOCESE OF LUBBOCK
CENTRAL ADMINISTRATIVE OFFICE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

1. PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Communications

The Office of Communications for the Diocese of Lubbock assists the Bishop of Lubbock in his commitment to provide trustworthy information, well-founded inspiration, and a sense of Catholic identity to the parishioners of this local church. The communications office manages communications between the Diocese and both the Catholic and secular communities on the Llano Estacado and Low Rolling Plains of West Texas. The office also provides various communications-related services for diocesan ministry departments. The diocesan communications board was formed in 1998 to advise the bishop and aid the communications office in providing these services.

Diaconate

To be an integral part, not a supplementary one, of the ministry of the Diocese of Lubbock and its institutions. The ministry of the permanent deacon represents in a sacramental manner the servant role of the church-at-large, and of the Diocese of Lubbock in particular, according to its multicultural and multilingual expressions. The permanent deacons will express their commitment to the "local church" and to the other pastoral ministers of the Diocese of Lubbock by collaborating in the common ministry and offering support in the exercise of their own ministry. A deacon in the Roman Catholic Diocese of Lubbock will serve at the will of the Bishop according to the pastoral needs of the Diocese. At his address to the permanent deacons of the United States ("The Heart of the Diaconate Servants of the Mysteries of Christ and Servants of Your Brothers and Sisters," Sept. 19, 1987), Pope John Paul II said the permanent deacon's ministry "is the Church's service sacramentalized... This is at the very heart of the diaconate to which you are called: to be a servant of the mysteries of Christ and, at one and the same time, to be a servant of your brothers and sisters." National Directory n. 287

Divine Worship

The ministry of Worship seeks to make liturgy the source of spiritual growth and development of the Church in the Diocese of Lubbock. It is the responsibility of the Office for Worship to assist the Bishop in his role as the principal liturgist of the Diocese. The Office for Worship fulfills this responsibility by addressing liturgical matters on the diocesan level and recommending policy, practice, and catechesis in the area of worship and sacramental life in cooperation with various diocesan departments. The Office provides guidance so that developmental steps may be taken to lead the faithful to a full, conscious, and active participation in the liturgical life of the Church.

DIOCESE OF LUBBOCK
CENTRAL ADMINISTRATIVE OFFICE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

1. PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Marriage and Family Life

Through the teaching office of the Bishop of Lubbock, ministering to the diversity of our Diocese: We support the parents/guardians as the first educators in the domestic Church; We provide resources to pastors and local faith communities; We accompany the people of God on their spiritual journey through multigenerational evangelization, catechesis, and formation.

Marriage Tribunal

In every Diocese, the Bishop leads his community by three munera related to the priestly, prophetic and kingly functions of Christ. We see these functions as relating to sanctifying, teaching, legislative and judicial aspects necessary to effectively lead and manage a Diocese. When questions or concerns arise in families about the Church, the first person many look to for answers is the Bishop, his Curia and other consultants.

Vocations and Seminarian Education

In the name of the Lord, in the name of the Church of Lubbock, the Office for Vocations will invite others to become friends of Jesus, and to listen to the words of the Church, to listen attentively to His word, and to live with Him. We invite young people, local people primarily, to leave behind their own narrow agendas in order to immerse themselves in the will of God. It is essential that every local Church (Diocese) become more sensitive and attentive to the pastoral care of vocations, helping children and young people in particular at every level of family, parish and associations - as Jesus did with his disciples. How to address all the structures of the Diocese: parishes, catechists, organizations, etc. For years, Spiritual Stewardship has been a solid teaching for our Catholic faithful — we can rely on it. Scriptural Stewardship reminds us of “First Fruits,” should be applied to every family for Vocations - priesthood and religious life. (Sir. 35:1-12). “The ability to foster vocations is a hallmark of the stability of a local Church.” (Pope Benedict XVI, May 2011)

The accompanying financial statements exclude the assets, liabilities, net assets, and financial activities of individual parishes, schools, and other entities which operate within the Diocese of Lubbock. Each is an operating entity distinct from the Diocese, which maintains separate financial records and coordinates its own services and programs. In addition, various religious orders, lay societies, and religious organizations which operate within the Diocese of Lubbock, but which are not fiscally responsible to the Bishop, have not been included in the accompanying financial statements. All significant inter-organizational balances and transactions have been eliminated to the extent that the respective net assets of those organizations are combined for purposes of the financial statement presentations.

DIOCESE OF LUBBOCK
CENTRAL ADMINISTRATIVE OFFICE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

1. PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Affiliate

Effective July 1, 2006, the Diocese of Lubbock entered into a Trust agreement with the Dioceses of Amarillo, Tyler, and Corpus Christi to provide health insurance. The purpose of the Trust is to provide benefits and payments of the specified benefits expenses for the eligible Dioceses' employees. The Diocese and affiliate groups related to the Dioceses pay a monthly premium per eligible individual into the Trust. See footnote 16 for additional information.

Method of Accounting

The Diocese prepares its financial statements on the accrual basis of accounting where revenues are recognized when earned and expenditures when incurred. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Net Assets

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor or grantor restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment.

Net Assets with Donor Restrictions – Net assets subject to donor or grantor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates those resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Diocese of Lubbock - Central Administrative Office considers cash and certificates of deposit with an original maturity of three months or less to be cash equivalents. As of June 30, 2023 and 2022, the Diocese had cash equivalents of and \$151,468 and \$2,603, respectively.

DIOCESE OF LUBBOCK
CENTRAL ADMINISTRATIVE OFFICE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

1. PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Allowance for Loan Losses and Doubtful Accounts

Accounts and loans receivable are evaluated by management throughout the year. The Diocese maintains allowances for doubtful accounts based on factors surrounding the credit risk of its accounts and loans receivable, historical trends, and other information. Credit losses, when realized, have been within the range of the Diocese's expectations and, historically, have not been significant. Bad debt expense is included, and netted with, the account labeled Finance office on the Statement of Activity. As of June 30, 2023 and 2022, the Diocese had \$524,000 and \$250,000 respectively, as an allowance.

Investments

The Diocese accounts for investments under FASB ASC 958-320-50. Under this Standard, investments in marketable securities with readily determinable fair values are recorded at their fair values in the Statement of Financial Position. Unrealized gains and losses are included in the change in net assets in the accompanying Statement of Activities and Changes in Net Assets.

Building Contents, Equipment, and Vehicles - Plant Division

Building contents, equipment, and vehicles acquisitions are capitalized at cost, if purchased or at estimated fair market value at the date of gift, if donated. In the absence of original cost records, insurance appraisals have been used to establish cost. Fixed assets of \$15,000 or more are capitalized as property and equipment. Depreciation on building contents, equipment, and vehicles is provided by the straight-line method.

When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the account, and any resulting gain or loss is reflected in the revenues for the period. Expenditures which materially increase values or extend useful lives are capitalized. Routine maintenance, repairs, and replacement costs are charged to expenditures as incurred.

Leases

The Diocese evaluates its contracts at inception to determine if an arrangement is or contains a lease. Operating leases are included in operating lease right-of-use (ROU) assets and operating lease liabilities in the statement of financial position. The Diocese has no finance leases. Short-term leases (i.e. leases with an initial term of twelve months or less that do not contain a purchase option that is likely to be exercised) are not recorded on the statement of financial position. Operating lease ROU assets represent our right to use an underlying asset for the lease term, and operating lease liabilities represent our obligation to make lease payments arising from the lease.

DIOCESE OF LUBBOCK
CENTRAL ADMINISTRATIVE OFFICE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

1. PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases (Continued)

Operating lease ROU assets and liabilities are recognized at the commencement date based on the present value of the future lease payments over the lease term. Leases that do not provide an implicit rate are measured at the incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. The incremental borrowing rate is reevaluated upon lease modification. The operating lease ROU asset also includes initial direct costs and prepaid lease payments made, if any, less lease incentives, if any. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Diocese will exercise that option. As of June 30, 2023 and 2022, there were no leases that required recognition.

Support and Revenue Without Donors' Restrictions and With Donors' Restrictions

Contributions received are recorded as without donors' restrictions and with donors' restrictions support, depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in net assets without donors' restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donors' restrictions. When a restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), net assets with donors' restrictions are reclassified to net assets without donors' restrictions and reported in the Statement of activities as net assets released from restrictions.

Concentration of Credit Risk

For the years ended June 30, 2023 and 2022, balances of cash at financial banking institutions, which include certificate of deposits, exceeded the federally insured limit of \$250,000 by \$611,247 and \$454,877, respectively. The Diocese maintains cash balances in money market funds. Money market funds are not insured by the FDIC nor are they a deposit or other obligation of or guaranteed by a bank or other depository institution. Money market funds are subject to investment risks, including possible loss of the principal amount invested. Management regularly monitors the financial condition of the institution, along with the Diocese's balances in the money market funds and tries to keep this potential risk at a minimum.

The Diocese maintains accounts with a stock brokerage firm. The accounts contain cash and securities. Balances are insured up to \$500,000 (with a limit of \$250,000 for cash) by the Securities Investor Protection Corporation.

DIOCESE OF LUBBOCK
CENTRAL ADMINISTRATIVE OFFICE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

1. PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The Diocese is a non-for-profit exempt from federal income tax under provisions of Section 501(c)(3) of the Internal Revenue Code. The Diocese believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts. Accordingly, actual results could differ from those estimates.

2. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise of the following:

	<u>2023</u>
Cash and cash equivalents	\$ 2,699,448
Investments	4,375,359
Grants receivable	343,500
Accounts receivable	154,190
Loans receivable - current	<u>37,822</u>
	<u>\$ 7,610,319</u>

DIOCESE OF LUBBOCK
CENTRAL ADMINISTRATIVE OFFICE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

3. INVESTMENTS

Investments are stated at fair value and consist of the following at June 30, 2023 and 2022:

	2023		
	Cost	Fair Market Value	Unrealized Appreciation (Depreciation)
Mutual Funds:			
Bonds and fixed income securities	\$ 933,747	\$ 862,205	\$ (71,542)
Equities	362,104	738,917	376,813
Certificates of Deposit	2,752,748	2,752,748	-
Other investments	19,448	21,489	2,041
Total investments	\$ 4,068,047	\$ 4,375,359	\$ 307,312
2022			
	Cost	Fair Market Value	Unrealized Appreciation (Depreciation)
Mutual Funds:			
Bonds and fixed income securities	\$ 910,698	\$ 869,052	\$ (41,646)
Equities	353,830	638,187	284,357
Certificates of Deposit	1,350,218	1,350,218	-
Other investments	20,733	18,406	(2,327)
Total investments	\$ 2,635,479	\$ 2,875,863	\$ 240,384

The following schedule summarizes the investment return and its classification in the Statement of Activities for the years ended June 30, 2023 and 2022:

	June 30,	
	2023	2022
Investment income	\$ 44,385	\$ 2,929
Realized and unrealized net income (loss)	\$ 109,346	\$ (249,922)

DIOCESE OF LUBBOCK
CENTRAL ADMINISTRATIVE OFFICE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

4. FAIR VALUE OF FINANCIAL STATEMENTS

The Financial Accounting Standards Board has established a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities and the lowest priority to unobservable inputs. The three levels of the fair value hierarchy are described below:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 - Inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2023.

Cash and Investments - The carrying amounts reported in the statement of position for cash and cash equivalents approximate its fair value.

DIOCESE OF LUBBOCK
CENTRAL ADMINISTRATIVE OFFICE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

4. FAIR VALUE OF FINANCIAL STATEMENTS (Continued)

Cash and Investments (Continued)

The carrying amounts and fair values of the Diocese's financial instruments are as follows:

	2023			Total
	Level 1	Level 2	Level 3	
Cash	<u>\$ 2,663,277</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,663,277</u>
Mutual Funds				
Fixed Income	-	862,205	-	862,205
Equity	738,917	-	-	738,917
Certificate of deposits	2,752,748	-	-	2,752,748
Real Estate	-	21,489	-	21,489
Total investments	<u>\$ 3,491,665</u>	<u>\$ 883,694</u>	<u>\$ -</u>	<u>\$ 4,375,359</u>
	2022			Total
	Level 1	Level 2	Level 3	
Cash	<u>\$ 2,595,120</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,595,120</u>
Mutual Funds				
Fixed Income	-	869,052	-	869,052
Equity	638,187	-	-	638,187
Certificate of deposits	1,350,218	-	-	1,350,218
Real Estate	-	18,406	-	18,406
Total investments	<u>\$ 1,988,405</u>	<u>\$ 887,458</u>	<u>\$ -</u>	<u>\$ 2,875,863</u>

DIOCESE OF LUBBOCK
CENTRAL ADMINISTRATIVE OFFICE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

5. GRANTS RECEIVABLE

Grants receivable as of June 30, consists of the following:

	<u>2023</u>	<u>2022</u>
Kenedy Memorial Foundation	\$ 282,000	\$ 232,000
Catholic Church Extension Society	<u>61,500</u>	<u>-</u>
Total grants receivable	<u>\$ 343,500</u>	<u>\$ 232,000</u>

6. ACCOUNTS RECEIVABLE, PARISHES AND AFFILIATED ENTITIES

Accounts receivable consist mainly of amounts due from the parishes and other religious entities to the Diocese for cathedraticum, insurance, accounting, and other assessments.

A summary of the accounts receivable, parishes, affiliated entities, and other and the related allowance for doubtful accounts at June 30, 2023, 2022, and 2021 as follows:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Assessment to parished and affiliated entities			
Cathedraticum	\$ 133,379	\$ 180,376	\$ 118,105
Annual appeal	378,305	55,770	55,970
Priest Pension	6,077	9,687	18,570
Tribunal	4,675	4,525	10,280
Other	<u>155,754</u>	<u>145,362</u>	<u>17,348</u>
Total	678,190	395,720	220,273
Less allowance for doubtful accounts	<u>(524,000)</u>	<u>(250,000)</u>	<u>(110,174)</u>
Accounts receivable, parishes and affiliated entities, net	<u>\$ 154,190</u>	<u>\$ 145,720</u>	<u>\$ 110,099</u>

DIOCESE OF LUBBOCK
CENTRAL ADMINISTRATIVE OFFICE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

7. LOANS RECEIVABLE AND DEPOSITS PAYABLE

The Deposit and Loan Division receives deposits from parishes and pays interest on these deposits at the rate of .75%, compounding daily. The funds from these deposits are loaned to other parishes at an average simple annual rate of 3.5% or are invested in certificates of deposits and are due over various periods ranging from less than one year to five (5) years. The Central Administrative Office controls these funds and is liable for any fund deficits.

	2023	2022	2021
<u>Loans receivable</u>			
Loans receivable at year end due in monthly installments, net	<u>\$ 164,921</u>	<u>\$ 192,666</u>	<u>\$ 243,274</u>
<u>Deposits Payable</u>			
Deposits payable to parishes, due on demand	<u>\$ 1,724,932</u>	<u>\$ 1,673,441</u>	<u>\$ 1,601,486</u>
Insurance Reserve	<u>\$ 73,313</u>	<u>\$ 73,313</u>	<u>\$ 73,313</u>

Future principal payments to be received are as follows:

Year Ended June 30,		Amount
2024	\$	37,822
2025		14,624
2026		14,624
2027		14,624
2028		13,049
2029-2033		55,692
2034-2038		14,484
Total	\$	164,921

DIOCESE OF LUBBOCK
CENTRAL ADMINISTRATIVE OFFICE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

8. LAND, BUILDINGS, AND EQUIPMENT

The composition of land, buildings, and equipment at June 30, 2023 and 2022, is as follows:

	<u>Depreciable lives</u>	<u>2023</u>	<u>2022</u>
Land		\$ 2,084,013	\$ 2,084,013
Buildings and improvements	50 years	4,119,221	3,931,736
Equipment	3-10 years	344,342	344,342
Furniture	5-10 years	107,943	107,943
Automotive	7 years	140,009	140,009
Software	5 years	132,216	132,216
Leasehold improvements	5 years	<u>1,886</u>	<u>1,886</u>
Total		6,929,630	6,742,145
Less: Accumulated depreciation		<u>(1,542,344)</u>	<u>(1,352,304)</u>
Land, buildings, and equipment, net		<u>\$ 5,387,286</u>	<u>\$ 5,389,841</u>

Depreciation expense at June 30 totaled \$190,040 and \$190,787 in 2023 and 2022, respectively.

9. LEASES

The Diocese has noncancelable operating leases for a mailing system machine and copier. Rental expense for leases consisted of \$25,556 and \$24,482 for the years ended June 30, 2023 and 2022, respectively.

Future minimum lease payments under the operating lease for the remaining terms as of June 30, 2023, are:

<u>Year Ended June 30,</u>	<u>Amount</u>
2024	\$ 17,172
2025	12,882
Thereafter	<u>4,209</u>
Future minimum lease payments	<u>\$ 34,263</u>

DIOCESE OF LUBBOCK
CENTRAL ADMINISTRATIVE OFFICE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

10. PENSION PLAN

The Diocese of Lubbock has a defined benefit pension plan covering any incardinated priests. The benefits are equal to a \$1,500 monthly annuity payable for life. The Diocese' funding policy is to contribute annually the amount to amortize the unfunded liability under 30 years.

The following table sets forth the plan's funded status at June 30, 2023 and 2022 (This represents a combination of the Actuary's Present Value of Future benefits compared to actual balance of assets available as of balance sheet date.):

	<u>2023</u>	<u>2022</u>
Present Value of Accumulated Benefits (as of June 30, 2021 and 2020)	\$ 3,899,993	\$ 3,800,394
Fair value of plan assets (as of June 30, 2021 and 2020)	<u>3,467,872</u>	<u>3,351,258</u>
Unfunded status of plan	<u>\$ 432,121</u>	<u>\$ 449,136</u>
Benefits paid	<u>\$ 335,151</u>	<u>\$ 335,151</u>

These amounts are included in the statement of financial position and the statement of activities for the subsequent reported years of 2023 and 2022.

The expected long-term rate of return on plan assets was 7.50% during 2023 and 2022.

The Diocese contributed \$129,961 and \$83,080 to the defined benefit pension plan in 2023 and 2022, respectively.

Total benefits paid to participants in 2023 and 2022 were \$324,188 and \$335,151, respectively.

The Diocese also provides its lay employees with a defined contribution 403(b) retirement plan (the Plan). The Diocese contributed \$33,038 and \$40,396, to the Qualified Retirement Plan during 2023 and 2022, respectively.

11. LINE OF CREDIT

As of June 30, 2022, the Diocese paid off an outstanding balance of \$415,696 for a line of credit of \$1,000,000 with a variable interest rate. No new loans or draws on the line of credit have been established.

DIOCESE OF LUBBOCK
CENTRAL ADMINISTRATIVE OFFICE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

12. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at June 30, 2023 and 2022, consist of the following:

	<u>2023</u>	<u>2022</u>
Net assets with donor restrictions		
Time restriction	<u>\$ 343,500</u>	<u>\$ 338,706</u>

13. FUNCTIONAL CLASSIFICATION OF EXPENSES

The Diocese's primary program activities are compromised of pastoral, ministry, gifting and management and general. Certain costs including depreciation expense, utilities, building maintenance, security, building operations and benefit costs are allocated using allocation techniques. Other supporting services that provide general oversight such as executive offices, finance and accounting, human resources administration, information technology, building services, and general counsel are included in management/administrative and are not allocated. Information technology and building services costs such as equipment maintenance agreements and software licenses are charged directly to the programs and are not part of administrative overhead.

DIOCESE OF LUBBOCK
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

13. FUNCTIONAL CLASSIFICATION OF EXPENSES (Continued)

The following table presents functional classification of expenses for June 30, 2023 and 2022:

	2023					Total
	Pastoral	Ministry	Gifting	Total Program/ Ministries	Management/ Administrative	
Salaries, taxes and benefits	\$ 332,597	\$ 338,358	\$ -	\$ 670,955	\$ 1,308,958	\$ 1,979,913
Travel and meetings	193,920	14,294	-	208,214	87,624	295,838
Professional and contract services	7,556	72,438	-	79,994	199,832	279,826
Supplies and printing	78,176	14,534	352	93,062	88,461	181,523
Operational and program services	<u>178,493</u>	<u>886,840</u>	<u>194,600</u>	<u>1,259,933</u>	<u>844,827</u>	<u>2,104,760</u>
Total operating expense	<u>\$ 790,742</u>	<u>\$ 1,326,464</u>	<u>\$ 194,952</u>	<u>\$ 2,312,158</u>	<u>\$ 2,529,702</u>	<u>\$ 4,841,860</u>
	2022					
Salaries, taxes and benefits	\$ 360,265	\$ 245,632	\$ -	\$ 605,897	\$ 1,068,196	\$ 1,674,093
Travel and meetings	108,960	5,103	-	114,063	62,401	176,464
Professional and contract services	18,280	80,367	553	99,200	101,122	200,322
Supplies and printing	63,716	5,355	160	69,231	62,571	131,802
Operational and program services	<u>242,483</u>	<u>390,329</u>	<u>194,390</u>	<u>827,202</u>	<u>955,865</u>	<u>1,783,067</u>
Total operating expense	<u>\$ 793,704</u>	<u>\$ 726,786</u>	<u>\$ 195,103</u>	<u>\$ 1,715,593</u>	<u>\$ 2,250,155</u>	<u>\$ 3,965,748</u>

14. CONTINGENCIES

During the normal course of business, the Diocese is subject to various legal claims which the Diocese is defending its position.

As of June 30, 2023, The Central Administrative Office is contingently liable for all loans incurred by any parishes under its jurisdiction when the Bishop is guarantor on such debt.

The Diocese is guarantor on a loan in the name of St. John Neumann in the approximate amount of \$992,232.

The Diocese is guarantor on a loan in the name of Our Lady of Grace in the approximate amount of \$1,030,572.

DIOCESE OF LUBBOCK
CENTRAL ADMINISTRATIVE OFFICE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

14. CONTINGENCIES (Continued)

The Diocese is guarantor on a loan in the name of St. Elizabeth University Parish in the amount of \$449,171.

The Diocese is guarantor on a loan in the name of Holy Spirit Catholic Church in the approximate amount of \$926,394.

The Diocese is guarantor on a loan in the name of St. John the Baptist, Lubbock, in the approximate amount of \$1,744,533.

15. THE JOHN SALEH CHARITABLE FOUNDATION IREVOCABLE TRUST

The Diocese of Lubbock is beneficiary of the proceeds from the trust set up through the estate of John Saleh. The trust has a mandatory distribution to the Diocese or at the Bishop's discretion for a direct donation to organizations which qualify as religious and charitable. The distribution is required annually.

In accordance with the trust agreement, a distribution of \$2,037,797 and of \$1,530,114 was received in 2023 and 2022, respectively. The distribution is recorded in the statement of activities in the gifts.

16. HEALTH CARE COVERAGE

During the year ended June 30, 2023 and in prior years, employees of the Diocese were covered by the Diocese's medical self-insurance plan (the Plan). The Plan is administered by an irrevocable trust, Catholic Employee Benefit Group (the Trust), created by four Diocese, including the Diocese of Lubbock, in the state of Texas. The Trust was established to provide benefits for eligible employees and for payment of specified benefits expenses. Since the plan is an irrevocable trust, no investment is recorded on these financial statements.

If the plan were to terminate in the future, upon termination of the Trust, the trustee would hold the Trust Fund until the Trust is completely exhausted by paying benefits provided under the Plan and paying the reasonable expenses of the Trust, including expenses involved in the termination of the Trust. At June 30, 2023, the total premium paid to the Trust was around \$173,700.

The administrative contract between the Diocese and the third-party administrator is renewable every 3 years. Administrative fees and stop-loss premiums are included in the contractual provisions with separate entities.

In accordance with state statute, the Diocese is protected against unanticipated catastrophic individual or aggregate loss by stop-loss coverage. Stop-loss coverage is in effect for individual claims.

DIOCESE OF LUBBOCK
CENTRAL ADMINISTRATIVE OFFICE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

16. HEALTH CARE COVERAGE (Continued)

There is an aggregate stop-loss amount in excess of \$150,000 in any given year. The liabilities reflected on the statement of position are an estimation of the medical self-insurance potential cost the plans may incur but have not reported claims.

These liabilities reported at June 30, 2023 are based on the requirements of Governmental Accounting Standards Board No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. These liabilities include an estimation of the amount for claims that have been incurred but not reported.

Because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines and damage awards, the process used in computing claims liability does not necessarily result in an exact amount. Claims liabilities are reevaluated periodically to take into consideration recently settled claims, the frequency of claims and other economic and social factors. Health care coverage liabilities for incurred losses to be settled by fixed or reasonably determined payments over a long period of time were computed using 15% to 20% of the average of historical claims paid over the premium.

At June 30, 2023 and 2022, funds reserved for health care plan potential cost of incurred but not reported claims amounted to \$73,314.

17. PROPERTY INSURANCE COVERAGE

The Diocese has a property insurance deductible of \$50,000 per occurrence not per parish. Parishes have a deductible of \$3,500 and 2% of the appraised value of the building for wind/hail. Claims are paid by the excess deposits made from insurance premiums by the insurance company who in turn maintains, reconciles and controls these claims in an escrow account. The claims escrow account is not reflected on the financial statements of the Diocese.

Historically, the reserve has been adequate to fund claims. The deductibles are factored in when claims are paid.

19. PARISHES AND SCHOOLS

Parishes and Schools are related to the Diocese through common control. The Parishes and Schools participate in the self-insurance plan with the Diocese for casualty, workers' compensation, and liability coverage. The Diocese also provides accounting services to the Parishes and Schools for which the Diocese assesses cathedraticum.

DIOCESE OF LUBBOCK
CENTRAL ADMINISTRATIVE OFFICE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

19. PARISHES AND SCHOOLS (Continued)

The Statements of Financial Position as of June 30, 2023 and 2022, has a gross receivable of \$511,684 and \$236,146, respectively for the Annual appeal and Cathedraticum identified in note 6.

The Parishes and Schools maintain funds with the Diocese, on which the Diocese paid .75% compounded daily. Interest rates are reviewed regularly.

The balance in the deposits payable as of June 30, 2023 and 2022, is \$1,724,932 and \$1,673,441, respectively.

The Diocese has provided certain Parishes with loans for the purpose of capital expansion. Amounts due to the Diocese at June 30, 2023 and 2022, respectively, was \$164,921 and \$192,666 and are included in loans receivable.

During 2023 and 2022, the Parishes and Schools' assessment for the Annual appeal/Cathedraticum was \$2,772,457 and \$2,402,899, respectively.

20. RECLASSIFICATIONS

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

21. PRIOR PERIOD ADJUSTMENT

The statements of position and activities have been restated to reflect a prior period adjustment. In error, the 2022 statements did not reflect \$232,000 of grants receivable or income, which was awarded in 2022 but received and restricted for the 2023 budget. As a result, the statement of activities has been restated to reflect additional income of \$232,000; Net assets and grants receivable on the statement of financial position have been increased for the same amount in 2022.

FY 2022-2023 Grant Database

Date Submitted	Foundation	Amount Budgeted	Amount Requested	Amount Approved	Amount Received	Grant Award Letter Date	Date Funds Were Received	Check Number	FY 2022 Revenue	A/R 2022	FY 2023 Revenue	A/R 2023
11/01/21	Catholic Church Extension Society	\$6,000.00	\$6,000.00	\$6,000.00	\$6,000.00	06/14/23	06/15/23	ACH			Awarded - Funds Received	-
11/01/21	Catholic Church Extension Society	\$5,000.00	\$10,000.00	\$0.00	\$0.00	N/A	N/A	N/A			Awarded - Funds Received	-
N/A	Catholic Church Extension Society	\$0.00	\$5,000.00	\$5,000.00	\$5,000.00	07/13/23	05/31/23	ACH			Awarded - Funds Received	-
11/01/21	Catholic Church Extension Society	\$5,500.00	\$5,000.00	\$5,000.00	\$5,000.00	02/23/22	06/15/23	ACH	Awarded - Not received	5,000	Awarded - Funds Received	-
11/01/21	Catholic Church Extension Society	\$45,000.00	\$30,000.00	\$30,000.00	\$30,000.00	06/27/23	06/27/23	ACH			Awarded - Funds Received	-
11/01/21	Catholic Church Extension Society	\$6,000.00	\$6,000.00	\$6,000.00	\$6,000.00	06/22/23	06/22/23	ACH			Awarded - Funds Received	-
11/01/21	Catholic Church Extension Society	\$4,200.00	\$4,200.00	\$4,200.00	\$4,200.00	05/31/23	06/01/23	ACH			Awarded - Funds Received	-
11/01/21	Catholic Church Extension Society	\$6,000.00	\$6,000.00	\$6,000.00	\$6,000.00	06/07/23	06/08/23	ACH			Awarded - Funds Received	-
11/01/21	Catholic Church Extension Society	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	06/07/23	06/08/23	ACH			Awarded - Funds Received	-
02/01/23	Catholic Church Extension Society	\$0.00	\$0.00	\$0.00	\$0.00	N/A	N/A	N/A	N/A		N/A	
N/A	Catholic Church Extension Society	\$0.00	\$0.00	\$0.00	\$0.00	N/A	N/A	N/A				
04/26/22	Catholic Church Extension Society	\$0.00	\$3,500.00	\$3,500.00	\$3,500.00	5/23/2022 (\$1,500) & 8/29/22 (\$2,000)	5/24/2022 (\$1,500) & 8/30/22 (\$2,000)	ACH	1,500 Awarded - Funds Received		2,000 Awarded - Funds Received	-
07/15/22	Catholic Church Extension Society	\$2,400.00	\$2,400.00	\$2,315.00	\$2,315.00	08/10/22	09/23/22	ACH			Awarded - Funds Received	-
07/29/22	Catholic Church Extension Society	\$2,200.00	\$4,400.00	\$2,100.00	\$2,100.00	08/30/22	09/23/22	ACH			Awarded - Funds Received	-
04/15/22	Catholic Church Extension Society	\$0.00	\$0.00	\$0.00	\$0.00	N/A	N/A	N/A	N/A		N/A	
N/A	Catholic Foundation of the South Plains	\$85,000.00	\$85,000.00	\$85,000.00	\$85,000.00	N/A	05/31/23	404			No letter - Funds Received	-
10/15/21	Kenedy Memorial Foundation	\$10,000.00	\$12,000.00	\$15,000.00	\$15,000.00	05/24/22	11/30/22	13124	Awarded - Not received	15,000		
10/15/21	Kenedy Memorial Foundation	\$27,000.00	\$34,500.00	\$36,000.00	\$36,000.00	05/24/22	05/12/23	13351	Awarded - Not received	36,000		
10/15/21	Kenedy Memorial Foundation	\$10,000.00	\$12,000.00	\$15,000.00	\$15,000.00	05/24/22	05/12/23	13353	Awarded - Not received	15,000		
10/15/21	Kenedy Memorial Foundation	\$8,000.00	\$12,000.00	\$18,000.00	\$18,000.00	05/24/22	N/A	N/A			N/A	
10/15/21	Kenedy Memorial Foundation	\$20,000.00	\$22,500.00	\$20,000.00	\$20,000.00	05/24/22	05/12/23	13352	Awarded - Not received	20,000		
10/15/21	Kenedy Memorial Foundation	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	05/24/22	04/05/23	13300	Awarded - Not received	10,000		
10/15/21	Kenedy Memorial Foundation	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	05/24/22	04/05/23	13300	Awarded - Not received	10,000		
10/15/21	Kenedy Memorial Foundation	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	05/24/22	04/05/23	13300	Awarded - Not received	2,500		
10/15/21	Kenedy Memorial Foundation	\$15,000.00	\$15,000.00	\$14,000.00	\$14,000.00	05/24/22	04/05/23	13300	Awarded - Not received	14,000		
10/15/21	Kenedy Memorial Foundation	\$15,000.00	\$19,500.00	\$14,500.00	\$14,500.00	05/24/22	04/05/23	13300	Awarded - Not received	14,500		
02/18/22	Kenedy Memorial Foundation	\$0.00	\$75,000.00	\$70,000.00	\$70,000.00	05/24/22	09/08/22	12909	Awarded - Not received	70,000		
02/18/22	Kenedy Memorial Foundation	\$0.00	\$25,000.00	\$25,000.00	\$25,000.00	05/24/22	09/08/22	12910	Awarded - Not received	25,000		
10/15/21	Kenedy Memorial Foundation	\$5,000.00	\$5,000.00	\$0.00	\$0.00	N/A	N/A	N/A	N/A		N/A	
11/15/21	Scanlan Foundation	\$7,000.00	\$7,000.00	\$7,000.00	\$7,000.00	N/A	04/12/23	14572	N/A		N/A	
11/15/21	Scanlan Foundation	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	N/A	04/12/23	14572			No letter - Funds Received	-
11/15/21	Scanlan Foundation	\$11,000.00	\$11,000.00	\$11,000.00	\$11,000.00	N/A	04/12/23	14572			No letter - Funds Received	-
11/15/21	Scanlan Foundation	\$9,000.00	\$9,000.00	\$9,000.00	\$9,000.00	N/A	04/12/23	14572			No letter - Funds Received	-
11/15/21	Scanlan Foundation	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	N/A	04/12/23	14572			No letter - Funds Received	-
11/15/21	Scanlan Foundation	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	N/A	04/12/23	14572			No letter - Funds Received	-
11/15/21	Scanlan Foundation	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	N/A	10/13/23	14245			No letter - Funds Received	-
05/14/22	Scanlan Foundation	\$7,000.00	\$7,000.00	\$7,000.00	\$7,000.00	N/A	04/12/23	14572			No letter - Funds Received	-
05/14/22	Scanlan Foundation	\$0.00	\$3,000.00	\$3,000.00	\$3,000.00	N/A	04/12/23	14572			No letter - Funds Received	-
05/14/22	Scanlan Foundation	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	N/A	10/13/23	14245				
05/14/22	Scanlan Foundation	\$4,200.00	\$10,000.00	\$10,000.00	\$10,000.00	N/A	N/A	N/A				
05/14/22	Scanlan Foundation	\$0.00	\$10,000.00	\$10,000.00	\$10,000.00	N/A	10/13/23	14245				
05/14/22	Scanlan Foundation	\$12,400.00	\$10,000.00	\$10,000.00	\$10,000.00	N/A	N/A	N/A	N/A		N/A	
05/14/22	Scanlan Foundation	\$40,000.00	\$40,000.00	\$40,000.00	\$40,000.00	N/A	04/12/23	14586			No letter - Funds Received	-
06/01/22	Catholic Home Missions	\$37,000.00	\$35,000.00	\$39,250.00	\$39,250.00	11/01/22	01/09/23	ACH			Awarded - Funds Received	-
06/01/22	Catholic Home Missions	\$31,000.00	\$33,500.00	\$43,000.00	\$43,000.00	11/01/22	01/09/23	ACH			Awarded - Funds Received	-
06/01/22	Catholic Home Missions	\$10,000.00	\$8,000.00	\$9,000.00	\$9,000.00	11/01/22	01/09/23	ACH			Awarded - Funds Received	-
06/01/22	Catholic Home Missions	\$0.00	\$10,000.00	\$11,250.00	\$11,250.00	11/01/22	01/09/23	ACH			Awarded - Funds Received	-
06/01/22	Catholic Home Missions	\$28,000.00	\$25,500.00	\$28,500.00	\$28,500.00	11/01/22	01/09/23	ACH			Awarded - Funds Received	-
06/01/22	Catholic Home Missions	\$2,400.00	\$0.00	\$0.00	\$0.00	N/A	N/A	N/A	N/A		N/A	
06/01/22	Catholic Home Missions	\$10,000.00	\$8,000.00	\$9,000.00	\$9,000.00	11/01/22	01/09/23	ACH			Awarded - Funds Received	-
08/03/22	Catholic Mutual Group	\$0.00	\$1,000.00	\$1,000.00	\$1,000.00	N/A	N/A	N/A	N/A		N/A	
N/A	Catholic Home Missions	\$0.00	\$0.00	\$10,000.00	\$10,000.00	N/A	03/01/23	ACH			No letter - Funds Received	-
N/A	Catholic Home Missions	\$0.00	\$0.00	\$4,000.00	\$4,000.00	N/A	03/10/23	ACH			No letter - Funds Received	-
N/A	Xcel Energy Foundation	\$0.00	\$0.00	\$0.00	\$83.34	N/A	N/A	N/A	N/A		N/A	
N/A	Xcel Energy Foundation	\$0.00	\$0.00	\$0.00	\$83.34	N/A	N/A	N/A	N/A		N/A	
N/A	Xcel Energy Foundation	\$0.00	\$0.00	\$0.00	\$83.34	N/A	N/A	N/A	N/A		N/A	
N/A	Xcel Energy Foundation	\$0.00	\$0.00	\$0.00	\$83.34	N/A	N/A	N/A	N/A		N/A	
	Totals	\$578,800.00	\$745,500.00	\$737,115.00	\$737,448.36					232,000		-

FY 2023-2024 Grant Database

Date Submitted	Foundation	Amount Budgeted	Amount Requested	Amount Approved	Amount Received	Grant Award Letter Date	Date Funds Were Received	FY 2023 Revenue	A/R 2023	FY 2024 Revenue	A/R 2024
10/15/22	Kenedy Memorial Foundation	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	1/12/2023	9/13/2023	Awarded - Not received	\$10,000.00		
10/15/22	Kenedy Memorial Foundation	\$30,000.00	\$30,000.00	\$30,000.00		1/12/2023		Awarded - Not received	\$30,000.00		
10/15/22	Kenedy Memorial Foundation	\$10,000.00	\$10,000.00	\$10,000.00		1/12/2023		Awarded - Not received	\$10,000.00		
10/15/22	Kenedy Memorial Foundation	\$8,000.00	\$8,000.00	\$18,000.00	\$18,000.00	1/12/2023	9/13/2023	Awarded - Not received	\$18,000.00		
10/15/22	Kenedy Memorial Foundation	\$20,000.00	\$20,000.00	\$25,000.00		1/12/2023		Awarded - Not received	\$25,000.00		
10/15/22	Kenedy Memorial Foundation	\$10,000.00	\$10,000.00	\$10,000.00		1/12/2023		Awarded - Not received	\$10,000.00		
10/15/22	Kenedy Memorial Foundation	\$10,000.00	\$10,000.00	\$17,000.00		1/12/2023		Awarded - Not received	\$17,000.00		
10/15/22	Kenedy Memorial Foundation	\$2,000.00	\$2,000.00	\$2,000.00		1/12/2023		Awarded - Not received	\$2,000.00		
10/15/22	Kenedy Memorial Foundation	\$10,000.00	\$10,000.00	\$10,000.00		1/12/2023		Awarded - Not received	\$10,000.00		
10/15/22	Kenedy Memorial Foundation	\$15,000.00	\$15,000.00	\$15,000.00		1/12/2023		Awarded - Not received	\$15,000.00		
10/15/22	Kenedy Memorial Foundation	\$0.00	\$10,000.00	\$10,000.00	\$10,000.00	1/12/2023	8/11/2023	Awarded - Not received	\$10,000.00		
02/28/23	Kenedy Memorial Foundation	\$0.00	\$0.00	\$75,000.00	\$75,000.00	1/12/2023	10/10/2023	Awarded - Not received	\$75,000.00		
02/28/23	Kenedy Memorial Foundation	\$0.00	\$0.00	\$50,000.00	\$50,000.00	1/12/2023	10/10/2023	Awarded - Not received	\$50,000.00		
10/31/22	Catholic Church Extension Society	\$6,000.00	\$6,000.00	\$7,500.00		6/27/2023		Awarded - Not received	\$7,500.00		
10/31/22	Catholic Church Extension Society	\$5,000.00	\$5,000.00	\$5,000.00		6/27/2023		Awarded - Not received	\$5,000.00		
10/31/22	Catholic Church Extension Society	\$30,000.00	\$30,000.00	\$25,000.00		6/27/2023		Awarded - Not received	\$25,000.00		
10/31/22	Catholic Church Extension Society	\$6,000.00	\$6,000.00	\$7,500.00		6/27/2023		Awarded - Not received	\$7,500.00		
10/31/22	Catholic Church Extension Society	\$4,200.00	\$4,200.00	\$7,500.00		6/27/2023		Awarded - Not received	\$7,500.00		
10/31/22	Catholic Church Extension Society	\$6,000.00	\$6,000.00	\$3,000.00		6/27/2023		Awarded - Not received	\$3,000.00		
10/31/22	Catholic Church Extension Society	\$10,000.00	\$10,000.00	\$6,000.00		6/27/2023		Awarded - Not received	\$6,000.00		
11/15/22	Scanlan Foundation	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	3/31/2023	4/12/2023	Awarded - Funds Received			
11/15/22	Scanlan Foundation	\$11,000.00	\$11,000.00	\$11,000.00	\$11,000.00	3/31/2023	4/12/2023	Awarded - Funds Received			
11/15/22	Scanlan Foundation	\$9,000.00	\$9,000.00	\$9,000.00	\$9,000.00	3/31/2023	4/12/2023	Awarded - Funds Received			
11/15/22	Scanlan Foundation	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	3/31/2023	4/12/2023	Awarded - Funds Received			
11/15/22	Scanlan Foundation	\$20,000.00	\$20,000.00	\$20,000.00	\$20,000.00	3/31/2023	4/12/2023	Awarded - Funds Received			
11/15/22	Scanlan Foundation	\$40,000.00	\$40,000.00	\$40,000.00	\$40,000.00	3/31/2023	4/12/2023	Awarded - Funds Received			
01/15/23	Raskob Foundation for Catholic Activities	\$0.00	\$50,000.00	\$0.00	\$0.00	N/A	N/A				
02/27/23	Catholic Church Extension Society	\$0.00	\$1,000.00	\$1,000.00	\$1,000.00	8/11/2023	12/21/2023	Awarded - Funds Received			
04/16/23	Catholic Church Extension Society	\$0.00	\$7,500.00	\$7,500.00	\$7,500.00	4/25/2023	N/A	Awarded - Funds Received			
03/12/23	Catholic Church Extension Society	\$0.00	\$3,000.00	\$3,500.00	\$3,000.00	8/29/2023	8/29/2023	Awarded - Funds Received			
05/01/23	Catholic Church Extension Society	\$0.00	\$15,000.00	\$0.00	\$0.00	N/A	N/A				
05/01/23	Catholic Church Extension Society	\$0.00	\$25,000.00	\$0.00	\$0.00	N/A	N/A				
05/15/23	Scanlan Foundation	\$7,000.00	\$7,000.00	\$7,000.00	\$7,000.00	9/30/2023	10/10/2023	Awarded - Funds Received			
05/15/23	Scanlan Foundation	\$17,000.00	\$17,000.00	\$17,000.00	\$17,000.00	9/30/2023	10/10/2023	Awarded - Funds Received			
05/15/23	Scanlan Foundation	\$20,000.00	\$25,000.00	\$25,000.00	\$25,000.00	9/30/2023	10/10/2023	Awarded - Funds Received			
05/15/23	Scanlan Foundation	\$6,000.00	\$6,000.00	\$0.00	\$0.00	N/A	N/A				
05/15/23	Scanlan Foundation	\$10,000.00	\$15,000.00	\$15,000.00	\$15,000.00	9/30/2023	10/10/2023	Awarded - Funds Received			
05/15/23	Scanlan Foundation	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	9/30/2023	10/10/2023	Awarded - Funds Received			
05/15/23	Scanlan Foundation	\$40,000.00	\$40,000.00	\$40,000.00	\$40,000.00	9/30/2023	10/10/2023	Awarded - Funds Received			
06/01/23	Catholic Home Missions	\$30,000.00	\$30,000.00	\$30,000.00	\$15,000.00	1/13/2023	1/10/2024	Awarded - Funds Received			
06/01/23	Catholic Home Missions	\$35,000.00	\$35,000.00	\$35,000.00	\$17,500.00	1/13/2023	1/10/2024	Awarded - Funds Received			
06/01/23	Catholic Home Missions	\$10,000.00	\$10,000.00	\$10,000.00	\$5,000.00	1/13/2023	1/10/2024	Awarded - Funds Received			
06/01/23	Catholic Home Missions	\$10,000.00	\$10,000.00	\$10,000.00	\$5,000.00	1/13/2023	1/10/2024	Awarded - Funds Received			
06/01/23	Catholic Home Missions	\$25,000.00	\$25,000.00	\$25,000.00	\$12,500.00	1/13/2023	1/10/2024	Awarded - Funds Received			
06/01/23	Catholic Home Missions	\$10,000.00	\$10,000.00	\$10,000.00	\$5,000.00	1/13/2023	1/10/2024	Awarded - Funds Received			
06/01/23	Catholic Home Missions	\$5,000.00	\$5,000.00	\$5,000.00	\$2,500.00	1/13/2023	1/10/2024	Awarded - Funds Received			
06/08/23	Catholic Church Extension Society	\$2,400.00	\$2,400.00	\$2,400.00	\$2,400.00	9/27/2023	9/27/2023	Awarded - Funds Received			
07/17/23	Catholic Church Extension Society	\$0.00	\$2,875.00	\$2,875.00	\$2,875.00	N/A	N/A				
N/A	Catholic Foundation of the South Plains	\$85,000.00	\$85,000.00	\$85,000.00							
N/A	Charities Aid Foundation of America	\$0.00	\$0.00	\$0.00	\$125.01	7/5/2023	7/5/2023	Awarded - Funds Received			
N/A	Xcel Energy Foundation	\$0.00	\$0.00	\$0.00	\$41.67	8/10/2023	8/10/2023	Awarded - Funds Received			
N/A	Xcel Energy Foundation	\$0.00	\$0.00	\$0.00	\$41.67	9/13/2023	9/13/2023	Awarded - Funds Received			
N/A	Xcel Energy Foundation	\$0.00	\$0.00	\$0.00	\$83.34	10/12/2023	10/12/2023	Awarded - Funds Received			
N/A	Xcel Energy Foundation	\$0.00	\$0.00	\$0.00	\$83.34	10/27/2023	10/27/2023	Awarded - Funds Received			
N/A	Xcel Energy Foundation	\$0.00	\$0.00	\$0.00	\$83.34	12/19/2023	12/19/2023	Awarded - Funds Received			
N/A	Xcel Energy Foundation	\$0.00	\$0.00	\$0.00	\$83.34	2/9/2024	2/9/2024	Awarded - Funds Received			
N/A	Xcel Energy Foundation	\$0.00	\$0.00	\$0.00	\$83.34	2/9/2024	2/9/2024	Awarded - Funds Received			
07/18/23	Word on Fire Ministry	\$0.00	\$26,583.50	\$26,583.50	\$26,583.50	N/A	N/A				
Totals		\$624,600.00	\$775,557.50	\$821,363.50	\$493,488.55			Totals	343,500		

\$327,874.95

Key	Notes
Complete	- Submitted 51 grant requests.
Unanticipated Opportunity	- Submitted LOI to Landscape Structure Inc (school playgrounds), Raskob (school fence),
Pending Application	- Word on Fire Catholic Ministry sent us 70 each copies of David the King (2 Disc DVD Set),
Not Budgeted/Researching	Catholicism: The Pivotal Players (12 Disc Set), Priest, Prophet, King (2 Disc Set), & The Sacraments (2
Denied/Submission Not Made	Disc Set)
Parish Request	- No other grants are forecasted for FY 23-24 however I will keep an eye out for additional

DIOCESE OF LUBBOCK
FIVE YEAR SUMMARY
Years Ended June 30, 2023, 2022, 2021, 2020, and 2019

	2023	2022	2021	2020	2019
TOTAL ASSETS	13,127,166	11,433,408	\$ 10,415,546	\$ 8,594,956	\$ 7,358,318
TOTAL LIABILITIES	2,608,944	2,397,163	2,442,841	3,107,346	3,583,646
NET ASSETS	10,518,222	9,036,245	7,972,705	5,487,610	3,774,672
UNRESTRICTED REVENUE	6,482,068	5,347,357	5,872,222	5,457,798	5,196,331
UNRESTRICTED EXPENSES	4,841,860	3,965,748	4,921,115	4,381,227	4,409,588
INCREASE (DECREASE) IN OPERATIONAL NET ASSETS	1,640,208	1,381,609	951,107	1,076,571	713,294
Insurance proceeds	10,000	-	1,079,795	1,092,125	-
Pension liability (increase) decrease for the year	17,015	(388,488)	628,613	(277,084)	17,854
Minimum Pension Liability (unfunded portion of pension plan)	432,121	449,136	60,647	689,260	412,176
Deposit and Loan liability	1,724,932	1,673,441	1,601,486	1,459,750	1,486,744
Investment gains and (losses)	109,346	(249,922)	390,863	47,071	116,485