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# The Roman Catholic Diocese of Toledo in America

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**Combined Financial Report  
with Supplemental Information  
June 30, 2023**

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## Independent Auditor's Report

To the Most Reverend Daniel E. Thomas,  
Bishop of the Diocese of Toledo,  
and Reverend Monsignor William Kubacki,  
Vicar General and Moderator of the Curia  
The Roman Catholic Diocese of Toledo in America

### **Opinion**

We have audited the combined financial statements of The Roman Catholic Diocese of Toledo in America - Diocese of Toledo in America Corporation, Diocese of Toledo Management Corporation, Central City Ministries Fund, Deposit and Loan Trust, Health Benefits Trust, Property and Casualty Trust, and Catholic Investment Trust (collectively, the "Diocese"), which comprise the combined statement of financial position as of June 30, 2023 and 2022 and the related combined statements of activities and changes in net assets and cash flows for the years then ended, and the related notes to the combined financial statements.

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

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audits of the Combined Financial Statements* section of our report. We are required to be independent of the Diocese and to meet our 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.

### **Emphasis of Matter**

As described in Note 1 to the combined financial statements, the combined financial statements being presented are only for the corporation and trusts for which the Diocese retains operational control and do not reflect the assets, liabilities, and results of operations of parishes, schools, and other diocesan organizations. As a result, these combined financial statements are not intended to be a complete presentation of the Diocese. Our opinion is not modified with respect to this matter.

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

Management is responsible for the preparation and fair presentation of the combined 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 combined financial statements that are free from material misstatement, whether due to fraud or error.

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

To the Most Reverend Daniel E. Thomas,  
Bishop of the Diocese of Toledo,  
and Reverend Monsignor William Kubacki,  
Vicar General and Moderator of the Curia  
The Roman Catholic Diocese of Toledo in America

### ***Auditor's Responsibilities for the Audits of the Combined Financial Statements***

Our objectives are to obtain reasonable assurance about whether the combined 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 audits 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 combined financial statements.

In performing audits in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the combined 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 combined financial statements.
- Obtain an understanding of internal control relevant to the audits 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 combined 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 audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

*Plante & Moran, PLLC*

December 1, 2023

## The Roman Catholic Diocese of Toledo in America

### Combining Statement of Financial Position

June 30, 2023

	2023	2022
<b>Assets</b>		
Cash and cash equivalents	\$ 3,562,690	\$ 2,934,199
Restricted cash and cash equivalents (Note 2)	16,559,608	16,096,772
Receivables - Net of allowances:		
Parish and other related entity receivables (Notes 10 and 19)	1,771,566	2,240,106
Other receivables	445,139	624,061
Total receivables - Net of allowances	2,216,705	2,864,167
Beneficial interest in perpetual trusts (Note 5)	349,168	336,874
Interest in Foundations (Note 6)	609,769	598,308
Prepaid expenses and other assets	839,913	680,637
Loans and notes receivable - Net of allowance (Note 8)	6,600,626	7,482,335
Diocese investments (Note 4)	13,012,927	13,029,260
Other trusts and funds investments (Note 4)	134,060,023	119,455,067
Property and equipment - Net (Note 7)	4,125,582	3,664,552
Total assets	<b>\$ 181,937,011</b>	<b>\$ 167,142,171</b>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable	\$ 1,186,273	\$ 1,071,411
Contract liabilities	597,774	602,008
Due to agency funds (Note 10)	508,993	443,425
Accrued liabilities	261,817	621,141
Reserve for claims and claims expenses (Note 2)	2,434,388	2,073,072
Notes payable (Note 8)	53,311,563	48,311,840
Due to parishes and other organizations (Notes 9 and 10)	55,321,366	48,942,736
Total liabilities	113,622,174	102,065,633
<b>Net Assets</b>		
Without donor restrictions: (Note 11)		
Undesignated	22,225,477	19,922,455
Board designated	20,319,926	22,267,430
Total without donor restrictions	42,545,403	42,189,885
With donor restrictions (Note 11)	25,769,434	22,886,653
Total net assets	68,314,837	65,076,538
Total liabilities and net assets	<b>\$ 181,937,011</b>	<b>\$ 167,142,171</b>

## The Roman Catholic Diocese of Toledo in America

### Combining Statement of Activities and Changes in Net Assets

Year Ended June 30, 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue, Gains, and Other Support</b>						
Parish assessments (Note 10)	\$ 3,799,406	\$ -	\$ 3,799,406	\$ 3,284,493	\$ -	\$ 3,284,493
Annual Catholic Appeal (Note 10)	2,828,588	-	2,828,588	3,329,014	-	3,329,014
Central City Ministries Fund revenue	2,311,698	-	2,311,698	2,254,525	-	2,254,525
Catholic education - Fees and services	800,329	-	800,329	791,020	-	791,020
Other fees and services	674,784	-	674,784	833,396	-	833,396
Management fee income	430,595	-	430,595	350,329	-	350,329
Insurance premiums - Net (Notes 10 and 18)	15,300,507	-	15,300,507	15,639,101	-	15,639,101
Capital campaign and other contributions (Note 19)	2,158,457	1,098,545	3,257,002	379,197	1,045,207	1,424,404
Interest income - Notes receivable (Note 8)	523,268	-	523,268	339,108	-	339,108
Miscellaneous income	70,930	-	70,930	66,801	-	66,801
Estates and other gifts	52,063	-	52,063	18,530	-	18,530
Cathedral organ project	175,938	-	175,938	199,688	-	199,688
Building fund	100,000	-	100,000	10,000	-	10,000
Final Mareda proceeds	-	-	-	9,517	-	9,517
Interest income	-	1,030,714	1,030,714	-	382,643	382,643
Interest in earnings from custody trust account	776,781	-	776,781	811,176	-	811,176
Net assets released from restrictions (Note 11)	490,421	(490,421)	-	649,462	(649,462)	-
Total revenue, gains, and other support	30,493,765	1,638,838	32,132,603	28,965,357	778,388	29,743,745
<b>Expenses</b>						
Salaries and benefits	5,897,226	-	5,897,226	5,554,444	-	5,554,444
Apostolates and ministry programs	4,498,564	-	4,498,564	4,439,466	-	4,439,466
Insurance claims (Note 18)	16,532,588	-	16,532,588	13,464,926	-	13,464,926
Other administrative expenses	2,725,941	-	2,725,941	3,032,393	-	3,032,393
Central City Ministries Fund operating costs	594,949	-	594,949	453,581	-	453,581
Interest expense (Note 8)	1,132,331	-	1,132,331	285,441	-	285,441
Depreciation	418,528	-	418,528	420,495	-	420,495
Building fund	34,392	-	34,392	-	-	-
Total expenses	31,834,519	-	31,834,519	27,650,746	-	27,650,746
<b>(Decrease) Increase in Net Assets - Before other items</b>	(1,340,754)	1,638,838	298,084	1,314,611	778,388	2,092,999

See notes to combined financial statements.

## The Roman Catholic Diocese of Toledo in America

### Combining Statement of Activities and Changes in Net Assets (Continued)

Year Ended June 30, 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Other Items</b>						
Net realized and unrealized gains (losses) on investments	\$ 8,043,811	\$ 1,243,943	\$ 9,287,754	\$ (9,886,103)	\$ (3,531,612)	\$ (13,417,715)
Net change in due to parishes and other organizations of the Catholic Investment Trust	(6,347,539)	-	(6,347,539)	4,597,947	-	4,597,947
Total other items	1,696,272	1,243,943	2,940,215	(5,288,156)	(3,531,612)	(8,819,768)
<b>Increase (Decrease) in Net Assets</b>	355,518	2,882,781	3,238,299	(3,973,545)	(2,753,224)	(6,726,769)
<b>Net Assets</b> - Beginning of year	42,189,885	22,886,653	65,076,538	46,163,430	25,639,877	71,803,307
<b>Net Assets</b> - End of year	<u><u>\$ 42,545,403</u></u>	<u><u>\$ 25,769,434</u></u>	<u><u>\$ 68,314,837</u></u>	<u><u>\$ 42,189,885</u></u>	<u><u>\$ 22,886,653</u></u>	<u><u>\$ 65,076,538</u></u>

## The Roman Catholic Diocese of Toledo in America

### Combining Statement of Cash Flows

Years Ended June 30, 2023 and 2022

	2023	2022
<b>Cash Flows from Operating Activities</b>		
Increase (decrease) in net assets	\$ 3,238,299	\$ (6,726,769)
Adjustments to reconcile increase (decrease) in net assets to net cash, cash equivalents, and restricted cash from operating activities:		
Depreciation	418,528	420,495
Bad debt expense (recovery)	282,498	(57,247)
Net realized and unrealized (gain) loss on investments	(9,287,754)	13,417,715
(Increase) decrease in beneficial interest in perpetual trust	(12,294)	65,502
Changes in operating assets and liabilities that provided (used) cash, cash equivalents, and restricted cash:		
Accounts receivable	365,058	(1,839,389)
Prepaid expenses and other assets	(159,276)	(131,258)
Accounts payable	114,862	529,753
Accrued liabilities	(359,324)	555,339
Contract liabilities	(4,234)	9,067
Agency liability	65,568	(2,051)
Reserve for claims and claims expenses	361,316	(464,592)
Due to parishes and other organizations	6,378,630	(4,597,947)
Net cash, cash equivalents, and restricted cash provided by operating activities	1,401,877	1,178,618
<b>Cash Flows from Investing Activities</b>		
Purchase of property and equipment	(879,558)	(1,266,224)
Loans and notes receivable issued	-	(213,456)
Payments on loans and notes receivable	881,615	2,685,083
Net purchases of investments	(5,312,330)	(927,836)
Net cash, cash equivalents, and restricted cash (used in) provided by investing activities	(5,310,273)	277,567
<b>Cash Flows from Financing Activities</b>		
Notes payable issued	14,078,745	7,869,706
Notes payable repaid	(9,079,022)	(9,235,750)
Net cash, cash equivalents, and restricted cash provided by (used in) financing activities	4,999,723	(1,366,044)
<b>Net Increase in Cash, Cash Equivalents, and Restricted Cash</b>	1,091,327	90,141
<b>Cash, Cash Equivalents, and Restricted Cash - Beginning of year</b>	19,030,971	18,940,830
<b>Cash, Cash Equivalents, and Restricted Cash - End of year</b>	<b>\$ 20,122,298</b>	<b>\$ 19,030,971</b>
<b>Combined Statement of Financial Position Classification of Cash, Cash Equivalents, and Restricted Cash</b>		
Cash and cash equivalents	\$ 3,562,690	\$ 2,934,199
Restricted cash and cash equivalents	16,559,608	16,096,772
Total cash, cash equivalents, and restricted cash	<b>\$ 20,122,298</b>	<b>\$ 19,030,971</b>
<b>Supplemental Cash Flow Information - Cash paid for interest</b>	\$ 940,607	\$ 319,243



## The Roman Catholic Diocese of Toledo in America

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### Notes to Combined Financial Statements

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June 30, 2023 and 2022

#### Note 1 - Nature of Business

The Roman Catholic Diocese of Toledo in America (the "Diocese") was established by the Roman Pontiff in 1910. The Diocese comprises a geographic area of 8,222 square miles covering 19 counties in northwest Ohio. The Diocese, under the governance of its duly appointed bishop, oversees the activities of the Roman Catholic Church (the "Church") and is operated in accordance with the provisions of the 1983 Code of Canon Law, as amended, of the Church. In order to oversee the activities, the Diocese maintains various trusts and related incorporated entities.

Effective November 1, 2017, the Diocese established the following legal entities, which are included in these combined financial statements. These entities are recognized under the civil laws of the State of Ohio and under canon law to hold, administer, and govern the activities of the Diocese. These entities retain the separate public juridic personality of the Diocese according to the 1983 Code of Canon Law.

##### ***Diocese of Toledo in America Corporation***

Includes activity related to the administration of the Diocese's ministries and its programs.

##### ***Diocese of Toledo Management Corporation***

Includes activity related to the administration of the Diocese's temporal goods.

##### ***Central City Ministries Fund***

Includes activities related to the administration and operations of one school with two campuses located in the Central City area of the City of Toledo, Ohio.

##### ***Deposit and Loan Trust***

The trust holds and invests funds deposited by parishes and related institutions of the Diocese. These funds are invested on behalf of or loaned to parishes and related institutions of the Diocese.

##### ***Health Benefits Trust***

The trust provides for the administration and accounting functions of the health care self-insured insurance program, which is contracted with Anthem. All invoices that are billed to the various parishes and agencies for coverage are created by a third-party administrator, Benefit Administrative Systems, LLC.

##### ***Property and Casualty Trust***

The trust provides for the administration and accounting functions of the protective self-insurance program (PSI), the workers' compensation program, and the unemployment program. The PSI program provides for the uniform property and blanket liability insurance coverage under one comprehensive plan for various parishes and agencies of the Diocese. The workers' compensation program provides workers' compensation insurance benefits to employees of the Diocese and the related parishes and agencies. All claims are managed by a third-party administrator, Spooner, Inc. The unemployment program provides unemployment insurance benefits for qualified unemployment claims to the employees of the Diocese and the related parishes' agencies. The program reimburses the State of Ohio for these expenses.

##### ***Catholic Investment Trust***

The trust holds restricted, unrestricted, and endowed funds in separate trust accounts as deposited by parishes and related institutions of the Diocese. These funds are invested at the direction of the account holder, and all related gains or losses are distributed back to the account holder. Funds can be withdrawn from the accounts in accordance with the restrictions of the trust, charter, and related documents.

**Notes to Combined Financial Statements**

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**June 30, 2023 and 2022**

**Note 1 - Nature of Business (Continued)**

***Combined Financial Statements***

The combined financial statements include only the assets, liabilities, and operations related to the entities described above and are presented in this format for illustrative purposes only. Each trust and incorporated entity is separate and distinct from a legal, financial, and governance perspective. The functions of the Diocese related to conducting the charitable works of the Diocese, parishes, administration of its schools and properties, payment of expenses related to retired and infirmed priests of the Diocese, long-term fundraising campaigns, benefit plans, and other specific social and community services are not included in these financial statements and are accounted for in other funds or incorporated entities within the framework of the Diocese.

**Note 2 - Significant Accounting Policies**

***Cash and Cash Equivalents***

The Diocese maintains cash in bank deposit accounts at financial institutions where balances may at times exceed federally insured limits. All highly liquid investments with a maturity of three months or less when purchased are reported as cash equivalents.

Restricted cash and cash equivalents include deposits held in the Deposit and Loan Trust, Health Benefits Trust, and Property and Casualty Trust.

***Receivables***

The Diocese carries parish assessments, insurance, and health care premiums receivables equal to the unpaid amounts billed to the parishes based on net invoice amounts. An allowance for doubtful accounts is established for potentially uncollectible amounts. Management reviews the allowance on a yearly basis. Amounts are written off against the allowance in the year they are deemed uncollectible. See Note 10 for allowance amounts recorded.

Accounts receivable also include the subsidy provided by various parishes for Central City Ministries Fund. The Diocese also carries tuition receivables from the parents/guardians of the students based on net invoiced amounts, which are billed at the beginning of each semester. The allowance is determined in consultation with school principals based on experience and current collection efforts. No allowance for uncollectible accounts is considered necessary at June 30, 2023 and 2022. There was no balance of accounts receivable due from contracts with customers at June 30, 2023; June 30, 2022; and July 1, 2021.

***Loans and Notes Receivable and Notes Payable***

The Deposit and Loan Trust holds unsecured notes receivable, net of allowance, from and unsecured notes payable to diocesan parishes and related institutions, as described in Note 8. The Diocese of Toledo in America Corporation holds unsecured notes receivable, which the Diocese deems fully collectible.

***Investments***

Investments are reported at fair value. Fair values are based on quoted market prices. The appreciation or depreciation in market value is recognized as a change in nonoperating income. Gains and losses on sales of investments are determined based on the specific security sold. Interest and dividends are recorded on the accrual basis as part of operating income. Investments in certain cash equivalents (i.e., money market accounts) are classified as investments.

Investments in trusts and other funds include investments held in the Deposit and Loan Trust, Health Benefits Trust, Property and Casualty Trust, Central City Ministries Fund, and Catholic Investment Trust.

**June 30, 2023 and 2022**

**Note 2 - Significant Accounting Policies (Continued)**

***Property and Equipment***

Property and equipment are recorded at cost. Assets are depreciated over their estimated useful lives using the straight-line method. Estimated useful lives of office equipment and vehicles range from 3 to 10 years and buildings and land improvements range from 15 to 30 years. Costs of maintenance and repairs are charged to expense when incurred.

***Reserve for Claims and Claims Expenses***

The reserve for claims and claims expenses is based on the accumulation of case estimates for losses reported and estimates of incurred but unreported losses based on past history of claims for the health care program, the PSI program, the unemployment program, and the workers' compensation program. Because of the inherent uncertainties in estimating the outcome of these claims, it is at least reasonably possible that these estimates will change.

***Catastrophic Losses***

The Health Benefits Trust and Property and Casualty Trust retain the first layer of loss activity up to the excess insurance coverage or specific stop-loss coverage amounts. These excess and specific stop-loss coverages are used to reduce the risk of loss; however, the Health Benefits Trust and Property and Casualty Trust remain liable in the event the reinsurance company is unable to meet its obligations assumed under the reinsurance agreement. Premiums and losses ceded under reinsurance contracts are reported as reductions of premiums earned and losses incurred.

The PSI program provides for catastrophic losses through the purchase of excess insurance coverage, which limits losses of the PSI program to \$100,000 per casualty (fire or theft) and \$150,000 per general liability claim, and coverage insures property up to approximately \$1.4 billion for the years ended June 30, 2023 and 2022 on a blanket basis and \$20 million per liability claim, with the program being liable for any remaining excess. Effective June 1, 2023, the loss limits of the PSI program increased to \$250,000 per casualty (fire and theft) and the blanket bases decreased to \$10 million per liability claim.

The workers' compensation program has catastrophic loss excess insurance coverage. The deductible for each accident is \$600,000 for the years ended June 30, 2023 and 2022. The deductible for a claim related to disease is \$600,000 for the years ended June 30, 2023 and 2022. The coverage for each type of claim (accident or disease) is statutory (no limit).

The unemployment program is required to maintain a State of Ohio Unemployment Bond. The bond is computed by the State of Ohio and is based on payroll; total coverage for the bond is \$745,900 for the years ended June 30, 2023 and 2022. Effective November 1, 2023, the bond was renewed by the State of Ohio and total coverage for the bond increased to \$811,800, valid until October 31, 2024.

The health care program has specific stop-loss insurance coverage of up to \$250,000 per covered person, and the annual maximum per covered person is unlimited. The amount of claims expensed by the Health Benefits Trust under the plan was approximately \$15.2 million and \$12.8 million for the years ended June 30, 2023 and 2022, respectively.

***Classification of Net Assets***

Net assets are classified based on the presence or absence of donor-imposed restrictions limiting the ability to use or dispose of contributed assets or the economic benefits embodied in those assets.

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions or for which the donor-imposed restrictions have expired or been fulfilled. Net assets in this category may be expended for any purpose in performing the primary objectives of the Diocese, trusts, or incorporated entities.

**Notes to Combined Financial Statements**

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**June 30, 2023 and 2022**

**Note 2 - Significant Accounting Policies (Continued)**

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Diocese or by the passage of time. Other donor restrictions are perpetual in nature, where the donor has stipulated the funds be maintained in perpetuity.

Earnings, gains, and losses on donor-restricted net assets are classified as net assets without donor restrictions unless specifically restricted by the donor or by applicable state law.

***Revenue Recognition***

Parish assessments are levied annually and are calculated based on annual collections times a fixed percentage of 6.5 percent for parishes that have a school and 11.5 percent for parishes that do not have a school. Parish assessments are recognized over the fiscal year as billed.

The Diocese sponsors various educational and other programs that are necessary to fulfill its mission. The Diocese earns revenue from fees collected for such programs. Revenue is recognized and recorded when activities occur.

Central City Ministries Fund revenue includes contributions and tuition and fee revenue, which is derived from students attending the school during the year and is recognized ratably over the school year. Central City Ministries Fund has various programs of financial aid to students, including scholarships, early payment, and other and employee discounts, which are reported net of contractual tuition and fees. During the years ended June 30, 2023 and 2022, tuition and fee revenue recognized within Central City Ministries Fund revenue was \$1,669,743 and \$1,493,218, respectively, net of tuition assistance totaling \$513,777 and \$550,774, respectively.

The Deposit and Loan Trust and Catholic Investment Trust record revenue, including interest and investment income, as it is earned.

Participation charges are billed to parishes and related institutions for the health care program, the protective self-insurance program, workers' compensation program, and unemployment program for the same fiscal year used in accounting for the Health Benefits Trust and the Property and Casualty Trust and are recognized in the period in which they are billed and earned. The protective self-insurance program, workers' compensation, and unemployment programs are invoiced on July 1 for the fiscal year, and the health care program is invoiced monthly by a third-party administrator.

***Contract Liabilities***

Contract liabilities include fees for programs and tuition that are paid in advance. Revenue is recognized when the activities occur. The balance of contract liabilities at July 1, 2021 was \$592,941.

***Contributions***

Unconditional promises to give cash and other assets to the Diocese are reported at fair value on the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value on the date the gift becomes unconditional or is received. The gifts are reported as contributions with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the combined statement of activities and changes in net assets as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the year in which the gift is received are reported as contributions without donor restrictions in the accompanying financial statements.

**Notes to Combined Financial Statements**

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**June 30, 2023 and 2022**

**Note 2 - Significant Accounting Policies (Continued)**

***Use of 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 of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

***Income Taxes***

The Diocese is a not-for-profit corporation and is exempt from tax under the provisions of Internal Revenue Code Section 501(c)(3); therefore, a provision for income taxes has not been included in the financial statements.

***Functional Allocation of Expenses***

Costs of providing program and support services have been reported on a functional basis in Note 12. Costs have been allocated between the various program and support services based on estimates determined by management. Salaries and related expenses are allocated on the basis of time and effort. Depreciation is allocated on the basis of the program or supportive service, which uses the fixed asset. Occupancy expenses are assigned on floor space, utilization, and other services directly subscribed within the financial statements. Although the methods of allocation used are considered appropriate, other methods could be used that would produce different amounts.

***Upcoming Accounting Pronouncement***

In June 2016, the Financial Accounting Standards Board issued Accounting Standards Update No. 2016-13, *Financial Instruments - Credit Losses: Measurement of Credit Losses on Financial Instruments*. The ASU includes changes to the accounting and measurement of financial assets, including the Diocese's accounts receivable and held-to-maturity debt securities, by requiring the Diocese to recognize an allowance for all expected losses over the life of the financial asset at origination. This is different from the current practice where an allowance is not recognized until the losses are considered probable. The ASU also changes the way credit losses are recognized for available-for-sale debt securities. Credit losses are recognized through the recording of an allowance rather than as a write-down of the carrying value. The new guidance will be effective for the Diocese's year ending June 30, 2024. Upon adoption, the ASU will be applied using a modified retrospective transition method to the beginning of the earliest period presented. A prospective transition approach is required for debt securities for which an other-than-temporary impairment had been recognized before the effective date.

***Subsequent Events***

The financial statements and related disclosures include evaluation of events up through and including December 1, 2023, which is the date the financial statements were available to be issued.

## The Roman Catholic Diocese of Toledo in America

### Notes to Combined Financial Statements

June 30, 2023 and 2022

#### Note 3 - Liquidity and Availability of Resources

The following reflects the Diocese's financial assets as of June 30, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the combined statement of financial position date:

	2023	2022
Cash and cash equivalents	\$ 3,562,690	\$ 2,934,199
Restricted cash and cash equivalents	16,559,608	16,096,772
Accounts and interest receivable	2,216,705	2,864,167
Beneficial interest in perpetual trusts	349,168	336,874
Interest in Foundations	609,769	598,308
Loans and notes receivable	6,600,626	7,482,335
Diocese investments	13,012,927	13,029,260
Other trusts and funds investments	134,060,023	119,455,067
Financial assets - At year end	176,971,516	162,796,982
Less those unavailable for general expenditures within one year due to contractual or donor-imposed restrictions:		
Restricted by donor with purpose restrictions	7,878,125	7,257,526
Subject to appropriation and satisfaction of donor restrictions	17,026,230	14,780,641
Beneficial interest in perpetual trusts and interest in foundations	958,937	935,182
Assets held in Deposit and Loan Trust and Catholic Investment Trust	120,691,380	108,059,043
Board designations	18,452,372	19,968,138
Financial assets available to meet cash needs for general expenditures within one year	\$ 11,964,472	\$ 11,796,452

The designations for the Deposit and Loan Trust and the Catholic Investment Trust and included in the assets held in the Deposit and Loan Trust and Catholic Investment Trust above. The Diocese has a goal to maintain financial assets, which consist of cash and short-term investments, on hand to meet 90 days of normal operating expenses, which are, on average, approximately \$7.9 million and \$6.9 million at June 30, 2023 and 2022, respectively. The Diocese has a committed line of credit in the amount of \$2.5 million at June 30, 2023 and 2022, which it could draw upon if needed, as further described in Note 17.

The Diocese also realizes there could be unanticipated liquidity needs.

#### Note 4 - Investments

Certain investments are held in a custody trust account (the "Master Trust") administered by Comerica Bank, trustee, or are held by Key Bank. The Master Trust was established to hold the assets of the Diocese and its related entities. The investments of the Deposit and Loan Trust are held in a separate custody trust account administered by The Trust Company of Toledo, Ohio N.A., trustee. The investments of the Catholic Investment Trust and the remainder of the investments of the Diocese are held by Key Bank. Investments are under the control of investment managers who have authority for purchases and sales of investments subject to compliance with the diocesan investment policy statement and oversight of the Diocesan Investment Committee.

The total investments described above include those classified as diocese investments and other trusts and funds investments on the combined statement of financial position. Investments in the trusts include investments from the Catholic Investment Trust, Deposit and Loan Trust, Health Benefits Trust, and Property and Casualty Trust. Investments of \$79.8 million and \$70.6 million from the Catholic Investment Trust and \$45.9 million and \$41.2 million from the Deposit and Loan Trust at June 30, 2023 and 2022, respectively, are invested on behalf of parishes and other related institutions.



## Notes to Combined Financial Statements

**June 30, 2023 and 2022**

### **Note 4 - Investments (Continued)**

The Diocese invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the combined statement of financial position.

### **Note 5 - Beneficial Interest in Perpetual Trusts**

The Diocese is named as a beneficiary of several perpetual trusts. The trusts are held by third parties that manage the assets and distribute the earnings to parties, as defined in the trusts. Under a perpetual term arrangement, the Diocese receives the income (a portion as defined by the trust) earned by the assets but never gains use of the trust corpus. The income received from these trusts has donor-imposed restrictions and, accordingly, has been reported on the combined statement of activities and changes in net assets as income with donor restrictions.

The beneficial interest has been recognized at the present value of a perpetual stream of income from the assets. Assuming a perfect market for investments, the fair market value will equal the present value of a perpetual stream of income from the assets. Therefore, the trusts have been recognized at fair market value.

### **Note 6 - Interest in Foundations**

This Diocese holds interest in the Greater Toledo Community Foundation and Monsignor Jerome Schmit Charitable Foundation (collectively, the "Foundations"). These investments were placed by donors in the Foundations but to be used for the benefit of the Diocese. All investments and funds generated through the Foundations are held and managed in commingled funds by the Foundations. Income is paid quarterly to the Diocese. An asset, interest in Foundations, has been recorded for the present value of future cash flows of \$609,769 and \$598,308 at June 30, 2023 and 2022, respectively. Changes in this interest are reported on the combined statement of activities and changes in net assets in the net realized and unrealized gains (losses) on investments.

### **Note 7 - Property and Equipment**

Property and equipment are summarized as follows as of June 30, 2023 and 2022:

	2023	2022
Land	\$ 597,607	\$ 597,607
Land improvements	436,260	436,260
Buildings	11,287,256	10,446,013
Office equipment	80,297	72,534
Transportation equipment	77,905	77,905
Total cost	12,479,325	11,630,319
Accumulated depreciation	8,353,743	7,965,767
Net property and equipment	<u>\$ 4,125,582</u>	<u>\$ 3,664,552</u>

Depreciation expense for 2023 and 2022 was \$418,528 and \$420,495, respectively.

## Notes to Combined Financial Statements

**June 30, 2023 and 2022**

### **Note 8 - Notes to and from Parishes and Related Institutions**

The Deposit and Loan Trust holds unsecured notes receivable from and unsecured notes payable to the Diocese's parishes and related institutions, with the notes payable due on demand and the notes receivable maturing at various dates. The notes receivable have a variable interest rate equal to the prime rate. In an effort to provide relief in a rapidly rising interest rate environment, effective April 1, 2023, the interest rate was capped at 7.0 percent until the prime rate reaches 8.0 percent or higher, at which time the interest rate will be equal to prime minus 1.0 percent. The interest rate on notes payable is 3.75 and 0.5 percent at June 30, 2023 and 2022, respectively. Interest is due on a semiannual basis. The allowance for uncollectible notes is approximately \$1.4 million as of June 30, 2023 and 2022. The Diocese has the authority to liquidate assets of the parishes and related institutions to collect notes receivable.

The Deposit and Loan Trust has extended financing to various parishes and Catholic high schools in the form of construction notes. The Deposit and Loan Trust has also extended financing to a parish and a related entity under lines of credit. There are no commitments at June 30, 2023 and 2022 to extend additional financing.

Interest income and expense on the above notes receivable and payable for the year ended June 30, 2023 are \$523,268 and \$1,132,331, respectively. Interest income and expense on the above notes receivable and payable for the year ended June 30, 2022 are \$339,108 and \$285,441, respectively. Interest income and expenses are included in the combined statement of activities and changes in net assets.

In some instances, financing notes receivable are placed on nonaccrual (deferred status) to provide additional time for the parishes, schools, and other organizations to achieve financial stability and repay their loans. Accrual of interest is resumed when such entities are in a position to repay the loans. There was no investment in loans on nonaccrual status as of June 30, 2023 and 2022.

The Deposit and Loan Trust considers a financing loan receivable to be impaired when, based on current information and events, it is probable that the Deposit and Loan Trust will be unable to collect all amounts due according to the contractual terms of the loan agreement. Individual loans are assessed for impairment based on the following factors: (1) changes in borrower-specific financial condition, (2) failure to adhere to repayment schedules, and (3) negative loan-to-asset ratios. There were no balances written off during the years ended June 30, 2023 and 2022.

#### ***Credit Quality Indicators***

The Deposit and Loan Trust takes into account the borrower's need, ability to raise funds for repayment (i.e., capital campaigns or other fundraising), and the borrower's financial history. The Bishop of the Diocese of Toledo makes final loan determinations. All credit quality indicators have been updated through June 30, 2023 and 2022. Credit monitoring is done by evaluation of loan payment history and periodic financial statement review.

### **Note 9 - Trust Funds Held for Others**

Transactions in the Catholic Investment Trust funds held for others are summarized below for the years ended June 30, 2023 and 2022:

	2023	2022
Balance in trust funds held for others - Beginning of year	\$ 48,942,736	\$ 53,540,684
Contributions - Parishes and other organizations	3,720,433	3,525,836
Investment income (loss) - Net	5,589,715	(6,136,536)
Distributions - Parishes and other organizations	(2,931,518)	(1,987,248)
Balance in trust funds held for others - End of year	<u>\$ 55,321,366</u>	<u>\$ 48,942,736</u>



## The Roman Catholic Diocese of Toledo in America

### Notes to Combined Financial Statements

June 30, 2023 and 2022

#### Note 10 - Related Party Transactions

Related party activities as of and for the years ended June 30, 2023 and 2022 are as follows:

	2023	2022
Parish assessment receivable - Net of allowance	\$ 760,596	\$ 416,718
Catholic Community Foundation receivable (Note 19)	188,260	1,163,398
Parish receivable for support of Central City Ministries Fund	221,333	179,643
Parish health care premium receivable - Net of allowance	404,249	389,473
Parish protective self-insurance premium receivables - Net of allowance	167,300	83,957
Parish workers' compensation and unemployment premium receivables - Net of allowance	29,828	6,917
Total	<u>\$ 1,771,566</u>	<u>\$ 2,240,106</u>
Due to agency fund - Catholic Youth Organization (CYO)	\$ 502,290	\$ 436,849
Due to agency fund - Global Concern	6,703	6,576
Total due to agency funds	<u>\$ 508,993</u>	<u>\$ 443,425</u>
Due to parishes and other organizations	\$ 55,321,366	\$ 48,942,736
Annual Catholic Appeal	2,828,588	3,329,014
Parish assessment income	3,799,406	3,284,493
Parish health care premium income	15,496,977	15,753,950
Parish protective self-insurance fund premium income	2,863,638	2,723,861
Parish workers' compensation and unemployment premium income	645,664	421,732
Subsidy paid to Catholic Charities for operations	735,800	644,800

Amounts due to agency funds are due on demand to the respective funds and relate to net income earned on their respective activities.

The Catholic Investment Trust holds investments that are due to parishes and other organizations on demand. Net distributions of realized and unrealized gains and losses on investments made to parishes and other organizations were \$9.2 million and \$(4.6) million at June 30, 2023 and 2022, respectively.

The Diocese charged assessments, as detailed above, to related parishes, and amounts outstanding related to these assessments are included in parish assessments receivable net of an allowance of \$195,422 and \$89,899 at June 30, 2023 and 2022, respectively. The respective trusts also charged health care premiums and self-insurance premiums to parishes, as detailed above. The allowances for health care premiums and self-insurance fund premiums were \$159,453 and \$126,075, respectively, at June 30, 2023. At June 30, 2022, the allowances for health care premiums and self-insurance fund premiums were \$91,996 and \$78,852, respectively.

Contributions from the Annual Catholic Appeal were made to support various diocesan ministries. The Diocese also subsidized Catholic Charities, and the amount is included within the apostolates and ministry programs expense on the combined statement of activities and changes in net assets.

## The Roman Catholic Diocese of Toledo in America

### Notes to Combined Financial Statements

June 30, 2023 and 2022

#### Note 11 - Net Assets

Net assets without donor restrictions consist of the following as of June 30, 2023 and 2022:

	2023	2022
Board-designated net assets:		
Designations:		
Special needs of retired and infirmed priests	\$ 1,554,971	\$ 1,610,020
Child and youth protection	2,484,644	2,562,621
Workers' compensation and unemployment	1,470,424	1,351,942
Central City Ministries Fund long-term operations	1,771,007	1,620,548
Closed parish maintenance fund	998,333	998,334
Total designations	8,279,379	8,143,465
Trust designations:		
Deposit and Loan	1,867,554	2,299,292
Health Benefits	4,478,788	6,112,454
Property and Casualty	5,694,205	5,712,219
Total trust designations	12,040,547	14,123,965
Total board-designated net assets	20,319,926	22,267,430
Undesignated net assets	22,225,477	19,922,455
Total net assets without donor restrictions	\$ 42,545,403	\$ 42,189,885

## The Roman Catholic Diocese of Toledo in America

### Notes to Combined Financial Statements

June 30, 2023 and 2022

#### Note 11 - Net Assets (Continued)

Net assets with donor restrictions as of June 30, 2023 and 2022 are available for the following purposes:

	2023	2022
Subject to expenditures for a specified purpose:		
Social services	\$ 2,502,352	\$ 2,302,532
Ministry support	2,710,424	2,492,831
Healthy Beginnings	1,155,935	1,084,036
Seminarian and religious education	769,919	707,298
Support for operations of Queen of Apostles School	13,059	13,059
Other	726,436	657,770
Total subject to expenditures for a specified purpose	7,878,125	7,257,526
Subject to the Diocese's spending policy and appropriation - Funds restricted in perpetuity to investments, the income from which is expendable to support various programs	17,026,230	14,780,641
Not subject to the Diocese's spending policy:		
Beneficial interest in perpetual trusts	349,168	336,874
Interest in Monsignor Jerome Schmit Charitable Foundation	515,911	511,612
Total not subject to the Diocese's spending policy	865,079	848,486
Total net assets with donor restrictions	<u>\$ 25,769,434</u>	<u>\$ 22,886,653</u>
Purpose restrictions accomplished:		
Social services	\$ 42,026	\$ 29,438
Healthy Beginnings	21,039	12,534
Other	19,705	161,579
Total purpose restrictions accomplished	82,770	203,551
Release of amounts not subject to the Diocese's spending policy	79,278	75,152
Release of appropriated endowment amounts with purpose restrictions	328,373	370,759
Total net assets released from restrictions	<u>\$ 490,421</u>	<u>\$ 649,462</u>

## The Roman Catholic Diocese of Toledo in America

### Notes to Combined Financial Statements

June 30, 2023 and 2022

#### Note 12 - Functional Expenses

For the years ended June 30, 2023 and 2022, expenses are functionally allocated as follows:

	2023						
	Personnel Costs	Occupancy Costs	Ministries Support	Professional Services	Travel/ Professional Development	Grants/ Other Assistance	Total
Administrative expenses:							
Salaries and benefits	\$ 2,870,788	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,870,788
Apostolates and ministry programs	1,500	48,803	275,232	28,011	19,929	285,908	659,383
Other administrative expenses	4,000	567,371	757,168	244,380	72,176	127,578	1,772,673
Central City Ministries Fund operating costs	-	-	-	2,990	-	-	2,990
Interest expense	-	-	5,933	-	-	-	5,933
Total administrative expenses	2,876,288	616,174	1,038,333	275,381	92,105	413,486	5,311,767
Program expenses:							
Salaries and benefits	2,909,062	-	-	3,479	-	-	2,912,541
Apostolates and ministry programs	16,522	355,412	696,218	535,636	204,505	2,030,888	3,839,181
Insurance premiums and claims	-	-	16,532,588	-	-	-	16,532,588
Other administrative expenses	-	63,470	(77,280)	912,599	7,103	47,376	953,268
Central City Ministries Fund operating costs	-	244,239	117,059	-	10	216,684	577,992
Interest expense	-	-	1,126,398	-	-	-	1,126,398
Depreciation	-	418,528	-	-	-	-	418,528
Building fund	-	-	-	-	-	34,392	34,392
Total program expenses	2,925,584	1,081,649	18,394,983	1,451,714	211,618	2,329,340	26,394,888
Fundraising expenses:							
Salaries and benefits	113,897	-	-	-	-	-	113,897
Central City Ministries Fund operating costs	-	2,544	4,864	-	2,264	4,295	13,967
Total fundraising expenses	113,897	2,544	4,864	-	2,264	4,295	127,864
Total	\$ 5,915,769	\$ 1,700,367	\$ 19,438,180	\$ 1,727,095	\$ 305,987	\$ 2,747,121	\$ 31,834,519

## The Roman Catholic Diocese of Toledo in America

### Notes to Combined Financial Statements

June 30, 2023 and 2022

#### Note 12 - Functional Expenses (Continued)

	2022						
	Personnel Costs	Occupancy Costs	Ministries Support	Professional Services	Travel/ Professional Development	Grants/Other Assistance	Total
Administrative expenses:							
Salaries and benefits	\$ 2,742,798	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,742,798
Apostolates and ministry programs	1,500	9,763	309,535	29,595	37,057	259,010	646,460
Other administrative expenses	4,000	492,285	723,077	228,353	79,986	344,997	1,872,698
Central City Ministries Fund operating costs	-	-	-	7,800	-	-	7,800
Interest expense	-	-	8,092	-	-	-	8,092
Total administrative expenses	2,748,298	502,048	1,040,704	265,748	117,043	604,007	5,277,848
Program expenses:							
Salaries and benefits	2,806,342	-	-	-	-	-	2,806,342
Apostolates and ministry programs	2,500	249,081	728,421	417,850	296,114	2,099,040	3,793,006
Insurance premiums and claims	-	-	13,464,926	-	-	-	13,464,926
Other administrative expenses	-	48,434	119,239	974,710	1,797	15,515	1,159,695
Central City Ministries Fund operating costs	-	185,044	68,219	-	530	181,311	435,104
Interest expense	-	-	277,349	-	-	-	277,349
Depreciation	-	420,495	-	-	-	-	420,495
Total program expenses	2,808,842	903,054	14,658,154	1,392,560	298,441	2,295,866	22,356,917
Fundraising expenses:							
Salaries and benefits	5,304	-	-	-	-	-	5,304
Central City Ministries Fund operating costs	-	-	2,595	3,082	5,000	-	10,677
Total fundraising expenses	5,304	-	2,595	3,082	5,000	-	15,981
Total	\$ 5,562,444	\$ 1,405,102	\$ 15,701,453	\$ 1,661,390	\$ 420,484	\$ 2,899,873	\$ 27,650,746

#### Note 13 - Multiple-employer Defined Benefit Pension Plan

The Diocese established the Retirement Plan for Lay Employees in the Catholic Diocese of Toledo (the "Retirement Plan"), a multiple-employer defined benefit pension plan. The employer identification number of the Retirement Plan is 34-4428233. For the years ended June 30, 2023 and 2022, the Diocese contributed 6.5 percent of each participating employee's compensation to the Retirement Plan, and each employee contributed 5 percent of compensation. Benefits under the Retirement Plan are generally based on compensation levels and years of service.

## Notes to Combined Financial Statements

**June 30, 2023 and 2022**

### **Note 13 - Multiple-employer Defined Benefit Pension Plan (Continued)**

The financial risks of participating in multiple-employer plans are different from single-employer defined benefit pension plans in the following respects:

- Assets contributed to the multiple-employer plan by one employer may be used to provide benefits to employees of other participating employers.
- If a participating employer discontinues contributions to a plan, the unfunded obligations of the plan may be borne by the remaining participating employers.
- If a participating employer chooses to stop participating in a plan, a withdrawal liability may be created based on the unfunded vested benefits for all employees in the plan.

The Diocese contributed approximately \$221,000 and \$186,000 to the Retirement Plan for the years ended June 30, 2023 and 2022, respectively. The Diocese's contributions do not represent more than 5 percent of total contributions received by the Retirement Plan.

The Retirement Plan is not required to file Form 5500; therefore, certain information is not required to be made available publicly and is unavailable. If the Diocese withdraws its participation in the Retirement Plan, the Diocese could, under the terms of the Retirement Plan, be subject to a penalty. In addition to the extent that the Retirement Plan is underfunded, the Diocese's future contributions to the Retirement Plan may increase to cover retirement benefits of employees of other participants in the Retirement Plan.

The following information is based on the most recent available actuarial valuation of the Retirement Plan as of July 1, 2023 and 2022:

	2023 Retirement Plan for Lay Employees in the Catholic Diocese of Toledo	2022 Retirement Plan for Lay Employees in the Catholic Diocese of Toledo
Net plan assets available for benefits	\$ 183,923,678	\$ 170,343,665
Actuarial present value of accumulated plan benefits	\$ 206,499,967	\$ 204,253,879
Total contributions received by the plan	\$ 9,026,533	\$ 8,132,887
Indicated level of funding	89.07 %	83.40 %

### **Note 14 - Contingencies**

From time to time, the Diocese and its related trusts and entities are subject to various disputes and legal proceedings arising in the ordinary course of business. Management is of the opinion, based upon information presently available, that it is unlikely that any liability would be significant in relation to the Diocese's financial position, results of operations, or cash flows.

### **Note 15 - Fair Value Measurements**

Accounting standards require certain assets or liabilities be reported at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value.

Fair values determined by Level 1 inputs use quoted prices in active markets for identical assets that the Diocese has the ability to access.

## The Roman Catholic Diocese of Toledo in America

### Notes to Combined Financial Statements

June 30, 2023 and 2022

#### Note 15 - Fair Value Measurements (Continued)

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets in active markets and other inputs, such as interest rates and yield curves, that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Diocese's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

The following tables present information about the Diocese and related entities' assets measured at fair value on a recurring basis at June 30, 2023 and 2022 and the valuation techniques used to determine those fair values:

Assets Measured at Fair Value on a Recurring Basis at June 30, 2023				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at June 30, 2023
<b>Assets</b>				
U.S. corporate bonds	\$ -	\$ 4,824,574	\$ -	\$ 4,824,574
Mutual funds - Fixed income	9,423,231	-	-	9,423,231
Mutual funds - Equity	11,721,158	-	-	11,721,158
Money market funds	247,317	1,679,172	-	1,926,489
U.S. government obligations	-	41,065,537	-	41,065,537
Common/collective funds	-	78,111,961	-	78,111,961
Interest in the Foundations	-	-	609,769	609,769
Beneficial interest in perpetual trusts	-	-	349,168	349,168
Total assets	<u>\$ 21,391,706</u>	<u>\$ 125,681,244</u>	<u>\$ 958,937</u>	<u>\$ 148,031,887</u>
Assets Measured at Fair Value on a Recurring Basis at June 30, 2022				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at June 30, 2022
<b>Assets</b>				
U.S. corporate bonds	\$ -	\$ 3,958,349	\$ -	\$ 3,958,349
Mutual funds - Fixed income	5,897,683	-	-	5,897,683
Mutual funds - Equity	14,454,022	-	-	14,454,022
Money market funds	331,645	1,572,626	-	1,904,271
U.S. government obligations	-	37,228,764	-	37,228,764
Common/collective funds	-	69,041,238	-	69,041,238
Interest in the Foundations	-	-	598,308	598,308
Beneficial interest in perpetual trusts	-	-	336,874	336,874
Total assets	<u>\$ 20,683,350</u>	<u>\$ 111,800,977</u>	<u>\$ 935,182</u>	<u>\$ 133,419,509</u>

## Notes to Combined Financial Statements

June 30, 2023 and 2022

### Note 15 - Fair Value Measurements (Continued)

Subsequent to June 30, 2022, the Diocese of Toledo reevaluated inputs used to value the Diocese's common/collective funds and concluded that the Diocese's common/collective funds should be classified as Level 2 investments within the fair value hierarchy table as of both June 30, 2023 and 2022.

The fair value of U.S. corporate bonds, U.S. government bonds, and money market funds at June 30, 2023 and 2022 was determined based on Level 2 inputs. The Diocese estimates the fair value of these investments using other inputs, such as interest rates and yield curves at commonly quoted intervals. The fair value of common/collective funds at June 30, 2023 and 2022 was determined primarily based on Level 2 inputs. The Catholic Investment Trust estimates the fair value of these investments, the fair value of the underlying securities, and allocated ownership interests in the units of the pooled funds. The investments consist of a pooled investment portfolio, which consists of commonly traded mutual funds and stocks, for which an active and liquid market exists.

The following tables summarize the valuation methods used to determine fair value at June 30, 2023 and 2022 for assets measured at fair value on a recurring basis using unobservable inputs (Level 3 inputs). Certain investments in Level 3 assets arose from the transfer in of the Catholic Community Foundation - Ohio's net assets. The Diocese's policy is to recognize transfers in and transfers out of Level 1, 2, and 3 fair value classifications as of the actual date of the event.

	Fair Value at June 30, 2023	Valuation Technique	Unobservable Inputs
Assets:			
Beneficial interest in perpetual trusts	\$ 349,168	Percentage of ownership interest in the perpetual trusts, which consist of equity securities that are publicly traded and a small portion of hedge funds and common collective funds that are valued at net asset value per share	Perpetual trusts' investment statements containing the detail of the underlying assets held
Interest in the Foundations	609,769	Percentage of ownership interest in the Foundations, which consist of fixed-income, real estate, and equity securities that are publicly traded	The Foundations' investment statements containing the detail of the underlying assets held
	Fair Value at June 30, 2022	Valuation Technique	Unobservable Inputs
Assets:			
Beneficial interest in perpetual trusts	\$ 336,874	Percentage of ownership interest in the perpetual trusts, which consist of equity securities that are publicly traded and a small portion of hedge funds and common collective funds that are valued at net asset value per share	Perpetual trusts' investment statements containing the detail of the underlying assets held
Interest in the Foundations	598,308	Percentage of ownership interest in the Foundations, which consist of fixed-income, real estate, and equity securities that are publicly traded	The Foundations' investment statements containing the detail of the underlying assets held

### Note 16 - Donor-restricted Endowments

The Diocese's endowment includes donor-restricted endowment funds. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.



# Notes to Combined Financial Statements

June 30, 2023 and 2022

## Note 16 - Donor-restricted Endowments (Continued)

### Interpretation of Relevant Law

The Diocese is subject to the State Prudent Management of Institutional Funds Act (SPMIFA) and, thus, classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those net assets are time restricted until the Diocese appropriates such amounts for expenditures. Most of those net assets also are subject to purpose restrictions that must be met before reclassifying those net assets to net assets without donor restrictions. Management of the Diocese had interpreted SPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund unless a donor stipulates the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, the Diocese considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Diocese has interpreted SPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law. Additionally, in accordance with SPMIFA, the Diocese considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purpose of the Diocese and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Diocese
- The investment policies of the Diocese

### Endowment Net Asset Composition by Type of Fund as of June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by the donor	\$ -	\$ 13,531,026	\$ 13,531,026
Accumulated investment gains	-	4,048,792	4,048,792
Appropriated funds	-	(553,588)	(553,588)
Total	\$ -	\$ 17,026,230	\$ 17,026,230

### Changes in Endowment Net Assets for the Fiscal Year Ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets - Beginning of year	\$ -	\$ 14,780,641	\$ 14,780,641
Investment return	-	1,525,056	1,525,056
Contributions	-	1,048,906	1,048,906
Appropriation of endowment assets for expenditure	-	(328,373)	(328,373)
Endowment net assets - End of year	\$ -	\$ 17,026,230	\$ 17,026,230

## Notes to Combined Financial Statements

June 30, 2023 and 2022

### Note 16 - Donor-restricted Endowments (Continued)

Endowment Net Asset Composition by Type of Fund as of June 30, 2022			
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by the donor	\$ -	\$ 12,482,120	\$ 12,482,120
Accumulated investment gains	-	2,392,673	2,392,673
Appropriated funds	-	(94,152)	(94,152)
Total	\$ -	\$ 14,780,641	\$ 14,780,641
Changes in Endowment Net Assets for the Fiscal Year Ended June 30, 2022			
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets - Beginning of year	\$ -	\$ 17,122,386	\$ 17,122,386
Investment loss	-	(2,050,986)	(2,050,986)
Contributions	-	80,000	80,000
Appropriation of endowment assets for expenditure	-	(370,759)	(370,759)
Endowment net assets - End of year	\$ -	\$ 14,780,641	\$ 14,780,641

#### **Underwater Endowment Funds**

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or SPMIFA requires the Diocese to retain as a fund of perpetual duration. As of June 30, 2022, deficiencies of this nature existed in two of the donor-restricted endowment funds, which together have an original gift value of \$6.0 million, a current fair value of \$5.9 million, and a deficiency of \$94,152. These deficiencies resulted from the combination of a change in market value of investments and continued appropriation for certain programs that was deemed prudent by the board of trustees. As of June 30, 2023, these endowment funds were no longer underwater.

#### **Return Objectives and Risk Parameters**

The Diocese has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity. Under this policy, as approved by the bishop, in consultation with the diocesan investment committee, the endowment assets are invested in a manner that is intended to produce results that reflect the price and yield results of the S&P 500 Index while assuming a moderate level of investment risk. The Diocese expects its endowment funds, over time, to provide an average rate of return of approximately 6 percent annually. Actual returns in any given year may vary from this amount.

#### **Strategies Employed for Achieving Objectives**

To satisfy its long-term rate-of-return objectives, the Diocese relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Diocese targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

## Notes to Combined Financial Statements

June 30, 2023 and 2022

### Note 16 - Donor-restricted Endowments (Continued)

#### *Spending Policy and How the Investment Objectives Relate to Spending Policy*

The Diocese has a policy of appropriating for distribution each year 5 percent of its endowment funds' December 31 balance. In establishing this policy, the Diocese considered the long-term expected rate of return on its endowments. This is consistent with the Diocese's objective to maintain the purchasing power of the endowment assets held in perpetuity, as well as to provide additional real growth through new gifts and investment return.

### Note 17 - Line of Credit

Under a line of credit agreement with a bank, the Diocese has available borrowings of \$2,500,000 with interest charged at the 30-day Secured Overnight Financing Rate (SOFR) plus 2.05 percent. The line of credit is collateralized by marketable securities held at Comerica Bank, which may be sold in the event of a default. Under the term of the agreement, borrowings under the line of credit cannot exceed 80 percent of the balance of the marketable securities pledged as collateral included in diocese investments on the combined statement of financial position. There were no outstanding draws on the line of credit at June 30, 2023 and 2022. The agreement expires on December 31, 2023.

### Note 18 - Reinsurance

The following is a summary of the effects of reinsurance on the Diocese's financial statements as of June 30, 2023 and 2022:

	2023	2022
Premiums earned:		
Direct	\$ 19,006,279	\$ 18,899,543
Ceded	(3,705,772)	(3,260,442)
Net premiums earned	<u>\$ 15,300,507</u>	<u>\$ 15,639,101</u>
Losses and loss adjustment expenses incurred:		
Direct	\$ 17,216,857	\$ 14,516,940
Ceded	(684,269)	(1,052,014)
Net losses and loss adjustment expenses incurred	<u>\$ 16,532,588</u>	<u>\$ 13,464,926</u>

### Note 19 - Capital Campaign

In August 2021, the Diocese engaged a third-party fundraising firm to conduct a diocesan-wide capital campaign entitled the Living Christ Campaign (the "Campaign"). In September 2021, the Diocese created the Catholic Community Foundation - Ohio (CCF), a nonprofit charitable tax-exempt organization under Section 501(C)(3) of the Internal Revenue Code, to support the various ministries of the Diocese and its related ecclesiastical organizations. The Diocese is utilizing CCF to collect, distribute, and account for all campaign funds raised and hold selected funds in endowment. All of the funds raised are contributed directly to CCF from donors.

As of June 30, 2023 and 2022, the Diocese recorded revenue of \$2,158,457 and \$379,197 and accounts receivable of \$188,260 and \$1,163,398, respectively, from CCF related to the Campaign for paid and unpaid distributions and reimbursable expenses.

More complete information on the Campaign as of June 30, 2023 can be found on the Diocese's website.

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## Supplemental Information

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### Independent Auditor's Report on Supplemental Information

To the Most Reverend Daniel E. Thomas,  
Bishop of the Diocese of Toledo, and  
Reverend Monsignor William Kubacki,  
Vicar General and Moderator of the Curia  
The Roman Catholic Diocese of Toledo in America

We have audited the combined financial statements of The Roman Catholic Diocese of Toledo in America as of and for the years ended June 30, 2023 and 2022 and have issued our report thereon dated December 1, 2023, which contained an unmodified opinion on those combined financial statements. Our audits were performed for the purpose of forming an opinion on the combined financial statements as a whole. The information in the accompanying combining statement of financial position at June 30, 2023 and 2022 and the combining statement of activities and changes in net assets for the years ended June 30, 2023 and 2022 are presented for the purpose of additional analysis rather than to present the financial position, results of operations, and cash flows of the individual entities and are not a required part of the combined financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audits of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the combined financial statements as a whole.

*Plante & Moran, PLLC*

December 1, 2023

## The Roman Catholic Diocese of Toledo in America

### Combining Statement of Financial Position

June 30, 2023

	Diocese of Toledo in America Corporation	Diocese of Toledo Management Corporation	Central City Ministries Fund	Deposit and Loan Trust	Health Benefits Trust	Property and Casualty Trust	Catholic Investment Trust	Eliminating Entries	Total
<b>Assets</b>									
Cash and cash equivalents	\$ 2,763,603	\$ 111,287	\$ 687,800	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,562,690
Restricted cash and cash equivalents	-	-	-	13,109,602	2,276,763	1,173,243	-	-	16,559,608
Other designated cash and cash equivalents	10,003,379	-	259,679	-	-	-	-	(10,263,058)	-
Receivables - Net of allowances:									
Parish and other related entity receivables	948,856	-	221,333	-	404,249	197,128	-	-	1,771,566
Receivables from other combining entities	-	372,618	-	75,518	-	-	-	(448,136)	-
Other receivables	264,965	-	-	-	-	-	180,174	-	445,139
Total receivables - Net of allowances	1,213,821	372,618	221,333	75,518	404,249	197,128	180,174	(448,136)	2,216,705
Beneficial interest in perpetual trusts	349,168	-	-	-	-	-	-	-	349,168
Interest in Foundations	515,913	-	93,856	-	-	-	-	-	609,769
Prepaid expenses and other assets	35,270	12,323	-	230,129	142,582	419,609	-	-	839,913
Loans and notes receivable - Net of allowance	261,190	-	-	6,339,436	-	-	-	-	6,600,626
Diocese investments	13,012,927	-	-	-	-	-	-	-	13,012,927
Other trusts and funds investments	-	-	-	45,890,111	3,338,468	5,040,311	79,791,133	-	134,060,023
Investments in other combining entities	23,232,469	-	1,417,472	-	-	-	-	(24,649,941)	-
Property and equipment - Net	3,587,031	-	538,551	-	-	-	-	-	4,125,582
<b>Total assets</b>	<b>\$ 54,974,771</b>	<b>\$ 496,228</b>	<b>\$ 3,218,691</b>	<b>\$ 65,644,796</b>	<b>\$ 6,162,062</b>	<b>\$ 6,830,291</b>	<b>\$ 79,971,307</b>	<b>\$ (35,361,135)</b>	<b>\$ 181,937,011</b>

## The Roman Catholic Diocese of Toledo in America

### Combining Statement of Financial Position (Continued)

June 30, 2023

	Diocese of Toledo in America Corporation	Diocese of Toledo Management Corporation	Central City Ministries Fund	Deposit and Loan Trust	Health Benefits Trust	Property and Casualty Trust	Catholic Investment Trust	Eliminating Entries	Total
<b>Liabilities and Net Assets</b>									
<b>Liabilities</b>									
Accounts payable	\$ 689,991	\$ 7,552	\$ 89,471	\$ 202,620	\$ 33,231	\$ 163,408	\$ -	\$ -	\$ 1,186,273
Contract liabilities	329,358	-	80,091	-	188,325	-	-	-	597,774
Payables to other funds and related parties	448,135	-	-	10,263,059	-	-	-	(10,711,194)	-
Intercompany payables	-	-	-	-	-	-	24,649,941	(24,649,941)	-
Due to agency funds	508,993	-	-	-	-	-	-	-	508,993
Accrued liabilities	248,443	13,366	-	-	-	8	-	-	261,817
Reserve for claims and claims expenses	-	-	-	-	1,461,718	972,670	-	-	2,434,388
Notes payable	-	-	-	53,311,563	-	-	-	-	53,311,563
Due to parishes and other organizations	-	-	-	-	-	-	55,321,366	-	55,321,366
Total liabilities	2,224,920	20,918	169,562	63,777,242	1,683,274	1,136,086	79,971,307	(35,361,135)	113,622,174
<b>Net Assets</b>									
Without donor restrictions:									
Undesignated	20,485,104	475,310	1,265,063	-	-	-	-	-	22,225,477
Board designated	6,508,372	-	1,771,007	1,867,554	4,478,788	5,694,205	-	-	20,319,926
Total without donor restrictions	26,993,476	475,310	3,036,070	1,867,554	4,478,788	5,694,205	-	-	42,545,403
With donor restrictions	25,756,375	-	13,059	-	-	-	-	-	25,769,434
Total net assets	52,749,851	475,310	3,049,129	1,867,554	4,478,788	5,694,205	-	-	68,314,837
Total liabilities and net assets	<u>\$ 54,974,771</u>	<u>\$ 496,228</u>	<u>\$ 3,218,691</u>	<u>\$ 65,644,796</u>	<u>\$ 6,162,062</u>	<u>\$ 6,830,291</u>	<u>\$ 79,971,307</u>	<u>\$ (35,361,135)</u>	<u>\$ 181,937,011</u>

## The Roman Catholic Diocese of Toledo in America

### Combining Statement of Financial Position

June 30, 2022

	Diocese of Toledo in America Corporation	Diocese of Toledo Management Corporation	Central City Ministries Fund	Deposit and Loan Trust	Health Benefits Trust	Property and Casualty Trust	Catholic Investment Trust	Eliminating Entries	Total
<b>Assets</b>									
Cash and cash equivalents	\$ 2,113,129	\$ 174,584	\$ 646,486	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,934,199
Restricted cash and cash equivalents	-	-	-	10,502,668	4,207,017	1,387,087	-	-	16,096,772
Deposits with affiliated entity	8,607,431	-	254,784	-	-	-	-	(8,862,215)	-
Receivables - Net of allowances:									
Parish and other related entity receivables	1,580,116	-	179,643	-	389,473	90,874	-	-	2,240,106
Related party receivable	7,884	188,478	-	238,917	-	19,336	-	(454,615)	-
Other receivables	334,485	140,495	-	-	-	-	149,081	-	624,061
Total receivables - Net of allowances	1,922,485	328,973	179,643	238,917	389,473	110,210	149,081	(454,615)	2,864,167
Beneficial interest in perpetual trusts	336,874	-	-	-	-	-	-	-	336,874
Interest in Foundations	511,612	-	86,696	-	-	-	-	-	598,308
Prepaid expenses and other assets	101,787	18,101	220	140,364	35,593	384,572	-	-	680,637
Loans and notes receivable - Net of allowance	55,809	-	-	7,426,526	-	-	-	-	7,482,335
Diocese investments	13,029,260	-	-	-	-	-	-	-	13,029,260
Other trusts and funds investments	-	-	-	41,187,113	3,049,875	4,604,215	70,613,864	-	119,455,067
Investments in other combining entities	20,541,141	-	1,279,068	-	-	-	-	(21,820,209)	-
Property and equipment - Net	3,007,004	-	657,548	-	-	-	-	-	3,664,552
Total assets	<u>\$ 50,226,532</u>	<u>\$ 521,658</u>	<u>\$ 3,104,445</u>	<u>\$ 59,495,588</u>	<u>\$ 7,681,958</u>	<u>\$ 6,486,084</u>	<u>\$ 70,762,945</u>	<u>\$ (31,137,039)</u>	<u>\$ 167,142,171</u>



## The Roman Catholic Diocese of Toledo in America

### Combining Statement of Financial Position (Continued)

June 30, 2022

	Diocese of Toledo in America Corporation	Diocese of Toledo Management Corporation	Central City Ministries Fund	Deposit and Loan Trust	Health Benefits Trust	Property and Casualty Trust	Catholic Investment Trust	Eliminating Entries	Total
<b>Liabilities and Net Assets</b>									
<b>Liabilities</b>									
Accounts payable	\$ 858,327	\$ 25,420	\$ 19,149	\$ 15,696	\$ 3,500	\$ 149,319	\$ -	\$ -	\$ 1,071,411
Contract liabilities	364,463	-	116,312	-	121,233	-	-	-	602,008
Due to affiliates	444,921	1,131	5,781	8,868,760	(2,643)	(1,120)	-	(9,316,830)	-
Intercompany payables	-	-	-	-	-	-	21,820,209	(21,820,209)	-
Due to agency funds	443,425	-	-	-	-	-	-	-	443,425
Accrued liabilities	601,180	10,294	9,659	-	-	8	-	-	621,141
Reserve for claims and claims expenses	-	-	-	-	1,447,414	625,658	-	-	2,073,072
Notes payable	-	-	-	48,311,840	-	-	-	-	48,311,840
Due to parishes and other organizations	-	-	-	-	-	-	48,942,736	-	48,942,736
Total liabilities	2,712,316	36,845	150,901	57,196,296	1,569,504	773,865	70,762,945	(31,137,039)	102,065,633
<b>Net Assets</b>									
Without donor restrictions:									
Undesignated	18,117,705	484,813	1,319,937	-	-	-	-	-	19,922,455
Board designated	6,522,917	-	1,620,548	2,299,292	6,112,454	5,712,219	-	-	22,267,430
Total without donor restrictions	24,640,622	484,813	2,940,485	2,299,292	6,112,454	5,712,219	-	-	42,189,885
With donor restrictions	22,873,594	-	13,059	-	-	-	-	-	22,886,653
Total net assets	47,514,216	484,813	2,953,544	2,299,292	6,112,454	5,712,219	-	-	65,076,538
Total liabilities and net assets	<u>\$ 50,226,532</u>	<u>\$ 521,658</u>	<u>\$ 3,104,445</u>	<u>\$ 59,495,588</u>	<u>\$ 7,681,958</u>	<u>\$ 6,486,084</u>	<u>\$ 70,762,945</u>	<u>\$ (31,137,039)</u>	<u>\$ 167,142,171</u>

## The Roman Catholic Diocese of Toledo in America

### Combining Statement of Activities and Changes in Net Assets

Year Ended June 30, 2023

	Diocese of Toledo in America Corporation	Diocese of Toledo Management Corporation	Central City Ministries Fund	Deposit and Loan Trust	Health Benefits Trust	Property and Casualty Trust	Catholic Investment Trust	Eliminating Entries	Total
<b>Changes Net Assets without Donor Restrictions</b>									
Revenue, gains (losses), and other support:									
Parish assessments	\$ 3,799,406	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,799,406
Annual Catholic Appeal	2,828,588	-	-	-	-	-	-	-	2,828,588
Central City Ministries Fund revenue	-	-	2,311,698	-	-	-	-	-	2,311,698
Catholic education - Fees and services	800,329	-	-	-	-	-	-	-	800,329
Other fees and services	968,884	421,619	3,784	-	-	-	-	(719,503)	674,784
Management fee income	176,848	1,802,136	-	-	-	-	-	(1,548,389)	430,595
Insurance premiums - Net	-	-	-	-	14,142,310	1,158,197	-	-	15,300,507
Capital campaign	2,158,457	-	-	-	-	-	-	-	2,158,457
Interest income - Notes receivable	-	-	-	523,268	-	-	-	-	523,268
Miscellaneous income	-	-	58,955	-	1,137	10,838	-	-	70,930
Estates and other gifts	37,486	-	14,577	-	-	-	-	-	52,063
Cathedral organ project	175,938	-	-	-	-	-	-	-	175,938
Building fund	100,000	-	-	-	-	-	-	-	100,000
Interest in earnings from custody trust account	(3,541)	-	-	1,049,247	92,153	120,446	-	(481,524)	776,781
Net assets released from restrictions	490,421	-	-	-	-	-	-	-	490,421
<b>Total revenue, gains, and other support</b>	<b>11,532,816</b>	<b>2,223,755</b>	<b>2,389,014</b>	<b>1,572,515</b>	<b>14,235,600</b>	<b>1,289,481</b>	<b>-</b>	<b>(2,749,416)</b>	<b>30,493,765</b>
Expenses:									
Salaries and benefits	2,940,275	1,391,169	1,565,782	-	-	-	-	-	5,897,226
Apostolates and ministry programs	4,498,564	-	-	-	-	-	-	-	4,498,564
Insurance claims	-	-	-	-	15,245,573	1,287,015	-	-	16,532,588
Other administrative expenses	989,480	746,502	-	101,957	707,706	180,296	-	-	2,725,941
Central City Ministries Fund operating costs	-	-	594,949	-	-	-	-	-	594,949
Interest expense	5,933	-	-	1,126,398	-	-	-	-	1,132,331
Depreciation	223,519	-	195,009	-	-	-	-	-	418,528
Management fees	1,139,758	-	58,830	58,911	129,046	161,844	-	(1,548,389)	-
Rent and occupancy	202,297	95,587	-	-	-	-	-	(297,884)	-
Building fund	34,392	-	-	-	-	-	-	-	34,392
Annual Catholic Appeal and capital campaign expense	421,619	-	-	-	-	-	-	(421,619)	-
<b>Total expenses</b>	<b>10,455,837</b>	<b>2,233,258</b>	<b>2,414,570</b>	<b>1,287,266</b>	<b>16,082,325</b>	<b>1,629,155</b>	<b>-</b>	<b>(2,267,892)</b>	<b>31,834,519</b>

## The Roman Catholic Diocese of Toledo in America

### Combining Statement of Activities and Changes in Net Assets (Continued)

Year Ended June 30, 2023

	Diocese of Toledo in America Corporation	Diocese of Toledo Management Corporation	Central City Ministries Fund	Deposit and Loan Trust	Health Benefits Trust	Property and Casualty Trust	Catholic Investment Trust	Eliminating Entries	Total
<b>Increase (Decrease) in Net Assets without Donor Restrictions - Before nonoperating income (loss)</b>	\$ 1,076,979	\$ (9,503)	\$ (25,556)	\$ 285,249	\$ (1,846,725)	\$ (339,674)	\$ -	\$ (481,524)	\$ (1,340,754)
<b>Nonoperating Income (Loss)</b>									
Net realized and unrealized gain (loss) on investments	1,275,875	-	121,141	(716,987)	213,059	321,660	9,177,268	(2,348,205)	8,043,811
Net change in due to parishes and other organizations of the Catholic Investment Trust	-	-	-	-	-	-	(9,177,268)	2,829,729	(6,347,539)
Total nonoperating income (loss)	1,275,875	-	121,141	(716,987)	213,059	321,660	-	481,524	1,696,272
<b>Increase (Decrease) in Net Assets without Donor Restrictions</b>	2,352,854	(9,503)	95,585	(431,738)	(1,633,666)	(18,014)	-	-	355,518
<b>Changes in Net Assets with Donor Restrictions</b>									
Contributions	1,098,545	-	-	-	-	-	-	-	1,098,545
Net realized and unrealized gains on investments	1,243,943	-	-	-	-	-	-	-	1,243,943
Interest income	1,030,714	-	-	-	-	-	-	-	1,030,714
Net assets released from restrictions	(490,421)	-	-	-	-	-	-	-	(490,421)
<b>Increase in Net Assets with Donor Restrictions</b>	2,882,781	-	-	-	-	-	-	-	2,882,781
<b>Increase (Decrease) in Net Assets</b>	5,235,635	(9,503)	95,585	(431,738)	(1,633,666)	(18,014)	-	-	3,238,299
<b>Net Assets - Beginning of year</b>	47,514,216	484,813	2,953,544	2,299,292	6,112,454	5,712,219	-	-	65,076,538
<b>Net Assets - End of year</b>	<u>\$ 52,749,851</u>	<u>\$ 475,310</u>	<u>\$ 3,049,129</u>	<u>\$ 1,867,554</u>	<u>\$ 4,478,788</u>	<u>\$ 5,694,205</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 68,314,837</u>

## The Roman Catholic Diocese of Toledo in America

### Combining Statement of Activities and Changes in Net Assets

Year Ended June 30, 2022

	Diocese of Toledo in America Corporation	Diocese of Toledo Management Corporation	Central City Ministries Fund	Deposit and Loan Trust	Health Benefits Trust	Property and Casualty Trust	Catholic Investment Trust	Eliminating Entries	Total
<b>Changes Net Assets without Donor Restrictions</b>									
Revenue, gains, and other support:									
Parish assessments	\$ 3,284,493	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,284,493
Annual Catholic Appeal	3,329,014	-	-	-	-	-	-	-	3,329,014
Central City Ministries Fund revenue	-	-	2,254,525	-	-	-	-	-	2,254,525
Catholic education - Fees and services	791,020	-	-	-	-	-	-	-	791,020
Other fees and services	1,138,743	409,222	-	-	-	-	-	(714,569)	833,396
Management fee income	-	1,859,045	-	-	-	-	-	(1,508,716)	350,329
Insurance premiums - Net	-	-	-	-	14,651,915	987,186	-	-	15,639,101
Capital campaign	379,197	-	-	-	-	-	-	-	379,197
Interest income - Notes receivable	-	-	-	339,108	-	-	-	-	339,108
Miscellaneous income	-	-	59,751	-	-	7,050	-	-	66,801
Estates and other gifts	6,530	-	12,000	-	-	-	-	-	18,530
Cathedral organ project	199,688	-	-	-	-	-	-	-	199,688
Building fund	10,000	-	-	-	-	-	-	-	10,000
Proceeds from Mareda sale	9,517	-	-	-	-	-	-	-	9,517
Interest in earnings from custody trust account	310,779	-	-	590,299	79,372	119,817	-	(289,091)	811,176
Net assets released from restrictions	649,462	-	-	-	-	-	-	-	649,462
Total revenue, gains, and other support	10,108,443	2,268,267	2,326,276	929,407	14,731,287	1,114,053	-	(2,512,376)	28,965,357
Expenses:									
Salaries and benefits	2,738,362	1,445,512	1,370,570	-	-	-	-	-	5,554,444
Apostolates and ministry programs	4,439,466	-	-	-	-	-	-	-	4,439,466
Insurance claims	-	-	-	-	12,804,283	660,643	-	-	13,464,926
Other administrative expenses	1,377,843	725,994	-	99,650	683,841	145,065	-	-	3,032,393
Central City Ministries Fund operating costs	-	-	453,581	-	-	-	-	-	453,581
Interest expense	8,092	-	-	277,349	-	-	-	-	285,441
Depreciation	224,643	-	195,852	-	-	-	-	-	420,495
Management fees	1,076,471	-	72,629	64,532	137,148	157,936	-	(1,508,716)	-
Annual Catholic Appeal and capital campaign expense	408,595	-	-	-	-	-	-	(408,595)	-
Rent and occupancy	209,215	96,759	-	-	-	-	-	(305,974)	-
Total expenses	10,482,687	2,268,265	2,092,632	441,531	13,625,272	963,644	-	(2,223,285)	27,650,746

## The Roman Catholic Diocese of Toledo in America

### Combining Statement of Activities and Changes in Net Assets (Continued)

Year Ended June 30, 2022

	Diocese of Toledo in America Corporation	Diocese of Toledo Management Corporation	Central City Ministries Fund	Deposit and Loan Trust	Health Benefits Trust	Property and Casualty Trust	Catholic Investment Trust	Eliminating Entries	Total
<b>(Decrease) Increase in Net Assets without Donor Restrictions - Before nonoperating (loss) income</b>	\$ (374,244)	\$ 2	\$ 233,644	\$ 487,876	\$ 1,106,015	\$ 150,409	\$ -	\$ (289,091)	\$ 1,314,611
<b>Nonoperating (Loss) Income</b>									
Net realized and unrealized (losses) gains on investments	(1,547,016)	-	(235,157)	(2,663,163)	(451,030)	(680,881)	(7,830,179)	3,521,323	(9,886,103)
Net change in due to parishes and other organizations of the Catholic Investment Trust	-	-	-	-	-	-	7,830,179	(3,232,232)	4,597,947
Total nonoperating (loss) income	(1,547,016)	-	(235,157)	(2,663,163)	(451,030)	(680,881)	-	289,091	(5,288,156)
<b>Changes in Net Assets with Donor Restrictions</b>									
Contributions	1,045,207	-	-	-	-	-	-	-	1,045,207
Interest in earnings from custody trust account	382,643	-	-	-	-	-	-	-	382,643
Net realized and unrealized losses on investments	(3,531,612)	-	-	-	-	-	-	-	(3,531,612)
Net assets released from restrictions	(649,462)	-	-	-	-	-	-	-	(649,462)
<b>Decrease in Net Assets with Donor Restrictions</b>	(2,753,224)	-	-	-	-	-	-	-	(2,753,224)
<b>(Decrease) Increase in Net Assets</b>	(4,674,484)	2	(1,513)	(2,175,287)	654,985	(530,472)	-	-	(6,726,769)
<b>Net Assets - Beginning of year</b>	52,188,700	484,811	2,955,057	4,474,579	5,457,469	6,242,691	-	-	71,803,307
<b>Net Assets - End of year</b>	<b>\$ 47,514,216</b>	<b>\$ 484,813</b>	<b>\$ 2,953,544</b>	<b>\$ 2,299,292</b>	<b>\$ 6,112,454</b>	<b>\$ 5,712,219</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 65,076,538</b>