Pastoral Center of the Archdiocese of Cincinnati

Financial Statements with Accompanying Information
June 30, 2022 and 2021, and
Independent Auditors’ Report

PASTORAL CENTER OF THE ARCHDIOCESE OF CINCINNATI

June 30, 2022 and 2021

Contents

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Independent Auditors' Report

Most Reverend Dennis M. Schnurr
Archbishop of Cincinnati

Opinion

We have audited the accompanying financial statements of the Pastoral Center of the Archdiocese of Cincinnati (a nonprofit organization), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Pastoral Center of the Archdiocese of Cincinnati as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Pastoral Center of the Archdiocese of Cincinnati and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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.

Independent Auditors' Report
(Continued)

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

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 Pastoral Center of the Archdiocese of Cincinnati'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 Pastoral Center of the Archdiocese of Cincinnati'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.

Report on Accompanying Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying information included in schedules 1 through 3 is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

Barnes, Dennig & Co., Ltd.

November 16, 2022
Cincinnati, Ohio

PASTORAL CENTER OF THE ARCHDIOCESE OF CINCINNATI

Statements of Financial Position
June 30, 2022 and 2021

	2022	2021
Assets		
Cash	$ 200	$ 200
Prepaid expenses	247,960	244,975
Accounts and interest receivable, net of allowances; 2022 - $4,301,234 and 2021 - $6,162,322	4,131,014	4,912,640
Contributions receivable	607,455	504,582
Notes receivable, net of allowances; 2022 - $8,349,485 and 2021 - $6,729,422	2,148,076	2,883,632
Investments	286,192,221	315,770,175
Land, buildings and other property, net	8,702,251	10,189,414
Total assets	$ 302,029,177	$ 334,505,618
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	$ 8,128,052	$ 7,810,938
Reserve for insurance claims	5,200,000	5,254,090
Due to other Archdiocesan agencies	145,674	506,232
Designated collections	1,224,463	1,321,055
Parish exchange accounts and other liabilities	5,475	38,532
Notes payable - parishes and other Catholic institutions	137,319,339	131,253,853
Total liabilities	152,023,003	146,184,700
Net Assets		
Without donor restrictions:		
Undesignated	131,484,462	168,224,603
Archbishop-designated other funds	5,355,645	6,013,558
Archbishop-designated endowment funds	4,538,278	5,256,773
Total without donor restrictions	141,378,385	179,494,934
With donor restrictions	8,627,789	8,825,984
Total net assets	150,006,174	188,320,918
Total liabilities and net assets	$ 302,029,177	$ 334,505,618

See accompanying notes to financial statements

PASTORAL CENTER OF THE ARCHDIOCESE OF CINCINNATI

Statement of Activities
Year Ended June 30, 2022 with Summarized Comparative Totals for 2021

	2022			
	Without Donor Restrictions	With Donor Restrictions	Total	2021
Revenue, gains and other support				
Investment return, net	$ (32,414,708)	$ (196,500)	$ (32,611,208)	$ 62,677,800
Insurance billings to parishes and institutions	51,468,652	-	51,468,652	51,071,644
Claim reimbursement and recoveries	219,090	-	219,090	2,081,941
Archdiocesan assessments	12,404,563	-	12,404,563	12,057,017
Notes receivable interest	125,387	-	125,387	267,035
Catholic Ministries Appeal	-	6,120,010	6,120,010	5,809,719
Contributions and bequests	919,776	2,936,853	3,856,629	3,315,011
Rental income	555,566	1,999	557,565	559,775
Gain (loss) on sale of property	(205,915)	-	(205,915)	3,183,534
Other	100,052	141,550	241,602	211,713
Net assets released from restrictions	9,202,107	(9,202,107)	-	-
Total revenue, gains and other support	42,374,570	(198,195)	42,176,375	141,235,189
Expenses				
Chancery:				
Community services	1,676,287	-	1,676,287	1,560,450
Educational services	6,183,890	-	6,183,890	6,219,085
Executive services	4,627,866	-	4,627,866	3,566,540
Financial services	2,140,775	-	2,140,775	1,783,242
Human resources	590,383	-	590,383	550,765
Stewardship services	1,764,405	-	1,764,405	1,347,031
Pastoral services	6,592,040	-	6,592,040	8,167,064
General and administrative	3,910,412	-	3,910,412	2,685,441
Interest on notes payable	1,956,068	-	1,956,068	1,979,875
Administrative building operations	172,902	-	172,902	153,424
	29,615,028	-	29,615,028	28,012,917
Nonoperating transfers to related entities	1,800,000	-	1,800,000	2,500,000
Health Care Plan:				
Claims	38,543,725	-	38,543,725	36,002,674
Disability and life insurance premiums	1,035,578	-	1,035,578	1,058,628
Service fees	2,280,185	-	2,280,185	2,304,781
Stop loss premiums	962,121	-	962,121	795,320
Allowance for doubtful accounts	(559,866)	-	(559,866)	(62,317)
Other health care costs	434,400	-	434,400	146,863
	42,696,143	-	42,696,143	40,245,949
Self-Insurance Fund:				
Claims	1,748,408	-	1,748,408	3,342,517
Reinsurance premiums	4,192,358	-	4,192,358	3,736,601
Other self insurance costs	439,182	-	439,182	696,317
	6,379,948	-	6,379,948	7,775,435
Total expenses	80,491,119	-	80,491,119	78,534,301
Change in net assets	(38,116,549)	(198,195)	(38,314,744)	62,700,888
Net assets, beginning of year	179,494,934	8,825,984	188,320,918	125,620,030
Net assets, end of year	$ 141,378,385	$ 8,627,789	$ 150,006,174	$ 188,320,918

See accompanying notes to financial statements

PASTORAL CENTER OF THE ARCHDIOCESE OF CINCINNATI

Statement of Activities
Year Ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, gains and other support			
Investment return, net	$ 62,193,722	$ 484,078	$ 62,677,800
Insurance billings to parishes and institutions	51,071,644	-	51,071,644
Claim reimbursement and recoveries	2,081,941	-	2,081,941
Archdiocesan assessments	12,057,017	-	12,057,017
Notes receivable interest	267,035	-	267,035
Catholic Ministries Appeal	-	5,809,719	5,809,719
Contributions and bequests	613,994	2,701,017	3,315,011
Rental income	558,625	1,150	559,775
Gain on sale of property	3,183,534	-	3,183,534
Other	96,563	115,150	211,713
Net assets released from restrictions	7,510,884	(7,510,884)	-
Total revenue, gains and other support	139,634,959	1,600,230	141,235,189
Expenses			
Chancery:			
Community services	1,560,450	-	1,560,450
Educational services	6,219,085	-	6,219,085
Executive services	3,566,540	-	3,566,540
Financial services	1,783,242	-	1,783,242
Human resources	550,765	-	550,765
Stewardship services	1,347,031	-	1,347,031
Pastoral services	8,167,064	-	8,167,064
General and administrative	2,685,441	-	2,685,441
Interest on notes payable	1,979,875	-	1,979,875
Administrative building operations	153,424	-	153,424
	28,012,917	-	28,012,917
Nonoperating transfers to related entities	2,500,000	-	2,500,000
Health Care Plan:			
Claims	36,002,674	-	36,002,674
Disability and life insurance premiums	1,058,628	-	1,058,628
Service fees	2,304,781	-	2,304,781
Stop loss premiums	795,320	-	795,320
Allowance for doubtful accounts	(62,317)	-	(62,317)
Other health care costs	146,863	-	146,863
	40,245,949	-	40,245,949
Self-Insurance Fund:			
Claims	3,342,517	-	3,342,517
Reinsurance premiums	3,736,601	-	3,736,601
Other self insurance costs	696,317	-	696,317
	7,775,435	-	7,775,435
Total expenses	78,534,301	-	78,534,301
Change in net assets	61,100,658	1,600,230	62,700,888
Net assets, beginning of year	118,394,276	7,225,754	125,620,030
Net assets, end of year	$ 179,494,934	$ 8,825,984	$ 188,320,918

See accompanying notes to financial statements

PASTORAL CENTER OF THE ARCHDIOCESE OF CINCINNATI

Statements of Functional Expenses
Years Ended June 30, 2022 and 2021

	2022				2021			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Chancery:								
Salaries and wages	$ 5,566,388	$ 1,491,477	$ 432,025	$ 7,489,890	$ 7,024,159	$ 1,342,605	$ 177,606	$ 8,544,370
Direct support to related entities	3,932,762	-	-	3,932,762	2,454,915	-	-	2,454,915
Direct support to parishes	2,734,189	-	-	2,734,189	2,188,005	-	-	2,188,005
Distributions to non-related charities	489,729	-	-	489,729	868,833	-	-	868,833
Interest	1,956,068	-	-	1,956,068	1,966,264	13,611	-	1,979,875
Tuition Assistance	1,920,689	-	-	1,920,689	2,390,764	-	-	2,390,764
Payroll taxes and benefits	2,059,019	640,735	183,266	2,883,020	2,284,889	625,953	174,448	3,085,290
Provision for doubtful accounts	-	1,082,174	-	1,082,174	-	62,182	-	62,182
Depreciation	-	1,166,020	-	1,166,020	-	1,269,653	-	1,269,653
Legal and professional	1,096,836	677,499	92,538	1,866,873	1,113,281	606,773	7,145	1,727,199
Other professional	400,708	18,740	3,500	422,948	432,236	33,583	400	466,219
Software and network administration	387,469	444,848	40,891	873,208	333,964	363,656	12,950	710,570
Meetings and conferences	526,971	42,400	7,621	576,992	153,731	23,078	4,645	181,454
Building maintenance	32,202	276,264	-	308,466	16,427	401,997	-	418,424
Office and program supplies	261,544	93,469	172,280	527,293	308,637	128,523	30,907	468,067
Other expenses	185,105	250,732	12,700	448,537	173,896	268,936	3,312	446,144
Membership dues	288,167	140,096	-	428,263	207,578	107,249	4,200	319,027
Utilities	20,880	152,188	42,032	215,100	14,371	161,428	21,000	196,799
USCCB assessment paid	-	175,983	-	175,983	-	173,373	-	173,373
Priest business expenses	111,908	4,916	-	116,824	57,766	3,988	-	61,754
Total Chancery expenses	21,970,634	6,657,541	986,853	29,615,028	21,989,716	5,586,588	436,613	28,012,917
Nonoperating transfers to related entities	1,800,000	-	-	1,800,000	2,500,000	-	-	2,500,000
Health Care Plan	42,696,143	-	-	42,696,143	40,245,949	-	-	40,245,949
Self-Insurance Fund	6,379,948	-	-	6,379,948	7,775,435	-	-	7,775,435
Total expenses	$ 72,846,725	$ 6,657,541	$ 986,853	$ 80,491,119	$ 72,511,100	$ 5,586,588	$ 436,613	$ 78,534,301

See accompanying notes to financial statements

PASTORAL CENTER OF THE ARCHDIOCESE OF CINCINNATI

Statements of Cash Flows
Years Ended June 30, 2022 and 2021

	2022	2021
Cash flows from operating activities		
Change in net assets	$ (38,314,744)	$ 62,700,888
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	1,166,020	1,269,653
(Gain) loss on sale of property	205,915	(3,183,534)
Provision for doubtful receivables	1,082,174	62,182
Net realized and unrealized (gains) losses on investments	40,134,492	(55,831,073)
Interest reinvested into notes payable	1,004,323	1,026,505
Changes in:		
Prepaid expenses	(2,985)	206,760
Accounts and interest receivable	1,319,515	356,410
Contributions receivable	(102,873)	487,124
Accounts payable and accrued expenses	317,114	(349,919)
Reserve for insurance claims	(54,090)	-
Due to other Archdiocesan agencies	(360,558)	(956,543)
Funds held for Athenaeum of Ohio (Seminary)	-	(365,295)
Designated collections	(96,592)	(113,810)
Parish exchange accounts and other liabilities	(33,057)	(77,708)
Net cash provided by operating activities	6,264,654	5,231,640
Cash flows from investing activities		
Purchases of investments	(10,684,033)	(41,492,076)
Proceeds from sales of investments	127,495	28,146,461
Purchases of land, buildings and other property	(53,129)	(1,312,963)
Proceeds from sale of property	168,357	3,183,534
Collections on notes receivable	348,649	242,545
Issuance of notes receivable	(1,233,156)	(394,192)
Net cash used in investing activities	(11,325,817)	(11,626,691)
Cash flows from financing activities		
Originations of notes payable	9,730,893	10,928,347
Withdrawals from notes payable	(4,669,730)	(4,533,296)
Net cash provided by financing activities	5,061,163	6,395,051
Net change in cash	-	-
Cash, beginning of year	200	200
Cash, end of year	$ 200	$ 200
Supplemental cash flows information		
Interest paid	$ 920,027	$ 977,240
Non-cash change in funds held for Seminary	$ -	$ (29,011,739)

See accompanying notes to financial statements

NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The Pastoral Center of the Archdiocese of Cincinnati (Archdiocese or Pastoral Center) (formerly known as the Central Offices of the Archdiocese of Cincinnati) primarily consist of departments maintained for the administration of the general business and financial affairs of the Archdiocese of Cincinnati. The Archdiocese of Cincinnati encompasses the various institutions and organizations which are responsible to the Most Reverend Dennis M. Schnurr, Archbishop of Cincinnati.

The accompanying financial statements do not include the accounts of the Lay Employees' Pension Plan, the Priests' Retirement Corporation, Pooled Investment Trust Fund, and certain Catholic organizations located within the Archdiocese such as parishes, schools, publications, foundations, cemeteries, homes, seminaries, or any institutions owned and operated by religious orders of men or women, except insofar as financial transactions have taken place between such organizations and the Pastoral Center. These organizations may or may not be separate corporations under civil law; however, each is an operating entity distinct from the Pastoral Center, maintains separate accounts, carries on its own services and programs, and in some instances is expected to report annually to the Pastoral Center. The Pastoral Center may become responsible for liabilities of certain of these entities in its role as the financial administrator of the Archdiocese. See Note 13 for contingencies presented in these financial statements related to these future potential obligations.

Titles to certain properties of the above-mentioned organizations are held by the Archbishop and his successors in office as trustee of separate trusts. Commingling of these separate trusts is forbidden by Canon Law and policy as well as by Ohio Civil Law. For this reason, these properties are not included in the accompanying financial statements.

The Pastoral Center, certain related institutions, and all parishes participate in two self-insurance programs providing property and casualty as well as health care coverage (Archdiocesan insurance programs). The Pastoral Center administers the Archdiocesan insurance programs with the aid of an insurance service firm as directed by the Archbishop. Reinsurance and stop loss contracts are obtained to protect against losses in excess of self-insurance limits.

Financial Statement Presentation

The financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles (GAAP). The Archdiocese is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions, which are available for use in general operations and not subject to donor restrictions; and net assets with donor restrictions, which are either temporary in nature, such as those that will be met by the passage of time or other events specified by the donor, or are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements

GAAP has a three-level hierarchy for fair value measurements based on transparency of valuation inputs as of the measurement date. The hierarchy is based on the lowest level of input that is significant to the fair value measurement. The three levels are defined as follows: Level 1 inputs are unadjusted quoted prices for identical assets in active markets; Level 2 inputs are observable quoted prices for similar assets in active markets; Level 3 inputs are unobservable and reflect management's best estimate of what market participants would use as fair value.

Accounts, Notes and Interest Receivable

Accounts receivable are stated at the amounts earned, but not collected, less related allowance for impaired accounts receivable. Notes and interest receivable are stated at the principal amount outstanding, less the related allowance for impaired receivables. Interest income on notes receivable is accrued as earned based on unpaid principal balances. The notes are payable on demand thirty days after issuance and interest is due quarterly. Interest accrues until the note is paid in full and therefore, notes are generally not placed on non-accrual status.

Accounts, notes and interest receivable are evaluated for impairment in accordance with GAAP. Management, considering current information and events, considers a receivable to be impaired when it is probable that the Archdiocese will be unable to collect all amounts due (both interest and principal) according to the terms of the note agreement. When a receivable is considered to be impaired, the amount of impairment is measured based on the expected future cash flows to include recovery from other assets of the obligor. Impairment losses are included in the allowance for doubtful accounts through a charge to the provision for doubtful receivables. Changes in the fair market value of collateral or the expected cash flows due to revisions to the timing or amount of those estimated cash flows are recorded as additions to or reductions in the provision for doubtful receivables. No allowance for doubtful accounts has been provided for receivables not deemed to be impaired.

Investments and Investment Return

Investments are carried at fair value. Investment return includes dividend and interest income, realized and unrealized gains and losses on investments, and investment management fees.

Investment return is reflected in the statements of activities as without donor restrictions or with donor restrictions based upon the existence and nature of any donor imposed restrictions.

Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. Market risks include global events which could impact the value of investment securities, such as a pandemic or international conflict. Due to the level risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and those changes could materially affect the amounts reported in the statement of financial position.

NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Land, Buildings and Other Property

Land, buildings and other property are recorded at cost or, if donated or impaired, at fair value at the time of the gift or determination. Depreciation is calculated on a straight-line basis over the estimated useful lives of the respective assets. Major improvements are capitalized, while maintenance and repairs are expensed as incurred. It is the policy of the Archdiocese to dispose of real estate when it becomes evident that no future use for church purposes is likely. Any proceeds from the disposal of property not previously recorded on the financial statements of the Pastoral Center, but held in trust by the Archbishop on behalf of the Archdiocese, are recognized as a gain on the sale of property in the period sold.

Contributions

Gifts of cash and other assets received without donor stipulations are reported as revenue without donor restrictions and net assets. Gifts received with a donor stipulation that limits their use are reported as revenue with donor restrictions and net assets. When a donor's stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Gifts and investment return that are originally restricted by the donor and for which the restriction is met in the same time period are recorded as with donor restrictions and then released from restriction.

Unconditional gifts expected to be collected within one year are reported at their net realizable value. Unconditional gifts expected to be collected in future years are reported at the present value of estimated future cash flows. The resulting discount is amortized using the level-yield method and is reported as contribution revenue. Conditional promises to give are recognized as revenues when the conditions on which they depend are substantially met.

Revenue Recognition

The Archdiocese identifies a contract with a customer for revenue recognition when there is approval and commitment from both parties, the rights of the parties and payment terms are identified, the contract has commercial substance, and the collectability of consideration is probable. The Archdiocese evaluates each contract to determine the number of distinct performance obligations in the contract, which requires the use of judgement. To determine the proper revenue recognition method, the Archdiocese evaluates whether two or more contracts should be combined and accounted for as one single contract and whether the combined or single contract should be accounted for as single or more than one performance obligation.

The Archdiocese recognizes revenue from contracts primarily from Archdiocesan assessments which are implied, enforceable contracts with diocesan parishes to provide administrative support. The Archdiocese has a performance obligation to operate its administrative offices to support a broad spectrum of activities within the Archdiocese and fulfill its obligation to the national and universal needs of the Church. The Archdiocese considers many of the offices and departments, including community, education, executive, financial, human resources, stewardship and pastoral services within the Pastoral Center to be critical in supporting the activities and institutions within the Archdiocese as well as fulfilling its obligation to the national and universal needs of the Church. Archdiocesan assessments are based on a percentage of parish adjusted revenues calculated in conformity with the Document on Temporal Affairs. The fiscal year amount is billed monthly, and payment is expected within 30 days.

NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

Archdiocesan assessments are recognized ratably over the period the service is provided. All of the Archdiocese's revenue from contracts with customers are from performance obligations satisfied over time. The Archdiocese generally uses the time elapsed method, an input measure, as it considers it to best depict the simultaneous consumption and delivery of its services. The determination of the method by which the Archdiocese measures its progress towards the satisfaction of its performance obligations requires judgment.

Accounts receivable from contracts with customers are as follows at June 30:

	2022	2021	2020
Archdiocesan assessments receivables	$ 379,937	$ 320,122	$ 2,177,735
Less: Allowance for doubtful accounts	(279,751)	(240,228)	(450,902)
	$ 100,186	$ 79,894	$ 1,726,833

Income Taxes and Uncertain Tax Positions

The United States Conference of Catholic Bishops received a determination letter dated March 25, 1946, which states that the agencies and instrumentalities and educational, charitable, and religious institutions operated, supervised or controlled by or in connection with the Roman Catholic Church in the United States, its territories or possessions appearing in the Official Catholic Directory are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

The Archdiocese is listed in the 2022 edition of the Official Catholic Directory and is, therefore, exempt from federal income and unemployment taxes.

The Archdiocese is exempt from income taxes under Section 501 of the Internal Revenue Code and a similar provision of Ohio law. However, the Archdiocese is subject to federal income tax on any unrelated business taxable income. The Archdiocese is not aware of any activities that would jeopardize its tax-exempt status, nor is it aware of any uncertain tax positions that could result in a material impact on the statements of financial position or statements of activities of the Archdiocese.

Functional Allocation of Expenses

The cost of supporting the various programs and other activities have been summarized on a functional basis in the statements of functional expenses. Expenses have been classified upon the actual direct expenditures and costs allocations. The most significant allocations were salaries and wages and related payroll taxes and benefit expenses, which were allocated based upon estimates of time spent by Archdiocese personnel.

Reclassifications

Certain 2021 figures have been reclassified to conform to the 2022 presentation.

NOTE 1 NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Effect of Adopting New Accounting Standard

In September 2020, the Financial Accounting Services Board (FASB) issued ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosure by Non-for-Profit Entities for Contributed Nonfinancial Assets*. This standard requires nonprofits to expand their financial statement presentation and disclosure of contributed nonfinancial assets, including in-kind contributions. The standard includes disclosure of information on an entity's policies on contributed nonfinancial assets about monetization and utilization during the reporting period, information on donor-imposed restrictions, and valuation techniques. The new standard, as amended, is to be applied retrospectively, to annual reporting periods beginning after June 15, 2021, and interim periods within annual reporting periods beginning after June 15, 2022. The Pastoral Center adopted the standard on July 1, 2021. The standard did not have a material impact on the financial statements.

Recently Issued Accounting Standard Update

In February 2016, the FASB issued ASU 2016-02, *Leases*. The standard requires all leases with lease terms over 12 months to be capitalized as a right-of-use asset and lease liability on the statement of financial position at the date of lease commencement. Leases will be classified as either finance or operating. This distinction will be relevant for the pattern of expense recognition in the statement of activities. This standard will be effective for the Pastoral Center's fiscal year ended June 30, 2023.

The Pastoral Center is currently in the process of evaluating the impact of adoption of this ASU on the financial statements.

Subsequent Event Evaluation

In preparing its financial statements, the Archdiocese has evaluated events subsequent to the statement of financial position date through November 16, 2022, which is the date the financial statements were available to be issued.

NOTE 2 NOTES RECEIVABLE AND NOTES PAYABLE

Notes Receivable

Certain parishes and other Catholic institutions have financed building projects and other needs through interest-bearing demand notes from surplus funds of other parishes and institutions. These notes are included in notes receivable on the statement of financial position. In addition to these notes, notes receivable also includes interest and accounts receivables that were converted to interest-bearing demand notes. The notes receivable interest rate was 3.0% and 6.5% for June 30, 2022 and 2021, respectively.

NOTE 2 NOTES RECEIVABLE AND NOTES PAYABLE (CONTINUED)

Notes Receivable (Continued)

The Archdiocese acts as a lender of last resort for college seminarians. Each application is evaluated by the Archbishop with assistance of the Archdiocesan Finance Department. All such loans are evidenced by a promissory note signed by the student. The Archbishop, at his discretion, may forgive some portion of the loan upon the student's ordination to the priesthood. As of June 30, 2022 and 2021 there are six and eight notes, respectively, outstanding totaling \$83,527 and \$101,231, respectively. The notes receivable interest rates range from 0% to 3.5%. The interest rate is set based on the prime rate when repayment is scheduled to begin.

Notes receivable include non-interest bearing notes of approximately \$5,411,000 and \$4,831,000 for June 30, 2022 and 2021, respectively.

Activity in the allowances for doubtful notes receivable for the periods ended June 30 and the gross and average balance of the corresponding receivables are considered to be impaired as of June 30 was as follows:

	2022	2021
Beginning balance	\$ 6,729,422	\$ 6,202,718
Provision for doubtful receivables	1,620,063	526,704
Ending balance	\$ 8,349,485	\$ 6,729,422
Gross balance of impaired notes receivable	\$ 10,497,561	\$ 9,613,054
Average balance of impaired notes receivable	\$ 524,878	\$ 400,544

Interest income recognized on impaired notes receivable during the years ended June 30, 2022 and 2021, was approximately \$125,000 and \$267,000, respectively.

Notes Payable

Some parishes and other Catholic institutions, which have funds not immediately needed for current operations, deposit such funds with the Archdiocese and receive an interest-bearing demand note as evidence thereof. These funds are classified as notes payable on the statement of financial position of \$137,319,339 and \$131,253,853 as of June 30, 2022 and 2021, respectively. The notes payable interest rates were 1.45% for June 30, 2022 and ranged from 1.45% to 1.60% for June 30, 2021.

NOTE 3 CONTRIBUTIONS RECEIVABLE

Contributors to the Archdiocese have made unconditional pledges for the Catholic Ministries Appeal totaling \$607,455 and \$504,582 as of June 30, 2022 and 2021, respectively. These pledges are all due within one year. Management has estimated that no allowance is necessary for uncollectable contributions receivable.

NOTE 4 DUE (TO) FROM OTHER ARCHDIOCESAN AGENCIES

Due (to) from other Archdiocesan agencies as of June 30 consisted of the following:

	2022	2021
Foundation for Catholic Education	$ 815	$ 16,388
Priests' Retirement Corporation	(201,879)	(643,312)
Other Archdiocesan agencies	49,971	(13,638)
CISE	185	48,830
Catholic Community Foundation	5,234	85,500
	$ (145,674)	$ (506,232)

NOTE 5 INVESTMENTS AT FAIR VALUE

Investments at fair value at June 30 consisted of the following:

	2022	2021
Level 1:		
Common stock	$ 146,326,010	$ 167,996,034
Real estate investments	381,202	472,138
Foreign stock	1,938,400	2,379,817
Preferred stock	259,900	295,450
Level 2:		
Corporate bonds	71,015,050	80,368,866
Tax exempt bonds	6,274,798	5,087,226
Foreign bonds	6,585,547	7,287,521
High yield bonds	4,028,878	5,268,436
Money market funds	925,094	1,669,228
Deposits in Pooled Investment Trust Fund	44,937,454	41,362,268
Interest in Long-Term Investment Funds	1,527,609	1,757,746
Not subject to fair value hierarchy:		
TNCRRG stock	1,046,285	959,639
BPIC stock	945,994	865,806
Total investments	$ 286,192,221	$ 315,770,175

Fair value for stocks and real estate investments is determined by reference to quoted market prices and other relevant information generated by market transactions. These assets are categorized as using Level 1 inputs.

Fair value for bonds, money market funds, and interest in pooled investment trust funds is determined by a third-party utilizing models that use as their basis readily observable market parameters. These assets are categorized as using Level 2 inputs.

There are no valuations using Level 3 inputs.

PASTORAL CENTER OF THE ARCHDIOCESE OF CINCINNATI

Notes to Financial Statements
(Continued)

NOTE 5 INVESTMENTS AT FAIR VALUE (CONTINUED)

Included in the above investments are investments of $1,922,279 and $1,825,445 at June 30, 2022 and 2021, respectively, in unregistered investment pools. The investment pools in turn invest in various equity and debt securities and other vehicles to generate its investment return. The fair value of these investment pools is reported by the Pastoral Center based on information provided by the investment managers.

Values may be based on readily available public market data as well as estimates that require varying degrees of judgment. Generally, fair value reflects net contributions to the investee and an ownership share of realized and unrealized investment income and expenses. The financial statements of the investees are audited annually by independent auditors as of December 31 with the most recent being as of December 31, 2021. Valuations for these investment pools provided by the investment managers are evaluated by the Pastoral Center, and management believes such values are reasonable for the years ended June 30, 2022 and 2021.

The Pastoral Center used Net Asset Value (NAV) to determine the fair value of all the underlying investments which do not have a readily determinable fair value and prepare their financial statements consistent with the measurement principles of an investment company or have the attributes of an investment company. In accordance with ASU 2015-07, these investments are not required to be categorized using the fair value hierarchy. The following table lists investments in other investment companies by major category:

			2022 and 2021		
	2022	2021	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Investment in TNCRRG	$ 1,046,285	$ 959,639	$ -	None	90 days
Investment in BPIC	945,994	865,806	-	None	90 days
	$ 1,992,279	$ 1,825,445	$ -		

The Archdiocese has an investment in The National Catholic Risk Retention Group, Inc. (TNCRRG). TNCRRG is a licensed insurance company domiciled in the State of Vermont, operating as a risk retention group insurer authorized under Federal law, *Liability Risk Retention Act of* 1986. TNCRRG requires such an investment in order to provide the Archdiocese and other Catholic entities protection against losses in excess of the self-insurance limits for an annual premium. Ownership of TNCRRG is restricted to entities that are also insured by the risk retention group. TNCRRG stock is stated at an estimated fair value based on information provided by TNCRRG.

The Archdiocese's investment in TNCRRG is subject to additional redemption restrictions, as the Archdiocese cannot receive a payout until five years following the effective date of their withdrawal from TNCRRG. Additionally, the payout will be calculated as the lesser of the share value at the effective date of the withdrawal or the share value at the time of payout. Any payout is subject to approval of the insurance regulators in the Vermont Department of Banking, Insurance Securities and Health Care Administration.

NOTE 5 INVESTMENTS AT FAIR VALUE (CONTINUED)

The Archdiocese has an investment in the Bishop's Plan Insurance Company (BPIC). BPIC is an industrial insured captive reinsurance company domiciled in the State of Vermont. BPIC is a self-insurance arrangement for various Catholic dioceses. The Archdiocese held a 3.46% ownership investment in BPIC as of June 30, 2022 and 2021. The investment is stated at an estimated fair value based on information provided by BPIC.

The Pastoral Center and certain parishes and institutions of the Archdiocese participate in a Pooled Investment Trust Fund (the Trust). This cash management system is administered by a bank and its trust department.

As of June 30, 2022 and 2021, the assets of the Trust are invested 83.8% and 91.8% in corporate bonds, 9.1% and 3.9% in U.S. Government and Federal Agency obligations, and 7.1% and 4.3% in cash equivalents, respectively. The Archdiocese maintains a Pooled Fund Reserve Account that is invested in an equity fund tied to the S&P 500 (see Note 13). This account could be used as a source of funds to meet liquidations, together with other Archdiocesan assets.

NOTE 6 LAND, BUILDINGS AND OTHER PROPERTY

Land, buildings and other property consisted of the following as of June 30:

	2022	2021
Land	$ 1,378,049	1,378,049
Land held for future use	472,750	472,750
Buildings and improvements	24,046,325	24,870,565
Furniture and equipment	2,365,310	2,403,496
Construction in progress	370,066	370,066
Less accumulated depreciation	(19,930,249)	(19,305,512)
	$ 8,702,251	$ 10,189,414

NOTE 7 RESERVE FOR INSURANCE CLAIMS

A reserve has been established for claims reported but not yet paid and estimated claims incurred but not reported. The reserve is based on claims experience and existing matters known by management. As of June 30, 2022 and 2021, the Archdiocese has recorded a reserve for insurance claims of $5,200,000 and $5,254,090, respectively.

NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS

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

	2022	2021
Purpose restricted:		
Education	$ 2,358,581	$ 1,832,835
Pastoral Services	426,264	412,997
Community Services	1,446,362	1,865,855
Missions	2,281,929	2,584,945
Vocation / Diaconate	134,365	102,990
Other - Seminary	1,026,884	1,085,383
	7,674,385	7,885,005
Endowment funds:		
Subject to time restrictions	272,020	268,136
Subject to spending policy and appropriation:		
Education	657,552	649,593
Missions	21,538	21,012
Other	2,294	2,238
	953,404	940,979
	$ 8,627,789	$ 8,825,984

NOTE 9 DESIGNATED NET ASSETS

Archbishop-designated funds as of June 30 consisted of the following:

	2022	2021
Designated other funds:		
Priest Retirement	$ -	$ 506,964
Other	5,264,703	5,408,888
Education	36,683	36,683
Pastoral	37,184	43,948
Vocations	17,075	17,075
	5,355,645	6,013,558
Designated endowment funds:		
Other	4,046,115	4,672,743
Education	492,163	584,030
	4,538,278	5,256,773
	$ 9,893,923	$ 11,270,331

NOTE 10 LAY EMPLOYEES DEFINED BENEFIT PENSION PLAN

The Pastoral Center participates in the Lay Employees of the Archdiocese of Cincinnati Pension Plan (the Lay Plan). The Lay Plan, which was established on January 1, 1973, is a non-contributory, defined benefit multi-employer pension plan covering substantially all full-time lay employees of the Archdiocese and certain other related institutions and entities, prior to January 1, 2011. The Lay Plan is funded through assessments of participating institutions, including the Pastoral Center. The Pastoral Center contributed $160,009 and $163,133 to the Lay Plan during June 30, 2022 and 2021, respectively. Based on information as of December 31, 2021 and 2020, the Pastoral Center's contributions do not represent more than 5% of total contributions received by the Lay Plan.

Effective December 31, 2010, the Archdiocese froze the accrual of retirement benefits for all participants. After that date, no additional compensation or future service has been counted in determining a participant's pension benefit. Service will continue to be credited for the purpose of determining a participant's vested interest in benefits. In order to assist in funding the accumulated benefit obligation, employers are required to contribute 2.5% of "eligible" salaries.

Plan benefits are to be paid in the form of a life annuity calculated at the greater of the "regular formula" or the "minimum benefit", as described in the plan document. The "regular formula" is the sum of: (1) 1.17% of past service career compensation, plus (2) 2.33% of future service career compensation, earned through 12/31/1999, divided by 12, plus (3) 2.02% of future service career compensation earned after 1999 divided by 12. The "minimum benefit" is the sum of (1) $8.12 times months of past service, plus (2) $25.00 times months of future service. Past service refers to the months of service before January 1, 1973. Future service refers to the months of service after 1972 and before 2011.

NOTE 10 LAY EMPLOYEES DEFINED BENEFIT PENSION PLAN (CONTINUED)

Since the Lay Plan operates as a multi-employer plan, the Archdiocese does not calculate separate measurements of assets, benefit obligations and expenses for the individual entities which participate in the Lay Plan and no liability is recorded in these financial statements. The Plan is not subject to ERISA and is not required to file a Form 5500, therefore certain Plan information is not required to be made available publicly. Accordingly, disclosures about the funding improvement plan, surcharge, minimum contributions, zone status and employer identification number (EIN) are not applicable.

The risks of a multi-employer plan differ from those of a single-employer plan. Assets contributed to the multi-employer plan by one employer may be used to provide benefits to employees of other participating employers. If a participating employer stops contributing to the plan, then the unfunded obligations of the plan may be borne by the remaining participating employers, and specifically the Pastoral Center. If a participating employer ceases or substantially reduces its operation, a full or partial withdrawal liability is incurred by the employer to the Lay Plan. If a participating employer stops contributing to the Lay Plan or does not pay its withdrawal liability, then these unfunded obligations of the plan may be borne by the remaining participating employers, to include the Pastoral Center.

The following information is based on the financial statement of the Plan as of January 1:

	2022	2021
Total plan assets	$ 458,518,564	$ 423,865,697
Actuarial present value of accumulated plan benefits	447,322,644	443,235,095
Total contributions received by plan	4,761,787	4,708,206
Indicated level of funding	103%	96%

NOTE 11 MULTI-EMPLOYER DEFINED CONTRIBUTION RETIREMENT PLAN

The Pastoral Center participates in a defined contribution retirement plan (the 401(k) Plan) covering all eligible employees. The Archdiocese and participating entities made a contribution to the 401(k) Plan on a quarterly basis equal to 4% of all eligible participants' compensation. Contributions made by the Pastoral Center were approximately $314,465 and $344,355 for June 30, 2022 and 2021, respectively.

NOTE 12 PRIESTS RETIREMENT PLANS

The Pastoral Center, along with certain other related institutions and entities, participates in a non-contributory, non-qualified, multi-employer pension plan and a non-contributory, non-qualified, multi-employer health and welfare plan, primarily for post-retirement benefits, (collectively the Priests Plans) covering substantially all Archdiocesan Priests.

Effective January 1, 2016, the Priests Plans were amended. Under the new plans, any Priest incardinated after January 1, 2016 are not eligible to accrue benefits in the Priests Plans. Instead, newly incardinated Priests are entered into the multi-employer defined contribution retirement plan (see Note 11).

NOTE 12 PRIESTS RETIREMENT PLANS (CONTINUED)

Pension benefits include: (1) the monthly salary for active priests (frozen at the time of retirement), (2) $16.75 per month ($15.00 per month if retired before July 1, 2011) for each year since ordination, with this piece frozen at the later of retirement or June 30, 2011, and (3) payment for Medicare Part B premium. Health, medical and other benefits include: (1) payment of health insurance premiums, and (2) lodging and other living expenses.

Since the Priests Plans operate as multi-employer plans, the Archdiocese does not calculate separate measurements of assets, benefit obligations and expenses for the individual entities which participate in the Priests Plans and no liability is recorded in these financial statements. The Priests Plans are not subject to ERISA and are not required to file a Form 5500, therefore certain Plan information is not required to be made available publicly. Accordingly, disclosures about the funding improvement plan, surcharge, minimum contributions, zone status and employer identification number (EIN) are not applicable.

The risks of a multi-employer plan differ from those of a single-employer plan. Assets contributed to the multi-employer plan by one employer may be used to provide benefits to employees of other participating employers. If a participating employer stops contributing to the plan, then the unfunded obligations of the plan may be borne by the remaining participating employers, and specifically the Pastoral Center. The Priests Plans are administered by the Archbishop and as such can be modified or terminated by the Archbishop.

Through the financial statement date, the Priests Plans have been funded by investment income on assets held by the Archdiocese, allocations from the Catholic Ministries Appeal, contributions and bequests, transfers from other unrestricted funds of the Archdiocese, and assessments from other participating institutions. Priests Plans' net expenses recorded in the Pastoral Center's financial statements for the years ended June 30, 2022 and 2021 were approximately $507,000 and $2,392,000, respectively. Based on information as of June 30, 2022 and 2021, the Pastoral Center's contributions represent more than 5% of total contributions received by the Plan.

NOTE 13 CONTINGENCIES

In the ordinary course of business, the Archdiocese is involved in various matters of litigation. Many of these matters are covered by insurance. These matters are addressed through traditional legal efforts and are vigorously contested or settled. Management is of the opinion that the ultimate disposition of these matters will not have a material adverse effect on the overall financial position or liquidity of the Archdiocese.

The Archdiocese owns eleven high schools and certain other educational and non-educational entities. This ownership is distinguished from its relationship as trustee of the parishes within the Archdiocese's nineteen counties. As owner, the Archdiocese could become liable for the debts of an entity in the event of insolvency. During a prior fiscal year one of the owned entities experienced a significant deterioration in its operations. It is possible, though not certain, that this entity might significantly reduce its operations or, in a worst case, cease operations entirely in the coming years. In either case, the entity would be assessed a withdrawal liability to the Lay Employees' Pension Plan. In the event the entity could not make this payment, the Archdiocese might be required to satisfy the obligation. As of June 30, 2022 and 2021 a contingent liability of $800,000 was established to reflect this liability. This is included in accounts payable and accrued expenses on the statements of financial position.

NOTE 13 CONTINGENCIES (CONTINUED)

Additionally, the Archdiocese guarantees certain third-party debt of unconsolidated affiliated parishes. The guarantee terms generally range from 2 to 20 years. The Archdiocese has not recognized a liability for the fair value of the guarantees provided as of June 30, 2022 and 2021, as the Pastoral Center and the unconsolidated affiliated parishes are considered to be entities under common control of the Archbishop of Cincinnati. At June 30, 2022 and 2021, the total outstanding balances on guaranteed loans were $27,050,813 and $21,638,269 respectively.

The Archdiocese guarantees the deposits in the Pooled Investment Trust Fund (the Trust) and assumes the risk should the underlying investment ever prove to be insufficient to satisfy the liquidating claims of the depositors. The depositors can redeem their accounts in whole or in part at any time and are entitled to their deposit balance, unaffected by any gains or losses in the securities in the Fund. The Archdiocese manages the investment risks in the Trust by limiting purchases to only investment grade bonds and maintaining a laddered maturity portfolio with an intermediate duration. Also, the Archdiocese maintains a Pooled Fund Reserve Account that is invested in an equity fund tied to the S&P 500. This account could be used as a source of funds to meet liquidations, together with other Archdiocesan assets. In addition, a portion of the interest income from the underlying Trust is retained by the Archdiocese and added to the Pooled Fund Reserve Account. It is the current policy of the Archdiocese to retain and contribute five basis points of the yield on the underlying Trust to the Pooled Fund Reserve Account.

As of June 30, 2022 and 2021, the market value of the underlying investments in the Pooled Investment Trust Fund was in excess (deficit) of the depositor claims by approximately ($13,272,324) and $11,926,157, respectively. The market value of the Pooled Fund Reserve Account as of June 30, 2022 and 2021 was approximately $12,155,000 and $12,183,000, respectively.

NOTE 14 ENDOWMENT

The Archdiocese endowment consists of various donor-restricted and Archbishop-designated endowment funds established for a variety of purposes. As required by GAAP, net assets associated with endowment funds, including funds designated by the Archbishop to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Archdiocese follows the Uniform Prudent Management of Institutional Funds Act (UPMIFA). UPMIFA provides guidance on matters concerning the governance and management of donor-restricted endowment funds. Under UPMIFA, the original value of donated gifts to the donor-restricted endowment, the original value of subsequent gifts to the donor-restricted endowment, and accumulations to the donor-restricted endowment made in accordance with the direction of the applicable donor gift instrument are classified as net assets with donor restrictions (a time restriction in perpetuity). The remaining portion of the donor-restricted endowment fund that is not specified in the applicable donor gift instrument is classified as net assets with donor restrictions (a purpose or time restriction) until those amounts are appropriated for expenditure by the Archbishop.

NOTE 14 ENDOWMENT (CONTINUED)

Investment Policy

The Archdiocese articulates investment policies intended to help it achieve its objectives for various endowments. These policies are written with the advice of investment management firms and the Archdiocesan Finance Council. The assets are invested in stocks, bonds, equity funds, cash equivalents and other securities in a manner that is intended to support the objectives of donors and/or the Archbishop.

The performance of each investment management firm is measured on a quarterly basis against an appropriate benchmark or index. The Archdiocese expects the managers to achieve a total return, after deducting all professional fees that equals or exceeds the index return over three to five year periods. In addition to actual returns achieved, the Archdiocese reviews the portfolios of each manager for compliance with its ethical values policy that precludes investments in companies that operate programs or sell products that are inconsistent with Catholic beliefs.

The Archdiocese seeks to achieve diversification in its investment portfolios by limiting its investments in any one company or industry. In order to reduce credit risks the Archdiocese directs its managers away from investments in companies that do not have an investment grade rating. In managing interest rate risks the Archdiocese prefers bond portfolios with laddered maturities and durations that are appropriate to corresponding liabilities. Liquidity risks are minimal since the portfolios are almost entirely invested in public securities. Also, there is no use of complicated derivatives or leverage in its investment programs.

Spending Policy

The Archdiocese’s current spending policy is to transfer all investment return into unrestricted net assets or temporarily restricted net assets if directed by the donor. Investment return on these funds accumulate until they are appropriated for expenditure to be spent in accordance each endowment gift.

The endowment net asset composition by type of fund is as follows as of June 30, 2022:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	$ -	$ 953,404	$ 953,404
Archbishop-designated endowment funds	4,538,278	-	4,538,278
Total endowment funds	$ 4,538,278	$ 953,404	$ 5,491,682

The endowment net asset composition by type of fund is as follows as of June 30, 2021:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	$ -	$ 940,979	$ 940,979
Archbishop-designated endowment funds	5,256,773	-	5,256,773
Total endowment funds	$ 5,256,773	$ 940,979	$ 6,197,752

NOTE 14 ENDOWMENT (CONTINUED)

The changes in endowment net assets for 2022 were:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets June 30, 2021	$ 5,256,773	$ 940,979	$ 6,197,752
Contributions	4,373	1,725	6,098
Investment return	8,478	22,549	31,027
Appropriated expenditure	(731,346)	(11,849)	(743,195)
Endowment net assets June 30, 2022	$ 4,538,278	$ 953,404	$ 5,491,682

The changes in endowment net assets for 2021 were:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets June 30, 2020	$ 2,229,457	$ 942,196	$ 3,171,653
Contributions	71,367	32	71,399
Investment return	10,738	22,334	33,072
Endowment transfers	$ 3,183,534	(10,250)	3,173,284
Appropriated expenditure	(238,323)	(13,333)	(251,656)
Endowment net assets June 30, 2021	$ 5,256,773	$ 940,979	$ 6,197,752

NOTE 15 LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following at June 30:

	2022	2021
Cash	$ 200	$ 200
Accounts and interest receivable, net	4,131,014	4,912,640
Contributions receivable	607,455	504,582
Notes receivable, net	2,148,076	2,883,632
Investments	286,192,221	315,770,175
Endowment spending-rate distributions and appropriations	274,584	309,888
Total financial assets	293,353,550	324,381,117
Less notes receivable due in more than one year	(2,148,076)	(2,883,632)
Less Archbishop-designated other funds	(5,355,645)	(6,013,558)
Less Archbishop-designated endowment funds	(4,538,278)	(5,256,773)
Less net assets with donor restrictions	(8,627,789)	(8,825,984)
Total financial assets available for general expenditure within one year	$ 272,683,762	$ 301,401,170

The Archdiocese primarily receives its funding from investment return, insurance billings for health care, property, and liability insurance, assessments paid by parishes and schools, Catholic Ministries Appeal, contributions and bequests. As part of the Archdiocese's liquidity management practices, financial assets are structured to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Archdiocese invests cash in excess of daily requirements in short-term investments.

ACCOMPANYING INFORMATION

Schedule 1

PASTORAL CENTER OF THE ARCHDIOCESE OF CINCINNATI

Detail of Chancery Expenses
Years Ended June 30, 2022 and 2021

	2022	2021
Community services:		
Catholic Charities	$ 972,000	$ 824,724
Social Action	403,453	457,189
Hispanic Ministry - Su Casa	180,696	180,696
Assistance to the Poor	20,000	36,666
Other Community Related Programs	100,138	61,175
Total community services	1,676,287	1,560,450
Educational services:		
Cincinnati Inner City Schools	111,024	102,535
Secondary Education Assistance	9,099	98,996
Education Assistance - Catholic Education Foundation	1,977,598	2,365,100
Catholic Schools Office	3,735,823	3,235,533
Other Education Related Programs	100,346	166,921
St. Rita School for the Deaf	250,000	250,000
Total educational services	6,183,890	6,219,085
Executive services:		
Tribunal	574,208	541,291
Vocations	2,503,210	1,464,915
Archives and Chancery Office	460,191	388,289
Permanent Diaconate	224,447	216,396
Communications	591,833	594,470
Office of Safe Environment	178,538	237,284
Other	95,439	123,895
Total executive services	4,627,866	3,566,540
Financial services:		
Professional Fees	264,736	286,951
Finance Office	1,272,808	1,032,982
Computer Operation	245,340	100,105
Central Services	350,988	362,125
Contingencies	6,903	1,079
Total financial services	2,140,775	1,783,242
Human Resources	590,383	550,765
Stewardship services	1,764,405	1,347,031

(Continued)

Schedule 1

PASTORAL CENTER OF THE ARCHDIOCESE OF CINCINNATI

Detail of Chancery Expenses
Years Ended June 30, 2022 and 2021
(Continued)

	2022	2021
Pastoral services:		
Infirm and Retired Priests	$ 690,990	$ 2,603,041
Campus Ministry	813,701	698,873
Evangelization and Catechesis	807,247	1,199,512
Youth Ministry	597,969	371,706
Chaplain Salaries	696,871	654,196
Family Life	819,888	741,912
Hispanic Ministry	440,164	499,374
Priests' Personnel	99,285	90,092
Priestly Formation	393,464	382,171
Department Director	699,976	638,435
Worship	304,263	246,486
African American Ministries	89,292	84,677
Other	138,930	(43,411)
Total pastoral services	6,592,040	8,167,064
General and administrative:		
Depreciation	1,166,020	1,269,653
Cathedral of St. Peter in Chains	(4,927)	283
Provision for doubtful receivables	1,082,174	62,182
Office of Archbishop Schnurr	471,965	455,774
United States Catholic Conference of Bishops	175,983	173,373
Catholic Conference of Ohio	147,647	103,086
Office of Bishop Binzer	5,074	77,377
Gift Annuity PV adjustment	43,426	43,888
Other	823,050	499,825
Total general and administrative	3,910,412	2,685,441
Interest on notes payable	1,956,068	1,979,875
Administrative building operations	172,902	153,424
Total Chancery	$ 29,615,028	$ 28,012,917

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PASTORAL CENTER OF THE ARCHDIOCESE OF CINCINNATI

Schedule of Designated Collections
Year Ended June 30, 2022

	Amounts due to outside agencies, beginning of year	Total Collections	Allocated to programs within the Archdiocese	Transmitted to agencies outside the Archdiocese	Amounts due to outside agencies, end of year
Ash Wednesday – Eastern Europe	$ 155,707	$ 377,546	$ -	$ 509,216	$ 24,037
Rice Bowl	12,764	13,511	3,378	14,622	8,275
Human Development	12,433	272,735	72,275	210,217	2,676
Mission Sunday	-	297,531	205,504	92,027	-
Holy Father	75,310	211,762	4,248	228,212	54,612
Commissariat of the Holy Land	213,027	207,526	4,151	221,677	194,725
Bishops' Relief	195,625	264,583	5,292	212,080	242,836
Religious Retirement	52,930	695,939	73,143	604,000	71,726
Respect Life	-	202,436	202,436	-	-
Disaster Relief	19,925	801,643	-	814,075	7,493
Military	59	355	7	-	407
	$ 737,780	$ 3,345,567	$ 570,434	$ 2,906,126	$ 606,787

Designated collections total $1,224,463 as of June 30, 2022, including $617,676 owed to agencies within the Archdiocese.

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PASTORAL CENTER OF THE ARCHDIOCESE OF CINCINNATI

Schedule of Catholic Ministries Appeal
Contributions and Distributions

2021 Catholic Ministries Appeal:	
Contributions (net of direct expenses of $386,616)	$ 5,541,206
Distributions:	
Athenaeum of Ohio (Seminary)	$ 1,103,441
Catholic Charities	1,029,879
Archdiocesan Priests' Retirement Fund	931,795
Campus Ministry	514,939
Chaplains Services	465,898
Sharing Our Faith	343,293
St. Rita School for the Deaf	294,251
Seminarian Scholarships	100,000
Vocations and Permanent Diaconate	101,753
Rebates to Parishes	655,957
	$ 5,541,206
2022 Catholic Ministries Appeal:	
Gross pledges made through June 30, 2022	$ 6,003,894

Note: The Catholic Ministries Appeal operates on a fiscal year that begins January 1 and ends the following December 31. The schedule above summarizes cash receipts and distributions for the 2021 appeal, which ended December 31, 2021. The schedule also indicates the status of the 2022 appeal, which began January 1, 2022.