

**THE ADMINISTRATIVE OFFICE OF THE
CATHOLIC DIOCESE OF BILOXI**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEARS ENDED JUNE 30, 2023 AND 2022

THE ADMINISTRATIVE OFFICE OF THE CATHOLIC DIOCESE OF BILOXI

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INDEPENDENT AUDITOR'S REPORT

Most Reverend Louis F. Kihneman, III
Catholic Diocese of Biloxi
Biloxi, Mississippi

Opinion

We have audited the financial statements of The Administrative Office of the Catholic Diocese of Biloxi (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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

Basis for Opinion

We conducted our audit 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 Audit of the Financial Statements section of our report. We are required to be independent of The Administrative Office of the Catholic Diocese of Biloxi 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.

Emphasis of Matters

As explained in Note 1, the financial statements being presented are only for the entity referred to above and do not include the assets, liabilities, net assets, activities and cash flows of the Catholic Diocese of Biloxi that are recorded in its Catholic Social and Community Services, Inc., Catholic Charities Housing Association of Biloxi, Inc., The Catholic Foundation of the Diocese of Biloxi, Inc., de l'Epee Deaf Center, Inc., Medical Reimbursement Insurance Fund, General Self-Insurance Fund and the various parishes, schools and homes.



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Most Reverend Louis F. Kihneman, III
Catholic Diocese of Biloxi
Biloxi, Mississippi

The financial statements of The Administrative Office of the Catholic Diocese of Biloxi for the year ended June 30, 2022, were audited by another auditor who expressed an unmodified opinion on those statements on December 19, 2022, and included an emphasis-of-matter paragraph that describe the reporting entity did not include the assets, liabilities, net assets, activities and cash flows of the Catholic Diocese of Biloxi that are recorded in its Catholic Social and Community Services, Inc., Catholic Charities Housing Association of Biloxi, Inc., The Catholic Foundation of the Diocese of Biloxi, Inc., de l'Epee Deaf Center, Inc., Medical Reimbursement Insurance Fund, General Self-Insurance Fund and the various parishes, schools and homes.

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 Administrative Office of the Catholic Diocese of Biloxi's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

Most Reverend Louis F. Kihneman, III
Catholic Diocese of Biloxi
Biloxi, Mississippi

- 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 Administrative Office of the Catholic Diocese of Biloxi'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 Administrative Office of the Catholic Diocese of Biloxi'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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary schedules presented on pages 29 through 34, as described in the Table of Contents, 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.



Gulfport, Mississippi
December 5 2023

FINANCIAL STATEMENTS

EXHIBIT A

THE ADMINISTRATIVE OFFICE OF THE CATHOLIC DIOCESE OF BILOXI

STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2023 AND 2022

ASSETS

	June 30,	
	2023	2022
CURRENT ASSETS		
Cash and cash equivalents	\$ 79,806	\$ 127,059
Cash and cash equivalents - designated	864,671	647,494
Accounts receivable	92,253	148,201
Pledges receivable	171,488	185,877
Prepaid expenses	26,658	24,360
Investments	4,015,054	3,951,536
Total current assets	<u>5,249,930</u>	<u>5,084,527</u>
NONCURRENT ASSETS		
Property, plant and equipment, net	1,201,795	1,281,470
Land held for resale	320,505	320,905
Investments, net of current maturities	3,378,653	3,640,938
Priests' retirement plan asset	-	484,125
Total noncurrent assets	<u>4,900,953</u>	<u>5,727,438</u>
TOTAL ASSETS	<u>\$ 10,150,883</u>	<u>\$ 10,811,965</u>

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

LIABILITIES AND NET ASSETS

	JUNE 30,	
	2023	2022
CURRENT LIABILITIES		
Accounts payable	\$ -	\$ 2,872
Accrued expenses	71,913	82,199
Unearned revenue	-	43,106
Due to other diocesan funds	328,438	236,560
Custodial funds held for others	402,081	410,934
Total current liabilities	802,432	775,671
NONCURRENT LIABILITIES		
Priests' retirement plan liability	443,174	-
Total noncurrent liabilities	443,174	-
Total liabilities	1,245,606	775,671
NET ASSETS		
Without donor restrictions:		
Plant fund	1,201,795	1,281,470
Designated funds	2,397,668	2,492,152
Undesignated	5,305,814	6,262,672
Total without donor restrictions	8,905,277	10,036,294
Total net assets	8,905,277	10,036,294
TOTAL LIABILITIES AND NET ASSETS	\$ 10,150,883	\$ 10,811,965

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

EXHIBIT B

THE ADMINISTRATIVE OFFICE OF THE CATHOLIC DIOCESE OF BILOXI

STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2023 AND 2022

	June 30,	
	2023	2022
REVENUES AND SUPPORT WITHOUT DONOR RESTRICTIONS		
Contributions	\$ 2,137,598	\$ 1,825,636
Diocesan assessments	2,000,450	1,853,140
Investment return	200,788	60,594
National grants, trust fund support and federal grants	545,747	495,726
Fees, reimbursements and other	415,654	561,648
Total support and revenue without donor restrictions	5,300,237	4,796,744
EXPENSES		
Program services:		
Pastoral	189,665	25,365
Vicar for ministries	931,713	1,041,638
Education	862,337	485,212
Auxiliary services	807,242	859,258
Gulf Pine Catholic	278,356	292,204
Mission parishes, schools, social services and other	1,319,426	809,481
Hurricane Katrina relief fund	-	426,688
Supporting services:		
Diocesan administration	1,548,316	1,627,185
Fundraising	116,900	113,055
Total expenses	6,053,955	5,680,086
OTHER INCOME (EXPENSE)		
Gain on asset disposal	550,000	-
Priests' retirement plan liability adjustment	(927,299)	562,377
Total other income (expense)	(377,299)	562,377
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	(1,131,017)	(320,965)
NET ASSETS, BEGINNING OF YEAR	10,036,294	10,357,259
NET ASSETS, END OF YEAR	\$ 8,905,277	\$ 10,036,294

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

EXHIBIT C

THE ADMINISTRATIVE OFFICE OF THE CATHOLIC DIOCESE OF BILOXI

STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2023

	Program Services						Support Services		
	Pastoral	Vicar for Ministries	Education	Auxiliary Services	Gulf Pine Catholic	Mission Parishes, Schools, Social Services and Other	Diocesan Administration	Fundraising	Total Expenses
Salaries and allowances	\$ 15,462	\$ 141,007	\$ 180,667	\$ 113,434	\$ 68,945	\$ -	\$ 563,309	\$ 33,014	\$ 1,115,838
Fringe benefits	4,203	123,379	42,524	257,966	27,609	-	203,985	11,150	670,816
Purchased services	-	580,810	619,359	425,524	169,574	-	600,176	72,000	2,467,443
Supplies and materials	-	72,317	19,787	9,951	12,228	-	61,132	736	176,151
Depreciation	-	-	-	367	-	-	101,066	-	101,433
Subsidies and contributions	170,000	14,200	-	-	-	1,319,426	18,648	-	1,522,274
Total expenses	\$ 189,665	\$ 931,713	\$ 862,337	\$ 807,242	\$ 278,356	\$ 1,319,426	\$ 1,548,316	\$ 116,900	\$ 6,053,955

EXHIBIT D

THE ADMINISTRATIVE OFFICE OF THE CATHOLIC DIOCESE OF BILOXI

STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2022

	Program Services							Support Services		
	Pastoral	Vicar for Ministries	Education	Auxiliary Services	Gulf Pine Catholic	Mission Parishes, Schools, Social Services and Other	Hurricane Katrina Relief Fund	Diocesan Administration	Fundraising	Total Expenses
Salaries and allowances	\$ 15,574	\$ 141,470	\$ 199,114	\$ 122,939	\$ 97,729	\$ -	\$ -	\$ 481,035	\$ 32,947	\$ 1,090,808
Fringe benefits	4,241	147,288	58,541	258,904	31,827	-	-	212,382	11,175	724,358
Purchased services	5,550	677,547	215,710	465,165	149,388	-	-	756,275	68,433	2,338,068
Supplies and materials	-	59,533	11,847	11,883	13,260	-	-	51,039	500	148,062
Depreciation	-	-	-	367	-	-	-	108,382	-	108,749
Subsidies and contributions	-	15,800	-	-	-	809,481	426,688	18,072	-	1,270,041
Total expenses	\$ 25,365	\$ 1,041,638	\$ 485,212	\$ 859,258	\$ 292,204	\$ 809,481	\$ 426,688	\$ 1,627,185	\$ 113,055	\$ 5,680,086

EXHIBIT E

THE ADMINISTRATIVE OFFICE OF THE CATHOLIC DIOCESE OF BILOXI

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

	June 30,	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from contributions, fees, and grants	\$ 6,160,700	\$ 4,824,982
Cash paid for program and support services	(6,511,319)	(5,574,396)
Other receipts	384,047	69,701
Net cash provided (used) by operating activities	33,428	(679,713)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from investment sales and maturities	2,133,729	282,100
Investment purchases and reinvestments	(2,033,934)	(170,330)
Purchases of investments in The Catholic Foundation of the Diocese of Biloxi, Inc.	(107,793)	(146,894)
Proceeds from The Catholic Foundation of the Diocese of Biloxi, Inc. investment withdrawals	165,852	142,530
Purchase of capital assets	(21,358)	(5,600)
Net cash provided by investing activities	136,496	101,806
NET INCREASE (DECREASE) IN CASH	169,924	(577,907)
Cash and cash equivalents, beginning of year	774,553	1,352,460
Cash and cash equivalents, end of year	\$ 944,477	\$ 774,553
RECONCILIATION OF TOTAL CASH		
Cash and cash equivalents	\$ 79,806	\$ 127,059
Cash and cash equivalents - designated	864,671	647,494
Total cash and cash equivalents	\$ 944,477	\$ 774,553

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

EXHIBIT E
PAGE TWO

THE ADMINISTRATIVE OFFICE OF THE CATHOLIC DIOCESE OF BILOXI

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

	June 30,	
	2023	2022
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Change in net assets	\$ (1,131,017)	\$ (320,965)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	101,433	108,749
Unrealized loss on investments	114,134	(349,053)
Realized gain on investments	(73,221)	358,160
(Increase) decrease in:		
Accounts receivable	55,948	62,353
Pledges receivable	14,389	(14,170)
Prepaid expenses	(2,298)	(3,513)
Priests' retirement asset	484,125	(484,125)
Increase (decrease) in:		
Accounts payable	(2,872)	1,056
Accrued expenses and other liabilities	(10,286)	(18,828)
Unearned revenue	(43,106)	40,649
Due to other diocesan funds	91,878	(4,702)
Custodial funds held for others	(8,853)	22,928
Priests' retirement liability	443,174	(78,252)
Total adjustments	1,164,445	(358,748)
Net cash provided (used) by operating activities	\$ 33,428	\$ (679,713)

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

NOTES TO FINANCIAL STATEMENTS

THE ADMINISTRATIVE OFFICE OF THE CATHOLIC DIOCESE OF BILOXI

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2023 AND 2022**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations - The Catholic Diocese of Biloxi (Diocese) was created on March 1, 1977, by His Holiness Pope Paul VI pursuant to the Canon Law of the Roman Catholic Church. The Diocese comprises the southern seventeen counties of the State of Mississippi. On August 4, 1977, the Diocese was incorporated as a nonprofit corporation under the laws of the State of Mississippi. The Diocese engages in all works of Christian ministry, including all works of charity, and coordination of parishes and religious activities throughout the included counties. The Diocese is primarily supported with donations and grants.

The Catholic Diocese of Biloxi includes the Administrative Office and relative functions, Catholic Social and Community Services, Inc., The Catholic Foundation of the Diocese of Biloxi, Inc., Catholic Charities Housing Association of Biloxi, Inc., de l'Epee Deaf Center, Inc., Medical Reimbursement Insurance Fund, General Self-Insurance Fund, and the various parishes, schools and homes. The Administrative Office is the only division reported within this report. The Administrative Office is responsible for collecting a percentage of donations from the parishes, initiating and collecting on campaigns, distributing funds to the relative school, parish or ministry, and collecting and disbursing grant funds appropriately within the Diocese.

Basis of Presentation - The Diocese presents its financial statements in accordance with accounting principles generally accepted in the United States of America for nonprofit organizations under the accrual basis of accounting. The accrual basis of accounting is the method of accounting under which liabilities and expenses are recorded when incurred, whether or not paid, and income is recorded when earned, whether or not received.

The Diocese is required to report information regarding its financial position and activities according to two classes of net assets: with donor restrictions and without donor restrictions. Net assets with donor restrictions are created only by donor-imposed restrictions on their use. All other net assets, including board-designated or appropriated amounts, are reported as part of without donor restrictions. In addition, the Diocese is required to present a statement of cash flows.

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted by the donor for specific purposes are reported as net assets with donor restrictions. When donor restrictions are met, these amounts are reclassified to net assets without donor restrictions. However, if a restriction is fulfilled in the same year in which the contribution is received, the Diocese reports that support as without donor restrictions. Presently, the Diocese has not received any contributions with donor-imposed restrictions that would result in classification as net assets with donor restrictions.

The financial statements include only the statements of financial position, activities and cash flows of the Administrative Office referred to above.

THE ADMINISTRATIVE OFFICE OF THE CATHOLIC DIOCESE OF BILOXI

NOTES TO FINANCIAL STATEMENTS

PAGE TWO

YEARS ENDED JUNE 30, 2023 AND 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Contributions and Pledges Receivable - Contributions are recognized when the donor makes a promise to give to the Diocese that is in substance, unconditional. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as net assets with donor restrictions. When donor restrictions are met, these amounts are reported as net assets without donor restrictions. However, if a restriction is fulfilled in the same year in which the contribution is received, the Diocese reports that support as without donor restrictions.

The Diocese uses the allowance method to determine uncollectible unconditional pledges receivable. The allowance is based on prior years' experience and management's analysis of specific promises made.

Accounts Receivable - Accounts receivable primarily consist of short-term receivables due from parishes and schools within the Diocese. The Diocese writes off a receivable as a charge to bad debt expense when it is probable the receivable will not be collected. The Diocese believes that all accounts receivable at June 30, 2023 and 2022 will be fully collected. Accordingly, no allowance for doubtful accounts is required.

Contributed Services - The value of contributed services meeting the requirements for recognition in the financial statements is not material and has not been recorded. In addition, many individuals volunteer their time and perform a variety of tasks that assist the Diocese, but these services do not meet the criteria for recognition as contributed services.

Cash and Cash Equivalents - For purposes of the statements of cash flow, the Diocese considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Grants Receivable - Grants receivable consists of amounts due from federal and state agencies under grant agreements and contracts. Grants receivable are written off when management determines that they are uncollectible. No allowance for doubtful accounts is considered necessary by management.

Prepaid Expenses - Prepaid expenses consist of prepaid insurance that are charged to the period to which they relate.

Investments - The Diocese holds several certificates of deposit with local financial institutions and investment brokers. All of the certificates of deposit mature in periods greater than three months and, therefore, are not considered cash equivalents for the purposes of the statements of cash flows. Certificates of deposit and other investments maturing within the next twelve months are shown as current assets while certificates of deposit and other investments maturing outside the twelve-month period are shown as noncurrent assets.

THE ADMINISTRATIVE OFFICE OF THE CATHOLIC DIOCESE OF BILOXI

NOTES TO FINANCIAL STATEMENTS
PAGE THREE
YEARS ENDED JUNE 30, 2023 AND 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Investments purchased by the Diocese are initially recorded at their cost, and donated investments are recorded at fair value on the date they are received as a donation. Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statements of financial position. Certificates of deposit held by financial institutions are recorded at cost while those held by investment brokers are recorded at fair value. Unrealized gains and losses are included in the statements of activities.

Property, Plant and Equipment - Property, plant and equipment acquired by purchase is recorded at original cost and donations of property, plant and equipment are recorded as support at their estimated fair value.

Expenditures for buildings, equipment, and vehicles are capitalized if the cost of an item exceeds the minimum value of \$5,000 established by the Diocese. Expenditures for major renewals and betterments that extend the useful lives of buildings, equipment and vehicles are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

Donations are reported as without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property, plant and equipment are reported as with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Diocese reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Diocese reclassifies net assets with donor restrictions to without donor restrictions at that time.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The estimated useful lives for property, plant and equipment used to compute the straight-line method of depreciation are as follows:

Asset	Useful Life
Buildings and improvements	20 - 30 years
Furnishings and equipment	5 - 10 years
Vehicles	5 years

Custodian Funds - Custodian funds represent funds held for the account of others and are disbursed upon the authority of the depositor. Additionally, custodian funds payable includes national collections remitted to the Diocese by its various parishes for transmittal to the intended one.

THE ADMINISTRATIVE OFFICE OF THE CATHOLIC DIOCESE OF BILOXI

NOTES TO FINANCIAL STATEMENTS
PAGE FOUR
YEARS ENDED JUNE 30, 2023 AND 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Functional Allocation of Expenses - The costs of providing the various program and other activities have been summarized on a functional basis in the statements of activities and the statements of functional expenses. Certain costs, including payroll and other office expenses, are allocated among the functional expense categories based on management's analysis of personnel time and expenses for related activities.

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

Income Taxes - The Diocese is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and comparable state law, and contributions to the Diocese are tax deductible within the limitations prescribed by the code. As of June 30, 2023, the Diocese has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

Accrued Compensated Absences - Employees earn a vested right to compensation for unused vacation absences. Accordingly, the estimated cost of vacation pay earned, but not used, by the Diocese's employees has been recorded and included as accrued expenses in the statements of financial position.

Reclassification - Certain amounts in the 2022 year financial statements have been reclassified to conform with the presentation in the 2023 year financial statements.

Subsequent Events - In preparing the financial statements, management has evaluated and disclosed all material subsequent events up to December 5 2023, which is the date the financial statements were available to be issued.

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THE ADMINISTRATIVE OFFICE OF THE CATHOLIC DIOCESE OF BILOXI

NOTES TO FINANCIAL STATEMENTS
PAGE FIVE
YEARS ENDED JUNE 30, 2023 AND 2022

NOTE 2 - LIQUIDITY AND AVAILABILITY

The Diocese has the following financial assets available within one year of the statement of financial position date to meet cash needs for general operating expenditures:

	June 30,	
	2023	2022
Cash and cash equivalents	\$ 79,806	\$ 127,059
Cash and cash equivalents - designated	864,671	647,494
Accounts receivable	92,253	148,201
Pledges receivable	171,488	185,877
Investments	4,015,054	3,951,536
Totals	\$ 5,223,272	\$ 5,060,167

NOTE 3 - PLEDGES RECEIVABLE

The Catholic Sharing Appeal (CSA) is an annual fundraising campaign held throughout the Diocese at the beginning of the Catholic calendar's Lenten season of each year to raise funds for the support of the various programs of the Diocese. The CSA establishes goals for each parish church based on their annual financial report. All contributions to CSA in excess of the individual parish goal are returned to the parish. Pledges received through June 30, 2023 and 2022 have been recorded net of a 4.00% allowance for uncollectible pledges.

Pledges receivable is summarized as follows:

	June 30,	
	2023	2022
Catholic Sharing Appeal Pledges	\$ 1,330,215	\$ 1,260,905
Estimated allowance	(53,208)	(50,436)
Estimated collectable pledges	1,277,007	1,210,469
Collected in current year	(1,105,519)	(1,024,592)
Total pledges receivable	\$ 171,488	\$ 185,877

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THE ADMINISTRATIVE OFFICE OF THE CATHOLIC DIOCESE OF BILOXI

NOTES TO FINANCIAL STATEMENTS
PAGE SIX
YEARS ENDED JUNE 30, 2023 AND 2022

NOTE 3 - PLEDGES RECEIVABLE (Cont.)

As of June 30, 2023:

	<u>Pledges Receivable</u>	<u>Unamortized Discount</u>	<u>Gross Pledge</u>
Amounts due in:			
Less than one year	<u>\$ 171,488</u>	<u>\$ 5,163</u>	<u>\$ 176,651</u>

As of June 30, 2022:

	<u>Pledges Receivable</u>	<u>Unamortized Discount</u>	<u>Gross Pledge</u>
Amounts due in:			
Less than one year	<u>\$ 185,877</u>	<u>\$ 11,153</u>	<u>\$ 197,030</u>

NOTE 4 - INVESTMENTS

Investments consist of the following:

	<u>June 30,</u>	
	<u>2023</u>	<u>2022</u>
Certificates of deposits - financial institutions	\$ -	\$ 1,085,000
Certificates of deposits - investment brokers	2,129,117	200,596
Mutual funds	1,549,304	2,605,343
Investments - The Catholic Foundation of the Diocese of Biloxi, Inc. (Nonperpetual)	466,180	458,978
Investments - The Catholic Foundation of the Diocese of Biloxi, Inc. (Priest Retirement)	953,276	949,045
Investments - The Catholic Foundation of the Diocese of Biloxi, Inc. (Villa/CSCS)	57,183	55,021

(Table Continued on Next Page)

THE ADMINISTRATIVE OFFICE OF THE CATHOLIC DIOCESE OF BILOXI

NOTES TO FINANCIAL STATEMENTS
PAGE SEVEN
YEARS ENDED JUNE 30, 2023 AND 2022

NOTE 4 - INVESTMENTS (Cont.)

	June 30,	
	2023	2022
Investments - The Catholic Foundation of the Diocese of Biloxi, Inc. (Building)	1,127,054	1,139,476
Investments - The Catholic Foundation of the Diocese of Biloxi, Inc. (Retired Infirm Priest & Bishop)	1,109,193	1,096,615
Various stock held by the Diocese	2,400	2,400
Total investments	\$ 7,393,707	\$ 7,592,474

Investments are presented on the statements of financial position as follows:

	June 30,	
	2023	2022
Investments, current	\$ 4,015,054	\$ 3,951,536
Investment, net of current maturities	3,378,653	3,640,938
Total investments	\$ 7,393,707	\$ 7,592,474

Accounting principles generally accepted in the United States of America establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are as follows:

- **Level 1** - inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Diocese has the ability to access at the measurement date.
- **Level 2** - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- **Level 3** - inputs are unobservable inputs for the asset or liability.

All of the Diocese's marketable securities have been valued using Level 1 measurements.

THE ADMINISTRATIVE OFFICE OF THE CATHOLIC DIOCESE OF BILOXI

NOTES TO FINANCIAL STATEMENTS
PAGE EIGHT
YEARS ENDED JUNE 30, 2023 AND 2022

NOTE 4 - INVESTMENTS (Cont.)

The following schedule summarizes investments and related unrealized loss for the year ended June 30, 2023:

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Gain (Loss)</u>
Certificates of deposits - investment brokers	\$2,133,934	\$2,129,117	\$ (4,817)
Mutual funds	1,805,156	1,549,304	(255,852)
Investments - The Catholic Foundation of the Diocese of Biloxi, Inc. (Nonperpetual)	466,180	466,180	-
Investments - The Catholic Foundation of the Diocese of Biloxi, Inc. (Priest Retirement)	953,276	953,276	-
Investments - The Catholic Foundation of the Diocese of Biloxi, Inc. (Villa/CSCS)	57,183	57,183	-
Investments - The Catholic Foundation of the Diocese of Biloxi, Inc. (Building)	1,127,054	1,127,054	-
Investments - The Catholic Foundation of the Diocese of Biloxi, Inc. (Retired Infirm Priest & Bishop)	1,109,193	1,109,193	-
Various stock held by the Diocese	2,400	2,400	-
Totals	<u>\$7,654,376</u>	<u>\$7,393,707</u>	<u>\$ (260,669)</u>

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THE ADMINISTRATIVE OFFICE OF THE CATHOLIC DIOCESE OF BILOXI

NOTES TO FINANCIAL STATEMENTS

PAGE NINE

YEARS ENDED JUNE 30, 2023 AND 2022

NOTE 4 - INVESTMENTS (Cont.)

The following schedule summarizes investments and related unrealized gain (loss) for the year ended June 30, 2022:

	Cost	Fair Value	Unrealized Gain (Loss)
Certificates of deposits - financial institutions	\$1,085,000	\$1,085,000	\$ -
Certificates of deposits - investment brokers	200,000	200,596	596
Mutual funds	2,954,992	2,605,343	(349,649)
Investments - The Catholic Foundation of the Diocese of Biloxi, Inc. (Nonperpetual)	458,978	458,978	-
Investments - The Catholic Foundation of the Diocese of Biloxi, Inc. (Priest Retirement)	949,045	949,045	-
Investments - The Catholic Foundation of the Diocese of Biloxi, Inc. (Villa/CSCS)	55,021	55,021	-
Investments - The Catholic Foundation of the Diocese of Biloxi, Inc. (Building)	1,139,476	1,139,476	-
Investments - The Catholic Foundation of the Diocese of Biloxi, Inc. (Retired Infirm Priest & Bishop)	1,096,615	1,096,615	-
Various stock held by the Diocese	2,400	2,400	-
Totals	\$7,941,527	\$7,592,474	\$ (349,053)

The following schedule summarizes investment return and their classification in the statements of activities:

	June 30,	
	2023	2022
Investment gain, The Catholic Foundation of the Diocese of Biloxi, Inc.	\$ 333,890	\$ 212,454
Interest and dividend income (including interest earned on cash accounts)	241,701	197,193
Realized loss	(114,134)	-
Unrealized losses	(260,669)	(349,053)
Total investment return	\$ 200,788	\$ 60,594

THE ADMINISTRATIVE OFFICE OF THE CATHOLIC DIOCESE OF BILOXI

NOTES TO FINANCIAL STATEMENTS
PAGE TEN
YEARS ENDED JUNE 30, 2023 AND 2022

NOTE 5 - PROPERTY, PLANT AND EQUIPMENT

A summary of changes in property, plant and equipment and the related accumulated depreciation is as follows:

For year ended June 30, 2023:

Asset	Balance 07/01/22	Additions	Retirements	Balance 06/30/23
Land and improvements	\$ 336,512	\$ -	\$ -	\$ 336,512
Buildings and improvements	3,128,571	21,758	-	3,150,329
Furnishings and equipment	310,210	-	-	310,210
Vehicles	87,137	-	-	87,137
Total property, plant and equipment	3,862,430	21,758	-	3,884,188
Less: accumulated depreciation	(2,580,960)	(101,433)	-	(2,682,393)
Net property, plant and equipment	\$1,281,470	\$ (79,675)	\$ -	\$1,201,795

Depreciation expense of \$101,433 is included in the statements of activities for the year ended June 30, 2023 as follows: Auxiliary Services - \$367 and Diocesan Administration - \$101,066.

For year ended June 30, 2022:

Asset	Balance 07/01/21	Additions	Retirements	Balance 06/30/22
Land	\$ 336,512	\$ -	\$ -	\$ 336,512
Buildings and improvements	3,128,571	-	-	3,128,571
Furnishings and equipment	348,217	-	(38,007)	310,210
Vehicles	87,137	-	-	87,137
Total property, plant and equipment	3,900,437	-	(38,007)	3,862,430
Less: accumulated depreciation	(2,510,218)	(108,749)	38,007	(2,580,960)
Net property, plant and equipment	\$1,390,219	\$ (108,749)	\$ -	\$1,281,470

Depreciation expense of \$108,749 is included in the statements of activities for the year ended June 30, 2022 as follows: Auxiliary Services - \$367, and Diocesan Administration - \$108,382.

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THE ADMINISTRATIVE OFFICE OF THE CATHOLIC DIOCESE OF BILOXI

NOTES TO FINANCIAL STATEMENTS
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YEARS ENDED JUNE 30, 2023 AND 2022

NOTE 6 - LAND HELD FOR RESALE

Land held for resale consists of the following:

	June 30,	
	2023	2022
Costs related to demolition on St. John High School in Gulfport, Mississippi	\$ 320,505	\$ 320,905

After Hurricane Katrina, the Diocese decided to close St. John's High School in Gulfport, Mississippi. The land is not held on the Diocese's books. The demolition costs of the former high school incurred by the Diocese on the land are reflected in land held for resale because the land is on the market for sale.

During the year ended June 30, 2022, the Diocese incurred costs related to the St. John property totaling \$5,600. The Diocese increased the value of the land held for resale by that amount. During the year ended June 30, 2023, the Diocese decreased the value of the land held for resale by an amount of \$400.

NOTE 7 - RELATED PARTY TRANSACTIONS

Related party transactions are summarized as follows:

	June 30,	
	2023	2022
Liabilities:		
Due to other Diocesan funds	\$ 328,438	\$ 236,560
Total liabilities	\$ 328,438	\$ 236,560
Revenues:		
Diocesan assessments	\$ 2,000,450	\$ 1,853,140
Rent	-	3,600
Professional fees	359,154	406,053
Total revenues	\$ 2,359,604	\$ 2,262,793

THE ADMINISTRATIVE OFFICE OF THE CATHOLIC DIOCESE OF BILOXI

NOTES TO FINANCIAL STATEMENTS
PAGE TWELVE
YEARS ENDED JUNE 30, 2023 AND 2022

NOTE 7 - RELATED PARTY TRANSACTIONS (Cont.)

Expenses:		
Catholic Sharing Appeal allocations	\$ 1,233,357	\$ 1,207,580
Total Expenses	\$ 1,233,357	\$ 1,207,580

NOTE 8 - NET ASSETS - DESIGNATED FUNDS

Designated funds included in net assets without donor restrictions are summarized as follows:

	June 30,	
	2023	2022
Catholic Sharing Appeal:		
Current campaign pledges receivable	\$ 170,000	\$ 165,000
Current campaign pledges received and not expended	494,800	712,273
Prior campaign pledges received and not expended	712,273	455,988
Total Catholic Sharing Appeal	1,377,073	1,333,261
Other designated purposes:		
Priests' retirement	953,276	949,045
Mission Board funds	27,950	11,902
Homebound Program	3,932	3,932
Mass stipends	1,995	2,520
Catholic education campaign	-	13,179
Saltillo and other	33,442	32,967
Katrina Relief Fund	-	145,346
Total other designated purposes	1,020,595	1,158,891
Designated funds	\$ 2,397,668	\$ 2,492,152

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THE ADMINISTRATIVE OFFICE OF THE CATHOLIC DIOCESE OF BILOXI

**NOTES TO FINANCIAL STATEMENTS
PAGE THIRTEEN
YEARS ENDED JUNE 30, 2023 AND 2022**

NOTE 8 - NET ASSETS - DESIGNATED FUNDS (Cont.)

The Priests' Retirement Fund is an accumulation of contributions received (primarily through the CSA) designated for the support of the various retired priests throughout the Diocese. The funds are not part of any structured retirement plan and their use is subject only to the discretion of the Bishop.

In July of 1996, all of these funds were deposited into trust in The Catholic Foundation of the Diocese of Biloxi, Inc.; one hundred percent (100.00%) of the income from the trust may be paid to the Diocese for the support of the retired priests.

The Katrina Relief Fund consisted of donations received to assist in rebuilding churches, schools and other diocesan properties after the devastation caused by Hurricane Katrina on August 29, 2005. The funds were held by the Diocese for the benefit of various construction and renovation projects and were allocated to projects at the discretion of the Bishop. At June 30, 2023, all of the funds have been allocated.

NOTE 9 - PENSION PLAN

Defined Benefit Pension Plan

All full-time lay employees of the Diocese participate in the Christian Brothers Employee Retirement Plan ("the Plan"), a nation-wide, multiple-employer defined benefit pension plan, administered by Christian Brothers Retirement Services (EIN # 36-3884439). The Plan is a church plan within the meaning of Section 414(e) of the Internal Revenue Code and has elected its option of not complying with provisions of ERISA. The Administrative Office's payroll for employees covered by the Plan for the years ended June 30, 2023 and 2022 was \$1,073,930 and \$1,060,917, respectively. The payroll for all employees covered by the Plan for the year ended June 30, 2023 (the most recent date for which plan data is available), was approximately \$855 million.

The risks of participating in the multiemployer defined benefit pension plan are different from single-employer plans because: (a) assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers, (b) if a participating employer stops contributing to the plan, the unfunded obligations of the plan may be required to be borne by the remaining participating employers, and (c) if the Diocese chooses to stop participating in the multiemployer plan, it may be required to pay a withdrawal liability to the plan. The Diocese has no plans to withdraw from the Plan. Based on these risks, it is possible that the Diocese could be contingently liable for unfunded obligations of the plan. However, the Diocese is unable to estimate the amount of possible liability it may be subject to.

THE ADMINISTRATIVE OFFICE OF THE CATHOLIC DIOCESE OF BILOXI

**NOTES TO FINANCIAL STATEMENTS
PAGE FOURTEEN
YEARS ENDED JUNE 30, 2023 AND 2022**

NOTE 9 - PENSION PLAN (Cont.)

Participants are entitled to annual pension benefits beginning at normal retirement age (65) based upon a formula that takes into account the years of service and compensation. The Plan permits early retirement at ages 55 to 64. Effective July 1, 2012, the normal retirement age was changed to social security normal retirement age for new participants on or after July 1, 2012. If participants terminate employment before completing four years and nine months of service, they forfeit the right to receive a portion of their accumulated plan benefits attributable to employer contributions. Retiring participants will receive benefits as a life annuity or joint and survivor annuity payable monthly from retirement. Participants terminating employment for reasons other than retirement may elect to receive benefits either in a lump sum or a life annuity or joint and survivor annuity payable monthly from normal retirement age. Participants have similar elections available for death benefits.

The Plan does not make separate measurements of assets and projected benefit obligations for individual employers. The projected benefit obligation at June 30, 2023 and 2022, for the Plan as a whole, determined through an actuarial valuation performed as of that date, was \$2.26 and \$2.24 billion, respectively. The Plan's market value of assets on June 30, 2023 and 2022 (valued at fair value) were \$1.48 and \$1.47 billion, respectively. The Plan is approximately 65.00% funded as of June 30, 2023 and 2022. For the years ended June 30, 2023 and 2022, retirement benefit disbursements were \$171 and \$169 million, respectively. The Plan's assumed discount rate and expected long-term rate of return on assets was 6.75% and 7.25% at June 30, 2023 and 2022, respectively.

Employees are not required to contribute to the Plan as elected by the Diocese. The Diocese contributes 6.50% of employees' compensation. The contribution requirement for the Administrative Office for the years ended June 30, 2023 and 2022 was \$67,500 and \$68,842, respectively. The contribution represents less than 1.00% of the total contributions made to the Plan for all participating employees.

The Diocese incurs no other expenses and had no other liability under the Plan. Data concerning the actuarial present value of accumulated plan benefits, vested plan benefits and net assets available for benefits which are relevant to the Diocese are available on an overall plan basis, and may be found in the annually published financial statements of the Plan.

Deferred Compensation Plan

The Diocese also offers to its employee's voluntary participation in a deferred compensation plan created in accordance with Internal Revenue Code Section 403(b). The Christian Brothers Retirement Savings 403(b) Plan permits employees to defer a portion of their salary until future years. All plan assets are held in trust by The Vanguard Group for the exclusive benefit of the participants and their beneficiaries and not subject to the claims of the general creditors. Accordingly, the assets and liabilities for the compensation deferred by plan participants are not reflected in the financial statements.

THE ADMINISTRATIVE OFFICE OF THE CATHOLIC DIOCESE OF BILOXI

**NOTES TO FINANCIAL STATEMENTS
PAGE FIFTEEN
YEARS ENDED JUNE 30, 2023 AND 2022**

NOTE 10 - PRIESTS' RETIREMENT PLAN

Plan Description

On January 1, 1975, the Diocese, in an agreement with the Catholic Diocese of Jackson, adopted a non-contributory defined benefit plan covering all its eligible priests (The Association of Priests of the Dioceses of Biloxi/Jackson Retirement Plan). Under the agreement, the Catholic Diocese of Biloxi and the Catholic Diocese of Jackson have equal ownership in the Plan. The Diocese acts as the receiving agent for parish and institutional contributions, which are forwarded to the trustee. Prior service costs are being funded over a thirty (30) year period, after giving effect to actuarial gains or losses. The Plan year is January 1, 2022 to December 31, 2022, the most recent date for which plan data is available. The following information and estimates are based on the most recent actuarial valuation as of January 1, 2023.

Benefits Provided

Each priest ordained for the Diocese of Biloxi and Jackson is eligible to enter the plan on the first day of the month following ordination or incardination. The plan provides defined retirement and disability benefits in the form of a life annuity. Priests are eligible to receive monthly payments of \$1,289 after their normal retirement date. Normal retirement date is the first day of the month following the latter of age 70 or 5 years of participation. A priest that elects to retire after his normal retirement date will not receive any benefit. A priest may elect early retirement, after the later of the attainment of age 65 or 5 years of service, and receive the vested accrued benefit at normal retirement age, or a one-time lump sum severance benefit based upon years of service in lieu of the vested benefit. Participants are entitled to full monthly benefits beginning the first day of the month following total and permanent disability.

Pension Liabilities and Other Changes in Plan Assets and Benefit Obligations

At June 30, 2023, the plan had no unfunded actuarial accrued asset. Per the actuarial valuation report, as of January 1, 2023, the plan reported an unfunded liability. The Diocese recognized \$443,174 as its proportionate share of the net pension liability in the statement of financial position. The amount recognized in the statement of activities as a priest retirement fund adjustment, \$927,299, represents the Diocese proportionate share of the change in the plans net pension liability.

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THE ADMINISTRATIVE OFFICE OF THE CATHOLIC DIOCESE OF BILOXI

NOTES TO FINANCIAL STATEMENTS
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YEARS ENDED JUNE 30, 2023 AND 2022

NOTE 10 - PRIESTS' RETIREMENT PLAN (Cont.)

The fair values of the Plan's assets at January 1, 2023, by asset class are as follows:

Cash and cash equivalents	\$ 460,380
Equities	4,511,554
Real estate investment trust	34,258
Interest receivable	10,893
Fixed income	<u>1,868,753</u>
Total	<u>\$ 6,885,838</u>

These fair values are based on quoted prices in active markets for identical assets, a Level 1 measurement as defined by FASB.

Pension Plan obligations and funded status as of January 1, 2023 is as follows:

Pension Plan obligations and funded status:	
Projected benefit obligation	\$ 7,772,186
Pension Plan assets at fair value	<u>6,885,838</u>
Total unfunded accrued liability	<u>\$ 886,348</u>

The actuarial present value of accumulated plan benefits as of January 1, 2023 is as follows:

Vested benefits:	
Participants currently receiving benefits	\$ 4,971,822
Other participants	<u>2,365,083</u>
Total vested benefits	<u>7,336,905</u>
Non-vested benefits	<u>111,391</u>
Total actuarial present value of accumulated plan benefits	<u>\$ 7,448,296</u>

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THE ADMINISTRATIVE OFFICE OF THE CATHOLIC DIOCESE OF BILOXI

NOTES TO FINANCIAL STATEMENTS
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YEARS ENDED JUNE 30, 2023 AND 2022

NOTE 10 - PRIESTS' RETIREMENT PLAN (Cont.)

The statement of changes in accumulated plan benefits as of January 1, 2023 is as follows:

Actuarial present value of accumulated plan benefits at beginning of year	\$ 7,266,570
Increase (decrease) attributable to:	
Plan change	233,683
Passage of time	363,329
Benefits accumulated	254,141
Benefits paid	<u>(669,427)</u>
Actuarial present value of plan benefits at end of year	<u>\$ 7,448,296</u>

Actuarial Cost Methods and Assumptions

The "entry age normal cost method" has been used in determining retirement cost, which is the measure of liability used to calculate the needed contribution level. The liabilities and contribution requirements were determined using the Pri-2012 Mortality Table projected generationally with Scale MP 2020. It is expected that 10.00% of eligible participants will retire each year, beginning at age 65, with 100.00% retirement at age 70. A 5.00% annual investment return is assumed.

NOTE 11 - CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject the Diocese to concentrations of credit and market risk consist principally of bank deposit accounts and student accounts receivable. The Diocese maintains its cash balances in financial institutions that are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The Diocese had \$1,041,150 and \$6,451,045 over the FDIC federally insured limits as of June 30, 2023 and 2022, respectively. Cash equivalents, other securities, and limited amounts of cash held in brokerage accounts are protected by the Securities Investor Protection Corporation (SIPC) in the event of broker-dealer failure, up to \$500,000 of protection for each brokerage account, with a limit of \$250,000 for claims of uninvested cash balances. Additional brokerage insurance, in addition to SIPC protection, is provided through private insurers. The SIPC insurance does not protect against market losses on investments.

Concentrations of credit risk with respect to accounts receivable are limited due to the related party participants contributing to the Diocese.

THE ADMINISTRATIVE OFFICE OF THE CATHOLIC DIOCESE OF BILOXI

**NOTES TO FINANCIAL STATEMENTS
PAGE EIGHTEEN
YEARS ENDED JUNE 30, 2023 AND 2022**

NOTE 11 - CONCENTRATIONS OF CREDIT RISK (Cont.)

The Diocese's investments are subject to various risks, such as interest rate, credit, and overall market volatility risks. Further, because of the significance of the investments to the Diocese financial position and the level of risk inherent in most investments, it is reasonably possible that changes in the values of these investments could occur in the near term and such changes could materially affect the amounts reported in the financial statements. Management is of the opinion that the diversification of its invested assets among the various asset classes should mitigate the impact of changes in any one class.

NOTE 12 - COMMITMENTS AND CONTINGENCIES

Legal Matters

The Diocese is involved in various legal matters arising during the normal course of business activities. Management, after consulting legal counsel, is of the opinion that the ultimate resolution of these matters will not have a material adverse effect on the financial condition of the Diocese.

Contingent Liability

The Diocese is co-signer to debt incurred by the related parishes and schools. If the parishes or schools defaulted on their respective debt, the Diocese would be liable for the unpaid balance. As of June 30, 2023 and 2022, the balance of debt of which the Diocese could be liable totaled \$3,901,711 and \$4,326,417, respectively.

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SUPPLEMENTARY INFORMATION

SCHEDULE 1

THE ADMINISTRATIVE OFFICE OF THE CATHOLIC DIOCESE OF BILOXI

**SCHEDULE OF REVENUES AND SUPPORT, FUNCTIONAL EXPENSES,
AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2023**

	Without Donor Restrictions	With Donor Restrictions	Total
Contributions:			
Catholic Sharing Appeal	\$ 1,873,471	\$ -	\$ 1,873,471
Other	264,127	-	264,127
Totals	<u>2,137,598</u>	<u>-</u>	<u>2,137,598</u>
Diocesan assessments:			
Diocesan support tax	1,669,541	-	1,669,541
Education assessment	57,409	-	57,409
Management assessment	243,500	-	243,500
Administrative tax	30,000	-	30,000
Totals	<u>2,000,450</u>	<u>-</u>	<u>2,000,450</u>
Investment Return	<u>200,788</u>	<u>-</u>	<u>200,788</u>
National grants, trust fund support and federal grants:			
American Board of Catholic Missions	121,500	-	121,500
Black and Indian Mission Fund	44,450	-	44,450
Catholic Extension Society	115,150	-	115,150
Trust Fund support	101,816	-	101,816
Other grants	162,831	-	162,831
Totals	<u>545,747</u>	<u>-</u>	<u>545,747</u>
Fees, reimbursements and other:			
Reimbursements	169,912	-	169,912
Communications	9,242	-	9,242
Technology support	77,758	-	77,758
Sale of items	6,003	-	6,003
Advertising revenue	29,028	-	29,028
Subscription revenue	432	-	432
Registration fees	79,210	-	79,210
Miscellaneous	44,069	-	44,069
Totals	<u>415,654</u>	<u>-</u>	<u>415,654</u>
Total support and revenue	<u>5,300,237</u>	<u>-</u>	<u>5,300,237</u>

See independent auditor's report.

SCHEDULE 1
PAGE TWO

THE ADMINISTRATIVE OFFICE OF THE CATHOLIC DIOCESE OF BILOXI

**SCHEDULE OF REVENUES AND SUPPORT, FUNCTIONAL EXPENSES,
AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2023**

	Without Donor Restrictions	With Donor Restrictions	Total
Program Services:			
Allocations and subsidies	\$ 2,187,476	\$ -	\$ 2,187,476
Bishop's Special Fund	70,219	-	70,219
Catholic Charities	9,025	-	9,025
Catholic Foundation	176,356	-	176,356
Catholic Sharing Appeal Office	2,670	-	2,670
Catholic Schools	234,013	-	234,013
Chancellor	30,968	-	30,968
Communications	19,665	-	19,665
Continuing Education for Priests	43,357	-	43,357
Gulf Pine Catholic Newspaper	278,356	-	278,356
Hispanic Ministry	115,433	-	115,433
Information Technology	95,336	-	95,336
Pastoral Services	137	-	137
Permanent Diaconate	115,960	-	115,960
Priest Support and Retirement	277,314	-	277,314
Prison Ministry	562	-	562
Religious Education	84,907	-	84,907
Resource Center	4,417	-	4,417
Seminary/Vocations	264,243	-	264,243
Youth Ministry	221,236	-	221,236
Family Life	90,685	-	90,685
Evangelization	66,404	-	66,404
Total program services	<u>4,388,739</u>	<u>-</u>	<u>4,388,739</u>

SCHEDULE 1
PAGE THREE

THE ADMINISTRATIVE OFFICE OF THE CATHOLIC DIOCESE OF BILOXI

**SCHEDULE OF REVENUES AND SUPPORT, FUNCTIONAL EXPENSES,
AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2023**

	Without Donor Restrictions	With Donor Restrictions	Total
Supporting Services Administration:			
Pastoral Center	\$ 384,862	\$ -	\$ 384,862
Office and Residence of the Bishop	314,580	-	314,580
Finance	380,208	-	380,208
Tribunal	64,994	-	64,994
Vicar General	64,069	-	64,069
Legal Services	95,462	-	95,462
Risk management	39,635	-	39,635
Stewardship and Development	45,872	-	45,872
Total administration	1,389,682	-	1,389,682
Discretionary	158,634	-	158,634
Fundraising	116,900	-	116,900
Total supporting services	1,665,216	-	1,665,216
 Total expenses	 6,053,955	 -	 6,053,955
 Gain on asset disposal	 550,000	 -	 550,000
Priests' retirement plan adjustment	(927,299)	-	(927,299)
 CHANGE IN NET ASSETS	 \$ (1,131,017)	 \$ -	 \$ (1,131,017)

See independent auditor's report.

SCHEDULE 2

THE ADMINISTRATIVE OFFICE OF THE CATHOLIC DIOCESE OF BILOXI

CHANGES IN CUSTODIAL FUNDS HELD FOR OTHERS
YEAR ENDED JUNE 30, 2023

		Additions	Deductions		
	Balance 7/1/22	Collections	Administrative & Other Expenses	Remittance of Collections	Balance 6/30/23
Archdiocese of Military Services	\$ 400	\$ 20,182	\$ -	\$ 20,582	\$ -
Black and Indian Missions	805	24,784	420	25,169	-
CRS/Bishops Overseas Appeal	-	22,259	440	-	21,819
Churches in Africa	615	10,294	265	10,644	-
Catholic Home Missions	13,915	21,587	400	20,621	14,481
Catholic University	105	17,957	265	17,787	10
Churches in Latin America	485	12,723	550	12,657	1
Communications	8,378	17,996	340	18,484	7,550
Diocesan Retired Priest Fund	-	44,667	-	34,833	9,834
Disaster Relief (1)	1,689	82,711	-	84,400	-
Disaster Relief (2)	20,178	67,538	-	78,000	9,716
Disaster Relief (3)	5,425	8,677	-	14,102	-
Eastern European Churches	-	17,217	380	16,837	-
Extension Society	100	25,528	430	-	25,198
Holy Land	16,009	18,024	1,295	20,625	12,113
Peters Pence	1,086	21,987	460	23,073	(460)
Retired Religious Fund	4,637	39,260	480	40,421	2,996
Rice Bowl	6,551	4,556	-	7,369	3,738
Saltillo Mission Funds	289,350	46,768	1,161	72,678	262,279
Seamen's Ministry	3,306	22,123	1,082	23,711	636
Society for the Propagation of the Faith	779	21,604	360	19,731	2,292
St. Vincent dePaul Pharmacy	37,121	31,725	1,594	37,374	29,878
Totals	\$ 410,934	\$ 600,167	\$ 9,922	\$ 599,098	\$ 402,081

SCHEDULE 3

THE ADMINISTRATIVE OFFICE OF THE CATHOLIC DIOCESE OF BILOXI

**CHANGES IN FUNDS ADMINISTERED BY DIOCESAN MISSION BOARD
YEAR ENDED JUNE 30, 2023**

	American Board of Catholic Mission Fund	Black & Indian Mission Fund	Extension Society
Funds administered balances July 1, 2022	\$ (10,102)	\$ 2,250	\$ 19,755
Additions:			
Grants from National Boards	121,500	44,450	115,150
Total funds available	<u>111,398</u>	<u>46,700</u>	<u>134,905</u>
Deductions:			
Operational subsidies:			
Parishes:			
St. Peter Church, Bassfield	2,400	-	-
St. Rose De Lima, Bay St. Louis	-	6,750	-
St. Paul, Tylertown	2,500	-	-
St. Ann	2,200	-	-
St. Mary, Woolmarket	2,300	-	-
Holy Rosary Church, Hattiesburg	2,500	2,500	-
St. Elizabeth Seton	-	-	38,250
Our Mother of Mercy, Pass Christian	-	4,000	-
Sacred Heart, Dedeaux	2,200	-	-
Blessed St. Francis Xavier Seelos	4,200	-	-
Our Mother of Sorrows, Biloxi	-	4,000	-
St. Therese, Gulfport	-	4,000	7,400
Most Holy Trinity Parish	4,500	-	-
St. Peter Parish, Pascagoula	-	4,000	-
Church of the Vietnamese Martyrs	4,200	-	-
Schools:			
Sacred Heart Elementary	-	200	-
St. Patrick High School, Biloxi	-	800	-
Nativity BVM Elementary	-	1,400	-
St. John Elementary, Gulfport			
St. Peter the Apostle, Pascagoula			
Total operational subsidies, parishes/schools	<u>27,000</u>	<u>27,650</u>	<u>45,650</u>

See independent auditor's report.

SCHEDULE 3
PAGE TWO

THE ADMINISTRATIVE OFFICE OF THE CATHOLIC DIOCESE OF BILOXI

**CHANGES IN FUNDS ADMINISTERED BY DIOCESAN MISSION BOARD
YEAR ENDED JUNE 30, 2023**

	American Board of Catholic Mission Fund	Black & Indian Mission Fund	Extension Society
Operational subsidies, other:			
de l'Epee Deaf Center, Inc.	\$ 11,125	\$ -	\$ -
Biloxi Catholic Youth Ministry	3,885	2,250	-
Department of Education	8,300	-	-
Hispanic Ministry	19,665	-	12,000
Seminary and Vocations	30,580	-	37,000
Office of Religious Education	8,249	-	1,500
Mission Advancement	-	-	3,277
African American Ministries	1,000	2,500	-
Prison Ministry	3,667	-	-
Finance	-	-	2,224
Permanent Diaconate	7,531	-	10,000
Total other operational subsidies	<u>94,002</u>	<u>4,750</u>	<u>66,001</u>
Total deductions	<u>121,002</u>	<u>32,400</u>	<u>111,651</u>
<i>Funds administered balances June 30, 2023</i>	<u>\$ (9,604)</u>	<u>\$ 14,300</u>	<u>\$ 23,254</u>